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**UNIS TECHNOLOGY STRATEGY
INVESTMENT LIMITED**

紫光科技戰略投資有限公司

*(Incorporated in Hong Kong with
limited liability)*

**SUN EAST TECHNOLOGY
(HOLDINGS) LIMITED**

日東科技(控股)有限公司*

*(Incorporated in Bermuda with limited liability)
(Stock code: 365)*

**(1) SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BONDS
OF SUN EAST TECHNOLOGY (HOLDINGS) LIMITED
BY THE SUBSCRIBERS UNDER SPECIFIC MANDATE**

(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY

QUAM SECURITIES COMPANY LIMITED



**FOR AND ON BEHALF OF UNIS TECHNOLOGY STRATEGY INVESTMENT
LIMITED TO ACQUIRE ALL THE ISSUED SHARES (OTHER THAN THE
EXCLUDED SHARES)**

**(3) RESUMPTION OF TRADING IN THE SHARES OF
SUN EAST TECHNOLOGY (HOLDINGS) LIMITED**

Financial Adviser to the Offeror



THE SUBSCRIPTIONS

On 4 February 2016, Mr. But, the Company and the Offeror entered into the UNISTECH Subscription Agreement, pursuant to which, the Company has conditionally agreed to issue, and the Offeror has conditionally agreed to subscribe, in cash, for (i) 730,000,000 Subscription Shares, representing approximately 139.05% of the number of issued Shares as at the date of this joint announcement and approximately 50.17% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, at a Subscription Price of HK\$0.40 per Subscription Share; and (ii) Convertible Bonds with an aggregate principal amount of HK\$148,000,000 which can be converted into 370,000,000 Shares at a Conversion Price of HK\$0.40 per Share, representing (a) approximately 70.48% of the issued share capital of the Company as at the date of this joint announcement; and (b) approximately 20.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares.

On 4 February 2016, the Company and Reach General entered into the RG Subscription Agreement, pursuant to which, the Company has conditionally agreed to issue, and Reach General has conditionally agreed to subscribe, in cash, for 100,000,000 Subscription Shares, representing approximately 19.05% of the number of issued Shares as at the date of this joint announcement and approximately 6.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, at a Subscription Price of HK\$0.40 per Subscription Share.

On 4 February 2016, the Company and Chen Ping entered into the Chen Subscription Agreement, pursuant to which, the Company has conditionally agreed to issue, and Chen Ping has conditionally agreed to subscribe, in cash, for 100,000,000 Subscription Shares, representing approximately 19.05% of the number of issued Shares as at the date of this joint announcement and approximately 6.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, at a Subscription Price of HK\$0.40 per Subscription Share.

The Subscription Shares and the Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM.

The total Subscription Price amounts to HK\$520 million which shall be payable in cash by the Subscribers in proportion to their Subscription Shares and Convertible Bonds subscribed upon Completion.

Completion shall take place on the seventh Business Day from and excluding the day on which the last of the conditions precedent of the respective Subscription Agreements has been fulfilled or waived. It is expected that the UNISTECH Completion, the RG Completion and the Chen Completion will take place contemporaneously as each of the UNISTECH Subscription Agreement, the RG Subscription Agreement and the Chen Subscription Agreement is subject to the same conditions precedent. At Completion, the Company shall allot and issue to the Subscribers, their respective number of Subscription Shares and to the Offeror, the Convertible Bonds.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Conversion Shares.

The Offeror intends to assist the Group to upgrade its technology, products and production facilities and further expand its smart production lines and semi-conductor equipment business in the PRC. As at the date of this joint announcement, no definitive agreement, proposals, terms or timetable have been entered into or determined for any possible future transaction or arrangement.

POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER

Subject to fulfillment (or waiver as applicable) of the conditions precedent of the UNISTECH Subscription Agreement and following the UNISTECH Completion, the Offeror and parties acting in concert with it will in aggregate be interested in 730,000,000 Shares, representing approximately 50.17% of the Shares in issue as enlarged by the allotment and issue of the Subscription Shares but before conversion of any Convertible Bonds (assuming that there is no other change in the number of Shares in issue). Upon full conversion of the Convertible Bonds, the Offeror and parties acting in concert with it will in aggregate be interested in 1,100,000,000 Shares, representing approximately 60.27% of the Shares in issue as enlarged by the allotment and issue of the Subscription Shares and Conversion Shares upon conversion of the Convertible Bonds in full (assuming that there is no adjustment to the Conversion Price and there is no other change in the number of Shares in issue).

Pursuant to Rule 26.1 of the Takeovers Code, immediately following the UNISTECH Completion, the Offeror and the parties acting in concert with it are required to make an unconditional mandatory cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it). As at the date of this joint announcement, (i) the Offeror or the parties acting in concert with it do not own any Shares or securities in the Company; and (ii) Mr. But (directly and indirectly through entities controlled by him) holds 45,746,000 Shares and is the beneficial owner of 44,121,168 Shares, being the Mind Seekers Non-Acceptance Shares (representing the 20% beneficial interest held by Mr. But in Mind Seekers).

The Offer will be made to all Shareholders (excluding the holders of the Excluded Shares). For the avoidance of doubt, the Offer will not be extended to: (i) Reach General or Chen Ping in respect of the Subscription Shares held by each of them; (ii) Mr. But in respect of the 45,746,000 Shares held by him (directly or indirectly through entities controlled by him); and (iii) Mind Seekers in respect of 44,121,168 Shares held by it.

Irrevocable Undertakings in relation to the Offer

Mr. But (directly or indirectly through entities controlled by him) holds 45,746,000 Shares as at the date of this joint announcement. Mr. But has entered into the BTF Irrevocable Undertaking, pursuant to which Mr. But has undertaken to the Offeror that (1) he will not, and will procure that none of the entities controlled by him will accept the Offer in respect of the BTF Non-Acceptance Shares or any part thereof during the period while the Offer remains open for acceptance; and (2) he will procure Mind Seekers to perform its obligations under the Mind Seekers Irrevocable Undertaking.

Mind Seekers holds 220,605,840 Shares as at the date of this joint announcement. Mind Seekers has entered into the Mind Seekers Irrevocable Undertaking, pursuant to which Mind Seekers has undertaken to the Offeror that (1) it will not accept the Offer in respect of the Mind Seekers Non-Acceptance Shares, being 44,121,168 Shares (representing the 20% beneficial interest held by Mr. But in Mind Seekers), or any part thereof during the period while the Offer remains open for acceptance; and (2) it will accept the Offer in respect of the Mind Seekers Acceptance Shares, being 176,484,672 Shares (representing the 80% beneficial interest collectively held by the Accepting Shareholders in Mind Seekers), in accordance with the terms of the Mind Seekers Irrevocable Undertaking.

Mr. But Tin Hing is the beneficial owner of 1,050,000 Shares as at the date of this joint announcement. Mr. But Tin Hing has entered into the BTH Irrevocable Undertaking, pursuant to which Mr. But Tin Hing has undertaken to the Offeror that (1) he will accept the Offer in respect of the BTH Acceptance Shares in accordance with the terms of the BTH Irrevocable Undertaking; and (2) he will procure Mind Seekers to perform its obligations under the Mind Seekers Irrevocable Undertaking.

Mr. Leung Cheong is the beneficial owner of 2,252,280 Shares as at the date of this joint announcement. Mr. Leung Cheong has entered into the LC Irrevocable Undertaking, pursuant to which Mr. Leung Cheong has undertaken to the Offeror that (1) he will accept the Offer in respect of the LC Acceptance Shares in accordance with the terms of the LC Irrevocable Undertaking; and (2) he will procure Mind Seekers to perform its obligations under the Mind Seekers Irrevocable Undertaking.

Mr. Leung Kuen, Ivan (directly and indirectly through an entity controlled by him) holds 4,536,520 Shares as at the date of this joint announcement. Mr. Leung Kuen, Ivan has entered into the LK Irrevocable Undertaking, pursuant to which Mr. Leung Kuen, Ivan has undertaken to the Offeror that (1) he will accept the Offer, and will procure the entity controlled by him to accept the Offer in respect of the LK Acceptance Shares in accordance with the terms of the LK Irrevocable Undertaking; and (2) he will procure Mind Seekers to perform its obligations under the Mind Seekers Irrevocable Undertaking.

Reach General has entered into the RG Irrevocable Undertaking, pursuant to which Reach General has undertaken to the Offeror that it will not accept the Offer with respect to the 100,000,000 Subscription Shares to be issued to Reach General under the RG Subscription Agreement.

