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建美集團有限公司*
MAE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 851)

**PLACING OF EXISTING SHARES
AND
TOP-UP SUBSCRIPTION OF NEW SHARES**

Financial Adviser



結好融資有限公司
GET NICE CAPITAL LIMITED

Placing Agent



結好投資有限公司
GET NICE INVESTMENT LIMITED

On 17 February 2005, the Vendor entered into the Placing Agreement and the Top-Up Subscription Agreement with the Placing Agent and the Company respectively. Pursuant to the Placing Agreement, the Vendor agreed to place, through the Placing Agent an aggregate of 400,000,000 existing Shares, on a fully underwritten basis, to not fewer than six placees (being independent individual, corporation and/or institutional investors to be identified by the Placing Agent and who will be independent third parties not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or associates of any of them), at a price of HK\$0.016 per Share. Pursuant to the Top-Up Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 400,000,000 new Shares at a price of HK\$0.016 per Share.

The Placing Shares (or the Top-Up Subscription Shares) of 400,000,000 Shares represent approximately 9.80% of the Company's existing issued share capital and approximately 8.92% of its issued share capital as enlarged by the Top-Up Subscription.

The Placing Price (or the Top-Up Subscription Price) of HK\$0.016 represents (i) a discount of approximately 15.79% to the closing price of the Shares of HK\$0.019 quoted on the Stock Exchange on 17 February 2005, being the date of the Placing Agreement; (ii) a discount of approximately 9.09% to the average closing price of the Shares of HK\$0.0176 quoted on the Stock Exchange for the five consecutive trading days immediately prior to 17 February 2005; and (iii) a discount of approximately 8.57% to the average closing price of the Shares of HK\$0.0175 quoted on the Stock Exchange for the ten consecutive trading days immediately prior to 17 February 2005.

The gross proceeds from the Top-Up Subscription will be HK\$6.4 million and net proceeds from the Top-Up Subscription of approximately HK\$6.23 million will be used as general working capital of the Group.

The Placing is unconditional. The Top-Up Subscription is conditional, among other things, (1) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares and (2) completion of the Placing.

PLACING AGREEMENT DATED 17 FEBRUARY 2005

Parties Involved:

The Placing Agent and the Vendor

Placing Agent and Placees:

Get Nice Investment Limited and its ultimate beneficial owners are and the Placees and their ultimate beneficial owners, being independent individual, corporation and/or institutional investors to be identified by the Placing Agent, will be independent third parties not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or associates of any of them.

The Placing Shares will be placed to not less than six Placees. It is expected that none of the Placees will become substantial shareholder of the Company immediately after the Placing.

Number of Placing Shares:

The Placing Shares (or the Top-Up Subscription Shares) of 400,000,000 Shares represent approximately 9.80% of the Company's existing issued share capital and approximately 8.92% of its issued share capital as enlarged by the Top-Up Subscription.

Placing Price:

The Placing Price (or the Top-Up Subscription Price) of HK\$0.016 represents (i) a discount of approximately 15.79% to the closing price of the Shares of HK\$0.019 quoted on the Stock Exchange on 17 February 2005, being the date of the Placing Agreement; (ii) a discount of approximately 9.09% to the average closing price of the Shares of HK\$0.0176 quoted on the Stock Exchange for the five consecutive trading days immediately prior to 17 February 2005; and (iii) a discount of approximately 8.57% to the average closing price of the Shares of HK\$0.0175 quoted on the Stock Exchange for the ten consecutive trading days immediately prior to 17 February 2005.

The Placing Price was negotiated on arm's length basis among the Company, the Vendor and the Placing Agent. To the extent the Top-Up Subscription Price equals to the Placing Price, the Directors consider that the Placing Price is fair and reasonable based on current market conditions and in the interest of the Company and its shareholders as a whole. The gross proceeds from the Placing is HK\$6.4 million.

The net price per Placing Share is approximately HK\$0.0156.

Underwriting commission payable to the Placing Agent:

The Placing is fully underwritten by the Placing Agent with underwriting commission calculated as 1.75% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

Condition of the Placing

The Placing is unconditional.

