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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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.

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

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 726)

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

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A letter from the Board of South East Group Limited is set out on pages 1 to 8 of this circular. A notice convening the annual general meeting of South East Group Limited to be held at 12th Floor, Entertainment Building, 30 Queen's Road Central, Hong Kong on Tuesday, 7 August 2012 at 10:00 a.m. is set out on pages 9 to 11 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's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.

9 July 2012

*\* For identification purposes only*

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## LETTER FROM THE BOARD

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

(Incorporated in Bermuda with limited liability)  
(Stock Code: 726)

*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:*

12th Floor, Entertainment Building,  
30 Queen's Road Central,  
Hong Kong

9 July 2012

*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 the shareholders (the "Shareholders") of South East Group Limited (the "Company") with information required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "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 (the "Directors") since the general mandates granted on 5 August 2011 to the Directors will expire at the AGM (as defined below); and also to provide information relating to the re-election of Directors at the AGM (as defined below). Resolutions in relation to the above, among others, are to be approved by the Shareholders at the annual general meeting of the Company to be held on Tuesday, 7 August 2012 (the "AGM") and this circular contains information reasonably necessary for the Shareholders to make an informed decision on whether to vote for or against such resolutions.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### THE SHARE ISSUE MANDATE

Resolution no. 4 referred to in the notice of AGM dated 9 July 2012 (the “AGM Notice”) will, if passed, give a general unconditional mandate (the “Share Issue Mandate”) to the Directors authorising 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 (the “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 (the “Ordinary Resolution”) referred to in the AGM Notice will, if passed, give a general unconditional mandate (the “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 (the “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 (the “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 (the “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 5 July 2012 (the latest practicable date prior to the printing of this statement) (the “Latest Practicable Date”) the issued share capital of the Company comprised 351,258,880 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 35,125,888 Shares.

#### (3) Reasons for the 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.

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## LETTER FROM THE BOARD

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### (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 2012) 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:

|                                                             | <b>Highest</b><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
|-------------------------------------------------------------|-------------------------------|------------------------------|
| July 2011                                                   | 0.440                         | 0.355                        |
| August 2011                                                 | 0.405                         | 0.300                        |
| September 2011                                              | 0.355                         | 0.249                        |
| October 2011                                                | 0.285                         | 0.230                        |
| November 2011                                               | 0.270                         | 0.226                        |
| December 2011                                               | 0.260                         | 0.230                        |
| January 2012                                                | 0.250                         | 0.215                        |
| February 2012                                               | 0.445                         | 0.225                        |
| March 2012                                                  | 0.335                         | 0.260                        |
| April 2012                                                  | 0.340                         | 0.260                        |
| May 2012                                                    | 0.305                         | 0.233                        |
| June 2012                                                   | 0.295                         | 0.226                        |
| July 2012 (up to and including the Latest Practicable Date) | 0.250                         | 0.230                        |

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## LETTER FROM THE BOARD

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### **(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 purposes 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 26.19% 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 29.10% 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.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99 of the Company's bye-laws, Mr. Wu Siu Chung, Mr. Lo Yuk Lam and Mr. Wong Kam Wah 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 54, 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. He was awarded World Outstanding Chinese in 2008 and received honorary doctorate from York University in the USA. 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. Save as disclosed, Mr. Wu did not hold any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Mr. Wu has entered into a service agreement with the Company for a period of three years from 1 October 2010 and will continue thereafter unless and until terminated by either party by six months' prior notice. Notwithstanding that, Mr. Wu 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. 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 medical and life insurance. For the year ended 31 March 2012, 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 3,000,000 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. LO Yuk Lam**, aged 63, was appointed as an independent non-executive director of the Company on 2 January 2002. Mr. Lo is a member of each of the Nomination Committee, the Remuneration Committee and the Audit Committee of the Company, and is the chairman of the Nomination Committee and the Remuneration Committee respectively. Mr. Lo was heavily involved in several committees of the HKSAR Government. He had been appointed a director of the Hong Kong Applied R&D Fund Co., Ltd., Chairman of the Biotechnology Committee of the Hong Kong Industry & Technology Development Council, and Chairman of Biotechnology Projects Vetting Committee of the Innovation and Technology Fund, HKSAR. Currently, Mr. Lo is serving as a member of the Advisory Council for Food Safety of the Food and Health Bureau HKSAR, a director of the Chinese Manufacturers' Association of Hong Kong (CMA) and Chairman of the Innovation and Technology Committee of CMA. He is also the Honorary Founding Chairman of Hong Kong Bio-Organization.

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## LETTER FROM THE BOARD

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In the educational sector, Mr. Lo has been elected an honorary fellow of the Hong Kong University of Science and Technology. He is a member of the Advisory Committee of the Vocational Training Council, an executive vice-president of Asian College of Management, Adjunct Professor of The Chinese University of Hong Kong and Honorary Professor in several universities in China. In China, Mr. Lo was a consultant to the Economic Bureau of Changchun and a member of the Advisory Committee of the Shenzhen Municipal Science and Technology Bureau. At present, he is a consultant of the Centre for Disease Control and Prevention of China. In the business sector, Mr. Lo is the Chairman of Lo's Associates Limited, Vice-Chairman of Santai Eco-Fishery Limited, Vice-Chairman of APlus OTC Health Group Limited, Senior Advisor of Questmark Capital Management Sdn. Bhd., and Senior Director of Questmark Asia Limited. He is also serving as an independent director of two US listed companies, namely ShangPharma Corporation (NYSE: SHP) and Sinovac Biotech Limited (Nasdaq: SVA). Save as disclosed, Mr. Lo did not hold any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Currently, Mr. Lo is not appointed for a specific term but 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. The Company proposes to enter into a letter of appointment with Mr. Lo provided that he is re-elected as a Director by the Shareholders at the AGM. Mr. Lo's appointment will then be fixed for a term of three years commencing from the date of the AGM, yet to be 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. Lo 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 2012, Mr. Lo has received director's fees of HK\$120,000.

