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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Mayer Holdings Limited (the “**Company**”), you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sales or transfer was effected for transmission to the purchaser or the transferee.

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**美亞控股有限公司\***  
**MAYER HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1116)

**DISCLOSEABLE AND CONNECTED TRANSACTION**

**Financial Adviser to Mayer Holdings Limited**



**Independent financial adviser to the Independent Board Committee and  
the Independent Shareholders**



**WALLBANCK BROTHERS**  
**Securities (Hong Kong) Limited**

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A letter from the board of directors of the Company is set out from pages 4 to 8 of this circular. A letter from the independent board committee of the Company is set out on page 9 of this circular. A letter from the independent financial adviser containing its advice and recommendation to the independent board committee and the independent shareholders of the Company is set out from pages 10 to 21 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Room 501, 5/F., Aon China Building, 29 Queen’s Road Central, Hong Kong on Thursday, 25 March 2010 at 3:00 p.m. or any adjournment (as the case may be) is set out from pages 27 to 28 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting of the Company. Completion and return of the form of proxy shall not preclude you from attending and voting at the extraordinary general meeting of the Company should you so wish.

This circular will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company for at least 7 days from the date of its posting.

\* For identification purposes only

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## DEFINITIONS

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*In this circular, the following terms shall have the meanings set out below unless the context requires otherwise:*

“Agreement”	the agreement dated 21 January 2010 entered into between Guangzhou Mayer and Taiwan Mayer in respect of the Disposal
“Announcement”	the announcement of the Company dated 21 January 2010 in relation to the Disposal
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Mayer Holdings Limited (Stock code: 1116), a company incorporated in the Cayman Islands with limited liabilities and the shares of which are listed on the main board of the Stock Exchange
“Completion Date”	the date of completion of the Disposal
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the terms and conditions of the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve by the Independent Shareholders the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Guangzhou Mayer”	Guangzhou Mayer Corporation Limited, a company incorporated in the PRC and a non wholly-owned subsidiary of the Company
“Latest Practicable Date”	8 February 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Independent Board Committee”	the independent committee of the Board comprising the independent non-executive Directors, namely Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu, to advise the Independent Shareholders regarding the Disposal

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## DEFINITIONS

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“Independent Shareholders”	Shareholders other than Taiwan Mayer and its associates
“Independent Third Party(ies)”	third parties and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Sale Shares”	50% issued share capital of Vietnam Mayer as at the date of the Agreement
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan Mayer”	Mayer Steel Pipe Corporation, a company incorporated in Taiwan whose shares are listed on the Taiwan Stock Exchange Corporation, and the ultimate controlling shareholder of the Company
“Vietnam”	Socialist Republic of Vietnam
“Vietnam Mayer”	Vietnam Mayer Company Limited, a company incorporated in Vietnam with limited liability and an indirect non wholly-owned subsidiary of the Company
“Wallbank Brothers” or “Independent Financial Adviser”	Wallbank Brothers Securities (Hong Kong) Limited, a licensed corporation for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial advisor appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Disposal
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“USD”	US dollars, the lawful currency of the United States of America
“VND”	Vietnamese đồng, the lawful currency of Vietnam
“%”	per cent.

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## DEFINITIONS

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Unless otherwise specified in this circular, amounts denominated in USD or in RMB, or in VND have been converted, for the purpose of illustration only, into HK\$ as follows:

<i>HK\$7.8</i>	=	<i>USD1</i>
<i>HK\$1.135</i>	=	<i>RMB1</i>
<i>HK\$0.0004199</i>	=	<i>VND1</i>

*If there is any inconsistency between the Chinese names of the PRC entities mentioned in this circular and their English translations, the Chinese names shall prevail.*

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## LETTER FROM THE BOARD

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美亞控股有限公司\*  
**MAYER HOLDINGS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1116)**

*Executive Directors:*

Mr. Hsiao Ming-chih  
Mr. Lai Yueh-hsing,  
Mr. Lo Haw  
Mr. Cheng Dar-terng  
Mr. Chiang Jen-chin  
Mr. Lu Wen-yi

*Non-executive Director:*

Mr. Huang Chun-fa

*Independent non-executive Directors:*

Mr. Lin Sheng-bin  
Mr. Huang Jui-hsiang  
Mr. Alvin Chiu

*Registered office:*

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Principal Office in Hong Kong:*

Room 501, 5/F.  
Aon China Building  
29 Queen's Road Central  
Hong Kong

11 February 2010

*To the Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 21 January 2010 regarding the Disposal.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; (ii) the recommendation from the Independent Board Committee regarding the Disposal; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Disposal; and (iv) a notice of EGM at which resolution(s) will be proposed to consider and, if thought fit, approve the Disposal.

On 21 January 2010 (after trading hours), the Company entered into the Agreement with the Purchaser, pursuant to which the Company has agreed to dispose of and the Purchaser has agreed to acquire the Sale Shares, being 50% issued share capital of Vietnam Mayer, at a total consideration of USD2,100,000 (or its equivalent amount in HK\$16,380,000) (the "**Consideration**").

\* For identification purposes only

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## LETTER FROM THE BOARD

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### THE AGREEMENT

Set out below are the principal terms of the Agreement:

#### **Date:**

21 January 2010 (after trading hours)

#### **Parties involved:**

##### **Vendor**

Guangzhou Mayer, a non wholly-owned subsidiary of the Company

##### **Purchaser**

Taiwan Mayer, the ultimate controlling shareholder of the Company

#### **Assets to be disposed of:**

Pursuant to the Agreement, the Company has agreed to dispose of and the Purchaser has agreed to acquire the Sale Shares at the Consideration.

