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SOUTH EAST GROUP LIMITED

(東南國際集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 726)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012

AUDITED RESULTS

The board of directors (the “Directors”) of South East Group Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2012 with comparative figures for the previous corresponding year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	<i>Note</i>	2012 HK\$'000	2011 HK\$'000
Turnover	3	940	1,383
Cost of properties sold		<u>(700)</u>	<u>(883)</u>
GROSS PROFIT		240	500
Other revenues	3	1,919	1,106
Selling and distribution costs		(13)	(3)
Administrative expenses		<u>(15,621)</u>	<u>(18,110)</u>
LOSS FROM OPERATIONS		(13,475)	(16,507)
Finance costs	4	<u>(3,242)</u>	<u>(3,352)</u>
LOSS BEFORE TAXATION	5	(16,717)	(19,859)
Taxation	6(a)	<u>(147)</u>	<u>(15)</u>
LOSS FOR THE YEAR		<u><u>(16,864)</u></u>	<u><u>(19,874)</u></u>

* For identification purposes only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)**For the year ended 31 March 2012*

	<i>Note</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
OTHER COMPREHENSIVE INCOME/(LOSS):			
Translation difference		3,664	1,127
Change in fair value of available-for-sale financial assets		<u>(1,713)</u>	<u>506</u>
Other comprehensive income for the year		<u>1,951</u>	<u>1,633</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(14,913)</u>	<u>(18,241)</u>
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the company		<u>(16,864)</u>	<u>(19,874)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (cents)	7	<u>(4.83)</u>	<u>(5.75)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	Note	2012 HK\$'000	2011 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		238	591
Goodwill		—	—
Available-for-sale financial assets		4,481	6,194
Total non-current assets		4,719	6,785
CURRENT ASSETS			
Held-to-maturity investments		780	780
Properties held for sale		22,435	21,778
Trade and other receivables	8	1,757	1,242
Tax prepayment	6(b)	210	183
Cash and cash equivalents		56,597	68,691
Total current assets		81,779	92,674
CURRENT LIABILITIES			
Trade and other payables	9	3,186	3,055
Convertible bond	10	2,040	1,877
Total current liabilities		5,226	4,932
NET CURRENT ASSETS		76,553	87,742
TOTAL ASSETS LESS CURRENT LIABILITIES		81,272	94,527
NON-CURRENT LIABILITIES			
Convertible bond	10	61,029	65,844
NET ASSETS		20,243	28,683
EQUITY			
Equity attributable to owners of the Company:			
Share capital		35,126	34,795
Reserves		(14,883)	(6,112)
TOTAL EQUITY		20,243	28,683

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

1. BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which in collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”), and Interpretations (“Ints”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the disclosure requirements of the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments and derivatives which are carried at their fair values.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand unless otherwise stated.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting year of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Amendments and interpretations to existing standards effective for the Group’s annual financial year beginning on 1 April 2011 and relevant to the Group

In the current year, the Group has adopted the following new and revised HKFRSs issued by the HKICPA.

HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) — INT 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to HKFRSs (2010)	Amendments to a number of HKFRSs issued in May 2010

The principal effects of adopting these new and revised HKFRSs were as follows:

HKAS 24 (Revised), “Related Party Disclosures”, issued in November 2009. It supersedes HKAS 24, “Related Party Disclosures”, issued in 2003. HKAS 24 (Revised) is mandatory for annual periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. This revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, if any. The adoption of this standard did not have material impact to the consolidated financial statements.

HK(IFRIC) — INT 19, “Extinguishing Financial Liabilities with Equity Instruments”. The interpretation is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The adoption of the interpretation did not have material impact to the Group or the Company’s financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Amendments and interpretations to existing standards effective for the Group's annual financial year beginning on 1 April 2011 and relevant to the Group (Continued)

The "Improvements to HKFRSs (2010)" comprises a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. The impact of these amendments is not considered to be material to the Group and have not resulted in changes to the Group's accounting policies.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

The following new standards, amendments and interpretations to existing standards (collectively, the "Amendments") have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2012. Some of the Amendments are relevant and applicable to the Group. However, they have not been early adopted in these consolidated financial statements. The Group has commenced, but not yet completed, an assessment of the impact of the applicable Amendments on its results of operations and financial positions. The directors are of the view that the impact on the consolidated financial statements would not be significant other than certain additional disclosures.

