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 2011

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 2011 together with the comparative figures of the corresponding last year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	Notes	**2011** **HK$'000**	2010 HK$'000
Revenue	*4*	**845,323**	455,199
Cost of sales		**(732,223)**	(393,758)
Gross profit		**113,100**	61,441
Other income and gains	*4*	**6,650**	12,455
Selling and distribution costs		**(43,667)**	(28,535)
Administrative expenses		**(40,260)**	(42,122)
Other expenses		**(14,648)**	(7,323)
Finance costs	*5*	**(775)**	(11)
Share of losses of an associate		**–**	(19)
Profit/(Loss) before income tax	*6*	**20,400**	(4,114)
Income tax expense	*7*	**(8,163)**	(4,079)
Profit/(Loss) for the year		**12,237**	(8,193)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

For the year ended 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
Other comprehensive income, including reclassification adjustments			
Surplus on revaluation of properties held for own use		**10,873**	6,573
Deferred tax relating to revaluation surplus		**(2,419)**	(1,364)
Exchange gain on translation of financial statements of foreign operations		**4,613**	155
Other comprehensive income for the year, including reclassification adjustments and net of tax		**13,067**	5,364
Total comprehensive income for the year		**25,304**	(2,829)
Profit/(Loss) for the year attributable to :			
Owners of the Company		**12,306**	(8,193)
Non-controlling interests		**(69)**	–
		12,237	(8,193)
Total comprehensive income for the year attributable to :			
Owners of the Company		**25,373**	(2,829)
Non-controlling interests		**(69)**	–
		25,304	(2,829)
Earnings/(Loss) per share for profit/(loss) attributable to owners of the Company	8		
–Basic		**HK2.34 cents**	(HK1.56) cents
–Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**130,193**	131,549
Prepaid land lease payments		**9,895**	9,704
		140,088	141,253
Current assets			
Inventories		**77,611**	61,254
Trade and bills receivables	*9*	**150,033**	90,842
Prepayments, deposits and other receivables		**22,365**	15,078
Tax reserve certificates		**3,300**	3,000
Taxes recoverable		**191**	191
Pledged deposits		**118,482**	–
Cash and cash equivalents		**186,256**	139,224
		558,238	309,589
Current liabilities			
Trade and bills payables	*10*	**164,161**	127,280
Other payables and accruals		**111,488**	49,776
Finance lease obligations		**28**	108
Bank borrowings – secured		**114,076**	–
Derivative financial instruments		**1,209**	–
Due to directors		**3,408**	2,972
Taxes payable		**27,513**	22,413
		421,883	202,549
Net current assets		**136,355**	107,040
Total assets less current liabilities		**276,443**	248,293
Non-current liabilities			
Finance lease obligations		**–**	28
Deferred tax liabilities		**7,982**	5,177
		7,982	5,205
Net assets		**268,461**	243,088
EQUITY			
Equity attributable to owners of the Company			
Share capital		**52,500**	52,500
Reserves		**215,961**	190,588
Total equity		**268,461**	243,088

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

During the year, the Group has adopted all the new and amended HKFRSs which are first effective for the reporting year and relevant to the Group. Except for explained below, the adoption of these new and amended HKFRSs did not result in material changes to the Group's accounting policies.

HKAS 17 (Amendments) – Leases

As part of Improvements the HKFRSs issued in 2009, HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the statement of financial position. The amendment to HKAS 17 has removed such requirement and required that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group concluded that the classification of such leases as operating leases continues to be appropriate.

HKFR 3 (Revised) – Business Combinations and HKAS 27 (Revised) – Consolidated and Separate Financial Statements

The revised accounting policies are effective prospectively for business combinations effected in financial period beginning on or after 1 July 2009. Changes in HKFRS 3 include the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The adoption of revised HKFRS 3 has had no impact to the consolidated financial statements as there has been no business combination transaction during the year.