Vietnam Mayer is incorporated in Vietnam with limited liability and is an indirect non wholly-owned subsidiary of the Company. Vietnam Mayer is principally engaged in manufacturing and trading of stainless steel pipes in Vietnam.

As at the Latest Practicable Date, Guangzhou Mayer held 50% equity interest in Vietnam Mayer and the remaining equity interest in Vietnam Mayer was held by two Independent Third Parties as to 30% and 20% respectively.

Upon Completion, Vietnam Mayer will cease to be a subsidiary of the Company.

#### **The Consideration:**

The Consideration of USD2,100,000 (or its equivalent amount in HK\$16,380,000) is payable by the Purchaser to the Company within 30 business days upon the Completion Date in cash.

#### **Basis of the Consideration:**

The Consideration was determined between the Company and the Purchaser after arm's length negotiations and on normal commercial terms, with reference to (i) the net asset value ("NAV") of Vietnam Mayer as at 30 November 2009; and (ii) the capital injected into Vietnam Mayer by the Company of USD2,000,000 (equivalent to approximately HK\$15,600,000) in 2006 (the "Capital").

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## LETTER FROM THE BOARD

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Given that the Consideration represents a premium over both of (i) 50% of the “NAV of Vietnam Mayer of approximately VND73,154,973,930 (equivalent to approximately HK\$30,717,774) as at 30 November 2009”; and (ii) the Capital, the Directors consider that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

### Completion:

Completion of the Disposal shall take place after the completion of the relevant transfer and registration procedures by the Vendor.

### INFORMATION ON VIETNAM MAYER

Vietnam Mayer is principally engaged in manufacturing and trading of stainless steel pipes in Vietnam.

Set out below is a summary of the unaudited financial information on Vietnam Mayer for the 11 months ended 30 November 2009 and the audited financial information on Vietnam Mayer for the two years ended 31 December 2008 prepared in accordance with the relevant financial reporting standards:

	<b>For the 11 months ended 30 November 2009 (unaudited) VND</b>	<b>For the year ended 31 December 2008 (audited) VND</b>	<b>For the year ended 31 December 2007 (audited) VND</b>
<b>Consolidated Income Statement</b>			
Revenue	36,701,645,998	53,347,888,689	4,973,791,399
Net profit/(loss) before taxation	2,547,098,602	5,454,445,156	(261,067,729)
Net profit/(loss) after taxation	2,547,098,602	5,454,445,156	(261,067,729)
	<b>As at 30 November 2009 (unaudited) VND</b>	<b>As at 31 December 2008 (audited) VND</b>	<b>As at 31 December 2007 (audited) VND</b>
<b>Consolidated Balance Sheet</b>			
Total assets	91,028,672,008	61,758,878,557	50,636,237,917
Total liabilities	(17,873,698,078)	(1,119,561,230)	(3,779,365,746)
NAV	73,154,973,930	60,639,317,327	46,856,872,171



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## LETTER FROM THE BOARD

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### POSSIBLE FINANCIAL EFFECTS AND USE OF PROCEEDS

Based on the existing information available to the Company, the Directors estimated that the expected gain to be recorded in the Group's consolidated financial statements arising from the Disposal is approximately HK\$821,000, being the difference between the Consideration of approximately USD2,100,000 (or its equivalent amount in HK\$16,380,000) and the sum of (i) 50% of the "consolidated unaudited NAV of Vietnam Mayer of approximately VND73,154,973,930 (equivalent to approximately HK\$30,717,774)" based on the management accounts of Vietnam Mayer as at 30 November 2009; and (ii) the estimated expenses in relation to the Disposal of approximately HK\$200,000. The Directors consider that the asset position of the remaining Group will improve as a result of the Disposal and the Disposal will not have any material adverse effect on the turnover, profitability and the business operation of the remaining Group. The Company intends to apply the net proceeds from the Disposal of approximately HK\$16,180,000 as general working capital for the remaining Group.

It should be noted that the aforementioned estimations are for illustrative purpose only and do not purport to represent how the financial position of the remaining Group will be upon Completion.

### REASONS FOR THE DISPOSAL

The Group is principally engaged in manufacturing and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts for rental purposes.

As aforementioned, the Consideration represents a premium over both of (i) 50% of the "NAV of Vietnam Mayer of approximately VND73,154,973,930 (equivalent to approximately HK\$30,717,774) as at 30 November 2009"; and (ii) the Capital. In addition, in view of that the Disposal would allow the Company (i) to improve the unity of the business of the Group and Taiwan Mayer, given that the business of Taiwan Mayer is manufacturing and trading of steels pipes; while Guangzhou Mayer is mainly engaging in manufacturing and trading of steels sheet; and (ii) to allocate its resources on other business areas of the remaining Group in the future, the Directors consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Disposal is in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATION

Taiwan Mayer, the ultimate controlling shareholder of the Company, is a connected person of the Company under Rule 14A.11(1) of the Listing Rules. In addition, as the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Therefore, the Disposal contemplated under the Agreement constitutes a discloseable and connected transaction for the Company under Chapters 14 and 14A of the Listing Rules. The Disposal is subject to the reporting, announcement and Independent Shareholders' approval requirements of the Company under the Listing Rules.