Chen Ping has entered into the Chen Irrevocable Undertaking, pursuant to which Chen Ping has undertaken to the Offeror that she will not accept the Offer with respect to the 100,000,000 Subscription Shares to be issued to Chen Ping under the Chen Subscription Agreement.

Subject to the UNISTECH Completion, the Offer will be made by Quam Securities Company Limited on behalf of the Offeror in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.70 payable in cash

The Offeror will finance and satisfy the cash consideration payable under the Offer and the consideration under the UNISTECH Subscription Agreement and for the Convertible Bonds using its internal resources.

Quam Capital Limited, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to (i) the Offeror to complete the UNISTECH Subscription Agreement; and (ii) the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

GENERAL

SGM

The SGM will be convened and held for the purposes of considering and, if thought fit, approving, *inter alia*, the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares and Convertible Bonds, and the granting of the Specific Mandate. A circular containing, among other things, (i) details of the Subscription Agreement and the granting of the Specific Mandate; (ii) a notice convening the SGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

Independent Board Committee

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. See Tak Wah, Prof. Xu Yang Sheng and Mr. Li Wanshou, has been established in accordance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Offer and as to voting.

Independent Financial Adviser

An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Further announcement will be made by the Company as soon as possible after the appointment of the Independent Financial Adviser.

Despatch of Composite Document

Subject to the UNISTECH Completion, the Offeror and the Company intend that a Composite Document in connection with the Offer setting out, *inter alia*, details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer forms) and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser on the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document should be posted to the Shareholders within 21 days of the date of this joint announcement, or such other date as may be permitted by the Takeovers Code and agreed by the Executive and in compliance with the requirements of the Takeovers Code. As the making of the Offer is conditional upon the UNISTECH Completion, an application will be made by the Offeror to seek the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of such Composite Document to a date falling within seven days of the UNISTECH Completion.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 5 February 2016 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 15 February 2016.

WARNING: THE OFFER WILL ONLY BE MADE IF UNISTECH COMPLETION TAKES PLACE. THE UNISTECH COMPLETION IS SUBJECT TO FULFILLMENT AND/OR WAIVER, AS APPLICABLE, OF THE CONDITIONS CONTAINED IN THE UNISTECH SUBSCRIPTION AGREEMENT. ACCORDINGLY, THE OFFER MAY OR MAY NOT BE MADE. THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFER WILL BE MADE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

Reference is made to the announcements of the Company dated 10 December 2015 and 8 January 2016 made pursuant to Rule 3.7 of the Takeovers Code regarding the possible Subscriptions.

THE SUBSCRIPTIONS

On 4 February 2016, Mr. But, the Company and the Offeror entered into the UNISTECH Subscription Agreement, pursuant to which, the Company has conditionally agreed to issue, and the Offeror has conditionally agreed to subscribe, in cash, for (i) 730,000,000 Subscription Shares, representing approximately 139.05% of the number of issued Shares as at the date of this joint announcement and approximately 50.17% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, at a Subscription Price of HK\$0.40 per Subscription Share; and (ii) Convertible Bonds with an aggregate principal amount of HK\$148,000,000 which can be converted into 370,000,000 Shares at a Conversion Price of HK\$0.40 per Share, representing (a) approximately 70.48% of the issued share capital of the Company as at the date of this joint announcement; and (b) approximately 20.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares.

On 4 February 2016, the Company and Reach General entered into the RG Subscription Agreement, pursuant to which, the Company has conditionally agreed to issue, and Reach General has conditionally agreed to subscribe, in cash, for 100,000,000 Subscription Shares, representing approximately 19.05% of the number of issued Shares as at the date of this joint announcement and approximately 6.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, at a Subscription Price of HK\$0.40 per Subscription Share.

On 4 February 2016, the Company and Chen Ping entered into the Chen Subscription Agreement, pursuant to which, the Company has conditionally agreed to issue, and Chen Ping has conditionally agreed to subscribe, in cash, for 100,000,000 Subscription Shares, representing approximately 19.05% of the number of issued Shares as at the date of this joint announcement and approximately 6.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, at a Subscription Price of HK\$0.40 per Subscription Share.

Date : 4 February 2016

Parties : (i) the Company, as the issuer;

(ii) Mr. But, as the guarantor, only in the case of the UNISTECH Subscription Agreement;
and

(iii) Each of the Offeror, Reach General and Chen Ping, as the subscriber, entered into a separate Subscription Agreement.

Mr. But agreed to guarantee the obligations of the Company in relation to the truth, accuracy and completeness of the representations and warranties and provide indemnities under the UNISTECH Subscription Agreement. For the avoidance of doubt, Mr. But was not a signing party to the RG Subscription Agreement and the Chen Subscription Agreement and Mr. But has not agreed to give any guarantee nor provide indemnities under the RG Subscription Agreement and the Chen Subscription Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Subscribers and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. Please refer to the section headed "Information on the Parties" for more information on the Subscribers.

The Subscription Shares and the Convertible Bonds

The following table sets out a summary of the Subscription Shares and the Convertible Bonds to be subscribed for by each of the Subscribers pursuant to the Subscription Agreements:

				Number of shares held upon full conversion of the Convertible Bonds and after the acquisition of the Acceptance Shares under the Offer (assuming there is no change to the share capital of the Company other than the issue of Subscription Shares and the Conversion Shares and there is no Independent Shareholder accepting the Offer)	Shareholding percentage immediately upon full conversion of the Convertible Bonds and after the acquisition of the Acceptance Shares under the Offer (assuming there is no change to the share capital of the Company other than the issue of Subscription Shares and the Conversion Shares and there is no Independent Shareholder accepting the Offer)
	Number of Subscription Shares	Shareholding percentage at Completion (assuming there is no change to the share capital of the Company other than the issue of Subscription Shares)	Number of Shares held upon full conversion of the Convertible Bonds		
The Offeror	730,000,000	50.17%	1,100,000,000	1,284,323,472	70.37%
Reach General	100,000,000	6.87%	100,000,000	100,000,000	5.48%
Chen Ping	100,000,000	6.87%	100,000,000	100,000,000	5.48%
	<u>930,000,000</u>	<u>63.91%</u>	<u>1,300,000,000</u>	<u>1,484,323,472</u>	<u>81.33%</u>

The Subscription Price

The Subscription Price of HK\$0.40 per Subscription Share represents:

- a discount of approximately 72.79% to the closing price of HK\$1.470 per Share as quoted on the Stock Exchange on 4 February 2016, being the Last Trading Day;
- a discount of approximately 70.59% to the average closing price of approximately HK\$1.360 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- a discount of approximately 68.92% to the average closing price of approximately HK\$1.287 per Share for the last ten consecutive trading days up to and including the Last Trading Day; and
- a discount of approximately 37.57% to the unaudited net asset value per Share of HK\$0.641 as at 30 September 2015.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers after taking into account the prevailing market prices of the Shares, the trading volume of the Shares and the unaudited net asset value per Share as at 30 September 2015.

Consideration for the Subscription

The total Subscription Price amounts to HK\$520 million which shall be payable in cash by the Subscribers in proportion to their Subscription Shares and Convertible Bonds subscribed upon Completion.

Conditions of the Subscription

Each Subscriber's obligation to subscribe and pay for, and the obligations of the Company to issue, the Subscription Shares to the Subscribers and the Convertible Bonds to the Offeror are subject to the fulfilment or waiver (as the case may be) of the following conditions precedent:

- (a) **Approvals:** all necessary approvals for the Subscriptions required under the constitutional documents of the Company, applicable laws, the Listing Rules and otherwise having been obtained, including:
 - (i) the passing by the requisite majority of Shareholders or independent Shareholders (as appropriate) in an SGM of all resolutions required under relevant laws and regulations, including pursuant to the Listing Rules, in respect of, among other things, the specific mandates for the allotment and issue of the Subscription Shares, the Convertible Bonds and the Conversion Shares falling to be issued upon conversion of the Convertible Bonds; and
 - (ii) the granting of the approval for the listing of, and permission to deal in the Subscription Shares and the Conversion Shares falling to be issued upon conversion of the Convertible Bonds by the Listing Committee of the Stock Exchange;
- (b) **Due diligence:** the Subscriber having completed its due diligence of the Group to its satisfaction;
- (c) **Company's warranties:** the warranties in respect of the Company specified in the respective Subscription Agreements continuing to be true, accurate and complete in all material respects as at the respective Completion Date;
- (d) **Compliance:** the Company having performed all of its obligations specified in the respective Subscription Agreements expressed to be performed on or before the respective Completion Date (including but not limited to the covenants specified in the respective Subscription Agreements);
- (e) **Material adverse effect:** no material adverse effect on the Group Companies having occurred since the date of the respective Subscription Agreements;
- (f) **No injunction:** no injunction, interim or otherwise, having been granted in respect of the Company which would prohibit the Company to enter into and perform its obligations under the respective Subscription Agreements; and

(g) **Subscribers' warranties:** the warranties in respect of the respective Subscribers specified in the respective Subscription Agreements continuing to be true, accurate and complete in all material respects as at the respective Completion Date.

