

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2013

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 2013 with comparative figures for the previous corresponding year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	<i>Note</i>	2013 HK\$'000	2012 <i>HK\$'000</i>
Turnover	3	732	940
Cost of properties sold		<u>(354)</u>	<u>(700)</u>
GROSS PROFIT		378	240
Other revenues	4	2,773	1,919
Selling and distribution costs		(16)	(13)
Administrative expenses		<u>(16,407)</u>	<u>(15,621)</u>
LOSS FROM OPERATIONS		(13,272)	(13,475)
Finance costs	5	<u>(3,156)</u>	<u>(3,242)</u>
LOSS BEFORE TAXATION	6	(16,428)	(16,717)
Taxation	7(a)	<u>(429)</u>	<u>(147)</u>
LOSS FOR THE YEAR		<u><u>(16,857)</u></u>	<u><u>(16,864)</u></u>

* For identification purposes only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)*For the year ended 31 March 2013*

	<i>Note</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
OTHER COMPREHENSIVE (LOSS)/INCOME:			
Translation differences		452	3,664
Change in fair value of available-for-sale financial assets		(1,175)	(1,713)
Other comprehensive (loss)/income for the year		(723)	1,951
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(17,580)	(14,913)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		(16,857)	(16,864)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (cents)	8	(4.80)	(4.83)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Note	2013 HK\$'000	2012 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		39	238
Goodwill		—	—
Available-for-sale financial assets		3,306	4,481
Total non-current assets		3,345	4,719
CURRENT ASSETS			
Held-to-maturity investments		780	780
Properties held for sale		22,318	22,435
Trade and other receivables	9	3,528	1,757
Tax prepayment	7(b)	—	210
Cash and cash equivalents		39,855	56,597
Total current assets		66,481	81,779
CURRENT LIABILITIES			
Trade and other payables	10	2,815	3,186
Tax payable	7(b)	165	—
Convertible bond	11	2,040	2,040
Total current liabilities		5,020	5,226
NET CURRENT ASSETS		61,461	76,553
TOTAL ASSETS LESS CURRENT LIABILITIES		64,806	81,272
NON-CURRENT LIABILITIES			
Convertible bond	11	62,143	61,029
NET ASSETS		2,663	20,243
EQUITY			
Equity attributable to owners of the Company:			
Share capital		35,126	35,126
Reserves		(32,463)	(14,883)
TOTAL EQUITY		2,663	20,243

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

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 on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) 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 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 2012 and relevant to the Group

In the current year, a number of new and revised HKFRSs issued by the HKICPA that are mandatorily effective for current reporting period.

There are no HKFRSs interpretations that are effective for the first time for the financial year beginning on or after 1 April 2012 that would be expected to have a material impact on the Group.

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

Up to the date of issue of these consolidated financial statements, the HKICPA have issued a number of new standards, amendments and interpretations to existing standards which are effective for the Group’s financial period beginning on 1 April 2013, and which have not been early adopted in preparing these consolidated financial statements. These include the following which may be relevant to the Group.

HKAS 1 (Revised)	Presentation of financial statements ¹
HKAS 27 (Revised)	Separate financial statements ²
HKFRS 9	Financial instruments ⁴
HKFRS 10	Consolidated financial statements ²
HKFRS 13	Fair value measurement ²
Amendments to HKFRS 7	Financial instruments: Disclosures — Offsetting financial assets and financial liabilities ²
Amendments to HKAS 32	Financial instruments: Presentation — Offsetting financial assets and financial liabilities ³

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

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

³ Effective for accounting periods beginning on or after 1 January 2014.

⁴ Effective for accounting periods beginning on or after 1 January 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

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)

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

The amendments to HKAS 1 have been issued to improve the presentation of other comprehensive income. The amendments require entities to group together the items of other comprehensive income that may be reclassified to profit or loss in the future by presenting them separately from those that would never be reclassified to profit or loss. The application of the amendments to HKAS 1 might result in changes in presentation of the consolidated statement of comprehensive income.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. HK (SIC)-Int 12 Consolidation — Special Purpose Entities will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and amended in 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 as 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 financial instruments. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases 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 has yet to assess HKFRS 9's full impact and intends to adopt it.