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## LETTER FROM THE BOARD

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The Company will seek approval of the Independent Shareholders by way of poll on the entering into of the Agreement at the EGM. Since Taiwan Mayer is the ultimate controlling shareholder of the Company and has material interests in the Agreement, Taiwan Mayer and its associates, which are interested in a total of 200,000,000 Shares (represented approximately 34.72% of the Company's existing issued share capital as at the Latest Practicable Date), are required to abstain from voting on the relevant resolution(s) approving the Agreement for the Disposal at the EGM.

The EGM will be held to consider and, if thought fit, approve the ordinary resolution(s) in respect of the Agreement and the transactions contemplated thereunder.

### **EGM**

A notice convening the EGM to be held at Room 501, 5/F., Aon China Building, 29 Queen's Road Central, Hong Kong on Thursday, 25 March 2010 at 3:00 p.m. or any adjournment (as the case may be) is set out from pages 27 to 28 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time for holding the EGM or adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM should you so wish.

### **RECOMMENDATION**

Your attention is drawn to the letter from the Independent Board Committee set out on page 9 of this circular which contains its recommendation to the Independent Shareholders regarding the Disposal. Your attention is also drawn to the letter of advice from the Independent Financial Adviser set out from pages 10 to 21 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders regarding the Disposal, and the principal factors and reasons taken into account in arriving at its recommendation.

The Board considers that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders and the Shareholders to vote in favour of the relevant ordinary resolution(s) regarding the Disposal to be proposed at the EGM.

### **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendix of this circular.

For and on behalf of the Board  
**Mayer Holdings Limited**  
**Hsiao Ming-chih**  
*Chairman*

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LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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美亞控股有限公司\*  
MAYER HOLDINGS LIMITED  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1116)

11 February 2010

*To the Independent Shareholders,*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION**

We refer to the circular dated 11 February 2010 issued by the Company (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise the Independent Shareholders in relation to the Disposal. Wallbank Brothers has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We are of the view that the terms of the Agreement, after taking into account the advice of the Independent Financial Adviser as set out from pages 10 to 21 of the Circular, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and that the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Disposal.

Yours faithfully,  
For and on behalf of  
Independent Board Committee

**Mr. Lin Sheng-bin**  
*Independent non-executive  
Director*

**Mr. Huang Jui-hsiang**  
*Independent non-executive  
Director*

**Mr. Alvin Chiu**  
*Independent non-executive  
Director*

\* For identification purposes only

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Wallbanck Brothers, the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the Agreement and the transactions contemplated thereunder, for the purpose of incorporation into this circular.*



### WALLBANCK BROTHERS Securities (Hong Kong) Limited

2310, Tower 2, Lippo Centre,  
89 Queensway, Central,  
Hong Kong

11 February 2010

*To the independent board committee and  
the independent shareholders of  
Mayer Holdings Limited*

Dear Sirs,

#### **DISCLOSEABLE AND CONNECTED TRANSACTION: DISPOSAL OF 50% ISSUED SHARE CAPITAL OF VIETNAM MAYER**

#### **INTRODUCTION**

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular to the Shareholders dated 11 February 2010 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

It was announced on 21 January 2010 that on the same date, the Company entered into the Agreement with the Purchaser whereby the Company has agreed to dispose of and the Purchaser has agreed to acquire the Sale Shares in relation to the Disposal.

Pursuant to the Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares for a total consideration of USD2,100,000 (or its equivalent amount in HK\$16,380,000) payable by cash. The Sale Shares represent 50% of the entire issued share capital of Vietnam Mayer. As at the Latest Practicable Date, Guangzhou Mayer holds 50% equity interest in Vietnam Mayer and the remaining equity interest in Vietnam Mayer is held by two Independent Third Parties as to 30% and 20% respectively. Upon Completion, Vietnam Mayer will cease to be a subsidiary of the Company and the results thereof will no longer be consolidated into the financial statements of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable disposal for the Company under the Listing Rules. Taiwan Mayer, the ultimate controlling shareholder of the Company, is a connected person of the Company under Rule 14A.11 (1) of the Listing Rules. Therefore, the Disposal contemplated under the Agreement constitutes a discloseable and connected transaction for the Company under Chapters 14 and 14A of the Listing Rules.

An Independent Board Committee comprising Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu (all being independent non-executive Directors) has been established to (i) advise the Independent Shareholders as to whether the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Disposal is in the interests of the Company and the Shareholders as a whole; and (ii) advise the Independent Shareholders on how to vote in respect of the Disposal after taking into account the recommendation of an independent financial adviser appointed by the Company. We, Wallbank Brothers, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **BASIS OF OUR OPINION**

In formulating our opinion and recommendations, we have relied on the accuracy of the information, opinions and representations provided to us by the Directors and management of the Company, and have assumed that all information, opinions and representations contained or referred to in this circular were true and accurate at the time when they were made and will continue to be accurate at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made by the Directors in this circular were reasonably made after due enquiry. We have no reasons to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We consider that we have received sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in this circular to provide a reasonable basis for our opinions and recommendations. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in this circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In formulating our opinion, we have relied on the financial information provided by the Company, particularly, on the accuracy and reliability of financial statements and other financial data of the Company. We have not audited, compiled nor reviewed the said financial statements and financial data. We shall not express any opinion or any form of assurance on them. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. The Directors have also advised us that no material facts have been omitted from the information to reach an informed view, and we have no reason to suspect that any material information has been withheld. We have not carried out any feasibility study on any past, and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Company. Our opinion has been formed on the assumption that any analysis, estimation, forecast, anticipation, condition and assumption provided by the Company are valid and sustainable. Our opinions shall not be constructed as to give any indication to the validity, sustainability and feasibility of any past, existing and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Company.