Each of the Subscribers may in its absolute discretion waive conditions (b) to (e) above under its respective Subscription Agreement at any time by notice in writing to the Company. The Company may in its absolute discretion waive condition (g) above under the respective Subscription Agreements at any time by notice in writing to the respective Subscriber.

In the event that any of the above conditions shall not have been satisfied or waived (as applicable) prior to the Long Stop Date, then none of the Company nor the Subscribers shall be bound to proceed with the transactions contemplated under the respective Subscription Agreements and the respective Subscription Agreements shall cease to be of any effect save for, among others, as to any antecedent breach of the Subscription Agreement.

Completion

Completion shall take place on the seventh Business Day from and excluding the day on which the last of the conditions precedent of the respective Subscription Agreements has been fulfilled or waived. It is expected that the UNISTECH Completion, the RG Completion and the Chen Completion will take place contemporaneously as each of the UNISTECH Subscription Agreement, the RG Subscription Agreement and the Chen Subscription Agreement is subject to the same conditions precedent. At Completion, the Company shall allot and issue to the Subscribers, their respective number of Subscription Shares and to the Offeror, the Convertible Bonds.

Other major terms

The Subscription Agreements contain customary representations, warranties, undertakings and indemnities provisions by the Company and Mr. But (in the case of the UNISTECH Subscription Agreement) about matters such as the Group and its operations or business affairs. In particular, the Company, and Mr. But (in the case of the UNISTECH Subscription Agreement) represented and warranted to each of the Subscribers that the consolidated net asset value of the Group as at 31 December 2015 shall not be less than HK\$328,000,000.

Pursuant to the UNISTECH Subscription Agreement, the total liability of the Company in respect of all claims shall be in any event no more than the sum of (a) the subscription amount under the UNISTECH Subscription Agreement and (b) the total consideration to be paid for the Shares to be acquired by the Offeror pursuant to the general offer; the total liability of Mr. But in respect of all claims shall be in any event no more than approximately HK\$145 million.

Pursuant to the RG Subscription Agreement and the Chen Subscription Agreement, the total liability of the Company in respect of all claims shall be in any event no more than the subscription amount under each of the RG Subscription Agreement and the Chen Subscription Agreement, respectively.

Ranking

Upon Completion, the Subscription Shares shall be issued and credited as fully paid. The Subscription Shares and the Conversion Shares will rank *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Subscription Shares and the Conversion Shares, respectively.

Information on the Convertible Bonds

The principal terms of the Convertible Bonds are summarized as below:

Principal amount:	HK\$148,000,000
Maturity date:	The fifth anniversary of the date of issue of the Convertible Bonds
Interest:	The Convertible Bonds will not bear any interest
Conversion rights:	The bondholders will have the right, during the period commencing from the date of issue of the Convertible Bonds up to the close of business in Hong Kong on the Maturity Date to convert all or part of the Convertible Bonds held by it (if in part, the principal amount of Convertible Bonds to be converted shall be in the minimum amount of HK\$2,000,000 and integral multiples of HK\$1,000,000 or the whole outstanding principal amount of the Convertible Bonds) into Conversion Shares at the Conversion Price (subject to adjustments). No exercise of conversion rights attaching to the Convertible Bonds shall be allowed if the conversion would result in the Company breaching the minimum public float requirement under Rule 8.08 of the Listing Rules. The Conversion Shares will in all respects rank <i>pari passu</i> with the Shares in issue on the relevant registration date.
Conversion Price:	The initial Conversion Price shall be HK\$0.40 per Conversion Share subject to adjustment provisions as summarized below.
Anti-dilution adjustments:	The Conversion Price will from time to time be adjusted upon the occurrence of certain events, including the following: (a) consolidation, sub-division or reclassification of the Shares; (b) capitalisation of profits or reserves; (c) capital distribution to the Shareholders;

- (d) issue of Shares to all or substantially all Shareholders as a class by way rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at a price per Share which is less than the higher of (i) 80% of the market price on the date of the announcement of the terms of the issue or grant and (ii) the Conversion Price then in effect on the date of the announcement of the terms of the issue or grant;
- (e) issue of any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
- (f) issue (other than as mentioned in paragraph (d) above) of any Shares (other than Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (other than as mentioned in paragraph (d) above) options, warrants or other rights to subscribe for, or purchase or otherwise acquire any Shares, in each case at a price per Share which is less than the higher of (i) 80% of the market price on the date of the announcement of the terms of the issue and (ii) the Conversion Price then in effect on the date of the announcement of the terms of the issue;
- (g) save in the case of an issue of securities arising from a conversion of exchange of other securities in accordance with the terms applicable to such securities themselves falling within this paragraph (g), the issue wholly for cash in paragraphs (d), (e) and (f) of any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription at a consideration per Share which is less than the higher of (i) 80% of the market price on the date of the announcement of the terms of the issue of such securities and (ii) the Conversion Price in effect on the date of the announcement of the terms of the issue of such securities;

- (h) when the rights of conversion, exchange or subscription attached to any such securities as are mentioned in paragraph (g) above (other than in accordance with the terms of such securities) are modified so that the consideration per Share is less than the higher of (i) 80% of the market price on the date of the announcement of the proposals for such modification and (ii) the Conversion Price then in effect on the date of the announcement of the proposals for such modification;
- (i) when any of the Group Companies issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under paragraphs (d), (e), (f) or (g) above); and
- (j) if the Company or any bondholder determines that a downward adjustment should be made to the Conversion Price as a result of one (1) or more events or circumstances not referred to in paragraphs (a) to (i).

Transferability:

A Convertible Bond may be transferred to another person provided, however, that (a) where not all of the Convertible Bonds then held by the bondholder are being transferred, the aggregate principal amount of the Convertible Bonds so transferred shall be at least HK\$2,000,000 and integral multiples of HK\$1,000,000, and (b) if the transfer is not to a bank, financial institution or other financiers for financing purpose of the bondholder, the prior consent of the Company shall have been obtained (such consent not to be unreasonably withheld or delayed and shall be deemed to have been given unless the Company has expressly refused such consent within five (5) business days of the bondholder's request).

Events of default:

If any of the following events occurs, the Convertible Bonds shall on the giving of notice in writing by the bondholder to the Company become due and payable at the Early Redemption Amount:

- (a) a default is made by the Company in the payment of any principal, premium or any other amount due in respect of the Convertible Bonds on its due date of payment (except where failure to pay is caused solely by administrative or technical error and payment is made within three (3) business days of its due date);
- (b) failure by the Company to deliver any Shares as and when such Shares are required to be delivered following conversion of a Convertible Bond and such failure continues for a period of seven (7) business days;

- (c) the occurrence of any event or circumstance which could reasonably likely to result in a material adverse effect;
- (d) the Company fails to perform or comply with one or more of its other obligations in the Convertible Bonds (other than those referred to in paragraphs (a) to (c) above), which default is incapable of remedy or, if capable of remedy, is not remedied within 7 days after written notice of such default shall have been given to the Company by a bondholder;
- (e) the Company is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a substantial part of (or of a particular type of) its debts as they fall due, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of a substantial part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of such debts or a moratorium is agreed or declared in respect of or affecting all or a substantial part of (or of a particular type of) the debts of the Company; an administrator or liquidator of the Company, or the whole or any part of the assets and revenue of the Company is appointed and such appointment is not discharged or stayed within 60 days;
- (f) any Principal Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a substantial part of (or of a particular type of) its debts as they fall due, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of a substantial part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of such debts or a moratorium is agreed or declared in respect of or affecting all or a substantial part of (or of a particular type of) the debts of any Principal Subsidiary; an administrator or liquidator of any Principal Subsidiary or the whole or any part of the assets and revenue of any Principal Subsidiary is appointed and such appointment is not discharged or stayed within 60 days (other than in respect of a solvent liquidation);