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The adoption of revised HKAS 27 has had no impact on the current year.

HK Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Interpreation is a clarification of an existing standard, HKAS 1 Presentation of Financial Statements. It sets out the conclusion reached by the HKICPA that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time shall be classified as a current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

In order to comply with the requirements of HK Interpretation 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the statement of financial position. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has been applied retrospectively. However, the adoption of this new accounting policy has not affected the consolidated or the company statement of financial position at 1 April 2009 and accordingly the third statement of financial position as at 1 April 2009 is not presented.

At the date of this report, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the impact of the new and amended HKFRSs upon initial application. So far, the directors of the Company have preliminarily concluded that the initial application of these HKFRSs will not result in material financial impact on the consolidated financial statements. Information on new and amended HKFRSs that are expected to have an impact on the Group's accounting policies is provided below.

HKFRS 9 – Financial Instruments

This standard is effective for accounting periods beginning on or after 1 January 2013. Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognize the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

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	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**311,288**	219,458	**534,035**	235,741	**845,323**	455,199
Other revenue – external	**3,450**	9,787	**–**	–	**3,450**	9,787
Reportable segment revenue	**314,738**	229,245	**534,035**	235,741	**848,773**	464,986
Reportable segment results	**15,176**	(6,504)	**10,059**	6,460	**25,323**	(44)
Depreciation and amortisation	**13,171**	14,506	**–**	–	**13,171**	14,506
Provision for impairment of trade and bills receivables	**8,963**	4,679	**–**	–	**8,963**	4,679
Provision for impairment of other receivables	**533**	2,359	**–**	–	**553**	2,359
Write-down of inventories to net realisable value	**4,358**	1,640	**–**	–	**4,358**	1,640
Write off of property, plant and equipment	**5,132**	–	**–**	–	**5,132**	–
Bad debts written off	**–**	70	**–**	–	**–**	70
Reportable segment assets	**278,652**	210,111	**108,009**	92,475	**386,661**	302,586
Capital expenditure	**2,344**	954	**–**	–	**2,344**	954
Reportable segment liabilities	**140,104**	76,223	**128,907**	99,292	**269,011**	175,515

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

	2011	2010
	HK$'000	*HK$'000*
Reportable segment results	**25,235**	(44)
Rental income	**23**	1,508
Interest and other corporate income	**3,177**	1,160
Corporate expenses	**(7,264)**	(6,719)
Share of losses of an associate	**–**	(19)
Finance costs on bank borrowings	**(771)**	–
Profit/(Loss) before income tax	**20,400**	(4,114)

3. SEGMENT INFORMATION *(Continued)*

	2011	2010
	HK$'000	*HK$'000*
Segment assets		
Production lines and production equipment	**278,652**	210,111
Brand name production equipment	**108,009**	92,475
	386,661	302,586
Tax reserve certificates	**3,300**	3,000
Taxes recoverable	**191**	191
Pledged deposits	**118,482**	–
Cash and cash equivalents	**186,256**	139,224
Other corporate assets	**3,436**	5,841
Total assets	**698,326**	450,842
Segment liabilities		
Production lines and Production equipment	**140,104**	76,223
Brand name production equipment	**128,907**	99,292
	269,011	175,515
Bank borrowings	**114,076**	–
Derivative financial instruments	**1,209**	–
Due to directors	**3,408**	2,972
Deferred tax liabilities	**7,982**	5,177
Other corporate liabilities	**34,179**	24,090
Total liabilities	**429,865**	207,754

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	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China (domicile)	**622,329**	350,608	**122,744**	120,599
Hong Kong	**195,374**	78,948	**17,344**	20,654
Europe (principally Spain and Germany)	**20,198**	21,652	**–**	–
Others (principally Japan and Singapore)	**7,422**	3,991	**–**	–
	845,323	455,199	**140,088**	141,253

During the year ended 31 March 2011, approximately HK$200,341,000 or 24% of the Group's revenues depended on a single customer in the sale of brand name production equipment segment (2010: approximately HK$84,226,000 or 19%).

