建美集團有限公司*

MAE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 851)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

The board of directors (the "Board") of MAE Holdings Limited (the "Company"), announces the interim results of the Company and its subsidiaries (together the "Group") for the six months ended 31 October 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 October

		Unaudited	
		Year ended	Year ended
		2007	2006
	Note	***HK$'000***	*HK$'000*
TURNOVER	2	**11,280**	14,071
Cost of sales		**(24,436)**	(21,542)
Gross loss		**(13,156)**	(7,471)
Other revenue		**8,366**	26
Selling and distribution costs		**(801)**	(2,148)
Administrative and operating expenses		**(9,211)**	(11,952)
		(10,012)	(14,100)
LOSS FROM OPERATIONS	3	**(14,802)**	(21,545)
Finance costs		**(2,837)**	(862)
Gain on disposal of subsidiaries		**202**	—
LOSS BEFORE INCOME TAX		**(17,437)**	(22,407)
Income tax	4	**—**	—
LOSS FOR THE PERIOD		**(17,437)**	(22,407)
DIVIDENDS		**—**	—
LOSS PER SHARE	5		
Basic		**(HK$0.16)**	(HK$0.40)
Diluted		**—**	—

* *for identification purpose only*

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	Unaudited 31 October 2007 *HK$'000*	Audited 30 April 2007 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,875**	6,267
Deferred costs		**—**	251
		1,875	6,518
CURRENT ASSETS			
Inventories		**2,217**	8,353
Trade and other receivables	*6*	**9,078**	5,111
Cash and bank balances		**7,684**	2,204
		18,979	15,668
CURRENT LIABILITIES			
Bank overdrafts — secured		**—**	3,001
Trade and other payables	*7*	**8,989**	26,718
Obligations under finance leases		**—**	302
Borrowings	*8*	**20,011**	42,217
		29,000	72,238
NET CURRENT LIABILITIES		**(10,021)**	(56,570)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(8,146)**	(50,052)
NON-CURRENT LIABILITIES			
Convertible bonds	*9*	**(44,088)**	(2,409)
NET LIABILITIES		**(52,234)**	(52,461)
CAPITAL AND RESERVES			
Share capital		**14,367**	6,395
Reserves		**(66,601)**	(58,856)
TOTAL EQUITY		**(52,234)**	(52,461)

Notes:

1. Basis of preparation

This unaudited interim financial statements has been prepared in accordance with the requirements of the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The same accounting policies and basis of preparation adopted in the Group's year ended 30 April 2007 audited annual financial statements have been applied to the period ended 31 October 2007 interim financial statements.

2. Segment information

Business segments
For the six months ended 31 October

	Electrical products		Adaptors and transformers		Others		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover — external	**8,773**	3,788	**2,007**	6,922	**500**	3,361	**11,280**	14,071
Segment result	**(3,312)**	(2,445)	**(7,824)**	(2,831)	**(1,420)**	(3,953)	**(12,556)**	(9,229)
Unallocated corporate income							**8,366**	26
Unallocated corporate expenses							**(10,612)**	(12,342)
Loss from operations							**(14,802)**	(21,545)
Finance costs							**(2,837)**	(862)
Gain on disposal of subsidiaries							**202**	—
Loss for the period							**(17,437)**	(22,407)

Geographical segments
For the six months ended 31 October

	Turnover by geographical market	
	2007	2006
	HK$'000	*HK$'000*
Japan	**1,627**	3,367
North America	**356**	4,228
PRC, including Hong Kong	**8,184**	4,437
Europe and others	**1,113**	2,039
	11,280	14,071

3. Loss from operations

The Group's loss from operations is arrived at after charging

	Unaudited	
	2007	2006
	HK$'000	*HK$'000*
Amortization of deferred costs	**57**	105
Depreciation of property, plant and equipment		
Owned	**1,089**	1,864
Under finance leases obligations	**—**	159
and after crediting:		
waives of loan and interest from former Shareholders *(note)*	**7,828**	—

Note: As disclosed in the circular of the Company dated 21 June 2007, the Company has repaid the former shareholder HK$45,000,000 as full settlement of loan provided. The former shareholder waived the balances of loan and interest on the amount in excess of HK$45,000,000.

