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If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in South East Group Limited, you should at once hand this circular and the enclosed proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.



SOUTH EAST GROUP LIMITED

(東南國際集團有限公司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 726)

**PROPOSALS INVOLVING
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS**

A letter from the Board of South East Group Limited is set out on pages 1 to 7 of this circular. A notice convening the annual general meeting of South East Group Limited to be held at 8A-B, Entertainment Building, 30 Queen's Road Central, Hong Kong on Thursday, 20 August 2009 at 10:00 a.m. is set out on pages 8 to 10 of this circular.

A form of proxy is also enclosed. Whether or not you are able to attend and vote at the annual general meeting, you are requested to complete the enclosed proxy form and return it to the Company at its principal place of business at 8A-B, Entertainment Building, 30 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the annual general meeting or any adjournment thereof should you so wish.

22 July 2009

CONTENTS

	<i>Page</i>
Letter from the Board	
— Introduction	1
— The Share Issue Mandate	2
— The Share Repurchase Mandate	2
— Re-election of Directors	5
— Annual General Meeting	7
— Voting by Way of Poll	7
— Recommendation	7
Notice of Annual General Meeting	8

LETTER FROM THE BOARD



SOUTH EAST GROUP LIMITED **(東南國際集團有限公司)***

(Incorporated in Bermuda with limited liability)

(Stock Code: 726)

Executive Directors:

WU Siu Chung (*Chairman*)

CHEN Xiaoping

Non-Executive Directors:

CHEN Yuan Shou, Budiman

Eduard William Rudolf Helmuth WILL

Independent Non-Executive Directors:

LO Yuk Lam

WONG Kam Wah

David R. PETERSON

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Principal place of business

in Hong Kong:

8A-B, Entertainment Building

30 Queen's Road Central

Hong Kong

22 July 2009

To the Shareholders

Dear Sir or Madam,

PROPOSALS INVOLVING GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS

INTRODUCTION

This circular is to provide information to shareholders ("Shareholders") of South East Group Limited ("Company") required by the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") concerning the proposed general mandates for the issue of shares, repurchase of shares and an extension of the mandate for issuing shares (to include those shares repurchased) to be granted to the directors of the Company ("Directors") since the general mandates granted on 6 August 2008 to the Directors will expire at the AGM (as defined below); and re-election of Directors, to be approved by Shareholders at the annual general meeting of the Company to be held on Thursday, 20 August 2009 ("AGM").

* For identification purposes only

LETTER FROM THE BOARD

THE SHARE ISSUE MANDATE

Resolution no. 4 referred to in the notice of AGM dated 22 July 2009 (“AGM Notice”) will, if passed, give a general unconditional mandate (“Share Issue Mandate”) to the Directors authorizing the exercise by the Directors of the powers of the Company to allot additional shares of HK\$0.10 each in the capital of the Company (“Shares”). This authority would apply to up to 20% of the issued share capital of the Company at the date of the AGM.

THE SHARE REPURCHASE MANDATE

Resolution no. 5 (“Ordinary Resolution”) referred to in the AGM Notice will, if passed, give a general unconditional mandate (“Share Repurchase Mandate”) to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company at the date of the AGM (“Repurchase Proposal”).

The Directors also propose a separate ordinary resolution at the AGM to add to the Share Issue Mandate to issue those Shares purchased by the Company pursuant to the exercise of the Share Repurchase Mandate proposed to be granted to the Directors at the AGM (“Extension of Share Issue Mandate”).

The Directors propose to seek your approval of the Ordinary Resolution to be proposed at the AGM. The information set out below constitutes an Explanatory Statement in accordance with the relevant rules as set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange (“Share Buy Back Rules”):

(1) Shareholders’ approval

The Share Buy Back Rules provide that all on-market share repurchase by company with its primary listing on the Stock Exchange must be of fully paid up shares and approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval in relation to specific transactions.

(2) SHARE CAPITAL

As at 17 July 2009 (the latest practicable date prior to the printing of this statement) (“Latest Practicable Date”) the issued share capital of the Company comprised 344,325,880 Shares. Subject to the passing of the Ordinary Resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed, under the Share Repurchase Mandate to repurchase a maximum of 34,432,588 Shares.

