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 2010

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 2010 together with the comparative figures of the corresponding last year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Revenue	*4*	**455,199**	374,860
Cost of sales		**(393,758)**	(348,934)
Gross profit		**61,441**	25,926
Other income and gains	*4*	**12,455**	4,522
Selling and distribution costs		**(28,535)**	(25,497)
Administrative expenses		**(42,122)**	(44,777)
Other expenses		**(7,323)**	(10,779)
Finance costs	*5*	**(11)**	(1,219)
Share of losses of:			
Jointly-controlled entity		**–**	(6,000)
Associate		**(19)**	(1)
Loss before income tax	*6*	**(4,114)**	(57,825)
Income tax (expense)/credit	*7*	**(4,079)**	688
Loss for the year attributable to the owners of the Company		**(8,193)**	(57,137)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
Other comprehensive income, including reclassification adjustments			
Surplus/(deficit) on revaluation of properties held for own use		**6,573**	(5,497)
Income tax relating to revaluation surplus/deficit		**(1,364)**	1,366
Exchange gain on translation of financial statements of foreign operations		**155**	3,373
Other comprehensive income for the year, including reclassification adjustments and net of tax		**5,364**	(758)
Total comprehensive income for the year attributable to the owners of the Company		**(2,829)**	(57,895)
Loss per share for loss attributable to the owners of the Company			
– Basic	*8*	**(HK1.56) cents**	(HK10.88) cents
– Diluted	*8*	**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**131,549**	138,147
Prepaid land lease payments		**9,704**	9,932
Interests in associate		**–**	1,019
		141,253	149,098
Current assets			
Inventories		**61,254**	70,560
Trade and bills receivables	9	**90,842**	68,067
Prepayments, deposits and other receivables		**15,078**	17,368
Tax reserve certificates		**3,000**	–
Taxes recoverable		**191**	191
Cash and cash equivalents		**139,224**	61,594
		309,589	217,780
Current liabilities			
Trade and bills payables	10	**127,280**	62,420
Other payables and accruals		**49,776**	33,539
Finance lease obligations		**108**	256
Due to directors		**2,972**	1,996
Taxes payable		**22,413**	18,501
		202,549	116,712
Net current assets		**107,040**	101,068
Total assets less current liabilities		**248,293**	250,166
Non-current liabilities			
Finance lease obligations		**28**	136
Deferred tax liabilities		**5,177**	4,113
		5,205	4,249
Net assets		**243,088**	245,917
EQUITY			
Equity attributable to Company's owners			
Share capital		**52,500**	52,500
Reserves		**190,588**	193,417
Total equity		**243,088**	245,917

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 ("HKICPA"). These financial statements also include 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 OR AMENDED HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2009:

HKAS 1 (Revised 2007) Presentation of financial statements
HKAS 23 (Revised 2007) Borrowing costs
HKAS 27 (Amendments) Cost of an investment in a subsidiary, jointly controlled entity or an associate
HKFRS 2 (Amendments) Share-based payment – vesting conditions and cancellations
HKFRS 7 (Amendments) Improving disclosures about financial instruments
HKFRS 8 Operating segments
Various Annual improvements to HKFRSs 2008

Other than as noted below, the adoption of the new HKFRSs had no material impact on how the results and financial positions for the current and prior periods have been prepared and presented.

HKAS 1 (Revised 2007) Presentation of financial statements
The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. A third statement of financial position as at the beginning of the earliest comparative period is required when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements. It also gives rise to additional disclosures.

The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. HKAS 1 affects the presentation of owner changes in equity and introduces a "Statement of comprehensive income". Comparatives have been restated to conform with the revised standard. The Group has applied changes to its accounting policies on presentation of financial statements and segment reporting retrospectively. However, the changes to the comparatives have not affected the consolidated or company statements of financial position at 1 April 2008 and accordingly the third statement of financial position as at 1 April 2008 is not presented.

