Sun East Technology (Holdings) Limited
日 東 科 技（控 股）有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock code: 365)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2007

ANNUAL RESULTS

The Board of directors (the "Directors") of Sun East Technology (Holdings) Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2007 together with comparative figures for the previous corresponding year as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2007

	Notes	**2007** ***HK$'000***	2006 *HK$'000*
REVENUE	*4*	**500,426**	458,296
Cost of sales		**(424,114)**	(406,520)
Gross profit		**76,312**	51,776
Other income	*4*	**3,971**	3,396
Selling and distribution costs		**(25,591)**	(24,575)
Administrative expenses		**(45,384)**	(59,372)
Other operating expenses		**(8,593)**	(8,406)
Finance costs	*5*	**(1,513)**	(1,975)
Share of profits of:			
Jointly-controlled entity		**1,606**	952
Associate		**20**	20
PROFIT/(LOSS) BEFORE INCOME TAX	*6*	**828**	(38,184)
Income tax credit	*7*	**1,369**	1,004
PROFIT/(LOSS) FOR THE YEAR		**2,197**	(37,180)

	Notes	2007 HK$'000	2006 HK$'000
EARNINGS/(LOSS) PER SHARE	8		(Restated)
– Basic		**HK0.49 cent**	(HK8.73) cents
– Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**143,064**	139,895
Investment properties		**2,350**	2,020
Prepaid land lease payments		**6,900**	6,752
Intangible assets		**467**	5,967
Interests in jointly-controlled entity		**9,676**	5,570
Interests in associate		**1,030**	1,010
Other receivables		**–**	1,850
Total non-current assets		**163,487**	163,064
CURRENT ASSETS			
Inventories		**112,908**	94,958
Trade and bill receivables	9	**112,159**	95,713
Prepayments, deposits and other receivables		**8,646**	23,470
Taxes recoverable		**71**	206
Pledged cash and bank balances		**2,110**	2,000
Cash and cash equivalents		**77,827**	70,742
Total current assets		**313,721**	287,089

	Notes	2007 HK$'000	2006 HK$'000
CURRENT LIABILITIES			
Trade and bill payables	10	**93,502**	84,528
Other payables and accruals		**49,049**	41,737
Interest-bearing bank and other borrowings		**17,628**	21,201
Taxes payable		**19,206**	22,011
Total current liabilities		**179,385**	169,477
NET CURRENT ASSETS		**134,336**	117,612
TOTAL ASSETS LESS CURRENT LIABILITIES		**297,823**	280,676
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**690**	6,778
Deferred tax liabilities		**5,432**	3,896
Total non-current liabilities		**6,122**	10,674
Net assets		**291,701**	270,002
EQUITY			
Share capital		**52,500**	37,500
Reserves		**239,201**	232,502
Total equity		**291,701**	270,002

Notes:

1. BASIS OF PREPARATION

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

2 ADOPTION OF NEW AND AMENDED HKFRS

From 1 April 2006, the Group have adopted all the new and amended HKFRSs which are first effective on 1 April 2006 and relevant to the Group. The adoption of these HKFRSs has resulted in changes in the Group's accounting policies on financial guarantee contracts.

Amendments to HKAS 39 Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts

The amendments to HKAS 39 require an entity to account for certain financial guarantee contracts in accordance with that standard. To comply with the requirements of the amended HKAS 39, the Group has adopted a new accounting policy to recognise financial guarantee contracts. On initial recognition, these contracts are measured at fair value and they are subsequently stated at the higher of:

– the amount initially recognised less where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies; and

– the amount of the obligation under the contract, as determined in accordance with HKAS 37 "Provision, Contingent Liabilities and Contingent Assets" ("HKAS 37").

Prior to this new accounting policy, the Group disclosed the financial guarantees issued as contingent liabilities in accordance with HKFRS 4 "Insurance Contracts" and HKAS 37. Provisions for the Group's liabilities under the financial guarantee contracts were made when it was more likely than not that the guaranteed party would default and the Group would incur outflow of resources embodying economic benefits.

This new accounting policy has been applied retrospectively to the extent that the financial guarantee contracts were in existence at 1 April 2005. The adoption of this new accounting policy had no material impact on the results and financial positions for the current or prior accounting years.

Other than the above, the adoption of these new and amended HKFRSs did not result in significant changes in the Group's and Company's accounting policies but gave rise to additional disclosures.