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:

	2011	2010
	HK$'000	*HK$'000*
Revenue-sale of goods	**845,323**	455,199
Other income:		
Rental income	**23**	1,508
Bank interest income	**1,746**	373
Service income	**–**	3,953
Impairment loss on trade receivables written back	**922**	2,397
Others	**2,528**	4,113
	5,219	12,344
Gains:		
Exchange gains, net	**1,360**	111
Gain on disposal of a subsidiary	**71**	–
	1,431	111
Other income and gains	**6,650**	12,455

5. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**771**	–
Interest on finance leases	**4**	11
Total interest on financial liabilities stated at amortised cost	**775**	11

6. PROFIT/(LOSS) BEFORE INCOME TAX

	2011	2010
	HK$'000	*HK$'000*
The Group's profit/(loss) before income tax is arrived at after charging:		
Cost of inventories sold	**704,175**	340,252
– including write-down of inventories to net realisable value	**4,358**	1,640
Depreciation		
– owned assets	**12,866**	14,143
– leased assets	**59**	122
Fair value loss on derivative financial instruments	**1,209**	–
Research and development costs	**3,469**	2,265
Minimum lease payments under operating leases in respect of leasehold land and buildings	**555**	479
Auditor's remuneration	**870**	850
Staff costs (including directors' remuneration)		
– Wages and salaries	**72,879**	54,853
– Defined contribution scheme	**3,452**	2,170
	76,331	57,023
Amortisation of prepaid land lease payments	**246**	241
Bad debts written off	**–**	70
Provision for impairment of trade and bills receivables	**8,963**	4,679
Provision for impairment of other receivables	**553**	2,359
Write-off of property, plant and equipment	**5,132**	–

7. INCOME TAX EXPENSE

	2011	2010
	HK$'000	*HK$'000*
Current tax – Hong Kong		
– (Over)/Under provision in respect of prior years	**(200)**	806
Current tax – Elsewhere		
– Tax for the year	**7,977**	3,573
Deferred tax – current year	**386**	(300)
Total income tax expense	**8,163**	4,079

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

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit for the year of approximately HK$12,306,000 (2010: loss HK$8,193,000) attributable to owners of the Company, and 525,000,000 (2010: 525,000,000) ordinary shares in issue during the year.

Diluted earnings/(loss) per share for the year ended 31 March 2010 and 2011 are not presented as there were no potential ordinary shares in issue during the years.

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:

	2011	2010
	HK$'000	*HK$'000*
Within 90 days	**107,122**	59,489
91 to 120 days	**5,283**	5,025
121 to 180 days	**12,928**	7,669
181 to 360 days	**17,202**	6,665
Over 360 days	**7,498**	11,994
	150,033	90,842

10. TRADE AND BILLS PAYABLES

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

	2011	2010
	HK$'000	*HK$'000*
Within 90 days	**144,723**	109,247
91 to 120 days	**6,259**	3,405
Over 120 days	**13,179**	14,628
	164,161	127,280

The trade and bills payables are non-interest bearing and are normally settled within 90 to 180 days (2010: 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 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

A summary of the financial results of the Group for the year ended 31 March 2011 is as follows:

– Turnover was approximately HK$845 million (2010: HK$455 million), represented an increase of approximately 85.7%.

– Profit before income tax was approximately HK$20.4 million (2010: loss before income tax was approximately HK$4.1 million).

– Profit for the year was approximately HK$12.2 million (2010: loss for the year was approximately HK$8.2 million).

– Basic earnings per share was approximately HK2.34 cents (2010: Basic loss per share was approximately HK1.56 cents).