In formulating our opinion, we have not considered the taxation implications on the Independent Shareholders arising from the Disposal as these are particular to the individual circumstances of each Shareholder. It is emphasized that we will not accept responsibility for any tax effect on or liability of any person resulting from his or her decision to the Disposal. In particular, the Independent Shareholders who are overseas residents or are subject to overseas taxation or Hong Kong taxation on securities dealings should consult their own tax positions, and if in any doubt, should consult their own professional advisers.

Our opinions are necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of, the Latest Practicable Date.

Our opinions are formulated only and exclusively for the purpose of the Disposal and shall not be used for any other purpose in any circumstance nor for any comparable purpose with any other opinions.

Our opinions are based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Disposal.

Our opinions are based on the Directors' confirmation of receipt of our advice that the Directors and the management of the Company are responsible to take all reasonable steps to ensure that the information and representations provided in any press announcement, circular and prospectus concerning the Disposal are true, accurate, complete and not misleading, and that no material information or facts have been omitted or withheld.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee in respect of the Agreement and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

#### 1) Financial information of the Company

##### a. Information on the Group

As stated in the Letter from the Board, the Group is principally engaged in manufacture and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts for rental purposes.

Table 1 below summarized the financial performance of the Group for the three years ended 31 December 2008 and the six months ended 30 June 2008 and 30 June 2009.

**Table 1: Financial performance of the Group**

	For the six months ended		For the year ended		
	30 June		31 December		
	2009	2008	2008	2007	2006
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(Unaudited)	(Unaudited and restated)	(Audited)	(Audited)	(Audited and restated)
Turnover	157,752	409,301	667,193	1,260,425	944,622
Gross profit	11,243	62,730	63,855	63,002	61,550
Gross profit margin (%)	7.13	15.33	9.57	5.00	6.52
Profit/ (Loss) before taxation	(5,796)	126,477	26,307	8,383	16,072
Profit/ (Loss) after taxation	(8,282)	105,860	10,548	5,277	13,646
	As at 30 June		As at 31 December		
	2009	2008	2007	2006	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	
	(Unaudited)	(Audited)	(Audited)	(Audited)	
Cash and cash equivalents	97,413	78,393	67,461	15,812	
Net assets	350,818	358,621	372,959	189,079	
Gearing ratio (net debt divided by total capital)	24.90%	34.91%	38.44%	53.07%	

*Source: the annual reports and interim results of the Group*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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For the year ended 31 December 2007, the Group recorded an audited consolidated turnover of approximately RMB1,260,425,000 representing an increase of approximately 33.43% from RMB944,622,000 for the financial year ended 31 December 2006. Profit after taxation amounted to approximately RMB5,277,000 for the year ended 31 December 2007, as compared to a profit of approximately RMB13,646,000 for the year ended 31 December 2006.

According to the annual report of the Company for the year ended 31 December 2007, the fall in profit was mainly attributable to (i) the growth rate of the purchasing costs of raw materials is higher than the selling prices of our products and (ii) the increase in finance costs paid during 2007 due to the increase in interest rates in the PRC.

The net assets of the Group as at 31 December 2007 was RMB372,959,000 (31 December 2006: RMB189,079,000), representing an increase of 97.25% as compared with that as at 31 December 2006. As at 31 December 2007, the Group's cash and cash equivalents totaled approximately RMB67,461,000 (31 December 2006: RMB15,812,000), representing an increase of approximately 326.64% from the same period ended 31 December 2006. The gearing ratio was 38.44% (expressed as net debt divided by total capital) as at 31 December 2007 (31 December 2006: 53.07%).

For the year ended 31 December 2008, the Group recorded an audited consolidated turnover of approximately RMB667,193,000 representing a decrease of approximately 47.07% from RMB1,260,425,000 of the year ended 31 December 2007. Profit after taxation increased to approximately RMB10,548,000 for the year ended 31 December 2008, as compared to the profit after taxation of approximately RMB5,277,000 for the year ended 31 December 2007.

According to the annual report of the Group for the year ended 31 December 2008, The Group recorded a gross profit of approximately RMB63,855,000 for 2008, with a gross profit margin of approximately 9.57%, compared with the gross profit of approximately RMB63,002,000 and a gross profit margin of approximately 5.00% for 2007. The gain in net profit was mainly attributable to a valuation gain on investment property of approximately RMB36,655,000.

The net assets of the Group as at 31 December 2008 was RMB358,621,000 (31 December 2007: RMB372,959,000), representing a decrease of 3.85% as compared with that as at 31 December 2007. As at 31 December 2008, the Group's cash and cash equivalents totaled approximately RMB78,393,000 (31 December 2007: RMB67,461,000), representing an increase of 16.20% against the balance as at 31 December 2007. The gearing ratio was 34.91% (net debt divided by total capital) as at 31 December 2008 (31 December 2007: 38.44%).