(3) Reasons for repurchase proposal

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

LETTER FROM THE BOARD

(4) Funding of repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, or out of funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose of the repurchase to such extent allowable under the Companies Act 1981 of Bermuda (as amended). The amount of premium payable on repurchase may only be paid out of funds of the Company otherwise available for dividend or distribution or out of the share premium account of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated accounts contained in the annual report of the Company for the year ended 31 March 2009) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. Such proposed repurchase period means the period from the passing of the Ordinary Resolution until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date on which the authority sets out in the Ordinary Resolution is revoked or varied by an ordinary resolution of the Shareholders in a general meeting; and (iii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Bermuda laws or the bye-laws of the Company. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirement of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

(5) Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 2008	1.040	0.580
August 2008	0.750	0.390
September 2008	0.480	0.345
October 2008	0.420	0.130
November 2008	0.330	0.180
December 2008	0.285	0.235
January 2009	0.360	0.232
February 2009	0.340	0.240
March 2009*	0.400	0.230
April 2009*	0.430	0.295
May 2009	0.450	0.340
June 2009	0.400	0.320
July 2009 (up to and including the Latest Practicable Date)	0.395	0.305

* Trading was suspended from 27 March 2009 up to 1 April 2009

LETTER FROM THE BOARD

(6) Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that, they will exercise the powers of the Company to make repurchases pursuant to the Ordinary Resolution and in accordance with the Listing Rules and the applicable laws of Bermuda.

(7) Directors, associates and connected persons

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates have any present intention to sell any Shares to the Company under the Repurchase Proposal if such is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

(8) Effects of the Takeovers Code

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obligated to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Brilliant Express International Limited ("Brilliant Express") held 92,000,000 Shares representing approximately 26.72% of the issued share capital of the Company. Brilliant Express was wholly owned by Mr. Wu Siu Chung ("Mr. Wu"). Accordingly, Mr. Wu was taken to have an interest under the Securities and Futures Ordinance ("SFO") in the same parcel of 92,000,000 Shares held by Brilliant Express. They were the substantial shareholders holding more than 10% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares in the Company in accordance with the terms of the Ordinary Resolution, then (if the present shareholdings otherwise remained the same) the attributable shareholdings of each of Brilliant Express and Mr. Wu in the Company would be increased to approximately 29.69% of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. If any exercise of the powers of the Company to make repurchases pursuant to the Ordinary Resolution would, to the knowledge of the Directors, result in takeovers obligation, the Directors would not purchase Shares to such an extent.

(9) Share repurchase made by the Company

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with bye-law 99 of the Company's bye-laws, Mr. Wu Siu Chung, Mr. Chen Xiaoping and Mr. Eduard William Rudolf Helmuth Will shall retire by rotation at the AGM and, being eligible, offer themselves for re-election.

Information on the retiring directors proposed for re-election at the AGM is set out below:

Mr. WU Siu Chung, aged 51, was appointed as the chairman and an executive director of the Company on 25 September 2007. He is also director of certain subsidiaries in the Group. Mr. Wu has rich experience in investment activities and holds senior management positions in various investment companies. Mr. Wu was awarded World Outstanding Chinese in 2008 and received honorary doctorate from York University in the USA. He was also a Fellowship Award recipient 2007/2008 from the Asian Knowledge Management Association. Mr. Wu is the chairman and the beneficial owner of Ricco Capital (Holdings) Limited. He is also the sole director and the sole shareholder of Brilliant Express International Limited, the single largest shareholder of the Company. Mr. Wu is responsible for the overall strategy for business development and corporate planning of the Group.

Mr. Wu has entered into a service agreement with the Company for a period of three years from 1 October 2007 and will continue thereafter unless and until terminated by either party by three months' prior notice. Pursuant to the service agreement, Mr. Wu is entitled to salary which is determined with reference to his duties and responsibilities within the Group, discretionary bonus to be determined by the Board from time to time with reference to his services and contribution to the Company, contribution to retirement scheme and other fringe benefits such as company car and medical and life insurance. For the year ended 31 March 2009, Mr. Wu has received director's emoluments in a total sum of HK\$1,572,000.

As at the Latest Practicable Date, Mr. Wu has interest of 92,000,000 Shares in the issued capital of the Company through Brilliant Express International Limited and in share options to subscribe for 3,800,000 Shares within the meaning of Part XV of the SFO. Save as disclosed, Mr. Wu does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. CHEN Xiaoping, aged 57, was appointed as an executive director of the Company on 25 September 2007. He is also director of certain subsidiaries in the Group. Mr. Chen worked at senior management positions in banking and other business fields in the past twenty years, such as Director of Kleinwort Benson Group, Senior Advisor of Global Interactive Technology AG and Financial Advisor of CNT Group. He is also a director and the chief executive officer of Ricco Capital (Holdings) Limited, which is wholly owned by the chairman of the Company. Mr. Chen assumes the role of chief executive officer of the Company and is responsible for the overall management and monitoring of the Group's activities.

LETTER FROM THE BOARD

Mr. Chen has entered into a service agreement with the Company for a period of three years from 1 October 2007 and will continue thereafter unless and until terminated by either party by three months' prior notice. Pursuant to the service agreement, Mr. Chen is entitled to salary which is determined with reference to his duties and responsibilities within the Group, discretionary bonus to be determined by the Board from time to time with reference to his services and contribution to the Company, contribution to retirement scheme and other fringe benefits such as medical and life insurance. For the year ended 31 March 2009, Mr. Chen has received director's emoluments in a total sum of HK\$1,182,000.