4. Income tax

No provision for Hong Kong profits tax has been made in the financial statements as the Group does not have any assessable profits for the period (2006: Nil).

No provision for People's Republic of China (the "PRC") enterprise income tax has been made in the financial statements as the PRC subsidiary incurred a tax loss for the period (2006: Nil).

5. Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the consolidated loss for the period of approximately HK$17,437,000 (2006: approximately HK$22,407,000) and the weighted average of 109,218,876 ordinary shares (2006: 55,727,567 ordinary shares) in issue during the period.

(b) Diluted Loss per Share

Diluted loss per share for the period ended 31 October 2007 and 2006 have not been disclosed as the potential ordinary shares outstanding during the year had an anti-dilutive effect on the basic loss for the period.

6. Trade and other receivables

	Note	**Unaudited 31 October 2007** *HK$'000*	Audited 30 April 2007 *HK$'000*
Trade receivables	*a*	**7,044**	1,933
Prepayments, deposits and other receivables		**2,034**	3,178
		9,078	5,111

a) Included in trade and other receivables are trade receivables (net of impairment losses for bad and doubtful debts) with the following ageing analysis:

	Unaudited 31 October 2007 *HK$'000*	Audited 30 April 2007 *HK$'000*
0 — 90 days	**6,998**	1,456
91 — 180 days	**3**	69
Over 180 days	**43**	408
	7,044	1,933

The Group allows an average credit period of 0 day to 90 days to its trade customers.

7. Trade and other payables

	Note	Unaudited 31 October 2007 HK$'000	Audited 30 April 2007 HK$'000
Trade payables	a	**3,785**	6,781
Bills payable — secured		**—**	6,149
Due to a related company		**—**	1,006
Other payables and accruals		**5,204**	12,782
		8,989	26,718

a) Included in trade and other payables are trade payables with the following ageing analysis:

	Unaudited 31 October 2007 HK$'000	Audited 30 April 2007 HK$'000
0 — 90 days	**2,218**	2,110
91 — 180 days	**3**	355
Over 180 days	**1,564**	4,316
	3,785	6,781

8. Borrowings

	Interest-bearing		Non interest-bearing		Total	
	Unaudited 31 October 2007	Audited 30 April 2007	Unaudited 31 October 2007	Audited 30 April 2007	Unaudited 31 October 2007	Audited 30 April 2007
Other loans						
— unsecured	**20,011**	42,067	**—**	150	**20,011**	42,217

9. Convertible Bonds

	HK$'000
Liability component of existing bonds at 1 May 2007	2,409
Principal amount of new convertible bonds issued	51,600
Initial recognition of equity component of new convertible bonds	(9,766)
Conversion of existing bonds into the Company's new ordinary shares	(117)
Accrued interest capitalized	(38)
Liability component of total bonds at 31 October 2007	44,088

During the period under review, the existing bonds with an aggregate principal amount of HK$1,227,000 were converted into the Company's new 9,721,209 ordinary shares and no part of the new bonds was converted into the Company's ordinary shares.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group underwent a period of rationalization. Faced with continued challenges, the Group, led by a team of newly appointed management, took the necessary corrective measures to streamline the operations and, as a result, narrowed the losses. The business environment for the Group remained anything but favorable, due particularly to the shortage of labor in Southern China and the persistently high prices of copper and fuel. The Group is conducting constructive investigations into new development opportunities, including possibly those involving asset acquisitions, which offer solid prospects, so that the optimization of shareholders' returns is ensured.

Financial Results

During the period under review, the business of manufacturing and trading of adaptor and transformers continues to shrink as the products that we offered were not as competitive as others in terms of cost and design. The Company due to limitation of resources did not input much investment on research and development on new product line. Overhead costs of running the manufacturing plant were increasing. Insufficient production volume restricts the Company from increasing the gross profit margin. We see that the business environment in the adaptors and transformers manufacturing was getting worse and such business cannot create further value for the shareholders. However, the Company has introduced a new department engaged in trading of audio related product components and the Company expected that such new trading business could stabilize the revenue base of the Company.

