建美集團有限公司*
MAE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 851)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2008

The board of directors (the "Board") of MAE Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 April 2008, together with the comparative figures for 2007. The consolidated results have been reviewed by the Company's audit committee.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April 2008

	Notes	2008 HK$'000	2007 HK$'000
TURNOVER	4	**35,395**	26,396
COST OF SALES		**(48,387)**	(50,255)
GROSS LOSS		**(12,992)**	(23,859)
Other revenue	5	**620**	551
Other income	5	**9,912**	—
Selling and distribution costs		**(1,773)**	(3,963)
Administrative and operating expenses		**(30,714)**	(23,625)
LOSS FROM OPERATIONS		**(34,947)**	(50,896)
FINANCE COSTS	6(a)	**(5,299)**	(3,776)
GAIN ON DISPOSAL OF SUBSIDIARIES	7	**4,432**	—
LOSS BEFORE TAXATION	6	**(35,814)**	(54,672)
INCOME TAX	8	**(5,287)**	—
LOSS FOR THE YEAR		**(41,101)**	(54,672)
Dividends		—	—
LOSS PER SHARE	9		
Basic		**(HK$0.32)**	(HK$0.95)
Diluted		—	—

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET

As at 30 April 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,080**	6,267
Deferred costs		—	251
		1,080	6,518
CURRENT ASSETS			
Inventories		—	8,353
Trade and other receivables	*10*	**15,781**	5,111
Cash and cash equivalents		**15,728**	2,204
		31,509	15,668
CURRENT LIABILITIES			
Bank overdrafts, secured		—	3,001
Trade and other payables	*11*	**37,837**	26,718
Obligations under finance leases		—	302
Other borrowings, unsecured		**20,966**	42,217
Current taxation		**5,287**	—
Convertible bonds		**1,279**	—
		(65,369)	(72,238)
NET CURRENT LIABILITIES		**(33,860)**	(56,570)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(32,780)**	(50,052)
NON-CURRENT LIABILITIES			
Convertible bonds		**(43,118)**	(2,409)
NET LIABILITIES		**(75,898)**	(52,461)
CAPITAL AND RESERVES			
Share capital	*12*	**14,367**	6,395
Reserves		**(90,265)**	(58,856)
TOTAL EQUITY		**(75,898)**	(52,461)

NOTES TO THE FINANCIAL STATEMENTS

1. General information

MAE Holdings Limited was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Group is located in Unit 3902, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

2. Summary of significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 April 2008 comprise the Company and its subsidiaries (together referred to as the "Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that certain assets and liabilities are stated at their fair values. For the purposes of presenting the consolidated financial statements, the Group adopted Hong Kong dollars as its presentation currency, which is also the functional currency of the Group.

In preparing the financial statements, the directors of the Company have given careful consideration to the liquidity of the Group and its ability to meet its ongoing obligations in light of its financial position as at 30 April 2008. At the balance sheet date, the Group had consolidated net liabilities of approximately HK$75,898,000 and consolidated net current liabilities of approximately HK$33,860,000.

Notwithstanding going concerns and liquidity concerns arising from the consolidated net current liabilities as at 30 April 2008, the financial statements have been prepared on the assumption that the Group will continue to operate as a going concern in the foreseeable future. In the opinion of directors, the liquidity of the Group can be maintained in the coming year, after taking into account several measures adopted and to be adopted subsequent to the balance sheet date as further detailed below:

(i) The Group's management has prepared a cash flow forecast for the eighteen months period ending 31 October 2009. Based on the cash flow forecast, the directors are of the opinion that the Group will be able to generate cash flows from its operations;

(ii) Mr. Ko Chun Shun, Johnson has committed to provide adequate funds for the Group to meet its liabilities as they fall due. Mr. Ko is the controlling shareholder of Prime Sun Group Limited ("Prime Sun"), the major shareholder of the Company;

(iii) The directors are planning to adopt various cost control measures to reduce various general and administrative and other operating expenses.

In the opinion of the directors, in light of the measures adopted, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, the directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to achieve the above and fail to continue in business as a going concern, adjustments would have to be made to restate the values of the assets to their immediate recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(c) Changes in accounting policies

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, *Financial instruments: Disclosures* and the amendment to HKAS 1, *Presentation of financial statements*: *Capital disclosures*, there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, *Financial instruments: Disclosure and presentation*.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and processes for managing capital.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial instruments.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Segment information

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business Segments

The Group comprises the following main business segments:

(a) Electrical products: the manufacture and trading of electrical products.