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the production lines and production equipment segment consists of the design, manufacture and sale of production lines and production equipment; and

(b) the brand name production equipment segment consists of the trading and distribution of brand name production equipment.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2007 and 2006.

Group

	Production lines and production equipment		Brand name production equipment		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**316,925**	293,879	**183,501**	164,417	**500,426**	458,296
Other revenue – external	**2,261**	2,577	**–**	–	**2,261**	2,577
Total	**319,186**	296,456	**183,501**	164,417	**502,687**	460,873
Segment results	**(26,426)**	(57,586)	**25,431**	19,586	**(995)**	(38,000)
Interest and unallocated income					**1,710**	819
Finance costs					**(1,513)**	(1,975)
Share of profits of:						
Jointly-controlled entity	**1,606**	952	**–**	–	**1,606**	952
Associate	**20**	20	**–**	–	**20**	20
Profit/(loss) before income tax					**828**	(38,184)
Income tax credit					**1,369**	1,004
Profit/(loss) for the year					**2,197**	(37,180)

(a) **Business segments (Continued)**

Group

	Production lines and production equipment		**Brand name production equipment**		**Consolidated**	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**379,337**	353,097	**83,815**	86,976	**463,152**	440,073
Interests in jointly-controlled entity	**9,676**	5,570	**–**	–	**9,676**	5,570
Interests in associate	**1,030**	1,010	**–**	–	**1,030**	1,010
Unallocated assets					**3,350**	3,500
Total assets					**477,208**	450,153
Segment liabilities	**87,819**	75,259	**48,157**	50,623	**135,976**	125,882
Unallocated liabilities					**49,531**	54,269
Total liabilities					**185,507**	180,151
Other segment information:						
Depreciation and amortisation	**21,034**	20,820	**–**	–	**21,034**	20,820
Capital expenditure	**13,410**	6,970	**–**	–	**13,410**	6,970
Capital injection to jointly-controlled entity	**2,500**	–	**–**	–	**2,500**	–
Provision for impairment of trade receivables	**7,041**	7,458	**–**	–	**7,041**	7,458
Write down of inventories to net realisable value	**1,297**	3,838	**–**	–	**1,297**	3,838
Loss on disposal of items of property, plant and equipment	**546**	2,477	**–**	–	**546**	2,477

(b) Geographical segments

The following table presents revenue for the Group's geographical segments.

Segment revenue:

	2007	2006
	HK$'000	*HK$'000*
Hong Kong	**74,470**	78,190
Mainland China	**378,762**	341,409
Europe (principally Spain and Germany)	**20,742**	12,195
Others (principally Japan and Singapore)	**26,452**	26,502
	500,426	458,296

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and capital injection to jointly-controlled entity, analysed by the geographical area in which the assets are located.

	Segment assets		Capital expenditures	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	**232,397**	193,631	**10,923**	2,868
Mainland China	**241,118**	248,921	**2,487**	4,102
Europe (principally Spain and Germany)	**11**	3,092	**–**	–
Others (principally Japan and Singapore)	**3,682**	4,509	**2,500**	–
	477,208	450,153	**15,910**	6,970

4. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the year.

An analysis of revenue and other income is as follows:

	2007	2006
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**500,426**	458,296
Other income		
Bank interest income	**1,627**	819
Gross rental income from investment properties	**83**	83
Service income	**872**	843
Others	**1,389**	1,651
	3,971	3,396

5. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest on bank loans	**1,421**	1,836
Interest on finance leases	**92**	139
	1,513	1,975

6. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is arrived at after charging/(crediting):

	2007	2006
	HK$'000	*HK$'000*
Cost of inventories sold	**346,522**	334,133
– including write-down of inventories to net realisable value	**1,297**	3,838
Depreciation	**15,374**	15,162
Minimum lease payments under operating leases in respect of leasehold land and buildings	**1,565**	1,576
Auditors' remuneration	**900**	1,500
Staff costs (including directors' remuneration and retirement scheme contribution)	**57,298**	56,931
Amortisation of technical know-how*	**5,500**	5,500
Amortisation of prepaid land lease payments	**160**	158
Provision for impairment of trade receivables	**7,041**	7,458
Loss on disposals of property, plant and equipment	**546**	2,477
Foreign exchange loss, net	**144**	76
Changes in fair value of an investment property	**(330)**	(80)

* Amortisation of technical know-how of approximately HK$5,500,000 (2006: approximately HK$5,500,000) has been included in cost of sales on the face of the consolidated income statement.

7. INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the prevailing rate of taxes based on existing legislation, interpretations and practices.

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current – Hong Kong		
Tax for the year	**19**	3,349
Overprovision in prior years	**(266)**	–
Deferred tax	**1,343**	681
Income tax expense	**1,096**	4,030
Current – Mainland China		
Tax for the year	**46**	–
Overprovision in prior years	**(2,511)**	(5,034)
Income tax credit	**(2,465)**	(5,034)
Total income tax credit	**(1,369)**	(1,004)

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share amount is based on the net profit for the year of approximately HK$2,197,000 (2006: net loss of approximately HK$37,180,000) attributable to equity holders of the Company, and the weighted average number of 449,754,373 (2006: 425,775,000 as restated) ordinary shares in issue during the year, as adjusted to reflect the rights issue during the year.

There has been no dilutive effect on the basic earnings per share for the year ended 31 March 2007 and 2006 as the exercise prices of the outstanding share options were higher than the average market price of the Company's shares during the year.

9. TRADE AND BILL RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The normal credit period by the Group to its customers, each of which has a maximum credit limit, ranges from 30 to 180 days. The Group has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade and bill receivables balance as at the balance sheet date, based on the invoice date and net of provisions, is as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 90 days	**73,447**	49,017
91 to 120 days	**4,809**	7,931
121 to 180 days	**7,789**	8,340
181 to 360 days	**15,072**	19,970
Over 360 days	**11,042**	10,455
	112,159	95,713

Included in the Group's trade and bill receivables are amounts due from the Group's jointly-controlled entity and associate of HK$3,057,000 (2006: HK$5,265,000) and HK$10,000 (2006: HK$10,000), respectively, which are unsecured, interest-free and repayable within 30 days.

10. TRADE AND BILL PAYABLES

An ageing analysis of the trade and bill payables balance as at the balance sheet date, based on the invoice date, is as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 90 days	**63,298**	56,104
91 to 120 days	**16,514**	8,410
Over 120 days	**13,690**	20,014
	93,502	84,528

The trade and bill payables are non-interest-bearing and are normally settled within 90 days.

DIVIDENDS

No interim dividend was paid during the year and the Directors do not recommend the payment of final dividend in respect of the year (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

Summary of the financial results of the Group for the year ended 31 March 2007 are as follows:

– Turnover was approximately HK$500 million (2006: HK$458 million), represented an increase of approximately 9.2%.

– Profit before income tax was approximately HK$0.8 million (2006: Loss before income tax of HK$38 million).

– Profit for the year was approximately HK$2.2 million (2006: Loss of HK$37 million).

– Basic earnings per share was approximately HK0.49 cent (2006: Basic loss per share of HK$8.73 cents).

Business Review

During the year under review, the Group adopted various measures to adjust and improve its business in response to changes of market environment and industry development. These include strengthening marketing and expansion efforts as to accelerate industrial deployments in emerging economic regions such as the Yangtze River Delta; strengthening cooperation with Samsung Techwin of Korea as well as domestic and overseas research institutes as to enhance product quality and technological development capability; implementing an overall budget management system and tightening control over manufacturing costs and operation expenses, and strengthening the management team by continuously recruiting quality technical and managerial staff. These efforts have resulted in improved business performance in the year, as reflected in the increase in turnover, gross profit and the turnaround from loss to profit.

As an upstream industrial manufacturer, the Group is principally engaged in the supply of production equipment for manufacturers in the electronics industry. The Group's operations are divided into four major divisions, namely, electronics assembly equipment, automated production line, semiconductor packaging equipment and sheet metal fabrication. By market analysis, China and Hong Kong accounted for 76 percent and 15 percent of the Group's turnover for the year, while the rest was derived from exports to overseas countries.

1. **Electronics Assembly Equipment**

Electronics assembly equipment is the Group's core business, which includes manufacturing and trading of soldering equipment, distribution of pick and place machines, and production and sale of screen printers, and related design and supplementary services.

The Group has strived to continuously enhance competitiveness and profitability through marketing efforts and technological development. In enhancing marketing and expansion capability, the Group has adjusted its sales system structure and marketing strategy, and carried out strategic consolidation over its existing products with a strategy combining brand management, high added-value, large clients and standardized production. The Group also recruited specialized business development managers, introduced a client relationship management (CRM) system and established training programs and incentive schemes for sales staff, which effectively contributed to the increase in market share. The Group has also accelerated industrial deployments and business expansion into emerging economic regions such as the Yangtze River Delta and the Beijing-Tianjin-Tangshan economic zone around the Bohai region, as well as actively built up overseas sales channels, which effectively expanded the Group's business scopes and subsequent development potential.