THE TOP-UP SUBSCRIPTION AGREEMENT DATED 17 FEBRUARY 2005

Parties Involved:

The Company and the Vendor

The Top-Up Subscription Price:

The Top-Up Subscription Price is HK\$0.016 per Share. The Top-Up Subscription Price is the same to the Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Placing Price of the Placing Shares.

Number of Top-Up Subscription Share:

The number of Top-Up Subscription Shares is equivalent to the number of Placing Shares, being 400,000,000 Shares.

Ranking of Top-Up Subscription Shares:

The Top-Up Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing issued Shares.

Conditions of the Top-Up Subscription:

The Top-Up Subscription is conditional upon:

1. the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, all of the Top-Up Subscription Shares;
2. completion of the Placing; and
3. if required, the Bermuda Monetary Authority granting or agreeing to grant permission to allot, issue and subsequent transfer of the Top-Up Subscription Shares pursuant to the Top-Up Subscription.

The Top-Up Subscription Agreement does not provide either party the rights to waive the above conditions. However, to the best knowledge of the Directors, the approval from the Bermuda Monetary Authority as referred in condition (3) above is not required.

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Top-Up Subscription Shares.

General Mandate:

The Top-Up Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the Company's special general meeting held on 31 January 2005. As at the date hereof, no Shares have been issued and allotted under such general mandate. The Top-Up Subscription will utilize approximately 48.97% of the Shares to be issued and allotted pursuant to this general mandate.

Completion:

Under the Listing Rules, the Top-Up Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 3 March 2005.

In the event that the conditions to the Top-Up Subscription Agreement are not fulfilled by 3 March 2005, the Company and the Vendor may elect, subject to compliance with all requirements in relation to connected transactions under the Listing Rules, to postpone completion of the Top-Up Subscription to a later date to be agreed between the Company and the Vendor.

USE OF PROCEEDS

The Company's principal activity is investment holding with its subsidiaries are mainly engaged in the manufacture and sale of professional audios, musical instruments, home appliances, electrical adaptors, transformers and related accessories, plastic moulds and electric products.

The gross proceeds from the Top-Up Subscription will be HK\$6.4 million and the net proceeds from the Top-Up Subscription (after deducting the underwriting commission for the Placing and other related expenses) of approximately HK\$6.23 million will be used as general working capital for the purchase of raw materials by the Group for business expansion in Original Design Manufacturing home appliance products and electrical manufacturing services in musical equipment and sound reinforcement business of the Group. The Directors confirm that the net proceeds from the Top-up Subscription are not intended to be used in any specific or identified projects.

Taking into account of the Group's tight liquidity position (an unaudited net current liabilities of the Group of approximately HK\$4 million as at 31 October 2004 as set out in the Company's interim report 2004/2005) in the coming months and the above business expansion and considering the lower costs and shorter time involved in the Placing and the Top-Up Subscription when compared with other means of fund raising exercises such as rights issue or open offer, the Directors believe the Placing and the Top-Up Subscription is the most appropriate method as they can enhance the capital base of the Company, thereby broadening the Company's shareholders base while leaving the debt position of the Group intact. On this basis, the Directors consider that a dilution effect of approximately 8.92% resulting from the Placing and Top-Up Subscription is fair and reasonable to the Company and the Shareholders as a whole.

FUND RAISING DURING THE PAST 12 MONTHS

Description	Announcement date	Net Amount raised	Date of mandates granted	Intended use of proceeds as announced	Actual use of proceeds
Placing of 500,000,000 Shares	1 March 2004	HK\$10.7 million	26 September 2003	General working capital for the purchase of raw materials used in the production of finished goods of the Group	Fully utilized in May 2004 to August 2004 as intended
Placing of 550,000,000 Shares	12 October 2004	HK\$6.42 million	24 September 2004	General working capital for the purchase of raw materials for business expansion in Original Design Manufacturing home appliance products and electrical manufacturing services in musical equipment and sound reinforcement business of the Group	Fully utilized in October 2004 to November 2004 as intended

Top-up placing of 130,640,000 Shares	23 December 2004	HK\$1.99 million	24 September 2004	General working capital for the purchase of raw materials used in the production of finished goods of the Group	Fully utilized in December 2004 to January 2005 as intended
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The interest of the independent shareholders of the Company as of the date before the above three placings exercises conducted by the Company will be diluted from 65.15% to 42.18% after the completion of the Placing and the Top-Up Subscription. Given the tight liquidity position of the Group as mentioned above and the lower cost of fund raising by means of placings, the Directors consider these various placing exercises are in the interest of the Company and its shareholders as a whole despite of such dilution effects.