According to the interim report of the Group for the six months ended 30 June 2009, during the six months ended 30 June 2009, the Group recorded a turnover of approximately RMB157,752,000 (2008: RMB409,301,000), representing a decrease of approximately 61.46% as compared to the corresponding period in the prior year. The decrease in turnover was mainly due to the decrease in market demand and overall prices of steel products during the economic slowdown in the first half of 2009. Therefore, the management took measures under the steel business segment and immediately reduced costs, enhanced efficiency and adjusted its market strategy for the purpose of easing the current operating pressure and as a result, the total operating expenses were approximately RMB17,799,000 (2008: RMB26,950,000) representing a decrease of 33.96% as compared with that during the same period in 2008.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The net assets of the Group as at 30 June 2009 was RMB350,818,000 (31 December 2008: RMB358,621,000), representing a decrease of 2.18% as compared with that as at 31 December 2008. As at 30 June 2009, the Group's cash and cash equivalents totaled approximately RMB97,413,000 (31 December 2008: RMB78,393,000), representing an increase of 24.26% from the year ended 31 December 2008. The gearing ratio was 24.90% (expressed as net debt divided by total capital) as at 30 June 2009 (31 December 2008: 34.91%).

### b. Financial Information of Vietnam Mayer

As set out in the Letter from the Board, Vietnam Mayer was incorporated in Vietnam with limited liability and is an indirect non wholly-owned subsidiary of the Company. It is principally engaged in manufacturing and trading of stainless steel pipes in Vietnam.

Set out below is the summary of the audited financial statements of Vietnam Mayer for the two years ended 31 December 2008 and the financial information for the eleven months ended 30 November 2009 as extracted from the unaudited management accounts of Vietnam Mayer:

	For the 11 months ended 30 November 2009 (unaudited)	For the year ended 31 December 2008 (audited)	For the year ended 31 December 2007 (audited)
<b>Consolidated Income Statement</b>			
Revenue (VND)	36,701,645,998	53,347,888,689	4,973,791,399
HK\$ equivalent (approximately)	15,411,021	22,400,778	2,088,495
Net profit/(loss) before taxation (VND)	2,547,098,602	5,454,445,156	(261,067,729)
HK\$ equivalent (approximately)	1,069,527	2,290,322	(109,622)
Net profit/(loss) after taxation (VND)	2,547,098,602	5,454,445,156	(261,067,729)
HK\$ equivalent (approximately)	1,069,527	2,290,322	(109,622)
	As at	As at	As at
	30 November 2009 (unaudited)	31 December 2008 (audited)	31 December 2007 (audited)
<b>Consolidated Balance Sheet</b>			
Total assets (VND)	91,028,672,008	61,758,878,557	50,636,237,917
HK\$ equivalent (approximately)	38,222,939	25,932,553	21,262,156
Total liabilities (VND)	(17,873,698,078)	(1,119,561,230)	(3,779,365,746)
HK\$ equivalent (approximately)	(7,505,166)	(470,104)	(1,586,956)
NAV (VND)	73,154,973,930	60,639,317,327	46,856,872,171
HK\$ equivalent (approximately)	30,717,774	25,462,449	19,675,201

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As set out in the above table, the revenue of the Vietnam Mayer has increased by approximately 972.58% from approximately VND4,973,791,399 for the year ended 31 December 2007 to approximately VND53,347,888,689 for the year ended 31 December 2008. As advised by the Company, Vietnam started its business in late 2007; such increase in revenue was thus mainly attributable to the commencement of full operation of the business of Vietnam Mayer.

The total assets and NAV have increased from VND50,636,237,917 and VND46,856,872,171 respectively for the year ended 31 December 2007 to VND61,758,878,557 and VND60,639,317,327 respectively for the year ended 31 December 2008, and to VND91,028,672,008 and VND73,154,973,930 respectively for the eleven months ended 30 November 2009. That said, Vietnam Mayer witnessed a sharp surge in total liabilities as at 30 November 2009. We have made enquires with the Company and were given to understand that the liabilities was incurred in the normal course of business after the full operation of the business of Vietnam Mayer.

Vietnam Mayer recorded a loss of approximately VND261,067,729 for the year ended 31 December 2007 but reported a profit of approximately VND5,454,445,156 for the year ended 31 December 2008. However, it recorded a significant decrease in revenue from the year ended 31 December 2008 as VND53,347,888,689 to the eleven months ended 30 November 2009 as VND36,701,645,998 and in net profit from the year ended 31 December 2008 as VND5,454,445,156 to the eleven months ended 30 November 2009 as VND2,547,098,602, representing approximately a 31.20% and 53.30% decline from the year ended 31 December 2008. As set out in the interim report of the Group for the six months ended 30 June 2009, such loss was mainly due to the global economic slowdown and thus the decrease of selling prices and demand of steel products.

As advised by the Company, there is no inter-company loan between the Group and Vietnam Mayer.

The Board represents that commencing from the establishment of Vietnam Mayer till present, Taiwan Mayer, the ultimate controlling shareholder of the Company, has contributed benefits to Vietnam Mayer through the provision of production facilities and knowhow services and referral of client base to Vietnam Mayer. It is expected that upon completion of the Disposal, the said benefits are expected to be ceased.

### **2) Reasons for the Disposal**

The Group is principally engaged in the manufacture and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts.