On the technology front, to further upgrade the products' technological level and consolidate its leading market position, the Group formed partnership with various renowned universities and high-tech companies in China and abroad. The Group cooperated with the Chinese University of Hong Kong to develop intelligent temperature control systems for the reflow system to improve the real-time temperature control system for the new-generation of reflow soldering equipment. The Group also developed core modules for high-speed precision movement control system and 3D high-definition graphic identification system jointly with universities and science institutes, and it will transplant such core modules to a new-generation of soldering machines and screen printers etc as to enhance the movement control precision and graphic identification capabilities of Sun East products.

2. **Automated Production Line**

In addition to the provision of production equipment, fully automated production solutions of automated assembly and production lines, the Group introduced advanced technologies and developed its own innovation, successfully researched and developed and produced environmental-friendly cleaning machine which was suitable for each and every industry. It helped to ensure future growth in revenues. In order to increase the competitiveness and market share of the environmental-friendly cleaning machines, and develop itself as one of the leading and ever improving suppliers nationally and internationally, management of the Group specifically deployed the talents in the Group to drive the Group to scale for new heights.

3. Semiconductor Packaging Equipment

Leveraging Chip on Glass ("COG") which made use of LCD, the Group reinforced its technological co-operation and communication of several Japanese and Korean enterprises in respect of LCD equipment. It helped to establish strong technological support, providing technological security for development of the relevant business in the Mainland. On this basis, the Group's independent development drove the improvement of manual COG. It arose the awareness of the Group's brandname and lowered the costs and thus seized the Mainland market step by step. Meanwhile, the Group actively explored its wire bonding machine business. The Group has developed technical co-operation with Korean counter-parts to actively prepare to research and develop accessories for die bonders together, and finally perfect the variety of its current products.

4. Sheet Metal Fabrication

The Group's sheet metal fabrication business not only catered for its own production requirements but also provided metal spare parts for various famous international customers. The momentum of this business was strong as reflected in the increase in European orders. The increase in intelligent soldering equipment in sheet metal workshops could alleviate the reliance on manual operation and improve the quality and efficiency of sheet metal fabrication. It enabled the Group to accept large orders with high quality and added values.

PROSPECTS

In face of opportunities and challenges, the Group has taken full advantage of the State's policies for supporting equipment manufacturers in order to preserve and enhance its core competitiveness and market share and thus improve its results. It has in turn further boosted the Group's cost advantage and competitiveness in the industry. According to industry forecast, income from Electronic Manufacturing Services ("EMS") in China would amount to US$66.7 billion in 2007, representing 82% of the EMS market in Asia Pacific. In respect of EMS and Original Engineering Manufacturing ("OEM") collectively, income of the Mainland China and Taiwan together will increase to US$148 billion in 2007. It is anticipated that income from OEM of the Mainland China and Taiwan would account for 58% of the global income from OEM in 2007. In view of this, the Group focuses on SMT business, and develop this business as its core competitiveness. The Group would also integrate the Chip On Board/Chip On Glass business into the such products as electronic wires, automated logistics storage and cleaning machines. The Group would develop other products such as semiconductors, electronic wires, non-standardized electronic intelligent installation system and logistics solutions. The machine processing, sheet metal, spraying, plating, mold design and processing businesses would be integrated to be a international precision machine processing center as well as a processing platform. The Group has devoted itself to boost the Group's profitability as a whole so as to provide satisfactory returns for its shareholders.

LIQUIDITY AND CAPITAL STRUCTURE

As at 31 March 2007, the Group had current assets of HK$314 million (2006: HK$287 million) mainly comprising prepayments, deposits and other receivables of HK$9 million (2006: approximately HK$23 million), inventories of HK$113 million (2006: approximately HK$95 million), trade and bill receivables of HK$112 million (2006: approximately HK$96 million) and cash in banks of HK$80 million (2006: HK$73 million). The Group had current liabilities of HK$179 million (2006: approximately HK$169 million). The current ratio increase from 1.69 as at 31 March 2006 to 1.75 as at 31 March 2007.