As at the Latest Practicable Date, Mr. Lo has interest of 530,000 Shares in the issued capital of the Company and share options to subscribe for 676,000 Shares within the meaning of Part XV of the SFO. Mr. Lo personally held 330,000 Shares and was deemed to be interested in 200,000 Shares by virtue of the shareholding by his spouse. Save as disclosed, Mr. Lo does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lo has been serving the Board for more than nine years. Despite his length of service with the Company, there is no evidence that the independence of Mr. Lo has been or will be in any way compromised or affected, especially in terms of exercising independent judgement and objective challenges to the management in performing his monitoring role. The Board is confident that Mr. Lo will continue to make valuable contribution to the Company by providing his balanced and objective views to the Board. Mr. Lo has complied with the requirement of Rule 3.13 of the Listing Rules by providing annual confirmation of independence to the Company. The Board is satisfied that Mr. Lo meets the independence guidelines set out in Rule 3.13 of the Listing Rules and continues to be independent. The Board therefore considers that Mr. Lo is still independent and should be re-elected at the AGM. Separate resolution will be proposed for his re-election at the AGM.

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## LETTER FROM THE BOARD

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**Mr. WONG Kam Wah**, aged 53, was appointed as an independent non-executive director of the Company on 1 December 2002. Mr. Wong is a member of each of the Nomination Committee, the Remuneration Committee and the Audit Committee of the Company, and is the chairman of the Audit Committee. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants and an associate member of each of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. He served in senior positions in a multinational corporation and an audit firm. Mr. Wong is currently the principal of a certified public accountants firm. He has extensive experience in accounting and auditing work. Mr. Wong has been appointed as an independent non-executive director of another company publicly listed in Hong Kong, namely China Environmental Technology Holdings Limited (formerly known as Yardway Group Limited), since December 2009. Save as disclosed, Mr. Wong did not hold any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Currently, Mr. Wong is not appointed for a specific term but 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. The Company proposes to enter into a letter of appointment with Mr. Wong provided that he is re-elected as a Director by the Shareholders at the AGM. Mr. Wong's appointment will then be fixed for a term of three years commencing from the date of the AGM, yet to be 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. Wong 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 2012, Mr. Wong has received director's fees of HK\$120,000.

As at the Latest Practicable Date, Mr. Wong has interest of 82,000 Shares in the issued capital of the Company and share options to subscribe for 676,000 Shares within the meaning of Part XV of the SFO. Save as disclosed, Mr. Wong does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Wong has been serving the Board for more than nine years. Despite his length of service with the Company, there is no evidence that the independence of Mr. Wong has been or will be in any way compromised or affected, especially in terms of exercising independent judgement and objective challenges to the management in performing his monitoring role. The Board is confident that Mr. Wong will continue to make valuable contribution to the Company by providing his balanced and objective views to the Board. Mr. Wong has complied with the requirement of Rule 3.13 of the Listing Rules by providing annual confirmation of independence to the Company. The Board is satisfied that Mr. Wong meets the independence guidelines set out in Rule 3.13 of the Listing Rules and continues to be independent. The Board therefore considers that Mr. Wong is still independent and should be re-elected at the AGM. Separate resolution will be proposed for his re-election at the AGM.

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.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 9 to 11 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's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions to be considered and, if thought fit, passed at the AGM will be voted by way of poll by the Shareholders.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider that the proposed resolutions in respect of the Share Issue Mandate, the Share Repurchase Mandate, the Extension of Share Issue Mandate, and 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  
**South East Group Limited**  
**Wu Siu Chung**  
*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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# SOUTH EAST GROUP LIMITED

(東南國際集團有限公司)\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 726)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of South East Group Limited (the “Company”) will be held at 12/F, Entertainment Building, 30 Queen’s Road Central, Hong Kong on Tuesday, 7 August 2012 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 2012;
2.
  - (i) To re-elect Mr. Wu Siu Chung as an executive director of the Company;
  - (ii) To re-elect Mr. Lo Yuk Lam who has served the Company for more than nine years as an independent non-executive director of the Company;
  - (iii) To re-elect Mr. Wong Kam Wah who has served the Company for more than nine years as an independent non-executive director of the Company;
  - (iv) To authorise the board of directors of the Company to fix the remuneration of directors;
3. To re-appoint East Asia Sentinel Limited as auditors of the Company and to authorise the board of directors of the Company 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 or 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

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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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 or any other eligible person(s) 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

- (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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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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 No. 4 and No. 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, 9 July 2012

*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, in the event of a poll, 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's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.
- (iv) Biographical details of the directors proposed for re-election are set out in the section headed “Re-election of Directors” of this circular, of which this notice forms part.

*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; Mr. Lo Yuk Lam, Mr. Wong Kam Wah and Mr. David R. Peterson as independent non-executive directors.*