BUSINESS REVIEW

Sun East achieved a steady growth in its result for 2010, and also accomplished its sales target for the year. Such remarkable achievement is the result of the supporting policy of the state as well as Sun East's keeping abreast of time, continuous innovating, insisting on market-oriented policies, building a management team with the requirement of "unity and proactive, pragmatic and innovative", and continue investing in technology and R&D talents.

1. *Basing on policy guidance and pursuing sustainable development*

   The Group adhered to the guidance provided by state policies and adjusted its marketing strategy in accordance with market competition. It conducted in-depth market research, increased market development effort and formulated sales plan with its own characteristics. The Group also built and maintained a good brand image and focused on the development of its own brand, aiming at a sustainable development and increase of competitiveness.

2. *Increasing effort in product R&D to enhance product awareness and market share*

   Increasing the hi-tech content and enhancing independent R&D capability have been taken as the core competitiveness of its products. As a result of its continual investment in R&D capability, the Group obtained six invention patents in 2010. We issued a series of internal incentive policies to encourage technological innovation and R&D, which stimulated more application for technological innovation.

   In an era of sharp growth in the LED industry, the wave soldering of Sun East was also benefited. With the support of new technology, Sun East's wave soldering achieved excellence and technological innovation, and it has passed the tests for international soldering standard conducted by the SMT Association and experts. Our new IPC system product also received the China Achievement Award from the SMT Association, signifying that it is again a market leader in wave soldering products.

3. *Strengthening fundamental management and enhancing performance management*

The management team has been built under the requirement of "unity and proactive, pragmatic and innovative" and strictly demanded effective management. In order to overcome the weaknesses in management and control, the control exercised by the management team has been strengthened through performance appraisal, transparency in duty and responsibility management and innovative management idea.

At the same time, the fundamentals and production performance were enhanced through strengthening production plan management, skill enhancement training for staff, quality management, financial, assets, procurement and material management.

PROSPECTS

2011 is the first year for the 12th Five-Year Plan of the country. It is a crucial year for the enterprise to enter a rapid development stage. The formulation and implementation of sales strategy and management targets for the year under the correct guidance of the state policies are the key issues of the year.

1. *Accelerating structural adjustment and realizing sustainable growth*

The Group will integrate existing resources and take its six basic products as its core operation, while at the same time increase investment in emerging industries and continue diversification to implement and speed up the adjustment of its product structure.

On the basis of pilot project management, the scope of project management will be extended and the control over project management will be enhanced. We will seek full and effective use of resources to maximise effectiveness of the Company.

2. *Increasing investment in precision production equipment for enhanced capacity*

The key for seizing market opportunities and long-term development lies in increasing market share, production capacity and product precision. In 2011, we will allocate resources to acquire a series of production equipment with high precision which will greatly enhance our manufacturing and processing ability.

3. *Seeking closer cooperation with the government and universities and driving long-term development by technology and brand*

We will seek an even closer cooperation with the government, and enhance our core competitiveness through the application of technological innovation project and industry development at state, provincial and municipal levels.

We will also continue in establishing strong unions. Through various ways of cooperation including establishment of production R&D base, we will leverage on the technological R&D ability of tertiary institutions to upgrade our product technology and create new growth point for the enterprise. The post-doctorate workshop successfully established with Harbin Industrial University in 2010 will become a strong support for the uplift of technology content in our products.

Effort will be made in elevating the brand identity of the Sun East enterprise and a new meaning will be attributed to brand development. Also, a full utilisation of the professional image of our brand will enable us to attract more strategic cooperation and policy support. All these will contribute to the long-term and sustainable development of Sun East.

4. *Strengthening human resource development investment and achieve unity through enterprise culture*

Investment in talents has been a focus of the Group's investment for long-term development. We continuously improve our human resource management system, and strengthen human resource development basing on existing human resource investment. We also train core staff members who fit into the enterprise's long-term development and recognize our culture. In particular, we take in technology R&D and management talents, build R&D team of high quality and recruit project management professionals. This will help us to cope with keen market competition and provide strong support for high-end product R&D in the future.

