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Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	MAE ENGINEERING LTD
Company Registration No.	197401961C
Announcement submitted on behalf of	MAE ENGINEERING LTD
Announcement is submitted with respect to *	MAE ENGINEERING LTD
Announcement is submitted by *	Barbara Seng Suet Shee
Designation *	Company Secretary
Date & Time of Broadcast	28-Jan-2007 15:45:26
Announcement No.	00002

>> Announcement Details
 The details of the announcement start here ...

Announcement Title * (1) NOTICE OF ASSIGNMENT BY BINTAI KINDEN CORPORATION BERHAD ("BKCB") IN RELATION TO THE ASSIGNMENT OF TOTAL AMOUNTS OWING BY MAE ENGINEERING LTD AND ITS SUBSIDIARIES ("MAE GROUP") TO BINTAI KINDEN CORPORATION BERHAD ("BKCB") AND ITS SUBSIDIARIES ("BKCB GROUP") AS AT 30 NOVEMBER 2006 ("THE RECEIVABLES"); (2) SIGNING OF SUBSCRIPTION AGREEMENT DATED 27 JANUARY 2007 WITH DESA KONSEP SDN BHD

Description

Attachments:  AnnouncementDebtConversion26Jan07.pdf
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MAE ENGINEERING LTD
(Incorporated in the Republic of Singapore)
[Company Registration No. 197401961C]

- (1) **NOTICE OF ASSIGNMENT BY BINTAI KINDEN CORPORATION BERHAD ("BKCB") IN RELATION TO THE ASSIGNMENT OF TOTAL AMOUNTS OWING BY MAE ENGINEERING LTD AND ITS SUBSIDIARIES ("MAE GROUP") TO BKCB AND ITS SUBSIDIARIES ("BKCB GROUP") AS AT 30 NOVEMBER 2006 (THE "RECEIVABLES")**

 - (2) **SIGNING OF SUBSCRIPTION AGREEMENT DATED 27 JANUARY 2007 WITH DESA KONSEP SDN BHD**
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The Company wishes to announce that it had received notice from BKCB of its intention on 8 December 2006, to assign the BKCB Group's Receivables from the Company to a third party.

The Company also wishes to announce that it had received a formal Notice of Assignment from BKCB that BKCB had entered into a Deed of Assignment dated 24 January 2007 with Desa Konsep Sdn Bhd ("**Desa**"), whereby BKCB assigned absolutely to the Assignee all the BKCB Group's rights, interest and entitlements in relation to the Receivables pursuant to which the BKCB Group were entitled to receive cash or cash equivalent payments, including (without limitation) all moneys whatsoever payable by the MAE Group to the BKCB Group under the Receivables up to and as at 30 November 2006 (including interest) amounting to the sum of S\$11,700,000.00 (the "**Outstanding Amount**").

The Company is pleased to announce that after subsequent negotiations with Desa, it had on 27 January 2007 signed a Subscription Agreement with Desa (the "**Subscription Agreement**") whereby the Company shall fully and finally settle the Outstanding Amount by way of the issuance and allotment of 68,700,000 new shares ("**New Shares**") in the share capital of the Company (pursuant to the power conferred on the Directors by the shareholders of the Company under section 161 of the Companies Act, Chapter 50 at the Annual General Meeting of the Company held on 29 July 2006) at the issue price of S\$0.1703 for each New Share ("**Issue Price**"), on terms and subject to the conditions of the Subscription Agreement. The Issue Price of S\$0.1703 represents a discount of less than 10% to the weighted average price of the Company's shares traded on the SGX-SESDAQ on the market day preceding the date on which the Subscription Agreement was signed.

The New Shares represent approximately 8.2% of the issued and paid up share capital of the Company as at the date of this announcement.

The Subscription Agreement and the completion of the transactions set out therein are conditional on amongst other things, the approval of the board of Directors of the Company being obtained in respect of the Subscription Agreement and the approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") being obtained in respect of the listing and quotation of the New Shares on the Stock Exchange of Singapore Dealing and Automated Quotation System ("**SGX-SESDAQ**").

The New Shares shall be issued and allotted to Desa in one or more tranches until all the New Shares have been issued to Desa at the latest by 30 September 2007.

The New Shares shall be issued pursuant to the private placement exemption set out in Section 272B of the Securities and Futures Act, Chapter 289.

Based on the announced unaudited accounts of the Company and its subsidiaries (the "Group") as at 30 September 2006, if the 68,700,000 New Shares are issued in full, the issued and paid-up share capital of the Company as at 30 September 2006 will increase approximately 8.3% from S\$44,389,000 to S\$56,089,000 and the number of ordinary shares will increase from 830,090,120 shares to 898,790,120 shares. The net tangible assets per Share of the Company will increase from (1.17) cents per share to 0.21 cents per share.

The resultant increase in the share capital of the Company arising from the Subscription Agreement and the entire elimination of the Outstanding Amount originally owing to the BKCB Group is expected to strengthen substantially the financial position of the MAE Group.

None of the Directors or substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in the above debt conversion between Desa and the Company.

The Company will be submitting an application to the SGX-ST for the listing and quotation of the New Shares as soon as all relevant approvals are obtained.

BY ORDER OF THE BOARD OF DIRECTORS
MAE ENGINEERING LTD

Ong Puay Koon
Managing Director & Chief Executive Officer
28 January 2007