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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)

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS, THIRD SUPPLEMENTAL FRAMEWORK AGREEMENT AND RESUMPTION OF TRADING

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted the recent increases in the price and trading volume of the shares of the Company. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that save as disclosed in this announcement, it is not aware of any reasons for such movements or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

THIRD SUPPLEMENTAL FRAMEWORK AGREEMENT

As additional time is required for due diligence works on the Proposed Acquisition and negotiations for the terms of the Formal Agreement, on 25 November 2014, the Company and the Vendor entered into the Third Supplemental Framework Agreement, pursuant to which the Exclusivity Period will be further extended for three months to 25 February 2015 and all the terms and conditions set out in the Framework Agreement will remain in effect for further three months accordingly; and the Exclusivity Period may be further extended by a period of three months (subject to mutual agreement between the Vendor and the Company in writing).

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted with effect from 11:17 a.m. on Tuesday, 25 November 2014 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on 26 November 2014.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

This section of announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

* For identification purposes only

The board of directors (the “Board”) of South East Group Limited (the “Company”) has noted the recent increases in the price and trading volume of the shares of the Company. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, save as disclosed below, it is not aware of any reasons for such movements or of any information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

The Board wishes to state that, as informed by Viva Shine Limited (“Viva Shine”), the single largest shareholder of the Company, Viva Shine has approached a potential placing agent in respect of a possible placement of certain shares in the Company held by Viva Shine. However, no binding terms or agreements have been reached or entered into by the parties concerned at the present stage. As at the date of this announcement, Viva Shine is beneficially interested in (i) 828,000,000 shares of the Company (representing approximately 25.21% of the Company’s issued share capital) and (ii) the convertible bond of the Company due on 7 May 2016 with an outstanding principal amount of HK\$68,000,000 convertible into a maximum of 425,000,000 shares of the Company at the conversion price of HK\$0.16 per share.

The Company will make further announcement(s) regarding the above as and when appropriate pursuant to the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

THIRD SUPPLEMENTAL FRAMEWORK AGREEMENT

This section of announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

Reference is made to the Company’s announcements dated 26 February 2014, 23 May 2014 and 22 August 2014 respectively (the “Announcements”) in relation to the Framework Agreement dated 26 February 2014 (as supplemented by the two supplemental agreements dated 23 May 2014 and 22 August 2014 respectively) (the “Framework Agreement”) entered into by the Company and the Vendor in relation to the Proposed Acquisition. Capitalized terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

Since the entering of the Framework Agreement, no significant progress on the negotiations of the terms and conditions of the Formal Agreement in relation to the Proposed Acquisition has been made owing to lacking in financial resources to pay for the Earnest Money in the amount of HK\$22 million by the Company to the Vendor, hence the due diligence review on, among others, the Properties, to be conducted by the Company. In order to finance the Proposed Acquisition, the Company proceeded with fund raising to broaden its capital base by way of a rights issue, details of which are set out in the Company’s prospectus dated 8 October 2014. The Company completed the rights issue to raise approximately HK\$292 million before expenses in October 2014, as detailed in its announcement dated 29 October 2014. With the available funds, the Company will expedite negotiations with the Vendor as regards the terms and conditions of the Proposed Acquisition, as well as the due diligence and investigation on, among others, the Properties.

As additional time is required for due diligence works on the Proposed Acquisition and negotiations for the terms of the Formal Agreement, on 25 November 2014, the Company and the Vendor entered into a third supplemental framework agreement (the “Third Supplemental Framework Agreement”) to supplement the Framework Agreement, pursuant to which the Exclusivity Period will be further extended and all the terms and conditions set out in the Framework Agreement will remain in effect for further three months so that the Long Stop Date will fall on 25 February 2015. The Exclusivity Period may be further extended by a period of three months (subject to mutual agreement between the Vendor and the Company in writing).

The Company wishes to emphasize that the Framework Agreement (as supplemented by the Third Supplemental Framework Agreement) does not constitute a binding commitment on the Company in respect of the Proposed Acquisition and as the Proposed Acquisition may or may not proceed, Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company.

If the Proposed Acquisition is materialised, it may constitute a notifiable transaction for the Company under the Listing Rules and the Company will make further announcement in respect of the Proposed Acquisition as and when appropriate.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 11:17 a.m. on Tuesday, 25 November 2014 pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on 26 November 2014.

This announcement is made by the order of the Company. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

By order of the Board
South East Group Limited
Mock Wai Yin
Executive Director and Deputy Chairman

Hong Kong, 25 November 2014

The directors of the Company as at the date of this announcement are Mr. Yu Shengming (Chairman), Mr. Mock Wai Yin (Deputy Chairman) and Mr. Chan Chi Yuen as executive directors; Mr. Chen Xiaoping as non-executive director; Mr. Ng Kwok Wai, Mr. Lee Chi Hwa, Joshua and Mr. Ling Kit Wah, Joseph as independent non-executive directors.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.