- (g) any judgment or order for the payment of money in excess of HK\$1,000,000 or the equivalent thereof (for each judgment or order) or HK\$10,000,000 or the equivalent thereof in the aggregate (for all such judgments or orders) shall be rendered against the Company and/or any Principal Subsidiary and is not discharged for a period of 30 days following such judgment (or such longer period as the Company and the bondholders may agree) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (h) any judgment or order for the payment of money in excess of HK\$10,000,000 or the equivalent thereof (for each judgment or order) or HK\$20,000,000 or the equivalent thereof in the aggregate (for all such judgments or orders) shall be rendered against the Company and/or any Principal Subsidiary;
- (i) (i) any other present or future indebtedness of the Company or any of its Principal Subsidiaries for or in respect of monies borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or (iii) the Company or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this condition have occurred equals or exceeds HK\$100,000,000 or its equivalent (as determined on the basis of the middle spot rate for the relevant currency against the Hong Kong dollar as quoted by any leading bank on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity);
- (j) a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company or any of its Principal Subsidiaries, and is not discharged or stayed within 60 days;
- (k) an order is made or an effective resolution passed for the liquidation, winding up, dissolution, judicial management or administration of the Company or any of its Principal Subsidiaries or the Company or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its business;

- (l) an encumbrancer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or any material part of the property, assets or revenues of the Company or any of its Principal Subsidiaries (as the case may be), and is not discharged within 60 days;
- (m) it is or will become unlawful for the Company to perform or comply with anyone or more of its obligations under the Convertible Bonds;
- (n) any step is taken by any person that could reasonably be expected to result in the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company or any of its Principal Subsidiaries;
- (o) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order: (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Bonds; (ii) to ensure that these obligations are legally binding and enforceable; and (iii) to make the Convertible Bonds admissible in evidence in the courts of Bermuda or Hong Kong is not taken, fulfilled or done; or
- (p) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing conditions.

Early Redemption Amount = outstanding principal amount of such Convertible Bond $\times (1.10)^N$ where:

N = a fraction the numerator of which is the number of calendar days between the date of issue of the Convertible Bonds and the date of redemption of such amount and the denominator of which is 365.

Specific Mandate for the issue of the Subscription Shares and Conversion Shares

The Subscription Shares and the Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM.

Listing application

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Conversion Shares.

Equity fund raising by the Company in the past 12 months

The Company did not carry out any equity fund raising activities in the 12 months period immediately before the date of this joint announcement.

Reasons for and benefits of the Subscriptions

The Group is engaged in the manufacture and sale of production equipment and production lines for the manufacturing industries including semi-conductor, electronic and logistics industries. It is committed to innovation and diversification of its products and has invested significantly in the development of smart and automated production equipment and production lines.

The Group provides customers with one-stop solutions of research and development, design, production, sale and service for production equipment and production lines. Currently, the Group has successfully developed linear motor, DDR direct drive motor and vision systems. These technologies have been applied to the Group's existing high-speed high-precision solder paste screen printer machines, and can be applied to semi-conductor equipment and other high-speed high-precision equipment. Meanwhile, the Group is optimistic about the development of the semi-conductor-related business, and has developed a semi-conductor wafer handling robot prototype with linear motor and DDR direct drive motor technology. At the same time, the Group has formulated plans to expand its semi-conductor-related business and it has also hired an experienced professional team for its business expansion.

The Group has been focusing on the manufacturing of smart production lines and semi-conductor equipment, and also acts as distributor for foreign brands of automated machines. The Group expects there will be increasing demand for smart production lines, smart production equipment and semi-conductor equipment. Having considered (1) the technological developments in the domestic market compared to its foreign counterparts; (2) the large volume of semi-conductors being imported as compared to the significantly smaller volume of semi-conductors being exported; and (3) the recent policies launched by the PRC Government, including favourable industry policies, e.g. provision of tax benefits and subsidies, and the establishment of the National Integrated Circuit Industry Development Investment Fund with a total size of RMB120 billion focusing on the investment in chip design and the manufacturing and packaging of related equipment, the Company is optimistic about the future growth in the industry.

The Directors are of the view that the Subscriptions represent a valuable opportunity for the Group to bring in the Offeror as a solid strategic corporate investor. The Offeror, a wholly-owned subsidiary of Tsinghua Unigroup, has extensive experience, strong expertise and a wide business network in the integrated circuit industry in the PRC.

The Directors consider that the Subscriptions will bring about certain benefits including but not limited to the following:

- (a) The Group can finance the upgrade of its technology, products and production facilities as well as business expansion with proceeds to be received from the Subscriptions;
- (b) Tsinghua Unigroup, supported by Tsinghua University, has the technology and talent that may help the Group in upgrading its technology, products and production facilities; and
- (c) With Tsinghua Unigroup's existing business and future investments in the semi-conductor industry, the Group may be able to leverage its new controlling shareholder to further expand its smart production lines and semi-conductor equipment business in the PRC.

Effect on shareholding structure of the Company

As at the date of this joint announcement, the Company has no outstanding convertible securities, options, warrants or derivatives in issue which are convertible or exchangeable into Shares.

The table below sets out the effect of the Subscriptions on the shareholding structure of the Company (i) as at the date of this joint announcement; (ii) immediately upon Completion (assuming there is no change to the share capital of the Company other than the issue of the Subscription Shares); (iii) immediately upon Completion and full conversion of the Convertible Bonds (assuming there is no change to the share

capital of the Company other than the issue of Subscription Shares and the Conversion Shares); and (iv) immediately upon full conversion of the Convertible Bonds and after the acquisition of the Acceptance Shares under the Offer (assuming there is no change to the share capital of the Company other than the issue of Subscription Shares and the Conversion Shares and there is no Independent Shareholder accepting the Offer):

	(i) As at the date of this joint announcement		(ii) Upon Completion (assuming there is no change to the share capital of the Company other than the issue of the Subscription Shares)		(iii) Upon Completion and full conversion of the Convertible Bonds (assuming there is no change to the share capital of the Company other than the issue of Subscription Shares and the Conversion Shares) (Note 5)		(iv) Upon full conversion of the Convertible Bonds and after the acquisition of the Acceptance Shares under the Offer (assuming there is no change to the share capital of the Company other than the issue of Subscription Shares and the Conversion Shares and there is no Independent Shareholder accepting the Offer) (Note 5)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Mind Seekers (Note 1)	220,605,840	42.02%	220,605,840	15.16%	220,605,840	12.09%	44,121,168	2.42%
Mr. But (Note 2)	45,746,000	8.71%	45,746,000	3.14%	45,746,000	2.51%	45,746,000	2.51%
Mr. But Tin Hing (Note 3)	1,050,000	0.20%	1,050,000	0.07%	1,050,000	0.06%	–	–
Mr. Leung Cheong	2,252,280	0.43%	2,252,280	0.15%	2,252,280	0.12%	–	–
Mr. Leung Kuen, Ivan	4,536,520	0.86%	4,536,520	0.31%	4,536,520	0.25%	–	–
The Subscribers								
The Offeror and parties acting in concert with it	–	–	730,000,000	50.17%	1,100,000,000	60.27%	1,284,323,472	70.37%
Reach General (Note 4)	–	–	100,000,000	6.87%	100,000,000	5.48%	100,000,000	5.48%
Chen Ping (Note 4)	–	–	100,000,000	6.87%	100,000,000	5.48%	100,000,000	5.48%
Existing public Shareholders								
	250,809,360	47.78%	250,809,360	17.26%	250,809,360	13.74%	250,809,360	13.74%
Total	525,000,000	100.00%	1,455,000,000	100.00%	1,825,000,000	100.00%	1,825,000,000	100.00%

Notes:

1. The entire issued share capital of Mind Seekers is beneficially owned by Mr. But Tin Hing, Mr. But, Mr. Leung Cheong and Mr. Leung Kuen, Ivan, as to 50%, 20%, 20% and 10% respectively.
2. Mr. But is the beneficial owner of 39,525,200 Shares. He is the beneficial owner of 50% of the issued shares in Sun East Group Limited (which holds 3,796,000 Shares) and 100% of the issued shares in Sum Win Management Corp. (which holds 2,424,800 Shares) and therefore he is deemed, or taken to be interested in 45,746,000 Shares for the purposes of the SFO.
3. Mr. But Tin Hing is the beneficial owner of 1,050,000 Shares. He is the beneficial owner of 50% of the issued shares in Mind Seekers and therefore he is deemed, or taken to be interested in 221,655,840 Shares for the purposes of the SFO.
4. Reach General and Chen Ping are considered as public Shareholders upon Completion. Upon Completion (assuming there is no change to the share capital of the Company other than the issue of Subscription Shares), approximately 31.00% of the issued shares will be held by the public. Upon Completion and full conversion of the Convertible Bonds (assuming there is no change to the share capital of the Company other than the issue of Subscription Shares and the Conversion Shares), approximately 24.70% will be held by the public.
5. This scenario is shown for illustrative purposes only. Conversion of any Convertible Bonds will be limited by the Company being able to comply with the minimum public float requirements under the Listing Rules immediately after Conversion.