(b) Adaptor and transformers: the manufacture and trading of adaptors and transformers.

(c) Other products: the manufacture and trading of other products.

	Electrical products		**Adaptors and transformers**		**Other products**		**Consolidated**	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover – external	**30,828**	10,503	**2,007**	14,672	**2,560**	1,221	**35,395**	26,396
Segment result	**(3,919)**	(7,102)	**(8,556)**	(11,181)	**(1,907)**	(5,661)	**(14,382)**	(23,944)
Interest income							**253**	26
Unallocated corporate expenses							**(20,818)**	(26,978)
Operating loss							**(34,947)**	(50,896)
Finance costs							**(5,299)**	(3,776)
Gain on disposal of subsidiaries							**4,432**	—
Income tax							**(5,287)**	—
Loss for the year							**(41,101)**	(54,672)

	Electrical products		Adaptors and transformers		Other products		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS								
Segment assets	**15,863**	7,072	**2,102**	7,571	**211**	2,161	**18,176**	16,804
Unallocated corporate assets							**14,413**	5,382
Consolidated total assets							**32,589**	22,186
LIABILITIES								
Segment liabilities	**19,540**	8,756	**18,791**	10,814	**137**	999	**38,468**	20,569
Unallocated corporate liabilities							**70,019**	54,078
Consolidated total liabilities							**108,487**	74,647

Geographical Segments

The Group's customers are principally located in Japan, the People's Republic of China (the "PRC"), North America and Europe.

In presenting information on the basis of geographical segments, segments revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

	Japan		North America		PRC, including Hong Kong		Europe		Others		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customer	**1,627**	5,838	**356**	7,422	**32,299**	10,035	**1,113**	3,048	**—**	53	**35,395**	26,396
Carrying amount of segment assets	**—**	—	**—**	—	**32,589**	22,186	**—**	—	**—**	—	**32,589**	22,186
Addition to property, plant and equipment and deferred costs	**—**	—	**—**	—	**379**	538	**—**	—	**—**	—	**379**	538

4. Turnover

The principal activities of the Group are manufacturing and trading of electrical products, adaptors and transformers and other products.

Turnover represents the sales value of goods supplied to customers. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2008	2007
	HK$'000	*HK$'000*
Sales of:		
Electrical products	**30,828**	10,503
Adaptors and transformers	**2,007**	14,672
Other products	**2,560**	1,221
	35,395	26,396

5. Other revenue and other income

	2008	2007
	HK$'000	*HK$'000*
Other revenue		
Interest income	**253**	26
Others	**367**	525
	620	551
Other income		
Waive of debt and interest by former substantial shareholder	**7,834**	—
Gain on disposal of property, plant and equipment	**2,078**	—
	9,912	—

6. Loss before taxation

Loss before taxation is arrived at after charging/(crediting) the following:

	2008	2007
	HK$'000	*HK$'000*
(a) Finance costs:		
Interest on bank advances wholly repayable within five years	**224**	640
Interest on other borrowings wholly repayable within five years	**5,045**	3,079
Finance charges on obligations under finance leases	**30**	57
Total interest expense on financial liabilities not at fair value through profit or loss	**5,299**	3,776

	2008	2007
	HK$'000	*HK$'000*
(b) Staff costs (including directors' remuneration):		
Contributions to defined contribution retirement plans	**138**	440
Salary, wages and other benefits	**8,038**	20,534
	8,176	20,974
(c) Other items:		
Auditor's remuneration	**560**	453
Cost of inventories sold	**33,649**	28,474
Depreciation		
— owned assets	**1,192**	2,388
— assets held under finance leases	**75**	176
Operating leases in respect of land and buildings	**2,503**	6,423
Less: Sub-letting income	**—**	(420)
	2,503	6,003
Amortisation of deferred costs	**57**	201
Impairment loss on trade receivables	**15,878**	1,932
(Gain)/loss on disposal of property, plant and equipment	**(2,078)**	591
Deferred cost written off	**194**	24
Write down of inventories to net realisable value	**6,762**	7,066
Net foreign exchange loss	**886**	339
Property, plant and equipment written off	**3,661**	—

7. Gain on disposal of subsidiaries

Net assets/ (liabilities) disposal of:

	2008
	HK$'000
Property, plant and equipment	**644**
Deferred costs	**—**
Trade and other receivables	**871**
Cash and cash equivalents	**68**
Trade and other payables	**(5,378)**
Amounts due to Group	**(339,617)**
	(343,412)
Write-off of amounts due from subsidiaries	**337,415**
Translation reserve realised	**1,565**
Gain on disposal of subsidiaries	**4,432**
Total consideration — satisfied by cash	**—**

Net outflow of cash and cash equivalents arising on disposal of subsidiaries:

Cash consideration	**—**
Cash and cash equivalents disposed of	**(68)**
Net outflow of cash and cash equivalents	**(68)**

8. Income tax

Income tax in the consolidated income statement represents:

	2008	2007
	HK$'000	*HK$'000*
Under provision in respect of prior years		
Hong Kong	**5,287**	—

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 years ended 30 April 2008 and 2007.