2. ADOPTION OF NEW OR AMENDED HKFRSs *(Continued)*

HKAS 27 (Amendments) Cost of an investment in a subsidiary, jointly controlled entity or an associate

The amendment requires the investor to recognise dividends from subsidiary, jointly controlled entity or associate in profit or loss irrespective the distributions are out of the investee's pre-acquisition or post-acquisition reserves. In prior years, the Company recognised dividends out of pre-acquisition reserves as a recovery of its investment in subsidiaries or associates (i.e. a reduction of the cost of investment). Only dividends out of post-acquisition reserves were recognised as income in profit or loss.

Under the new accounting policy, if the dividend distribution is excessive, the investment would be tested for impairment according to the Company's accounting policy on impairment of non-financial assets.

The new accounting policy has been applied prospectively as required by these amendments to HKAS 27 and therefore no comparatives have been restated.

HKFRS 7 (Amendments) Improving disclosures about financial instruments

The amendments require additional disclosures for financial instruments which are measured at fair value in the statement of financial position. These fair value measurements are categorised into a three-level fair value hierarchy, which reflects the extent of observable market data used in making the measurements. In addition, the maturity analysis for derivative financial liabilities is disclosed separately and should show remaining contractual maturities for those derivatives where this information is essential for an understanding of the timing of the cash flows. The Group has taken advantage of the transitional provisions in the amendments and has not provided comparative information in respect of the new requirements.

HKFRS 8 Operating segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. Comparatives have been restated on a basis consistent with the new standard.

2. ADOPTION OF NEW OR AMENDED HKFRSs *(Continued)*

HKFRS 3 Business combinations (Revised 2008)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard still requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interest) in the acquiree. The new standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The Directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

HKAS 27 Consolidated and separate financial statements (Revised 2008)

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The Directors do not expect the standard to have a material effect on the Group's financial statements.

Annual improvements 2009

The HKICPA has issued Improvements to Hong Kong Financial Reporting Standards 2009. Most of the amendments become effective for annual periods beginning on or after 1 January 2010. The Group expects the amendment to HKAS 17 Leases to be relevant to the Group's accounting policies. Prior to the amendment, HKAS 17 generally required a lease of land to be classified as an operating lease. The amendment requires a lease of land to be classified as an operating or finance lease in accordance with the general principles in HKAS 17. The Group will need to reassess the classification of its unexpired leases of land at 1 January 2010 on the basis of information existing at the inception of those leases in accordance with the transitional provisions for the amendment. The amendment will apply retrospectively except where the necessary information is not available. In that situation, the leases will be assessed on the date when the amendment is adopted. The Directors are currently assessing the possible impact of the amendment on the Group's results and financial position in the first year of application.

3. SEGMENT INFORMATION

The executive directors have identified the Group's two product lines as reportable segments:

(i) Production lines and production equipment	–	Design, manufacture and sale of production lines and production equipment.
(ii) Brand name production equipment	–	Trading and distribution of brand name production equipment

	Production lines and production equipment		Brand name production equipment		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**219,458**	221,177	**235,741**	153,683	**455,199**	374,860
Other revenue – external	**9,787**	2,824	**–**	–	**9,787**	2,824
Reportable segment revenue	**229,245**	224,001	**235,741**	153,683	**464,986**	377,684
Reportable segment results	**(6,504)**	(50,321)	**6,460**	7,015	**(44)**	(43,306)
Depreciation and amortisation	**14,506**	15,502	**–**	–	**14,506**	15,502
Provision for impairment of trade and bills receivables	**4,679**	8,689	**–**	–	**4,679**	8,689
Provision for impairment of other receivables	**2,359**	–	**–**	–	**2,359**	–
Write-down of inventories to net realisable value	**1,640**	4,120	**–**	–	**1,640**	4,120
Bad debts written off	**70**	–	**–**	–	**70**	–
Loss on disposals of property, plant and equipment	**–**	10	**–**	–	**–**	10
Reportable segment assets	**210,111**	236,639	**92,475**	65,494	**302,586**	302,133
Capital expenditure	**954**	2,893	**–**	–	**954**	2,893
Reportable segment liabilities	**76,223**	47,772	**99,292**	47,537	**175,515**	95,309