LOCK-UP UNDERTAKINGS

Lock-Up Undertakings in relation to the Subscription Shares

Each of the Offeror, Reach General and Chen Ping has unconditionally and irrevocably undertaken and covenanted to the Company under their respective Subscription Agreement that, without the prior consent of the Company it will not and will procure the registered owner or nominee of its Subscription Shares (if applicable) not to, whether directly or indirectly:

- (a) in the period commencing on the date of Completion and ending on the date which is 12 months from the date of Completion, sell, offer, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, whether directly or indirectly, any of the Subscription Shares; or
- (b) enter into a swap or other arrangement that would have (i) the same economic consequences as paragraph (a) above or (ii) the effect of transferring to another party any of the economic benefits of ownership of the Subscription Shares, for the purpose of hedging its economic or beneficial ownership in, or holdings of, the Subscription Shares.

Each of Reach General and Chen Ping has further undertaken to the Offeror under the RG Irrevocable Undertaking and Chen Irrevocable Undertaking, respectively, that without the prior consent of the Offeror, it will not and will procure the registered owner or nominee of its Subscription Shares (if applicable) not to, whether directly or indirectly:

- (a) in the period commencing on the date of Completion and ending on the date which is 12 months from the date of Completion, sell, offer, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, whether directly or indirectly, any of the Subscription Shares; or
- (b) enter into a swap or other arrangement that would have (i) the same economic consequences as paragraph (a) above or (ii) the effect of transferring to another party any of the economic benefits of ownership of the Subscription Shares, for the purpose of hedging its economic or beneficial ownership in, or holdings of, the Subscription Shares.

BTF Lock-Up Undertaking and Mind Seekers Lock-Up Undertaking

Mr. But has entered into the BTF Lock-up Undertaking, pursuant to which Mr. But has undertaken to the Offeror that, without the prior written consent of the Offeror, he will not, and will procure that the registered owner or nominee of the BTF Non-Acceptance Shares not to, whether directly or indirectly:

- (a) in the period commencing from the date of the BTF Lock-up Undertaking and ending on the date which is 12 months from the date of the UNISTECH Completion, sell, offer, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, whether directly or indirectly, any of the BTF Non-Acceptance Shares; or
- (b) enter into a swap or other arrangement that would have (i) the same economic consequences as paragraph (a) above or (ii) the effect of transferring to another party any of the economic benefits of ownership of the BTF Non-Acceptance Shares, for the purpose of hedging its economic or beneficial ownership in, or holdings of, the BTF Non-Acceptance Shares.

Mind Seekers has entered into the Mind Seekers Lock-up Undertaking, pursuant to which Mind Seekers has undertaken to the Offeror that, without the prior written consent of the Offeror, it will not, and will procure that the registered owner or nominee of the Mind Seekers Non-Acceptance Shares not to, whether directly or indirectly:

- (a) in the period commencing from the date of the Mind Seekers Lock-up Undertaking and ending on the date which is 12 months from the date of the UNISTECH Completion, sell, offer, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, whether directly or indirectly, any of the Mind Seekers Non-Acceptance Shares; or

- (b) enter into a swap or other arrangement that would have (i) the same economic consequences as paragraph (a) above or (ii) the effect of transferring to another party any of the economic benefits of ownership of the Mind Seekers Non-Acceptance Shares, for the purpose of hedging its economic or beneficial ownership in, or holdings of, the Mind Seekers Non-Acceptance Shares.

FUTURE INTENTION REGARDING THE GROUP

The Offeror intends to assist the Group to upgrade its technology, products and production facilities and further expand its smart production lines and semi-conductor equipment business in the PRC. The Offeror will conduct a review on the business operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider acquisition of assets and/or business by the Group. Subject to the result of the review and save for the proposed change of board composition as set out below, the Offeror does not intend nor does it have any plans to terminate the employment of the current employees of the Group. As at the date of this joint announcement, no definitive agreement, proposals, terms or timetable have been entered into or determined for any possible future transaction or arrangement.

Use of proceeds

The gross proceeds and net proceeds from the Subscriptions are approximately HK\$520 million approximately HK\$516.5 million respectively. The net proceeds are to be applied as follows:

- (a) as to approximately HK\$266.5 million for the expansion of production capacity, improvement of facilities and increase of investment in research and development;
- (b) as to approximately HK\$150 million for capital injection into the financial leasing subsidiary of the Company; and
- (c) as to approximately HK\$100 million for repayment of bank facilities.

Proposed change of board composition of the Company

The Board is currently made up of seven Directors, comprising four executive Directors, being Mr. But, Mr. But Tin Hing, Mr. Leung Cheong and Mr. Leung Kuen, Ivan and three independent non-executive Directors, being Mr. See Tak Wah, Prof. Xu Yang Sheng and Mr. Li Wanshou.

Pursuant to the terms of the UNISTECH Subscription Agreement, subject to the UNISTECH Completion and the requirements of the Takeovers Code, the Company shall cause (i) such persons as the Offeror may nominate to be validly appointed as the general manager and financial controller of the Company with effect from the UNISTECH Completion; (ii) such two persons as the Offeror may nominate to be validly appointed as executive Directors with effect from the date of despatch of the Composite Document in relation to the Offer; (iii) such person as the Offeror may nominate to be validly appointed as an executive Director with effect from the completion of the Offer; and (iv) the resignation of Mr. But Ting Hing, Mr. Leung Cheong and Mr. Leung Kuen, Ivan as the executive Directors with effect from the completion of the Offer.

Maintaining the listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

In the event that after the completion of the Offer, the public float of the Company falls below 25%, the new Directors who are nominated by the Offeror to be appointed as Directors and the then directors of the Offeror will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offer to ensure that sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

A further announcement will be made on any further proposed change of composition of the Board. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER

Terms of the Offer

Subject to fulfillment (or waiver as applicable) of the conditions precedent of the UNISTECH Subscription Agreement and following the UNISTECH Completion, the Offeror and parties acting in concert with it will in aggregate be interested in 730,000,000 Shares, representing approximately 50.17% of the Shares in issue as enlarged by the allotment and issue of the Subscription Shares but before conversion of any Convertible Bonds (assuming that there is no other change in the number of Shares in issue). Upon full conversion of the Convertible Bonds, the Offeror and parties acting in concert with it will in aggregate be interested in 1,100,000,000 Shares, representing approximately 60.27% of the number of Shares in issue as enlarged by the allotment and issue of the Shares in issue as enlarged by the allotment and issue of the Subscription Shares and Conversion Shares upon conversion of the Convertible Bonds in full (assuming that there is no adjustment to the Conversion Price and there is no other change in the number of Shares in issue).

Pursuant to Rule 26.1 of the Takeovers Code, immediately following the UNISTECH Completion, the Offeror and the parties acting in concert with it are required to make an unconditional mandatory cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it). As at the date of this joint announcement, (i) the Offeror or the parties acting in concert with it do not own any Shares or securities in the Company; and (ii) Mr. But (directly and indirectly through entities controlled by him) holds 45,746,000 Shares and is the beneficial owner of 44,121,168 Shares, being the Mind Seekers Non-Acceptance Shares (representing the 20% beneficial interest held by Mr. But in Mind Seekers). The Offer will be made to all Shareholders

(excluding the holders of the Excluded Shares). For the avoidance of doubt, the Offer will not be extended to: (i) Reach General or Chen Ping in respect of the Subscription Shares held by each of them; (ii) Mr. But in respect of the 45,746,000 Shares held by him (directly or indirectly through entities controlled by him); and (iii) Mind Seekers in respect of 44,121,168 Shares held by it.

Pursuant to Rule 21.2 of the Takeovers Code, the Offeror and parties acting in concert with it are prohibited from selling any securities in the Company during the Offer Period unless with the Executive's prior consent. None of the Offeror and parties acting in concert with it will dispose of their holding in any securities in the Company during the Offer Period.