The amount represents under-provision of Hong Kong profits tax in the book of a major operating subsidiary for the year of assessment 2001/02. During the year, the IRD has issued an additional assessment for this subsidiary on the reason that manufacturing services fee and management fee paid by this subsidiary to several group companies for the year ended 30 April 2001 should be disallowable.

On 27 February 2008, the Financial Secretary of the Government of Hong Kong Special Administrative Region announced the 2008-09 Budget which proposes the corporation profits tax rate will be lowered from 17.5% to 16.5% with effect from the year of assessment 2008-09 and an one-off reduction of 75% of the financial tax for the year of assessment 2007-08 subject to a ceiling of HK$25,000 for each company.

No provision for PRC enterprise income tax has been made in the financial statements as the PRC subsidiary incurred a tax loss up to the date of disposal (2007: HK$Nil).

9. Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the consolidated loss for the year of HK$41,101,000 (2007: HK$54,672,000) and the weighted average number of 128,125,189 ordinary shares (2007: 57,402,368 ordinary shares) in issue during the year.

(b) Diluted loss per share

Diluted loss per share for the years ended 30 April 2008 and 2007 have not been disclosed as the potential ordinary shares outstanding during the year had an anti-dilutive effect on the basic loss per share for the year.

10. Trade and other receivables

		The Group	
	Note	**2008**	2007
		HK$'000	*HK$'000*
Trade receivables		**20,306**	7,132
Less: allowance for doubtful debts		**(7,008)**	(5,199)
	(a)	**13,298**	1,933
Prepayments, deposits and other receivables		**2,483**	3,178
		15,781	5,111

All of the trade and other receivables, apart from rental and other deposits, are expected to be recovered or recognised as expense within one year.

(a) Ageing analysis

Trade receivables are generally granted with credit terms ranging from 0 to 90 days. Included in trade and other receivables are trade receivables net of allowance for doubtful debts of HK$7,008,000 (2007: HK$5,199,000) with the following ageing analysis as of the balance sheet date:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
0 – 90 days	**13,298**	1,456
91 – 180 days	—	69
Over 180 days	—	408
	13,298	1,933

11. Trade and other payables

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Trade payables	**32,478**	6,781
Bills payable, secured	—	6,149
Other payables and accruals	**5,359**	12,782
Due to a related company	—	1,006
	37,837	26,718

The amount due to a related company was unsecured, non-interest bearing and had no fixed terms of repayment.

All of the trade and other payables are expected to be settled within one year.

An ageing analysis of trade payables as at the balance sheet date is as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
0 – 90 days	**19,540**	2,110
91 – 180 days	—	355
Over 180 days	**12,938**	4,316
	32,478	6,781

12. Share capital

Authorized and issued share capital

	2008		2007	
	No. of shares	***HK$'000***	*No. of shares*	*HK$'000*
Authorized:				
Ordinary shares of HK$0.1 each	**2,000,000,000**	**200,000**	2,000,000,000	200,000
Ordinary share, issued and fully paid:				
At 1 May	**63,947,156**	**6,395**	55,578,985	5,558
Shares issued under exercise of convertible bonds	**9,721,209**	**972**	8,368,171	837
Shares issued under placement	**70,000,000**	**7,000**	—	—
At 30 April	**143,668,365**	**14,367**	63,947,156	6,395

During the year, the Company had the following movements in the share capital:

(a) During the year, a total of 9,721,209 ordinary shares per value HK$0.1 each of the Company were issued as a result of the conversions of 4.5% convertible bond with an aggregate principal amount of HK$1,227,700.

(b) Shares issued under placement

On 20 April 2007, the Company had entered into the subscription agreement with Prime Sun (as amended by a supplemented agreement dated 16 May 2007) pursuant to which Prime Sun has conditionally agreed to subscribe for 70,000,000 new shares at a price of HK$0.12 per share. The new ordinary shares of HK$0.1 each were issued on 16 July 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and financial results

During the year ended 30 April 2008, the Group's manufacturing business has experienced significant changes. It had lost certain major customers during the year, and since October 2007, it had not generated further sales. In light of loss of significant revenues, escalating operational and overhead costs, the strengthening of the Renminbi and new PRC government policy regarding labor law, the Group has strived to curtail the losses from this operation and has shifted its focus on finding new revenues and on exploring new business developments, with the aim of improving its financial health, growth and financial returns.