According to the Letter from the Board, apart from the Disposal is at a premium on the NAV and Capital of Vietnam Mayer, it is the views of the Board that the Disposal would allow the Company to:

- (i) improve the unity of the business of the Group and Taiwan Mayer in view of that the business of Taiwan Mayer is manufacturing and trading of steel pipes; while Guangzhou Mayer is mainly engaging in manufacturing and trading of steels sheet; and
- (ii) allocate its resources on other business areas of the remaining Group in the future.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Against these backgrounds, we have made enquires with the Board as to the future business plan of the Group and were given to understand that the Group had intended to diversify its business into other areas and broaden its income source, for instance, the recent proposed acquisition of Maxipetrol HK announced on 9 December 2009, which will be principally engaged in petroleum exploitation and production in areas located in Argentina, at a consideration of HK\$1,264,000,000 satisfied by way of issuing promissory notes and convertible notes. Pending approval from shareholders, the Company desires to streamline its business scope and allow a more efficient allocation of resources to other areas which are expected to be more promising such as the petroleum sector.

According to the interim report for the year ended 30 June 2009, the economic downturn which swept across the world from late 2008 to the first half of 2009 has created immense pressure for the Group. Despite the financial easing and stimulus package introduced by the PRC, the demand for steel products has experienced no more than a slight rebound in the second quarter of 2009. From then onwards, the recurrent excess in production capacity has again led to an uncertainty in the demand of steel products. The Company considers that the steel business segment will continue to be affected by the economic slowdown, in particular the imbalance between demand and supply in the steel sector and the unstable prices in steel products. Coupled with this adversity is the business environment where Vietnam Mayer operates is expected to remain highly competitive.

Taking into account (i) the possible funding requirement of the Group to support the operation of other business such as Maxipetrol HK; (ii) the plentiful opportunities that may emerge in Taiwan following its governmental and economic reforms; and (iii) the deteriorating performance of Vietnam Mayer together with the uncertainty in the future business development, the Company considers that the Disposal would (1) enable the Company to carve out the business which remains affected by the economy slowdown and has an uncertain future development, and (2) avoid continual injection of working capital to sustain the operation of Vietnam Mayer thereby allowing the Group to capitalize on other investment opportunities which may be of greater growth potential.

In light of the above reasons, it is fair and reasonable for the Directors to hold the view that the Disposal is in the interests of the Company and the Independent Shareholders as a whole.

### **3) Review on basis of the Consideration**

#### **a. Comparison with NAV and Capital**

Pursuant to the Agreement, the Company has agreed to sell and Taiwan Mayer has agreed to acquire 50% equity interest in Vietnam Mayer at the consideration of USD2,100,000 (or its equivalent amount in HK\$16,380,000). Such consideration will be settled by cash.

As per the management accounts of Vietnam Mayer, the unaudited consolidated NAV of Vietnam Mayer amounted to approximately HK\$30,717,774 as at 30 November 2009. Accordingly, the consideration of approximately HK\$16,380,000 for 50% of the equity interest of Vietnam Mayer represents a premium of approximately 6.65% over 50% of the NAV at approximately HK\$15,358,887.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Furthermore, the Consideration represents a premium of approximately 5.00% over the Capital injected into Vietnam Mayer by the Company of USD2,000,000 (equivalent to approximately HK\$15,600,000) in 2006, which according to the Company represents the original acquisition cost for 50% equity interest in Vietnam Mayer.

In view of the fact that the Consideration represents a premium over both of (i) 50% of the NAV of Vietnam Mayer; and (ii) the Capital, the Disposal represents a good opportunity for the Company to realize its investment at a fair and reasonable price.

### **b. Industry Comparables**

In assessing the fairness and reasonableness of the Consideration, we have carried out market comparison for our analysis and applied the (i) price-to-book ratio (“**PBR**”) and (ii) price-to-earnings ratio (“**PER**”) to make comparisons for the Consideration. In this connection, reference is made to companies listed on the Stock Exchange which, to the best of our knowledge based on the information from the website of the Stock Exchange, are principally engaged in business similar to that of Vietnam Mayer, including but not limited to steel manufacturing and trading business and have reported profits for their respective latest financial year (the “**Comparables**”), details whereof are summarized in the table below.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Shareholders should note that the business, operation and prospect of the Company are not the same as the Comparables and we have not conducted any in-depth investigation into businesses and operations of the Comparables. They should therefore be taken as a general reference only.

Comparables (Stock Code)	Principal Business	PBR (times)	PER (times)
Maanshan Iron & Steel Company Limited (323)	Manufacture and sale of iron and steel products	1.18	43.20
Angang Steel Company Limited ( 347)	Production and sale of products including hot rolled sheets, cold rolled sheets, galvanized steel sheets, colour coating plates, silicon steel, medium and thick plates, wire rods, large steel products and seamless steel pipes	1.82	32.12
Shougang Concord International Enterprises Company Limited (697)	Manufacture and sale of steel products; vessel chartering and the leasing of floating cranes; trading of steel products; management services business	1.42	9.10
Chongqing Iron & Steel Company Limited (1053)	Manufacture and sale of steel products in PRC	0.77	7.27
Vietnam Mayer	Manufacture and trading of stainless steel pipes in Vietnam	1.07	14.22
		Maximum: 1.82 Minimum: 0.77 Average: 1.30	Maximum:43.20 Minimum: 7.27 Average: 22.92

Source: the Website of Stock Exchange

Note: Based on the financial results of the respective latest financial year and the respective closing share price on 21 January 2010 (being the date of the Agreement) of the Comparables.