Subject to the UNISTECH Completion, the Offer will be made by Quam Securities Company Limited on behalf of the Offeror in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.70 payable in cash

The Offer Shares acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights attaching to them on or after the date on which the Offer is made, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made.

As at the date of this joint announcement, there are 525,000,000 Shares in issue and the Company has no other class of relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in issue as at the date of this joint announcement. Subject to the UNISTECH Completion, the Offer is an unconditional mandatory cash offer and will not be conditional upon acceptance being received in respect of a minimum number of shares or any other conditions. The Offer, if and when made, will be unconditional in all respects.

Comparison of value

The Offer Price of HK\$1.70 per Offer Share represents:

- (a) a premium of approximately 15.65% to the closing price of HK\$1.470 per Share as quoted on the Stock Exchange on 4 February 2016, being the Last Trading Day;
- (b) a premium of approximately 25.00% to the average closing price of approximately HK\$1.360 per Share as quoted on the Stock Exchange for the last five Trading Days up to and including the Last Trading Day;
- (c) a premium of approximately 32.09% to the average closing price of approximately HK\$1.287 per Share as quoted on the Stock Exchange for the last 10 Trading Days up to and including the Last Trading Day;

- (d) a premium of approximately 33.82% over the average closing price of approximately HK\$1.270 per Share as quoted on the Stock Exchange for the last 30 Trading Days up to and including the Last Trading Day; and
- (e) a premium of approximately 165.31% over the unaudited consolidated net asset value per Share of HK\$0.641 as at 30 September 2015.

Highest and lowest Share prices

During the period commencing six months preceding 10 December 2015 (being the date of the initial announcement of the Company regarding a possible change in control of the Company and the date of commencement of the Offer Period) and ending on the Last Trading Day, the highest closing price of the Shares was HK\$1.47 per Share as quoted on the Stock Exchange on 4 February 2016 and the lowest closing price of the Shares was HK\$0.42 per Share as quoted on the Stock Exchange on 8 July 2015.

Total value of the Offer

As at the date of this joint announcement, there are 525,000,000 Shares in issue and the Company has no other options, warrants, convertible bonds or other securities in issue that carry a right to subscribe for or which are convertible into Shares. Upon Completion, taking into account the 1,019,867,168 Excluded Shares, the number of Shares subject to the Offer is 435,132,832 and the maximum consideration payable by the Offeror under the Offer will be approximately HK\$739,725,814.40 based on the Offer Price of HK\$1.70 if the Offer is accepted in full.

Confirmation of financial resources

The Offeror will finance and satisfy the cash consideration payable under the Offer and the consideration under the UNISTECH Subscription Agreement and for the Convertible Bonds using its internal resources.

Quam Capital Limited, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to (i) the Offeror to complete the UNISTECH Subscription Agreement; (ii) the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by or on behalf of the Offeror to render such acceptance complete and valid.

Effect of accepting the Offer

By accepting the Offer, the Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.10% of (a) the market value of the Offer Shares or (b) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Overseas Shareholders

The Offeror intends to make the Offer available to all Shareholders (excluding the holders of the Excluded Shares), including those who are resident outside Hong Kong. The availability of the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Such overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. Persons who are resident, citizen or national outside Hong Kong should inform themselves about and observe, at their own responsibility, any applicable laws, regulations, requirements and restrictions in their own jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other fares due in such jurisdiction.

In the event that the receipt of the Composite Document by overseas Shareholders is prohibited by any relevant laws and regulations or may only be effected upon compliance with conditions or requirements that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such overseas Shareholders. The Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Nonetheless, such Shareholders will be provided with all material information in the Composite Document. Any arrangements for overseas Shareholders to collect the Composite Document will be set out in a further announcement.

Any acceptance by any Shareholders of the Offer will be deemed to constitute a representation and warranty from such Shareholders to the Offeror that all local laws and requirements have been complied with. Shareholders should consult their professional advisers if in doubt. Shareholders who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Taxation advice

Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Quam Capital Limited and Quam Securities Company Limited and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person as a result of their acceptance or rejection of the Offer.

Dealing in the Company's securities

Save for the entering into of the UNISTECH Subscription Agreement, none of the Offeror or parties acting in concert with it have dealt in the Shares, options, convertible notes, derivatives, warrants or other securities convertible into the Shares during the six-month period prior to the commencement of the Offer Period on 10 December 2015 (being the date of the initial announcement of the Company in respect of a possible change in control of the Company) and up to the date of this joint announcement.

Agreements or arrangements

The Offeror confirms that, save as disclosed in this joint announcement, as at the date hereof:

- (a) save for the Irrevocable Undertakings as detailed in the section headed "Irrevocable Undertakings in relation to the Offer", the Offeror and/or parties acting in concert with it have not received any irrevocable commitment to accept or reject the Offer;
- (b) the Offeror and/or the parties acting in concert with it have no outstanding Shares, warrants, options, derivative or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company;
- (c) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror and/or parties acting in concert with it;
- (d) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the Company and which might be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (e) none of the Offeror and/or parties acting in concert with it owns or has control or direction over any voting rights and rights over the Shares or convertible securities, warrants or options of the Company;

- (f) save for the UNISTECH Subscription Agreement, there is no agreement or arrangement to which the Offeror and/or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (g) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or any person acting in concert with it has borrowed or lent.

Irrevocable Undertakings in relation to the Offer

Mr. But (directly or indirectly through entities controlled by him) holds 45,746,000 Shares as at the date of this joint announcement. Mr. But has entered into the BTF Irrevocable Undertaking, pursuant to which Mr. But has undertaken to the Offeror that (1) he will not, and will procure that none of the entities controlled by him will accept the Offer in respect of the BTF Non-Acceptance Shares or any part thereof during the period while the Offer remains open for acceptance; and (2) he will procure Mind Seekers to perform its obligations under the Mind Seekers Irrevocable Undertaking.

Mind Seekers holds 220,605,840 Shares as at the date of this joint announcement. Mind Seekers has entered into the Mind Seekers Irrevocable Undertaking, pursuant to which Mind Seekers has undertaken to the Offeror that (1) it will not accept the Offer in respect of the Mind Seekers Non-Acceptance Shares, being 44,121,168 Shares (representing the 20% beneficial interest held by Mr. But in Mind Seekers), or any part thereof during the period while the Offer remains open for acceptance; and (2) it will accept the Offer in respect of the Mind Seekers Acceptance Shares, being 176,484,672 Shares (representing the 80% beneficial interest collectively held by the Accepting Shareholders in Mind Seekers), in accordance with the terms of the Mind Seekers Irrevocable Undertaking.

Mr. But Tin Hing is the beneficial owner of 1,050,000 Shares as at the date of this joint announcement. Mr. But Tin Hing has entered into the BTH Irrevocable Undertaking, pursuant to which Mr. But Tin Hing has undertaken to the Offeror that (1) he will accept the Offer in respect of the BTH Acceptance Shares in accordance with the terms of the BTH Irrevocable Undertaking; and (2) he will procure Mind Seekers to perform its obligations under the Mind Seekers Irrevocable Undertaking.

Mr. Leung Cheong is the beneficial owner of 2,252,280 Shares as at the date of this joint announcement. Mr. Leung Cheong has entered into the LC Irrevocable Undertaking, pursuant to which Mr. Leung Cheong has undertaken to the Offeror that (1) he will accept the Offer in respect of the LC Acceptance Shares in accordance with the terms of the LC Irrevocable Undertaking; and (2) he will procure Mind Seekers to perform its obligations under the Mind Seekers Irrevocable Undertaking.

Mr. Leung Kuen, Ivan (directly and indirectly through an entity controlled by him) holds 4,536,520 Shares as at the date of this joint announcement. Mr. Leung Kuen, Ivan has entered into the LK Irrevocable Undertaking, pursuant to which Mr. Leung Kuen, Ivan has undertaken to the Offeror that (1) he will accept the Offer, and will procure the entity controlled by him to accept the Offer in respect of the LK Acceptance Shares in accordance with the terms of the LK Irrevocable Undertaking; and (2) he will procure Mind Seekers to perform its obligations under the Mind Seekers Irrevocable Undertaking.

Reach General has entered into the RG Irrevocable Undertaking, pursuant to which Reach General has undertaken to the Offeror that it will not accept the Offer with respect to the 100,000,000 Subscription Shares to be issued to Reach General under the RG Subscription Agreement.