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2010	2009
	HK$'000	*HK$'000*
Reportable segment revenues		
Production lines and production equipment	**219,458**	221,177
Brand name production equipment	**235,741**	153,683
Group revenues	**455,199**	374,860

3. SEGMENT INFORMATION *(Continued)*

	2010	2009
	HK$'000	*HK$'000*
Reportable segment results	**(44)**	(43,306)
Rental income	**1,508**	988
Interest and other corporate income	**1,160**	710
Corporate expenses	**(6,719)**	(9,027)
Share of losses of associate and jointly-controlled entity	**(19)**	(6,001)
Finance costs on bank borrowings	**–**	(1,189)
Loss before income tax	**(4,114)**	(57,825)

	2010	2009
	HK$'000	*HK$'000*
Segment assets		
Production lines and production equipment	**210,111**	236,639
Brand name production equipment	**92,475**	65,494
	302,586	302,133
Tax reserve certificates	**3,000**	–
Taxes recoverable	**191**	191
Cash and cash equivalents	**139,224**	61,594
Other corporate assets	**5,841**	2,960
Total assets	**450,842**	366,878
Segment liabilities		
Production lines and production equipment	**76,223**	47,772
Brand name production equipment	**99,292**	47,537
	175,515	95,309
Due to directors	**2,972**	1,996
Deferred tax liabilities	**5,177**	4,113
Other corporate liabilities	**24,090**	19,543
Total liabilities	**207,754**	120,961

3. **SEGMENT INFORMATION** ***(Continued)***

The Group's revenue from external customers and segment assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China (domicile)	**350,608**	335,930	**120,599**	122,366
Hong Kong	**78,948**	19,207	**20,654**	26,732
Europe (principally Spain and Germany)	**21,652**	11,738	**–**	–
Others (principally Japan and Singapore)	**3,991**	7,985	**–**	–
	455,199	374,860	**141,253**	149,098

During the year ended 31 March 2010, approximately HK$84,226,000 or 19% of the Group's revenues depended on a single customer in the sale of brand name production equipment segment (2009: approximately HK$4,023,000 or 1%).

The geographical location of customers is based on the location at which the goods delivered. The geographical location of non-current assets is based on the physical location of the assets. The Company is an investment holding company where the Group has majority of its operation and workforce in Mainland China, and therefore, Mainland China is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

4. **REVENUE, OTHER INCOME AND GAINS**

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, other income and gains is as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
Revenue-sale of goods	**455,199**	374,860
Other income:		
Rental income	**1,508**	988
Bank interest income	**373**	710
Service income	**3,953**	10
Bad debts recovery	**2,397**	737
Others	**4,113**	2,077
	12,344	4,522
Gains:		
Exchange gain, net	**111**	–
	12,455	4,522

5. FINANCE COSTS

	Group	
	2010	2009
	HK$'000	*HK$'000*
Interest on bank borrowings	–	1,189
Interest on finance leases	**11**	30
Total interest on financial liabilities stated at amortised cost	**11**	1,219