During the period, we recorded a turnover of HK$11,280,000 represented a decrease of 20% as compared with last corresponding period.

The gross loss for the period was HK$13,156,000 (2006: HK$7,471,000) and the net loss for the period was HK$17,437,000 (2006: HK$22,407,000).

The basic loss per share was HK$0.16 (2006: HK$0.40).

Interim Dividend

The Board does not recommend the payment of any interim dividend (2006: Nil)

Issue of Shares and Convertible Bonds and Conversion of Convertible Bonds

During the period ended 31 October 2007, the Company issued 70,000,000 new shares at a price of HK$0.12 per share and New Convertible Bonds with an aggregate principal amount of HK$51,600,000 with a conversion price of HK$0.12 per Bond.

During the period ended 31 October 2007, the Existing Convertible Bonds with an aggregate principal amount of HK$1,227,000 were converted in the Company's new 9,721,209 ordinary shares.

Liquidity and Financial Resources

The Group financed its operation with internally generated cash flow, medium term loan and banking facilities, and the proceeds from the issuance of shares and convertible bonds. As at 31 October 2007, the Group had current assets of approximately HK$18,979,000 (2006: approximately HK$28,916,000) and current liabilities of approximately HK$29,000,000 (2006: approximately HK$26,187,000). The Group's current ratio (currents assets over current liabilities) decreased to 65% (2006: 92%). The Group's transactions are mainly denominated in Hong Kong dollars and United States dollars. As Hong Kong dollars is pegged to United State dollars, the Group's exposure to exchange rate fluctuations is minimal.

Acquisition and Disposal of Material Subsidiaries

The Group did not acquire or dispose of any material subsidiaries during the period under review. During the period under review, the Group disposed dormant subsidiaries at profit of HK$202,000.

Employees and Remuneration Policies

As at 31 October 2007, the Group employed approximately 16 employees in Hong Kong. Remuneration policies are reviewed regularly and maintained at competitive level with the market. In addition to basic salary, discretionary bonuses, mandatory provident fund and medical insurance scheme, share options may also be granted to eligible employees which are at the discretion of the board and are based on the performance of the individual employees as well as the Group.

Contingent Liabilities

The Company has given guarantee to a bank to secure facilities granted to its subsidiary. At the balance sheet date, the subsidiary has wholly settled all outstanding balance due to the bank and the guarantee remains effective until January 2008. The directors do not consider it probable that a claim will be made against the Company under any of the guarantees.

The Company has not recognized any deferred income in respect of the guarantee as their fair value cannot be reliably measured and their transaction price is Nil.

Subsequent to the balance sheet date, the Inland Revenue Department of Hong Kong issued additional assessment of HK$4,605,000 to the Company's subsidiary. The subsidiary formally objected to the additional assessment. The directors considered that no provision is required.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Board has complied with the code provisions set out in Appendix 14 of the Codes on Corporate Governance Practices under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the period ended 31 October 2007 except for the deviations from Code Provisions A.2.1 which will be elaborated below.

There is no separation of the role of Chairman ("Chairman") and chief executive officer ("CEO") as set out in the code provision A.2.1. Mr. Ko Chun Shun, Johnson currently assumes the role of both the Chairman and the CEO of the Company as the Company cannot identify any suitable candidate to be the CEO of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers ("Model Code") set out in the Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code during the period.

AUDIT COMMITTEE

An audit committee is established by the Company to review and supervise the Group's financial reporting process and internal controls. Members of the Audit Committee consists of the three independent non-executive directors, Mr. Tang Ho Sum, Mr. Yuen Kin and Mr. Liu Tsun Kie. The unaudited financial results for the period ended 31 October 2007 have been reviewed by the Audit Committee.

DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Ko Chun Shun, Johnson (Chairman and executive director), Mr. Wong Siu Kang (executive director). Messrs. Tang Ho Sum, Yuen Kin and Liu Tsun Kie (each of whom is an independent non-executive director).

By Order of the Board
Ko Chun Shun, Johnson
Chairman

Hong Kong, 18 January 2008