Sun East Technology (Holdings) Limited

日 東 科 技(控 股)有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock code: 365)

UPDATE ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND PROPOSED ISSUE OF SUBSCRIPTION SHARES OR SECURITIES

This announcement is made pursuant to Rule 3.7 of The Code on Takeovers and Mergers of Hong Kong (the "**Takeovers Code**").

Reference is made to the announcement of Sun East Technology (Holdings) Limited (the "**Company**") dated 10 December 2015 (the "**Announcement**"). Unless the context requires otherwise, capitalized terms used herein shall have the meanings as defined in the Announcement.

The Directors announces that the Company is currently under negotiation with the Investors in connection with a proposed issue and allotment of new shares or issue of securities to the Investors (the "**Proposed Transaction**"). The Proposed Transaction, if materializes, may lead to a change of control in the Company.

It should be noted that the negotiation with the Investors is in a preliminary stage. As at the date of this announcement, neither the Company nor any of its subsidiaries has entered into any legally binding agreement(s) or contract(s) in respect of the Proposed Transaction. The Proposed Transaction may or may not proceed. Accordingly, shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of Proposed Transaction will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. The Company will make further announcements in respect of the Proposed Transaction if and when required in accordance with the Listing Rules and the Takeovers Code.

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

Hong Kong, 8 January 2016

At the date of this announcement, the directors of the Company are Mr. But Tin Fu, Mr. But Tin Hing, Mr. Leung Cheong and Mr. Leung Kuen, Ivan as executive directors; and Mr. See Tak Wah, Prof. Xu Yang Sheng and Mr. Li Wanshou as independent non-executive directors.

** For identification purposes only*

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.