SHAREHOLDING STRUCTURE

	As at the date of this announcement		Immediately after completion of the Placing but before the Top-Up Subscription		After completion of the Placing and the Top-Up Subscription	
	Shares	%	Shares	%	Shares	%
Mr. Lo Wai Shing, Felix (Note 1)	835,500,000	20.46	435,500,000	10.66	835,500,000	18.63
The Placees	–	–	400,000,000	9.80	400,000,000	8.92
Public	3,248,340,000	79.54	3,248,340,000	79.54	3,248,340,000	72.45
Total	<u>4,083,840,000</u>	<u>100.0</u>	<u>4,083,840,000</u>	<u>100.0</u>	<u>4,483,840,000</u>	<u>100.0</u>

Notes:

- The 835,500,000 Shares represent directors' interest held through HK Sky Entertainment Holdings Limited of which Mr. Lo Wai Shing, Felix, an executive Director, holds 100% of the equity shares of the company. Out of the 835,500,000 Shares, 648,600,000 Shares were pledged by Mr. Lo Wai Shing, Felix to Karl Thomson Credit Limited for financing HK Sky Entertainment Holdings Limited. HK Sky Entertainment Holdings Limited do not have any dealings in the Company's shares before the Placing and Top-Up Subscription save that its shareholding in the Company had been diluted from 28.78% to 24.55%, from 24.55% to 21.13% and from 21.13% to 20.46% by the Company's two previous placings and top-up placing as announced by the Company on 1 March 2004, 12 October 2004 and 23 December 2004 respectively.
- To the best knowledge of the Directors, other than HK Sky Entertainment Holdings Limited, there are no other substantial shareholders and connected persons of the Company holding Company's shares.

GENERAL

As at the date hereof, the Company has no intention to make any announcement of the Group's interim or final results.

Get Nice Capital Limited, the financial adviser to the Placing and Top-Up Subscription, does not have any conflict of interest in the Placing and Top-Up Subscription.

DEFINITIONS

In the announcement, the following expressions have the meanings set out below unless the context otherwise requires.

"associate(s)"	has the meaning ascribed in the Listing Rules
"Board"	the board of Directors
"Business Day"	any day (excluding a Saturday) on which banks generally open for business in Hong Kong
"Company"	MAE Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of 400,000,000 existing Shares beneficially owned by the Vendor at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Get Nice Investment Limited, a deemed licensed corporation within the meaning of the SFO, who and whose ultimate beneficial owners are independent third parties not connected with the directors, chief executive or substantial shareholder of the Company or any of its subsidiaries or associates of any of them
“Placing Agreement”	the placing agreement entered into between the Vendor and the Placing Agent dated 17 February 2005 in relation to the Placing
“Placing Price”	HK\$0.016 per Shares
“Placing Shares”	400,000,000 existing Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-Up Subscription”	the subscription of 400,000,000 new Shares pursuant to the terms of the Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	the subscription agreement between the Vendor and the Company dated 17 February 2005 in relation to the Top-Up Subscription
“Top-Up Subscription Price”	HK\$0.016 per Shares
“Top-Up Subscription Shares”	a total of 400,000,000 new Shares to be subscribed by the Vendor pursuant to the Top-Up Subscription Agreement
“Vendor”	HK Sky Entertainment Holdings Limited, an investment holding company incorporated in Hong Kong with limited liability in which Mr. Lo Wai Shing, Felix, the Chairman of the Board and an executive Director, holds 100% of the issued share capital
“HK\$”	Hong Kong dollars
“%”	per cent.

By order of the Board
MAE Holdings Limited
Lo Wai Shing, Felix
Chairman

Hong Kong, 17 February 2005

As at the date of this announcement, the Board comprises Mr. Lo Wai Shing Felix, Mr. Lau Kevin and Ms. Leung Wai Kuen Cerene as executive Directors, and Mr. Yeong Yun Hong Gary, Mr. Chu Chin Fan and Ms. Yan Po Kwan as independent non-executive Directors.

** For identification purpose only*

Please also refer to the published version of this announcement in The Standard.