Chen Ping has entered into the Chen Irrevocable Undertaking, pursuant to which Chen Ping has undertaken to the Offeror that she will not accept the Offer with respect to the 100,000,000 Subscription Shares to be issued to Chen Ping under the Chen Subscription Agreement.

INFORMATION ON THE PARTIES

Information on the Group

The principal activity of the Group comprises the design, manufacture and distribution of production lines and production equipment, and the distribution of brand name production equipment.

Information on the Offeror

The Offeror is a wholly-owned subsidiary of Tsinghua Unigroup and was established for the purpose of the UNISTECH Subscription. Tsinghua Unigroup is one of the key enterprises under Tsinghua Holdings Co., Ltd. (清華控股有限公司). It aims to become the industry leader in the integrated circuit industry and is committed to the development of an integrated circuit production chain. Principal subsidiaries of Tsinghua Unigroup include Tongfang Guoxin Electronics Co., Ltd. (proposed to be renamed UNIS Guoxin Electronics Co., Ltd.), a company listed on the Shenzhen Stock Exchange (Stock Code: 002049), Spreadtrum Communications, Inc. and RDA Microelectronics, Inc.

Information on Reach General

Reach General is an investment company, providing value-adding services to its investments with the aim of discovering and extracting their value. It is solely and beneficially owned by Mr. Wu Xin (吳新), who has over 20 years of experience in investment management and business operations. Mr. Wu Xin has previously invested in BABAKA (背背佳) and Hao Ji Xing (好記星).

Information on Chen Ping

Chen Ping (陳萍) has been a partner of Shenzhen Decoration Engineering Industrial Co., Ltd. (深圳市裝飾工程工業有限公司) since 1992. She is an experienced investor.

GENERAL

SGM

The issue of the Subscription Shares and the Convertible Bonds will be subject to, amongst other things, the approval of the Shareholders for the Subscription Agreement and the granting of the Specific Mandate in accordance with the requirements of the Listing Rules.

The SGM will be convened and held for the purposes of considering and, if thought fit, approving, *inter alia*, the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares and Convertible Bonds and the allotment and issue of Conversion Shares, and the granting of the Specific Mandate. The voting in relation to the Subscription Agreements and the transactions contemplated thereunder and the granting of the Specific Mandate at the SGM will be conducted by poll by the Independent Shareholders. In view of Mr. But's interest in the Subscription Agreements, Mr. But, his associates, including Mind Seekers and the Accepting Shareholders, and parties acting in concert with them, who collectively hold 52.22% of the total issued share capital of the Company, will abstain from voting on the proposed resolution(s) in respect of the Subscription Agreements and the Specific Mandate at the SGM.

Save as aforementioned, to the best knowledge of the Directors, no existing Shareholder has a material interest in the above matters and therefore no Shareholder is required to abstain from voting in relation to the resolutions concerning the Subscription Agreements and the transactions contemplated thereunder and the granting of the Specific Mandate to be proposed at the SGM. As at the date of this joint announcement, the Subscribers and parties acting in concert with the Offeror do not hold any Shares and accordingly will not be entitled to vote on any resolutions at the SGM.

A circular containing, among other things, (i) details of the Subscription Agreements and the granting of the Specific Mandate; (ii) a notice convening the SGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

Independent Board Committee

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. See Tak Wah, Prof. Xu Yang Sheng and Mr. Li Wanshou, has been established in accordance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Offer and as to voting.

Independent Financial Adviser

An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Further announcement will be made by the Company as soon as possible after the appointment of the Independent Financial Adviser.

Despatch of Composite Document

Subject to the UNISTECH Completion, the Offeror and the Company intend that a Composite Document in connection with the Offer setting out, *inter alia*, details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer forms) and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser on the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document should be posted to the Shareholders within 21 days of the date of this joint announcement, or such other date as may be permitted by the Takeovers Code and agreed by the Executive and in compliance with the requirements of the Takeovers Code. As the making of the Offer is conditional upon the UNISTECH Completion, an application will be made by the Offeror to seek the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of such Composite Document to a date falling within seven days of the UNISTECH Completion.

Disclosure of dealings

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code) of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 5 February 2016 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 15 February 2016.

WARNING: THE OFFER WILL ONLY BE MADE IF UNISTECH COMPLETION TAKES PLACE. THE UNISTECH COMPLETION IS SUBJECT TO FULFILLMENT AND/OR WAIVER, AS APPLICABLE, OF THE CONDITIONS CONTAINED IN THE UNISTECH SUBSCRIPTION AGREEMENT. ACCORDINGLY, THE OFFER MAY OR MAY NOT BE MADE. THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFER WILL BE MADE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acceptance Shares”	means the BTH Acceptance Shares, the LC Acceptance Shares, the LK Acceptance Shares and the Mind Seekers Acceptance Shares
“Accepting Shareholders”	means Mr. But Tin Hing, Mr. Leung Cheong and Mr. Leung Kuen, Ivan
“acting in concert”	has the same meaning as ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Bermuda”	the Islands of Bermuda
“Board”	the board of Directors
“BTF Irrevocable Undertaking”	the irrevocable undertaking entered into between the Offeror and Mr. But on 4 February 2016 in relation to, <i>inter alia</i> , the BTF Non-Acceptance Shares
“BTF Lock-Up Undertaking”	the lock-up undertaking entered into between the Offeror and Mr. But on 4 February 2016 in relation to, <i>inter alia</i> , the BTF Non-Acceptance Shares
“BTF Non-Acceptance Shares”	the 45,746,000 Shares held by Mr. But (directly or indirectly through entities controlled by him) and other Shares received, allotted to or otherwise acquired by Mr. But from the date of the BTF Irrevocable Undertaking and before the Offer closes, which are subject to BTF Lock-Up Undertaking and BTF Irrevocable Undertaking

“BTH Acceptance Shares”	the 1,050,000 Shares to which Mr. But Tin Hing is the beneficial owner and other Shares received, allotted to or otherwise acquired by Mr. But Tin Hing from the date of the BTH Irrevocable Undertaking and before the Offer closes
“BTH Irrevocable Undertaking”	the irrevocable undertaking entered into between the Offreor and Mr. But Tin Hing on 4 February 2016 in relation to, <i>inter alia</i> , the BTH Acceptance Shares
“Business Day”	means a day (other than a Saturday or Sunday or Hong Kong public holiday and any other day on which a tropical cyclone warning no. 8 or above or a “black” rain warning signal is hoisted in Hong Kong) on which commercial banks are open for business in Hong Kong, and "Business Days" shall be construed accordingly
“BVI”	the British Virgin Islands
“CB Instrument”	the instrument constituting the Convertible Bonds
“Chen Completion”	completion of the Chen Subscription in accordance with the terms and conditions of the Chen Subscription Agreement
“Chen Irrevocable Undertaking”	the irrevocable undertaking entered into between the Offeror and Chen Ping on 12 February 2016 in relation to, <i>inter alia</i> , the 100,000,000 Subscription Shares under the Chen Subscription
“Chen Ping”	an independent investor
“Chen Subscription”	the subscription of 100,000,000 Subscription Shares by Chen Ping pursuant to the Chen Subscription Agreement
“Chen Subscription Agreement”	the subscription agreement entered into between the Company and Chen Ping on 4 February 2016 in relation to the subscription of 100,000,000 Subscription Shares
“Company”	Sun East Technology (Holdings) Limited (Stock Code: 365), a company incorporated in Bermuda with limited liability and the Ordinary Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscriptions in accordance with the terms and conditions of the Subscription Agreements
“Completion Date”	the date on which Completion under the UNISTECH Subscription Agreement, the RG Subscription Agreement or the Chen Subscription Agreement occurs, as the context may suggest