6. LOSS BEFORE INCOME TAX

	Group	
	2010	2009
	HK$'000	*HK$'000*
The Group's loss before income tax is arrived at after charging/(crediting):		
Cost of inventories sold	**340,252**	279,470
– including write-down of inventories to net realisable value	**1,640**	4,120
Depreciation		
– owned assets	**14,143**	15,041
– leased assets	**122**	220
Research and development costs	**2,265**	3,402
Minimum lease payments under operating leases in respect of leasehold land and buildings	**479**	511
Auditors' remuneration	**850**	850
Staff costs (including directors' remuneration)		
– Wages and salaries	**54,853**	55,468
– Defined contribution scheme	**2,170**	2,104
	57,023	57,572
Amortisation of prepaid land lease payments	**241**	241
Bad debts written off	**70**	–
Provision for impairment of trade and bills receivables	**4,679**	8,689
Provision for impairment of other receivables	**2,359**	–
Loss on disposals of property, plant and equipment	**–**	10
Exchange (gain)/loss, net	**(111)**	1,608

7. INCOME TAX EXPENSE/(CREDIT)

No Hong Kong profits tax was provided as the Group did not generate any assessable profits arising from its operations in Hong Kong during the current and prior years. Taxes assessable in Mainland China have been calculated at the prevailing rates of tax based on existing legislation, interpretations and practices.

	Group	
	2010	2009
	HK$'000	*HK$'000*
Current – Hong Kong		
Under/(over)-provision in prior years	**806**	(313)
Deferred tax	**(300)**	(559)
Income tax expense/(credit)	**506**	(872)
Current – Tax for the year		
– Mainland China	**3,573**	184
Total income tax expense/(credit)	**4,079**	(688)

8. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year of approximately HK$8,193,000 (2009: HK$57,137,000) attributable to owners of the Company, and 525,000,000 (2009: 525,000,000) ordinary shares in issue during the year.

Diluted loss per share for the year ended 31 March 2010 is not presented as there were no potential ordinary shares in issue during the year.

There has been no dilutive effect on the basic loss per share for the year ended 31 March 2009 as the exercise prices of the outstanding share options were higher than the average market price of the Company's shares during the year ended 31 March 2009.

9. TRADE AND BILLS RECEIVABLES

The normal credit period by the Group to its customers, each of which has a maximum credit limit, ranges from 30 to 180 days.

Ageing analysis of trade and bills receivables as at the reporting dates, based on invoice date and net of provision, is as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
Within 90 days	**59,489**	30,132
91 to 120 days	**5,025**	423
121 to 180 days	**7,669**	12,394
181 to 360 days	**6,665**	11,890
Over 360 days	**11,994**	13,228
	90,842	68,067

10. TRADE AND BILLS PAYABLES

Ageing analysis of trade and bills payables as at the reporting dates, based on invoice date, is as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
Within 90 days	**109,247**	30,949
91 to 120 days	**3,405**	4,554
Over 120 days	**14,628**	26,917
	127,280	62,420

The trade and bills payables are non-interest bearing and are normally settled within 90 to 180 days (2009: 90 to 180 days).

11. 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 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

A summary of the financial results of the Group for the year ended 31 March 2010 is as follows:

– Turnover was approximately HK$455 million (2009: HK$375 million), represented an increase of approximately 21.3%.

– Loss before income tax was approximately HK$4.1 million (2009: HK$57.8 million).

– Loss for the year was approximately HK$8.2 million (2009: HK$57.1 million).

– Basic loss per share was approximately HK1.56 cents (2009: HK10.88 cents).

BUSINESS REVIEW

(A) Adhering to policy guidance and closely follow the market trend

1. *Optimizing business structure for entering the solar photovoltaic business*

   We have optimized the overall SMT solution and sharpened our competitive edge within the industry; more efforts were put in the fast-growing industries of LED energy-saving lighting, communication, automobiles, home appliances, semiconductors and Tri-network convergence in the country; we have also formally entered the solar photovoltaic business, together with experts from the country and overseas, to research, design and manufacture internationally advanced solar photovoltaic production equipment including fully automatic silk screening production machine, washing machine, texturing equipment, plasma etcher, high-temperature sintering furnace, diffusion oven, complete production line and PECVD, etc.