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 has yet to assess HKFRS 10's full impact and intends to adopt HKFRS 10 from 1 April 2013.

HKFRS 13, "Fair value measurement", aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within. The Group has yet to assess HKFRS 13's full impact and intends to adopt HKFRS 13 from 1 April 2013.

Amendments to HKFRS 7, "Financial instruments: Disclosures — Offsetting financial assets and financial liabilities", requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. The Group will apply this amendment from 1 April 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

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)

Amendments to HKAS 32, “Financial instruments: Presentation — Offsetting financial assets and financial liabilities”, is to the application guidance in HKAS 32 “Financial instruments: Presentation”, and clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The application of the amendments to HKAS 32 might result in changes in presentation of certain financial assets and financial liabilities on the statement of financial position. The Group will apply this amendment from 1 April 2013.

3. TURNOVER

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

	2013 HK\$’000	2012 HK\$’000
Sales of properties held for sale	732	940
Total	<u>732</u>	<u>940</u>

4. OTHER REVENUES

	2013 HK\$’000	2012 HK\$’000
Interest income	1,807	643
Investment income	134	113
Recovery of trade receivables	398	405
Exchange gain	174	201
Rental income	248	176
Over provision for the prior year expense	—	282
Sundry income	12	99
Total	<u>2,773</u>	<u>1,919</u>

5. FINANCE COSTS

	2013 HK\$’000	2012 HK\$’000
Interest expenses on convertible bond	3,154	3,237
Others	2	5
Total	<u>3,156</u>	<u>3,242</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

6. LOSS BEFORE TAXATION

Loss before taxation was arrived at after charging:

	2013 HK\$'000	2012 HK\$'000
Auditors' remuneration		
— Current year	240	225
— Under-provision for prior year	24	—
	<u>264</u>	<u>225</u>
Cost of properties sold	354	700
Depreciation	200	357
Operating lease payments	4,957	3,262
Staff costs (excluding directors' remuneration)		
— Salaries and allowances	3,927	3,269
— Retirement benefit schemes contribution	161	168
	<u>6,903</u>	<u>7,981</u>

7. TAXATION

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

	2013 HK\$'000	2012 HK\$'000
The PRC Enterprise Income Tax Provision for the year	<u>429</u>	<u>147</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 (2012: 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% (2012: 25%), which is based on existing legislation, interpretations and practices in respect thereof.

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

	2013 HK\$'000	2012 HK\$'000
The PRC Enterprise Income Tax		
— Tax payable	(378)	(1)
— Tax prepayment	213	211
	<u>(165)</u>	<u>210</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

7. TAXATION (Continued)

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

	2013 HK\$'000	2012 HK\$'000
Loss before taxation	(16,428)	(16,717)
Tax calculated at the applicable tax rates	(2,586)	(2,791)
Tax effect of non-deductible expenses	207	55
Tax effect of non-taxable income	(43)	(41)
Tax loss not recognised	2,851	2,924
Total tax expenses	<u>429</u>	<u>147</u>

- (d) At the end of the reporting period, the Group has unused tax losses of HK\$39,138,000 (2012: HK\$38,762,000) that are available for offsetting against future taxable profits. These tax losses have no expiry dates except for the tax losses of HK\$2,910,000 (2012: HK\$2,535,000) which will expire at various dates up to and including year of 2018 (2012: year of 2017). Deferred tax asset arising from the unused tax losses has not been recognised in the consolidated financial statements as, in the opinion of the directors, it is not probable to determine whether sufficient future profits will be available to utilise the tax losses.

As at 31 March 2013 and 31 March 2012, 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.

8. LOSS PER SHARE

The calculation of basic loss per share is based on the consolidated loss attributable to owners for the year of HK\$16,857,000 (2012: loss of HK\$16,864,000) and on the weighted average of 351,258,880 (2012: 349,335,478) 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 2013 and 31 March 2012.