At 31 March 2007, the Group had total assets of HK$477 million (2006: approximately HK$450 million) and total liabilities of HK$186 million (2006: approximately HK$180 million). The gearing ratio (calculated as a percentage of debt to equity) was 6% (2006: 10%).

During the year, a right issue of two right shares for every five existing shares held by equity holders on the equity holder register on 7 December 2006 was made, at an issue price HK$0.12 per rights share ("Rights Issue"), resulting in the issue of 150,000,000 shares of HK$0.10 each for cash. The net proceeds from the Rights Issue after expenses amounted to approximately HK$17,100,000 and were utilised for general working capital purposes.

FINANCIAL RESOURCES

As 31 March 2007, the Group had fixed and floating interest-bearing bank borrowings of HK$18 million (2006: approximately HK$28 million), of which HK$18 million (2006: HK$18 million) are denominated in Renminbi and mainly used for the PRC's operating expenses and working capital. Approximately 96% of the Group's bank borrowings are repayable within one year.

Most of the transactions of the Group were made in Hong Kong dollars, Renminbi and US dollars. For the year ended 31 March 2007, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars and US dollars were relatively stable under the current peg system. Further, with the natural hedging of the revenue and costs denominated in Renminbi, the Group's foreign exchange exposure in Renminbi was limited. No hedging for foreign currency transactions has been carried out during the year under review.

As at 31 March 2007, cash and bank balances amounted to HK$80 million (2006: approximately 73 million), of which HK$8 million (2006: approximately HK$10 million) are denominated in Renminbi and the majority of the remaining balances are denominated in Hong Kong dollars.

CHARGES ON GROUP ASSETS

Certain of the Group's bank loans are secured by:

(i) a first legal charge on the Group's investment property situated in Hong Kong, which had a carrying value at the balance sheet date of HK$2,350,000 (2006: HK$2,020,000);

(ii) a first legal charge on certain of the Group's land and buildings, which had an aggregate net book value at the balance sheet date of HK$2,390,000 (2006: HK$1,960,000);

(iii) corporate guarantees provided by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2007, the Group employed approximately 1,600 full time employees in the PRC and approximately 30 were in the Hong Kong office.

The Group remunerates its employees based on industry's practice. In the PRC, the Group provides staff welfare and bonuses to its employees in accordance with the prevailing labour law. In Hong Kong, the Group provides staff benefits including pension scheme and performance related bonuses.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

The director consider that the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 March 2007, except for Code Provision A.4.1 which stipulates that non-executive directors should be appointed for a specific term and subject to re-election. The Company's non-executive directors are not appointed for a specific term but are subject to retirement by rotation in accordance with the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are comparable with those in the Code.

AUDIT COMMITTEE

The Company has an audit committee which were established in accordance with the requirements of the Code for the purpose of reviewing and providing supervision over the Group's internal controls and financial reporting matters including the review of the results for the year ended 31 March 2007. The audit committee comprises the three independent non-executive directors of the Company.

REMUNERATION COMMITTEE

The Company has a remuneration committee which was established in accordance with the requirements of the Code for the purpose of reviewing the remuneration policy and fixing the remuneration package for all Directors. The remuneration committee currently comprises three members, namely Prof. Xu Yang Sheng and Mr. Yau Wing Keung, Frankie who are independent non-executive directors, and Mr. But Tin Fu, who is an executive director.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors on terms no less exactly than the required standard set out in the Model Code. Having made specific enquiry of the Directors, all Directors has complied with, for any part of the accounting period under review, the required standard set out in the Model Code and its code of conduct regarding directors securities transactions.

PUBLIC FLOAT

Based on the information that is publicly available to the Company as at the date of this announcement and within the knowledge of the Directors, there was a sufficiency of public float of the Company's securities as required under the Listing Rules.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and www.irasia.com/listco/hk/suneast/index.htm. The annual report of the Company for the year ended 31 March 2007 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to thank all my fellow directors and staff for their invaluable contribution and support to the Group for the past years.

By Order of the Board of Directors
Sun East Technology (Holdings) Limited
But Tin Fu
Chairman

Hong Kong, 26 July 2007

As at the date of this announcement, the board of directors of the Company comprises Mr. But Tin Fu, Mr. But Tin Hing, Mr. Leung Cheong and Mr. Leung Kuen, Ivan as Executive Directors; Mr. See Tak Wah, Prof. Xu Yang Sheng and Mr. Yau Wing Keung, Frankie as Independent Non-executive Directors.

* *For identification purpose only*