2. *Consolidating the market in South China, eyeing the North and overseas markets, and increasing our market share.*

   With South China as our base, we have promptly extended the market focus to the North. The results of the northern market for the six months ended September 2009 showed that there is unlimited potential in the North and it will be the key region for continuing development in the future. As activities in the international market resume gradually, we will accelerate the pace of domestic market expansion while at the same time develop the overseas market progressively in phases and by region.

3. *Increasing the technology level in its products and setting standards for the industry.*

   As a high-tech enterprise, Sun East always takes the lead in the industry development with its outstanding products. We keep investing in product research and development and have achieved concrete results:

For the lead-free wave soldering system, our knock-out product, we developed 2 brand new technologies in 2009, namely "reducing oxidation sludge" and "automatic optimizing system for the path of soldering flux", which were considered as breakthroughs among the international players of the industry.

Besides the innovation on the original technology of the products, we also developed two new products, namely IPC810 lead-free hot air reflow system and PEAK-2010 lead-free wave soldering machine, which have passed the examination carried out by the expert team of welding equipment as reaching the international standards of such products.

The Company cooperated with IPC organizations in US in relation to SMT segment and developed the test method for reflow soldering, which is by far the only test standard related to equipment within the industry and provides guiding effects on regulating the industrial market and encouraging self-innovation.

4. *Providing value-added services and creating new value chain*

By providing value-added services to our products, we have avoided the over reliance on processing and staying at the low end of the value chain.

We are the first to provide technical support service, i.e. providing free technical training to customers. This service greatly helped our customers to reduce costs and strengthen their competiveness in combating the financial crisis and allowed them to rapidly grasp the opportunities in increasing production. Very positive feedback has been received from our customers in respect of such service, which helped to improve the image of Sun East.

"Green Service", a project launched with our strategic partner, SAMSUNG to provide free equipment inspection, maintenance and repairmen service. With the launch of the project, the useful lives of our products have been substantially prolonged, which added value to our products and showed our determination to pass this difficult time together with customers. We have already got satisfactory return from this project.

(B) Structural adjustments in internal operation

1. *Optimizing organizational structure and further consolidating resources*

Under the impact of the financial crisis, to alleviate the risk of market competition, we further adjusted the organizational structure in 2009 and reconsolidated our resources, which materially enhanced the coordination of each internal unit, corporate operational efficiency and internal resources utilization efficiency and reduced our internal operating cost.

2. *Rebuilding systems and optimizing performance assessment*

   In respect of the readjustment of the organizational structure and the reconsolidation of resources, we rationalized each management system and operation flow and reshaped those systems considered not appropriate for the new organizational structure and operation flow. We redefined and enriched the organizational function and duty of each unit by adding developing requirements under new circumstances. We carried out an overall performance assessment scheme through continuously optimizing the performance assessment and introducing KPI index to include non-manufacturing staff in the performance assessment so that all staff would undergo the appraisal process. Through these efforts, we ensured the normal operation of organizational structure and further strengthened the production efficiency.

3. *Widening the channels of recruitment, developing training centers and building an efficient management team to provide manpower for the sustainable development of the Company*

   We have actively promoted the management philosophy of "People-oriented, Integrity and Creditability come first", under which we continued to strengthen the cooperation with technical schools and colleges in manpower cultivation and the introduction of high-end technical experts from famous colleges in order to widen the channels of recruitment. Also, we have engaged management staff and skilled technicians through the cooperation with external headhunters and technician recruitment agencies. Besides, the Sun East Training Centre was established for optimizing our manpower pool training system, manpower cultivation system, remuneration system and assessment system while introducing the internationally leading program, "Corporate Coaching" to enhance the concept and the quality of management staff. We intend to build a responsible and executive management team and train up skillful technicians and quality staff in 2 to 3 years time to maintain sufficient and reliable manpower for the sustainable development of the Company.