By allocating more resources to the construction of living facilities for the staff and improving their living quality both in the physical and spiritual aspects, strengthening the core concept of the enterprise's culture and raising the overall recognition level on the culture, our entire team will be united. We at Sun East firmly believe that employees are the most valuable assets of the Company, and we are committed to becoming a "study-oriented enterprise" advocating life-long study.

5. *Lowering operating costs and strengthening risk control*

We deem cost control as our key task and monitor every area, from design to material sourcing and from system to process, to accomplish the overall goal of realizing "maximization of profit".

Risk control is strengthened by establishing, implementing and executing the budget system.

The Group promotes an "inverted pyramid" service concept in management to facilitate smooth information flow, enhance team cohesion and production efficiency.

Sun East adheres to people-oriented management philosophy and endeavors to create higher value and shares operating results with shareholders and staff.

LIQUIDITY AND FINANCIAL RESOURCE

The Group continued to maintain a healthy financial position. As at the end of the year under review, the Group held HK$186 million cash and cash equivalents, representing an increase of 33.8% when compared to that at the beginning of the year. In addition, the Group maintained high value of net current asset at HK$136 million and healthy liquidity ratio at 1.14 times. Gearing ratio of the Group, being the total loan divided by shareholders' equity, was kept at healthy level 42.5%. The total loan was bank borrowings and finance lease obligations. The Group had cautiously preserved adequate liquidity resources by maintaining a heavy gearing ratio and high liquidity ratio.

CAPITAL STRUCTURE

As at the end of the year under review, the Group had current assets of HK$558 million (2010: HK$310 million), mainly comprising inventories of HK$78 million (2010: approximately HK$61 million), trade and bills receivables of HK$150 million (2010: approximately HK$91 million), prepayments, deposits and other receivables of HK$22 million (2010: approximately HK$15 million), tax reserve certificates of HK$3.3 million (2010: HK$3 million), pledged deposits of HK$118 million (2010: Nil) and cash and cash equivalents of HK$186 million (2010: HK$139 million). The Group had current liabilities of HK$422 million (2010: approximately HK$203 million).

EXCHANGE RATE RISK

Most of the transactions of the Group were made in Hong Kong dollars, Renminbi and US dollars. In order to limit the capital risk associated with the fluctuations of exchange rate for these foreign currency transactions, the Group entered into a non-deliverable forward ("NDF") contract to hedge US$12 million transaction in year 2011. NDF is used to hedge against the risk arising from the change in exchange rate by fixed a forward exchange rate on the notional amount during the term of the contract.

In order to limit the risk associated with the fluctuations of interest, the Group entered to interest rate swap ("IRS") agreement to hedge HK$24 million and US$12 million floating rate foreign currency loan during the year under review. The Company would charge the counterparty an interest according to a floating rate, in order to pay the floating-rate interest to the original lender, while a fixed rate to the counterparty.

The effect of the change in the aforementioned NDF value on the Group's profit or loss during the year under review amounted to loss of HK$726,000. The fair value of the NDF was determined with reference to the market rate of NDF which matured on the same day; the effect to the change in the aforementioned IRS value on the Group's profit or loss during the year under review amounted to loss of HK$483,000. The value of the IRS was determined based on the price quoted in the agreement.

CHARGES ON GROUP ASSETS

As at 31 March 2011, 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$6,200,000 (2010: HK$71,875,000);

(ii) bank deposits HK$118,482,000 (2010: Nil);

(iii) corporate guarantees provided by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2011, the Group employed approximately 1,250 full time employees in the PRC and approximately 30 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 2011, 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 2011. 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 2011 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

The result for 2011 will further increase shareholders' confidence. With our consistent operation philosophy and management direction, Sun East will stride with firm and steady steps and work pragmatically to reward shareholders, customers and staff for their support and contribution.

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

Hong Kong, 20 June 2011

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*