HKAS 1 (Revised)	Presentation of financial statements ¹
HKAS 27 (Revised)	Separate financial statements ²
HKFRS 9	Financial instruments ²
HKFRS 10	Consolidated financial statements ²
HKFRS 13	Fair value measurement ²

¹ Effective for accounting periods beginning on or after 1 July 2012.

² Effective for accounting periods beginning on or after 1 January 2013.

Amendments to HKAS 1 (Revised), "Presentation of financial statements", change the grouping of items presented in other comprehensive income, items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The Group expects to adopt the amendments from 1 January 2013.

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of comprehensive income, unless this creates an accounting mismatch. The Group is yet to assess HKFRS 9's full impact and intends to adopt HKFRS 9 no later than the accounting period beginning on 1 April 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted (Continued)

HKFRS 10, “Consolidated financial statements”, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess HKFRS 10’s full impact and intends to adopt HKFRS 10 no later than the accounting period beginning on 1 April 2013.

HKFRS 13, “Fair value measurement”, provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. The Group expects to adopt HKFRS 13 prospectively from 1 April 2013.

3. TURNOVER AND OTHER REVENUES

The Group’s turnover represents the sales of properties held for sale.

	2012 HK\$’000	2011 HK\$’000
TURNOVER		
— Sales of properties held for sale	940	1,383
Total turnover	<u>940</u>	<u>1,383</u>
OTHER REVENUES		
— Interest income	643	592
— Investment income	113	72
— Recovery of trade receivables	405	240
— Exchange gain	201	—
— Rental income	176	202
— Over provision for the prior year expense	282	—
— Sundry income	99	—
Total other revenues	<u>1,919</u>	<u>1,106</u>
Total turnover and other revenues	<u>2,859</u>	<u>2,489</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

4. FINANCE COSTS

	2012 HK\$'000	2011 HK\$'000
Interest expenses on convertible bond	3,237	3,348
Others	5	4
	<u> </u>	<u> </u>
Total	<u>3,242</u>	<u>3,352</u>

5. LOSS BEFORE TAXATION

Loss before taxation was arrived at after charging:

	2012 HK\$'000	2011 HK\$'000
Auditors' remuneration	225	205
Impairment loss of trade receivables	—	1,315
Cost of properties sold	700	883
Depreciation	357	358
Impairment on goodwill	—	35
Operating lease payments	3,262	2,198
Employee share option benefits	—	1,218
Staff costs (excluding directors' remuneration)		
— Salaries and allowance	3,269	2,639
— Retirement benefit schemes contribution	168	137
	<u> </u>	<u> </u>

6. TAXATION

(a) Taxation in the consolidated statement of comprehensive income represents:

	2012 HK\$'000	2011 HK\$'000
The People's Republic of China ("PRC") Enterprise Income Tax Provision for the year	<u>147</u>	<u>15</u>

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group did not derive any assessable profits in Hong Kong for the year (2011: nil).

Taxation on profits derived in the PRC for subsidiaries has been calculated at the rate of tax prevailing in the PRC, Enterprise Income Tax rate, of 25% (2011: 25%), which is based on existing legislation, interpretations and practices in respect thereof.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

6. TAXATION (Continued)

- (b) At the end of the reporting period, the Group had the following income tax (payable) and prepayment:

	2012 HK\$'000	2011 HK\$'000
The PRC Enterprise Income Tax		
— Tax payable	(1)	(15)
— Tax prepayment	211	198
Total	<u>210</u>	<u>183</u>

- (c) Reconciliation between tax expenses and loss before taxation of the Group at the applicable tax rates are as follows:

	2012 HK\$'000	2011 HK\$'000
Loss before taxation	<u>(16,717)</u>	<u>(19,859)</u>
Tax calculated at the applicable tax rates	(2,791)	(3,348)
Tax effect of non-deductible expenses	55	305
Tax effect of non-taxable income	(41)	(87)
Tax loss not recognised	<u>2,924</u>	<u>3,145</u>
Total tax expenses	<u>147</u>	<u>15</u>

- (d) At the end of the reporting period, the Group has unused tax losses that are available indefinitely for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

As at 31 March 2012 and 31 March 2011, there were no significant unrecognised deferred tax liabilities for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

7. LOSS PER SHARE

The calculation of basic loss per share is based on the consolidated loss attributable to owners for the year of approximately HK\$16,864,000 (2011: loss of approximately HK\$19,874,000) and on the weighted average of 349,335,478 (2011: 345,863,219) ordinary shares in issue during the year. No diluted loss per share has been presented as the exercise of the Company's outstanding share options and convertible bond would result in a decrease in loss per share for the year. The Company had no potential dilutive ordinary shares that were outstanding for the years ended 31 March 2012 and 31 March 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

8. TRADE AND OTHER RECEIVABLES

	2012 HK\$'000	2011 HK\$'000
Trade receivables	1,590	1,929
Less: Provision for impairment	(1,590)	(1,904)
Trade receivables, net of provision	—	25
Deposits and other receivables	1,367	655
Maximum exposure to credit risk	1,367	680
Prepayments	390	562
	1,757	1,242

The carrying amounts of trade and other receivables approximated their fair values as at 31 March 2012 and 31 March 2011. The Group does not hold any collateral over these balances.

All trade receivables before provision for impairment of the Group were aged over twelve months based on the invoice issue date.

As at 31 March 2011, all trade receivables, net of provision of the Group were past due over twelve months but not impaired. The balance relates to a number of independent customers for whom there was no recent history of default.

The movements on the provision for impairment of trade receivables were as follows:

	2012 HK\$'000	2011 HK\$'000
At 1 April	1,904	796
Provision for impairment of trade receivables	—	1,315
Recovery of trade receivables	(405)	(240)
Exchange difference	91	33
At 31 March	1,590	1,904

The creation and release of provision for impaired receivables has been included in administrative expenses in the consolidated statement of comprehensive income. Amounts charged to the provision account are impaired when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The carrying amounts of the Group's trade and other receivables were denominated in the following currencies:

	2012 HK\$'000	2011 HK\$'000
Renminbi	78	121
Hong Kong dollars	1,679	1,121
	1,757	1,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

9. TRADE AND OTHER PAYABLES

	2012 HK\$'000	2011 HK\$'000
Trade payables	323	328
Other payables and accruals	2,863	2,727
	<u>3,186</u>	<u>3,055</u>

The carrying amounts of the Group's trade and other payables approximated their fair values as at 31 March 2012 and 31 March 2011 and are denominated in the following currencies:

	2012 HK\$'000	2011 HK\$'000
Hong Kong dollars	2,140	2,330
Renminbi	1,046	725
	<u>3,186</u>	<u>3,055</u>

All trade payables of the Group were aged over twelve months based on the invoice issue date.

10. CONVERTIBLE BOND

The convertible bond issued has been split as to the liability and equity component and movement of the convertible bond is as follows:

	2012 HK\$'000	2011 HK\$'000
Nominal value of the convertible bond	68,000	68,000
Equity component	<u>(5,888)</u>	<u>(4,629)</u>
Liability component		
— Liability component at 8 May 2011 and 1 April 2010	62,112	63,371
— Interest expenses	<u>957</u>	<u>4,350</u>
Total liability component	<u>63,069</u>	<u>67,721</u>
Analysis into		
— Current liabilities	2,040	1,877
— Non-current liabilities	<u>61,029</u>	<u>65,844</u>
	<u>63,069</u>	<u>67,721</u>

11. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Company's executive directors. The Group's principal activity is property development in the PRC. The executive directors regard it as a single business segment and no segment information is presented.