PROSPECTS

In 2010, the overall global economy improved swiftly, and the operating environment has gradually turned more favourable. For the Sun East Group, this is a year of rapid development with great opportunities as well as challenges. Taking advantages of the economic recovery to expand market share and improve the Group's overall efficiency quickly has become the Group's focus of work in 2010. Guided by the state policies, we will set up a modern corporate governance system and a professional management team that is responsible and can put ideas into execution, implement the management philosophy that is people-oriented, integrity and credibility come first, and based on technological know-hows to achieve the goal of management efficiency. Externally, following the "Developing businesses in new industries by leveraging on the platform of the existing businesses" direction, we will enter the solar photovoltaic business as planned and launch the automatic and logistics equipment business into the central and western regions to make strong business allies, implement and further negotiate with BOSCH for strategic cooperation in the SMT industry, consolidate the existing market and at the same time join force to create favourable conditions for our long term development.

LIQUIDITY AND CAPITAL STRUCTURE

As at 31 March 2010, the Group had current assets of HK$309 million (2009: HK$218 million), mainly comprising inventories of HK$61 million (2009: approximately HK$71 million), trade and bills receivables of HK$91 million (2009: approximately HK$68 million), prepayments, deposits and other receivables of HK$15 million (2009: approximately HK$17 million), tax reserve certificates of HK$3 million (2009: Nil) and cash and cash equivalents of HK$139 million (2009: HK$62 million). The Group had current liabilities of HK$203 million (2009: approximately HK$117 million). The current ratio was 1.53 for the year ended 31 March 2010 (2009: 1.87).

Compared with the corresponding last year, the cash and cash equivalents as at 31 March 2010 have increased by HK$77 million to HK$ 139 million (2009: HK$62 million). This increase is mainly attributable to the robust of the business in the second half of the year under review, which contributed to the inflow of cash by swift settlement of the trade receivables.

Meanwhile, the trade and bills payables as at 31 March 2010 have increased by approximately HK$65 million to HK$127 million (2009: HK$62 million). The increase reflects the strong purchase of the Group during the second half of the year to satisfy the thriving business. Tapping the prosperous market condition, the Group succeeded in exercising its competitive negotiating power to secure a favourable credit term from those major suppliers. Therefore, the trade and bills payables at the year end are within the credit terms granted and they will be settled in due course.

As at 31 March 2010, the Group had total assets of HK$451 million (2009: approximately HK$367 million) and total liabilities of HK$208 million (2009: approximately HK$121 million). The gearing ratio (calculated as a percentage of finance lease obligations to equity) was 0.06% (2009: 0.16%).

FINANCIAL RESOURCES

As at 31 March 2010, except finance lease liabilities, there are no other bank borrowings as at the year end.

Most of the transactions of the Group were made in Hong Kong dollars, Renminbi and US dollars. For the year ended 31 March 2010, 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 2010, cash and cash equivalents amounted to HK$139 million (2009: approximately HK$62 million), of which approximately HK$68 million (2009: approximately HK$25 million) are denominated in Renminbi and the majority of the remaining balances are denominated in Hong Kong dollars.

CHARGES ON GROUP ASSETS

As at 31 March 2010, the Group's banking facilities including its import/export, letter of credit, documentary credits, trust receipt and bank loans are secured by:

(i) a first legal charge on certain of the Group's leasehold land and buildings, which had an aggregate net book amount at the reporting date of HK$71,875,000 (2009: HK$2,870,000);

(ii) corporate guarantees provided by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2010, the Group employed approximately 1,200 full time employees in the PRC and approximately 27 were in the Hong Kong office.

The Group remunerates its employees based on the 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 Directors 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 2010, 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 Directors consider 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 was 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 annual results for the year ended 31 March 2010. 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. Li Wanshou 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 of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code for the year.

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 the website of the Company (www.suneasthk.com). The annual report of the Company for the year ended 31 March 2010 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 Directors, 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, 22 July 2010

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. Li Wanshou as Independent Non-executive Directors.

* *For identification purpose only*