As part of its rationalization and consolidation plan, the Group achieved success in finding new sources of revenue and sales order in the trading of electrical products. Although the margin of such business is low, it carries correspondingly low overhead costs, especially when compared to the traditional manufacturing business. The sales and profit contribution from the new found focus has lent to improve the financial performance of the Group this year.

The turnover for electrical products was HK$30,828,000 (2007: HK$10,503,000) and represented an increase of 194% in comparison with last year. The increase has been a direct result of the new found sales orders and customers since the joining of the new management.

The turnover for adaptors and transformers recorded HK$2,007,000 (2007: HK$14,672,000) and represent a decrease of 86% in comparison with last year. The significant reduction has been attributable to the loss of major customers in this sector over the year.

Turnover of other products consisted of manufacture and sale of plastics, moulding and electronic assembly services and trading of copper concentrate. Turnover from this segment recorded at HK$2,560,000 compared to HK$1,221,000 as recorded last year, an increase of 110%. Turnover of this segment is expected to improve as the level and operation of trading of copper concentrate matures and become established.

The gross loss for the year has been significantly narrowed to HK$12,992,000 (2007: HK$23,859,000) and the net loss for the year reduced to HK$41,101,000 (2007: 54,672,000). This in turn helped reduce the basic loss per share to HK$0.32 (2007: HK$0.95).

Final dividend

The Board does not recommend the payment of any dividend (2007: Nil).

Prospects

The Group has introduced new management team to formulate new business strategy and direction. The new management team will review and take appropriate steps to streamline and restructure the Group's existing operations to cope with the future challenge, this will involve further divestment of subsidiaries that are loss making and are not aligned with future business and corporate objectives of the Group. The Group will seek for good business acquisition opportunities with high growth potential in order to broaden the Group's revenue base. The Group may also raise more funding to strengthen the capital base for future acquisitions.

Liquidity and financial resources

The Group financed its operation with internally generated cash flow, banking facilities, loan facility from a former major shareholder and funds from issuance of shares and convertible bonds. As at 30 April 2008, the Group had current assets of approximately HK$31,509,000 (2007: HK$15,668,000) and current liabilities of approximately HK$65,369,000 (2007: HK$72,238,000). The Group's current ratio (current assets over current liabilities) increased to 48% (2007: 22%).

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.

During the year, the Group has raised HK$60,000,000 as a result of the subscriptions of 70,000,000 new shares at a price of HK$0.12 per share by Prime Sun and new convertible note of HK$51,600,000 by Grand Promise Enterprises Limited.

Disposal of subsidiaries

During the year, as part of the Group's rationalization measures, subsidiaries that were dormant and/or non-strategic to the Group's future plans and objectives were disposed of, realising a gain on disposal of HK$4,432,000.

Employees and remuneration policies

As at 30 April 2008, the Group employed approximately 9 employees, all situated 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, medical insurance scheme and 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 employee as well as the Group.

Contingent liabilities

Save as disclosed in the notes to the consolidated financial statements for the year, the Group had no contingent liabilities as at 30 April 2008.

Scope of work of CCIF CPA Limited

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 April 2008 have been agreed by the Group's auditors, CCIF CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 April 2008. The work performed by CCIF CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standard on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCIF CPA Limited on the preliminary announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors, Mr. Liu Tsun Kie, Mr. Tang Ho Sum and Mr. Yuen Kin. Mr. Yuen Kin is the chairman of the audit committee. The audit committee has adopted the terms and references which are in line with the Code on Corporate Governance Practices. The audit committee has reviewed the Group's annual results for the year ended 30 April 2008.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 30 April 2008, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions in the Code on Corporate Governance Practices set out in Appendix to the Listing Rules, except with the following deviation.

Code Provision A.2.1

There was 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. This is a temporary arrangement and the Board is actively seeking a suitable candidate to assume the role of the CEO of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

APPRECIATION

The Board wishes to take this opportunity to express gratitude to our employees for their contribution and dedication to the Group. We also thank our shareholders, customers and suppliers for their continuous support.

By order of the Board
Ko Chun Shun, Johnson
Chairman

Hong Kong, 25 August 2008

As at the date of this announcement, the board of directors of the Company comprised 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).