9. TRADE AND OTHER RECEIVABLES

	2013 HK\$'000	2012 HK\$'000
Trade receivables	1,206	1,590
Less: Provision for impairment	(1,206)	(1,590)
Trade receivables, net of provision	—	—
Deposits and other receivables	3,042	1,367
Maximum exposure to credit risk	3,042	1,367
Prepayments	486	390
	<u>3,528</u>	<u>1,757</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

9. TRADE AND OTHER RECEIVABLES (Continued)

The carrying amounts of trade and other receivables approximated their fair values as at 31 March 2013 and 31 March 2012. 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.

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

	2013 HK\$'000	2012 HK\$'000
At 1 April	1,590	1,904
Recovery of trade receivables	(398)	(405)
Exchange difference	14	91
At 31 March	1,206	1,590

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:

	2013 HK\$'000	2012 HK\$'000
Renminbi	1,760	78
Hong Kong dollars	1,768	1,679
	3,528	1,757

10. TRADE AND OTHER PAYABLES

	2013 HK\$'000	2012 HK\$'000
Trade payables	326	323
Other payables and accruals	2,489	2,863
	2,815	3,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

10. TRADE AND OTHER PAYABLES (Continued)

The carrying amounts of the Group's trade and other payables approximated their fair values as at 31 March 2013 and 31 March 2012 were denominated in the following currencies:

	2013 HK\$'000	2012 HK\$'000
Hong Kong dollars	2,164	2,140
Renminbi	651	1,046
	<u>2,815</u>	<u>3,186</u>

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

11. 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:

	2013 HK\$'000	2012 HK\$'000
Nominal value of the Convertible Bond	68,000	68,000
Equity component	<u>(5,888)</u>	<u>(5,888)</u>
Liability component		
— Liability component	62,112	62,112
— Interest expenses	<u>2,071</u>	<u>957</u>
Total liability component	<u>64,183</u>	<u>63,069</u>
Analysis into		
— Current liabilities	2,040	2,040
— Non-current liabilities	<u>62,143</u>	<u>61,029</u>
	<u>64,183</u>	<u>63,069</u>

12. 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 the reporting period, non-current assets included property, plant and equipment with carrying amount of HK\$39,000 (2012: HK\$80,000) located in the PRC and nil (2012: HK\$158,000) in Hong Kong.

DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 March 2013 (2012: nil).

RESULTS

For the year ended 31 March 2013, the Group generated approximately HK\$732,000 in turnover (2012: HK\$940,000), which was contributed by sale of properties. During the year under review, the Group incurred loss attributable to owners of the Company amounted to approximately HK\$16,857,000 (2012: loss of HK\$16,864,000) and loss per share was HK4.80 cents (2012: HK4.83 cents).

At 31 March 2013, the total assets and net assets of the Group were HK\$69,826,000 and HK\$2,663,000 (2012: HK\$86,498,000 and HK\$20,243,000) respectively. The decrease in the Group's net asset value was mainly attributable to the cash outflow from the operating activities.

BUSINESS REVIEW AND PROSPECTS

During the year ended 31 March 2013, the Group's business operations were principally related to the selling of completed properties in the People's Republic of China (the "PRC"). For the year under review, this single reportable segment reported a total turnover of approximately HK\$732,000 (2012: HK\$940,000). It was generated solely from sale of car parking space in Pudong, Shanghai, the PRC. Six car park units (2012: five) were sold during the year, and no stock of car park units was left at the year-end date. Completed commercial properties held in Zouping, Shandong, the PRC, recorded no sales for this year (2012: HK\$406,000). At 31 March 2013, there remained a gross floor area of approximately 7,985 square metres of commercial properties held by the Group in Zouping, Shandong, which was the same as the previous year. For the year under review, the Group continued to lease out part of its commercial properties and recorded rental income of approximately HK\$248,000 (2012: HK\$176,000), which was accounted for as other revenues.

The Group will closely monitor its existing business operations and implement corresponding measures as and when appropriate.