At the end of reporting period, non-current assets included property, plant and equipment with carrying amount of approximately HK\$158,000 (2011: HK\$474,000) and approximately HK\$80,000 (2011: HK\$117,000) are located in Hong Kong and the PRC respectively.

DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 March 2012 (2011: nil).

RESULTS

For the year ended 31 March 2012, the Group generated approximately HK\$940,000 in turnover (2011: HK\$1,383,000), which was contributed by sale of properties. During the year under review, loss attributable to owners of the Company was approximately HK\$16,864,000 (2011: loss of HK\$19,874,000) and loss per share was HK4.83 cents (2011: HK5.75 cents). The decrease in loss was mainly attributable to reduction of administrative expenses compared with last year, as certain non-recurring items were incurred in the previous year.

BUSINESS REVIEW AND PROSPECTS

In the year ended 31 March 2012, the Group continued its principal activities of selling completed properties including commercial units and car parking space in the PRC. For the year under review, this single business segment currently undertaken by the Group generated a turnover of approximately HK\$940,000 (2011: HK\$1,383,000), which represented sales of commercial units with floor area of approximately 152 square metres in aggregate (2011: nil) located at Zouping, Shandong and 5 car park units (2011: 17) located at Pudong, Shanghai. For the year ended 31 March 2012, the property business was operated at a loss before tax of approximately HK\$383,000 (2011: loss before tax of HK\$846,000). At 31 March 2012, the Group's portfolio of properties held for sale consisted of commercial properties with a gross floor area of approximately 7,985 (2011: 8,137) square metres in Zouping, Shandong, and 6 (2011: 11) car park units in Pudong, Shanghai. As in the past few years, the Group has been leasing out some of the commercial properties held in Zouping, Shandong for expedience sake. For the year under review, the Group recorded rental income of approximately HK\$176,000 (2011: HK\$202,000), which was accounted for as other revenues.

The Group is regularly reviewing its existing business operations and will make necessary adjustments as and when appropriate. As reported in the Group's interim report for the six months ended 30 September 2011, the management may consider realizing on the investments in the property projects in the PRC so as to deploy resources on other business opportunities with higher development potential. In the meanwhile the management will continue to explore all kinds of investment opportunities which will drive the Group to deliver better results. The Group will endeavour to expand its business scope so that revenues will be generated from different segments in the future. In view of maintaining a balanced financial position, the Group will proceed with its business development plan in a vigorous yet prudent way.

LIQUIDITY AND FINANCIAL RESOURCES

At 31 March 2012, the Group had cash and bank balances amounted to approximately HK\$56,597,000 (2011: HK\$68,691,000). At the year-end date, the Group's total borrowings represented the carrying amount of the Convertible Bond (as defined below) of approximately HK\$63,069,000 (2011: HK\$67,721,000).

During the financial year under review, the Group's business operations were mainly in Hong Kong and the PRC. Hence, most of the transactions were denominated and settled in Hong Kong dollars and Renminbi. As there was no significant exposure to foreign exchange fluctuation arising from the normal course of operations, the Group did not enter into any foreign exchange hedge arrangement to reduce foreign exchange risk and exposure.

Shareholders' equity at 31 March 2012 was HK\$20,243,000 (2011: HK\$28,683,000), representing a decrease of 29% over last year.

The Group's gearing ratio at 31 March 2012, expressed as the percentage of the Group's total borrowings over shareholders' equity, was approximately 312% (2011: 236%).

CAPITAL STRUCTURE

During the year under review, 3,305,000 new ordinary shares of HK\$0.10 each have been issued and allotted upon exercise of share options granted by the Company. The proceeds obtained by the Company from the exercise of share options amounted to approximately HK\$585,000.

At 31 March 2012, the Company's issued share capital was HK\$35,125,888 (2011: HK\$34,795,388) with 351,258,880 (2011: 347,953,880) ordinary shares of HK\$0.10 each in issue.

At 31 March 2012, the Company had an outstanding convertible bond with a principal amount of HK\$68,000,000 ("Convertible Bond"). The Convertible Bond was issued by the Company to Loyal Delight Group Limited, an independent third party; which was subsequently amended by the parties involved pursuant to a deed of amendment with the approval of the shareholders of the Company at a special general meeting held on 18 April 2011. The Convertible Bond was so amended that its maturity date is now 7 May 2016 ("Maturity Date"), the coupon interest rate is 3% per annum effective from 8 May 2011 and the conversion price is HK\$0.418 per share. The Company has no obligation to redeem the Convertible Bond prior to the Maturity Date unless an event of default as provided in the terms and conditions of the Convertible Bond has occurred prior to the Maturity Date and the bondholder serves a notice on the Company requiring the Convertible Bond to be redeemed.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and associated companies during the year.

EMPLOYEE INFORMATION

At 31 March 2012, the total number of employees of the Group was 24 (2011: 23). 10 (2011: 10) of them worked in the PRC while 14 (2011: 13) of them worked in Hong Kong.

Employees are basically remunerated based on the nature of their job and their performance as well as the prevailing market trend. Year-end discretionary bonus would be granted to reward and motivate those well-performed employees. The Company also adopted a share option scheme in November 2003 to reward employees for their contributions to the Group.

CHARGES ON GROUP ASSETS

At 31 March 2012, the Group had no assets pledged to banks to secure general banking facilities and bank loan granted to the Group (2011: nil).

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

At 31 March 2012, the Group had no outstanding capital commitments (2011: nil) and no material contingent liabilities (2011: nil).

LITIGATION

At 31 March 2012, the Group had not involved in any material litigation.

PURCHASE, SALE OR REDEMPTION OF OWN SHARES

During the year under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company has set up an audit committee (the "Audit Committee") with specific written terms of reference which clearly deal with its authorities and duties. The Audit Committee currently comprises three members including two independent non-executive directors and one non-executive director, and its chairman possesses recognized professional qualifications in accounting. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and has discussed the auditing, internal control and financial reporting matters, including a review of the annual results and the consolidated financial statements for the year ended 31 March 2012.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Listing Rules (without taking into account of the amendments to the Corporate Governance Code effective from 1 April 2012) throughout the year ended 31 March 2012 except the following:

Under Code Provision A.1.1, board meetings should be held at least four times a year at approximately quarterly intervals. The board of the Company (the “Board”) only convened three meetings during the year ended 31 March 2012 that required attendance in person as stipulated in Code Provision A.1.1. In addition, the Board has made resolutions by circulation of documents once during the year. As there is no significant business development that needs to bring to the attention of the Board immediately, circulation of written materials to keep the Board informed throughout the year is considered to be sufficient. It is believed that the Company will satisfy the requirement under this code provision when the Group’s business grows in the future.

Under Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, the Company’s non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s bye-laws, so accomplishing the same purpose as a specific term of appointment. Starting from this year, the Company proposes to enter into a letter of appointment with the non-executive directors re-elected at the annual general meeting of the Company for a specific term yet subject to re-election at the annual general meeting of the Company in accordance with the Company’s bye-laws.

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 to the Listing Rules as its code of conduct regarding securities transactions by directors of the Company. The Company has made specific enquiry to all directors that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2012.

PUBLICATION OF FINANCIAL INFORMATION ON THE STOCK EXCHANGE’S WEBSITE

The Company’s annual report for the year ended 31 March 2012 containing all applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the Stock Exchange’s website and on the Company’s website (http://www.ilinkfin.net/south_east_group) in due course.

By order of the Board of
SOUTH EAST GROUP LIMITED
Wu Siu Chung
Chairman

Hong Kong, 20 June 2012

The directors of the Company as at the date of this announcement are Mr. Wu Siu Chung (Chairman) and Mr. Chen Xiaoping as executive directors; Mr. Chen Yuan Shou, Budiman and Mr. Eduard William Rudolf Helmuth Will as non-executive directors; and Mr. Lo Yuk Lam, Mr. Wong Kam Wah and Mr. David R. Peterson as independent non-executive directors.