As at the Latest Practicable Date, Mr. Chen has interest in share options to subscribe for 500,000 Shares within the meaning of Part XV of the SFO. Save as disclosed, Mr. Chen does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Eduard William Rudolf Helmuth WILL, aged 67, was appointed as non-executive director of the Company and member of each of the Audit Committee and Remuneration Committee of the Company on 1 January 2008. Mr. Will graduated from University of Hamburg, is a seasoned investment banker specializing in international corporate finance. He has rich experience in cross border mergers and acquisitions in Europe, the USA and the Asia Pacific Region. He worked in management capacity for Morgan Guaranty Trust Company (JP Morgan), Amex Bank Limited (America Express's merchant bank), Bank of America, Bear Stearns and Company, Asian Oceanic Limited (Cigna Group's investment bank) and other big international corporations and is currently serving on the board of directors of Emerson Radio, a public company listed on the New York Stock Exchange; and is a non-executive director of Integrated Data Resources whose shares are quoted on Nasdaq. He is also the vice chairman of Ricco Capital (Holdings) Limited, which is wholly owned by the chairman of the Company.

There is no service contract entered into by Mr. Will with the Company and no fixed or proposed length of service with the Company, but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws. According to the Company's prevailing policy for director's fees payable to non-executive directors, Mr. Will is entitled to a fixed monthly payment of HK\$10,000; which is determined by the Board from time to time with reference to his duties and responsibilities with the Company and the prevailing market conditions. For the year ended 31 March 2009, Mr. Will has received director's fees of HK\$120,000.

As at the Latest Practicable Date, Mr. Will has interest in share options to subscribe for 200,000 Shares within the meaning of Part XV of the SFO. Save as disclosed, Mr. Will does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed, the above re-elected Directors did not hold any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Save as disclosed above, there is no information relating to the above re-elected Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters which need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 8 to 10 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein. A form of proxy is enclosed for use at the AGM. You are requested to complete and return the form of proxy to the Company at its principal place of business at 8A-B, Entertainment Building, 30 Queen's Road Central, Hong Kong as soon as possible, and in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. The lodging of a form of proxy will not preclude you from subsequently attending the AGM or any adjournment thereof and voting in person should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions to be considered and, if thought fit, passed at the AGM will be voted by way of poll by the Shareholders.

RECOMMENDATION

The Directors consider that the Share Issue Mandate and the Share Repurchase Mandate and the Extension of Share Issue Mandate, as well as the proposed re-election of the retiring Directors are in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
South East Group Limited
Wu Siu Chung
Chairman

NOTICE OF ANNUAL GENERAL MEETING



SOUTH EAST GROUP LIMITED

(東南國際集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 726)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of South East Group Limited (the “Company”) will be held at 8A-B, Entertainment Building, 30 Queen’s Road Central, Hong Kong on Thursday, 20 August 2009 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the auditors of the Company for the year ended 31 March 2009;
2. To re-elect retiring directors and to authorise the board of directors to fix the remuneration of directors;
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration;
4. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company, be and is hereby generally and unconditionally approved, provided that, otherwise than (i) pursuant to a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares of the Company as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body of any stock exchange, in any territory outside Hong Kong applicable to the Company); (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, the aggregate nominal amount of share capital issued, allotted or disposed of or agreed conditionally or unconditionally to be issued, allotted or dealt with whether pursuant to an option or otherwise, shall not in total exceed 20 per cent of the nominal amount of share capital of the Company in issue on the date of passing this Resolution and the said approval shall be limited accordingly; and

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

- (b) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and
 - (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by the bye-laws of the Company or any applicable law to be held.”

5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the total nominal amount of the shares of the Company in issue on the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and
 - (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by the bye-laws of the Company or any applicable law to be held.”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT**, subject to the passing of Resolutions Nos. 4 and 5 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot and deal with additional shares and to make or grant offers, agreements and options which might or would require the exercise of such power pursuant to Resolution No. 4 set out in the notice convening this meeting, be and is hereby extended by the addition to the total nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the total nominal amount of shares in the capital of the Company which has been repurchased by the Company under the authority granted pursuant to Resolution No. 5 set out in the notice convening this meeting provided that such amount of shares shall not exceed 10 per cent of the total nominal amount of the share capital of the Company in issue on the date of passing this Resolution.”

By Order of the Board of
South East Group Limited
Chan Sau Chee
Company Secretary

Hong Kong, 22 July 2009

Notes:

- (i) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited with the Company at its principal place of business at 8A-B, Entertainment Building, 30 Queen's Road Central, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (iii) Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.

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