### (i) PBR

The calculation of the PBR of Vietnam Mayer is based on the consideration of approximately HK\$16,380,000, representing 50% of the equity interest in Vietnam Mayer, and the unaudited consolidated NAV of Vietnam Mayer as at 30 November 2009 of approximately HK\$15,358,887 as calculated above. From the above table, the average PBR of the Comparables is approximately HK\$1.30 times with a range between approximately 0.77 times and 1.82 times. Therefore, the PBR of Vietnam Mayer falls within the range of the Comparables and is lower than the average of the Comparables.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **(ii) PER**

With reference to the consideration of approximately HK\$16,380,000 for 50% of the equity interest in Vietnam Mayer and the unaudited consolidated net profit after tax of Vietnam Mayer for the year ended 31 December 2008 of approximately VND5,454,445,156 (equivalent to approximately HK\$2,290,321.52), the PER of Vietnam Mayer is 14.22 times. The PER of the Comparables ranges from approximately 7.27 times to 43.20 times, with an average of approximately 22.92 times. The PER of Vietnam Mayer of approximately 14.22 times falls within the range and is lower than the average PER of the Comparables.

### **4) Financial Effect of the Disposal**

#### **(i) Net asset value**

As per the unaudited interim report of the Group for the six months ended 30 June 2009, the consolidated net asset value of the Group was approximately RMB\$350,818,000 as at 30 June 2009 (equivalent to approximately HK\$398,178,430). As advised by the Company, assuming Completion taken place on the same day, the net asset value of the Company would increase by approximately HK\$821,000, which is the amount of the net proceeds from the Disposal after deducting 50% of the NAV of Vietnam Mayer as at 30 November 2009, to HK\$398,999,430.

#### **(ii) Earnings**

As disclosed in the management accounts, the NAV of Vietnam Mayer stood at approximately VND73,154,973,930 (equivalent to approximately HK\$30,717,774) as at 30 November 2009. The NAV of 50% equity interest in Vietnam Mayer is therefore approximately HK\$15,358,887. On this basis and with reference to the net proceeds of approximately HK\$16,180,000 derived from the Disposal, as advised by the Company, the Company is expected to record an one-off gain of approximately HK\$821,000 upon Completion.

#### **(iii) Working capital**

As advised by the Company, the working capital of the Group is expected to increase by the amount of approximately HK\$16,180,000, being the net proceeds from the Disposal.

#### **(iv) Gearing**

Based on the interim report of the Group for the six months ended 30 June 2009, the gearing ratio of the Group was approximately 24.90% as at 30 June 2009 (which is expressed as net debt divided by total capital). As advised by the Company, upon completion of the Disposal, the Group will incur a net cash inflow of approximately HK\$16,180,000, which will reduce the gearing of the Group to approximately 21.70%.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 5) Recommendation

Having considered the above principal factors and reasons as discussed above and as summarized below:

- (i) the Disposal will enable the Company to streamline its business scope and allow a more efficient allocation of resources to other areas which are expected to be more promising such as the petroleum sector;
- (ii) the Disposal will enable the Company to carve out the business which is still affected by the economy slowdown and has an uncertain future development;
- (iii) the Disposal will avoid continual injection of working capital to sustain the operation of Vietnam Mayer and focus the Group's financial resources to other areas;
- (iv) the Consideration represents a premium over both of (i) 50% of the NAV of Vietnam Mayer and (ii) the Capital;
- (v) the PBR and PER of Vietnam Mayer of approximately 1.07 times and 14.22 times fall within the respective ranges of the Comparables; and
- (vi) the possible positive financial impacts on the Group.

Having considered the above principal factors and reasons and Directors' representations, on balance, we are of the opinion that in such circumstance the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the Disposal is in the interest of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, and also recommend the Independent Board Committee to advise the Independent Shareholders, to vote in favor of the resolution approving the Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,  
For and on behalf of  
**WALLBANCK BROTHERS**  
**Securities (Hong Kong) Limited**  
**Phil Chan**  
*Chief Executive Officer*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules are set out below:

#### Long positions in the share capital of Mayer Steel Pipe Corporation (“Taiwan Mayer”)

Name of director	Number of ordinary shares in Taiwan Mayer				Total	Approximate % of shareholding
	Personal	Family	Corporate	Other		
Mr. Lo Haw	254,108	1,099	12,316,726	–	12,571,933	6.73%
Mr. Cheng Dar-terng	–	360,000	2,675,000	–	3,035,000	1.63%
Mr. Chiang Jen-chin	6,003	–	–	–	6,003	0.00%

#### Long positions in the share capital of Guangzhou Mayer Corp., Ltd. (“Guangzhou Mayer”)

Name of director	Number of ordinary shares in Guangzhou Mayer				Total	Approximate % of total shareholding
	Personal	Family	Corporate	Other		
Mr. Lo Haw	–	–	12,800,000	–	–	6.40%



Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates, had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

**(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO**

As at the Latest Practicable Date, the register of substantial shareholders maintained under section 336 of the SFO, shown that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

**Long positions in the share capital of the Company**

<b>Name of Shareholder</b>	<b>Capacity</b>	<b>Number of Shares</b>	<b>Approximate percentage of shareholding</b>
Mayer Steel Pipe Corporation Mayer Corporation Development International Limited ( <i>Note 1</i> )	Beneficial owner	200,000,000	34.72%
Lee Kwok Leung ( <i>Note 2</i> ) Capital Wealth Finance Company Limited ( <i>Note 3</i> )	Beneficial owner	49,200,000	8.54%
	Beneficial owner	34,700,000	6.02%

*Note 1:* Mayer Corporation Development International Limited is wholly-owned by Mayer Steel Pipe Corporation, which is a listed company in Taiwan.