Looking forward, the Group will continue to look for suitable investment opportunities to invest so as to diversify its business scope and broaden the revenue stream. The Group maintains the view that business development is a priority task for the Group in the coming years. Prudent approach will be taken in selecting and considering business opportunities for investment, with a view to building up a healthy and maintainable business portfolio for the Group.

LIQUIDITY AND FINANCIAL RESOURCES

At 31 March 2013, the Group had cash and bank balances amounted to approximately HK\$39,855,000 (2012: HK\$56,597,000). At the year-end date, the Group's total borrowings represented the carrying amount of the Convertible Bond (as defined below) of approximately HK\$64,183,000 (2012: HK\$63,069,000).

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 2013 was approximately HK\$2,663,000 (2012: HK\$20,243,000), representing a decrease of approximately 87% over last year.

LIQUIDITY AND FINANCIAL RESOURCES *(Continued)*

The Group's gearing ratio at 31 March 2013, expressed as the percentage of the Group's total borrowings over shareholders' equity, was approximately 24 times (2012: 3 times).

CAPITAL STRUCTURE

At 31 March 2013, the Company's issued share capital was HK\$35,125,888 (2012: HK\$35,125,888) with 351,258,880 (2012: 351,258,880) ordinary shares of HK\$0.10 each in issue.

At 31 March 2013, the Company had a convertible bond with an outstanding 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 the ("Shareholders") 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 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 2013, the total number of employees of the Group was 23 (2012: 24). 9 (2012: 10) of them worked in the PRC while 14 (2012: 14) 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. Other employee benefits include mandatory provident fund, medical insurance coverage and share option scheme.

CHARGES ON GROUP ASSETS

At 31 March 2013, the Group had no significant assets pledged to banks to secure general banking facilities and bank loan granted to the Group (2012: nil).

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

At 31 March 2013, the Group had no outstanding capital commitments (2012: nil) and no material contingent liabilities (2012: nil).

LITIGATION

At 31 March 2013, 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 recognised 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 2013.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (effective from 1 April 2012) (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 31 March 2013 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 two meetings during the year ended 31 March 2013 that required attendance in person as stipulated in Code Provision A.1.1. In addition, the Board has made resolutions by circulation of documents at one time 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 if 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. The Company has entered into a letter of appointment for a service term of three years subjected to re-election in accordance with the Company's bye laws, with each of Mr. Lo Yuk Lam and Mr. Wong Kam Wah (both of them are independent non-executive directors of the Company) after they were re-elected at the annual general meeting of the Company held on 7 August 2012. Currently, the Company has two non-executive directors who are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Company's bye-laws, as such the Board considers the same purpose as a specific term of appointment can be achieved. Nevertheless, the Company will continue the policy to enter into letters of appointment with the non-executive directors re-elected at annual general meetings of the Company for a specific term subjected to re-election in accordance with the Company's bye-laws.

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings of the Company. Mr. Chen Yuan Shou, Budiman, a non-executive director, Mr. Lo Yuk Lam, an independent non-executive director, and Mr. David R. Peterson, a former independent non-executive director could not attend the annual general meeting of the Company held on 7 August 2012 owing to other business commitment or was in overseas.

RESIGNATION OF DIRECTOR AFTER THE REPORTING PERIOD

On 8 May 2013, Mr. David R. Peterson (“Mr. Peterson”) resigned as an independent non-executive director of the Company because of other business commitments. Upon the resignation of Mr. Peterson, the Board has only two independent non-executive directors, therefore cannot meet the minimum number of three independent non-executive directors required under Rule 3.10(1) of the Listing Rules. The Company is in the process of selecting a suitable candidate to fill the casual vacancy as soon as practicable and in any event within three months, in order to comply again with the requirement of sufficient number of independent non-executive directors under the Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

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 2013.

PUBLICATION OF FINANCIAL INFORMATION ON THE STOCK EXCHANGE’S WEBSITE

The Company’s annual report for the year ended 31 March 2013 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://southeastgroup.todayir.com>) in due course.

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

Hong Kong, 21 June 2013

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 and Mr. Wong Kam Wah as independent non-executive directors.