“Composite Document”	the composite offer and response document in respect of the Offer to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offer
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Conversion Price”	HK\$0.40 per Conversion Share, being the initial conversion price at which the Conversion Shares will be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds, subject to adjustment pursuant to the terms and conditions of the Convertible Bonds
“Conversion Share(s)”	new Share(s) to be allotted and issued by the Company pursuant to the exercise of the conversion rights attached to the Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds
“Convertible Bond(s)”	the zero coupon convertible bonds due 2021 in the aggregate principal amount of up to HK\$148,000,000 to be issued by the Company to the Offeror pursuant to the CB Instrument as described in this joint announcement
“Director(s)”	director(s) of the Company
“Excluded Shares”	(i) Shares owned or agreed to be acquired by the Offeror and parties acting in concert with it, including 730,000,000 Subscription Shares which will be held by the Offeror and parties acting in concert with it upon Completion; (ii) the 45,746,000 Shares in respect of which Mr. But has undertaken not to accept the Offer; (iii) the 44,121,168 Shares held by Mind Seekers in respect of which Mind Seekers has undertaken not to accept the Offer; (iv) the 100,000,000 Subscription Shares which will be held by Reach General; and (v) the 100,000,000 Subscription Shares which will be held by Chen Ping
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Group Company(ies)”	member(s) of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent committee of the Board established by the Board, comprising all the non-executive Directors, namely Mr. See Tak Wah, Prof. Xu Yang Sheng and Mr. Li Wanshou, to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Offer and as to voting
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer
“Independent Shareholders”	means the Shareholders other than (i) Mr. But, his associates (including Mind Seekers and the Accepting Shareholders) and parties acting in concert with him; (ii) the Offeror, and parties acting in concert with it and those who are involved in or interested in the Offer; and (iii) any Shareholders who are interested in the Subscription Agreements and any transactions contemplated therein
“insignificant subsidiary”	has the meaning given in Rule 14A.09(1) of the Listing Rules
“Irrevocable Undertakings”	collectively, the BTF Irrevocable Undertaking, the Mind Seekers Irrevocable Undertaking, the BTH Irrevocable Undertaking, the LC Irrevocable Undertaking, the LK Irrevocable Undertaking, the RG Irrevocable Undertaking and Chen Irrevocable Undertaking or any of them as the context may suggest
“Last Trading Day”	4 February 2016, being the last trading day of the Ordinary Shares prior to the suspension of trading in the Shares
“LC Acceptance Shares”	the 2,252,280 Shares to which Mr. Leung Cheong is the beneficial owner and other Shares received, allotted to or otherwise acquired by Mr. Leung Cheong from the date of the LC Irrevocable Undertaking and before the Offer closes
“LK Acceptance Shares”	the 4,536,520 Shares to which Mr. Leung Kuen, Ivan is the beneficial owner and other Shares received, allotted to or otherwise acquired by Mr. Leung Kuen, Ivan from the date of the LK Irrevocable Undertaking and before the Offer closes
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lock-up Undertakings”	collectively, the BTF Lock-Up Undertaking and the Mind Seekers Lock-Up Undertaking, or any of them as the context may suggest

“Long Stop Date”	31 May 2016 (or such other date as may be agreed by the parties to the Subscription Agreements in writing (such date being not more than 90 days after the Long Stop Date))
“Maturity Date”	the fifth (5) anniversary from the date of issue of the Convertible Bonds
“Mind Seekers”	Mind Seekers Investment Limited, a company incorporated in BVI with limited liability, which is beneficially owned by Mr. But Tin Hing, Mr. But, Mr. Leung Cheong and Mr. Leung Kuen, Ivan as to 50%, 20%, 20% and 10%, respectively
“Mind Seekers Acceptances Shares”	the 176,484,672 Shares held by Mind Seekers and 80% of the Shares received, allotted to or otherwise acquired by Mind Seekers from the date of the Mind Seekers Irrevocable Undertaking and when the Offer closes
“Mind Seekers Irrevocable Undertaking”	the irrevocable undertaking entered into between the Offeror and Mind Seekers on 4 February 2016 in relation to, <i>inter alia</i> , the Mind Seekers Non-Acceptance Shares and the Mind Seekers Acceptance Shares
“Mind Seekers Lock-Up Undertaking”	the lock-up undertaking entered into between the Offeror and Mind Seekers on 4 February 2016 in relation to the Mind Seekers Non-Acceptance Shares
“Mind Seekers Non-Acceptance Shares”	the 44,121,168 Shares held by Mind Seekers and 20% of the Shares received, allotted to or otherwise acquired by Mind Seekers from the date of the Mind Seekers Irrevocable Undertaking and when the Offer closes, which are subject to the Mind Seekers Lock-Up Undertaking and the Mind Seekers Irrevocable Undertaking
“Mr. But”	Mr. But Tin Fu, as at the date of this joint announcement, an executive Director and the chairman of the Company, and an existing shareholder of the Company
“Offer”	subject to the UNISTECH Completion, the unconditional mandatory cash offer to be made by Quam Securities Company Limited on behalf of the Offeror to acquire all the issued Shares (other than the Excluded Shares) at the Offer Price
“Offeror”	Unis Technology Strategy Investment Limited, a company incorporated in Hong Kong with limited liability, being the subscriber under the UNISTECH Subscription Agreement, and which is indirectly wholly-owned by Tsinghua Unigroup
“Offer Period”	has the meaning given to it in the Takeovers Code

“Offer Price”	the amount of HK\$1.70 per Offer Share
“Offer Share(s)”	the Share(s) which are subject of the Offer
“PRC”	the People's Republic of China
“Principal Subsidiary”	a subsidiary of the Company which is not an insignificant subsidiary
“Reach General”	Reach General International Limited (達廣國際有限公司), a company incorporated in the BVI with limited liability
“RG Completion”	completion of the RG Subscription in accordance with the terms and conditions of the RG Subscription Agreement
“RG Irrevocable Undertaking”	the irrevocable undertaking entered into between the Offeror and Reach General on 12 February 2016 in relation to, <i>inter alia</i> , the 100,000,000 Subscription Shares under the RG Subscription
“RG Subscription”	the subscription of 100,000,000 Subscription Shares by Reach General pursuant to the RG Subscription Agreement
“RG Subscription Agreement”	the subscription agreement entered into between the Company and Reach General on 4 February 2016 in relation to the subscription of 100,000,000 Subscription Shares
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, <i>inter alia</i> , the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares and Convertible Bonds, and the granting of the Specific Mandate
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be granted by the Shareholders to the Board at the SGM for the allotment and issue of the Subscription Shares and the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber(s)”	the Offeror, Reach General and Chen Ping, or any of them as the context may suggest
“Subscription(s)”	the UNISTECH Subscription, the RG Subscription and the Chen Subscription, or any of them as the context may suggest
“Subscription Agreement(s)”	UNISTECH Subscription Agreement, RG Subscription Agreement and Chen Subscription Agreement, or any of them as the context may suggest
“Subscription Price”	HK\$0.40 per Subscription Share
“Subscription Share(s)”	930,000,000 new Shares, in aggregate, to be subscribed by any Subscriber(s)
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC in Hong Kong as amended from time to time
“Trading Day”	a day when the Stock Exchange is open for trading in Hong Kong
“Tsinghua Unigroup”	Tsinghua Unigroup Co., Ltd. (紫光集團有限公司), a company established under the laws of the PRC and which is owned as to 51% by Tsinghua Holdings Co., Ltd. (清華控股有限公司), a wholly-owned subsidiary of Tsinghua University (清華大學), and as to 49% by Beijing Jiankun Investment Group Co., Ltd. (北京健坤投資集團有限公司)
“UNISTECH Subscription”	the subscription of the UNISTECH Subscription Shares and Convertible Bonds by the Offeror pursuant to the UNISTECH Subscription Agreement
“UNISTECH Subscription Agreement”	the subscription agreement entered into among Mr. But, the Company and the Offeror on 4 February 2016 in relation to the subscription of the UNISTECH Subscription Shares and the Convertible Bonds
“UNISTECH Completion”	completion of the UNISTECH Subscription in accordance with the terms and conditions of the UNISTECH Subscription Agreement
“UNISTECH Subscription Shares”	730,000,000 new Shares to be subscribed by the Offeror
“%”	percentage

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

Hong Kong, 14 February 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.

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

As at the date of this joint announcement, Mr. Zhao Weiguo and Mr. Zhang Yadong are the directors of the Offeror.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, Reach General and Chen Ping), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Group, Reach General and Chen Ping) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Mr. Zhao Weiguo, Mr. Li Yanhe, Mr. Li Zhongxiang, Mr. Zhao Yanlai, Mr. Li Yi, Mr. Zhang Yadong and Mr. Cao Yuangang are the directors of Tsinghua Unigroup.

The directors of Tsinghua Unigroup jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, Reach General and Chen Ping), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Group, Reach General and Chen Ping) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement Mr. Wu Xin is the sole director of Reach General.

The sole director of Reach General accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Offeror and Chen Ping), and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinion expressed by the Group, the Offeror and Chen Ping) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

Chen Ping accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Offeror and Reach General), and confirm, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Group, the Offeror and Reach General) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

** For identification purposes only*