*Note 2:* Mr. Lee Kwok Leung indirectly holds 14,500,000 Shares through Stayever Group Limited and indirectly holds 34,700,000 Shares through Capital Wealth Finance Company Limited. He is deemed to be interested in the Shares held by both of Stayever Group Limited and Capital Wealth Finance Company Limited.

*Note 3:* Capital Wealth Finance Company Limited is wholly owned by Stayever Group Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had any other interests or short positions in the Shares or underlying Shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, each of the executive Directors had entered into a service agreement with the Company for an initial term of one year commencing from their respective dates of appointment and shall continue thereafter from year to year until and unless terminated by either party by giving the other party not less than three months' prior written notice.

As at the Latest Practicable Date, each of the non-executive Directors and independent non-executive Directors had entered into a service agreement with the Company for an initial term of one year commencing from their respective dates of appointment and shall continue thereafter from year to year until and unless terminated by either party by giving the other party not less than three months' prior written notice.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting had a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence in 2008 pursuant to Rule 3.13 of the Listing Rules and as at the Latest Practicable Date, the Company still considered the independent non-executive Directors to be independent.

### **4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors or proposed Directors, directly or indirectly, had any interest in any assets which had since 31 December 2008 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

There is no contract or arrangement subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant to the business of the Group.

## 5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder).

## 6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial and trading position of the Group since 31 December 2008 (being the date to which the latest published audited financial statements of the Group were made up) and up to the Latest Practicable Date.

## 7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Wallbank Brothers	a licensed corporation for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Wallbank Brothers has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name or opinion in the form and context in which it appears.

As at the Latest Practicable Date, Wallbank Brothers was not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Wallbank Brothers did not, directly or indirectly, had any interest in any assets which had since 31 December 2008 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**8. GENERAL**

- (i) The registered address of the Company is at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.
- (ii) The principal office in Hong Kong is at Room 501, 5/F., Aon China Building, 29 Queen's Road Central, Hong Kong.
- (iii) The share registrar and transfer agent of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iv) The company secretary of the Company is Mr. Chan Lai Yin, Tommy. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of American Institute of Certified Public Accountants. Mr. Chan has over 12 years of experience in the audit and account field. Prior to joining the Company, he held the posts of financial controller and company secretary of a listed company in Hong Kong.
- (v) In any event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the office of the Company at Room 501, 5/F., Aon China Building, 29 Queen's Road Central, Hong Kong during normal business hours up to and including the date of the EGM:

- (i) the memorandum and articles of association of the Company;
- (ii) the service agreements as referred to in the section headed "Directors' service contracts" in this appendix;
- (iii) the Agreement;
- (iv) the letter from the Independent Board Committee, the text of which is set out on page 9 of this circular;
- (v) the letter from the Independent Financial Adviser, the text of which is set out from pages 10 to 21 of this circular;
- (vi) the written consent from the Independent Financial Adviser as referred to in the section headed "Qualification and consent of expert" in this appendix;
- (vii) the annual reports of the Company for each of the financial years ended 31 December 2007 and 31 December 2008 and the interim report of the Company for the six months ended 30 June 2009; and
- (viii) this circular.

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## NOTICE OF EGM

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**美亞控股有限公司\***  
**MAYER HOLDINGS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1116)**

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “EGM”) of Mayer Holdings Limited (the “Company”) will be held at Room 501, 5/F., Aon China Building, 29 Queen’s Road Central, Hong Kong on Thursday, 25 March 2010 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution (with or without modifications) by way of poll as ordinary resolution of the Company:

### ORDINARY RESOLUTION

**“THAT**

- (i) the agreement dated 21 January 2010 (the “**Agreement**”) entered into between Guangzhou Mayer Corporation Limited and Mayer Steel Pipe Corporation (“**Taiwan Mayer**”), pursuant to which Mayer Holdings Limited has agreed to dispose of and the Taiwan Mayer has agreed to acquire the sale shares, being 50% issued share capital of Vietnam Mayer Company Limited, a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification, the transactions contemplated under the Agreement and the implementation thereof be and are hereby approved, confirmed and ratified; and
- (ii) any one director of the Company be and is hereby authorized to do all such acts and things on behalf of the Company as they may consider necessary or expedient in his absolute discretion to implement the Agreement or any matters contemplated thereunder.”

For and on behalf of the Board  
**Mayer Holdings Limited**  
**Hsiao Ming-chih**  
*Chairman*

Hong Kong, 11 February 2010

*Registered office:*  
P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*  
Room 501, 5/F.  
Aon China Building  
29 Queen’s Road Central  
Hong Kong

\* For identification purposes only

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## NOTICE OF EGM

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*Notes:*

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, in the event of a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be completed and returned in accordance with the instructions printed thereon.
3. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.
4. The resolutions will be voted by way of poll.
5. As at the date thereof, the executive directors of the Company are Mr. Hsiao Ming Chih, Mr. Lai Yueh-hsing, Mr. Lo Haw, Mr. Cheng Dar-terng, Mr. Chiang Jen-chin and Mr. Lu Wen-yi; the non-executive director of the Company is Mr. Huang Chun-fa; and the independent non-executive directors of the Company are Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu.