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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)

CLARIFICATION ANNOUNCEMENT

References are made to the announcement issued by South East Group Limited (the "**Company**") dated 2 February 2015 in respect of, among others, the appointment of Mr. Jiang Hongqing ("**Mr. Jiang**") as independent non-executive Director (the "**Appointment Announcement**") and the announcement of the Company dated 9 March 2015 in respect of, among others, the Share Subscription, the CB Subscription, Specific Mandates and the Whitewash Waiver (the "**Subscription Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Subscription Announcement.

The Board would like to clarify as follows:

1. In the last paragraph on page 3 of the Appointment Announcement, it was disclosed that *"[Mr. Jiang does not] have any interest or short position in shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance."*. As at the date of the Appointment Announcement, Mr. Jiang was in fact interested or deemed to be interested in 15,000,000 Shares, representing approximately 0.41% of the issued share capital of the Company, for the purposes of SFO.

2. The shareholding structure of the Company illustrating the shareholding (a) as at the date of this announcement; (b) after completion of the Share Subscription; and (c) after completion of the Share Subscription and the CB Subscription (assuming that all of the Convertible Bonds are converted in full and there are no other changes to the issued share capital of the Company) is set out as follows:

Shareholders of the Company	**As at the date of this announcement**		**Immediately after the issue of the Subscription Shares**[Note 2]		**Immediately after the issue of the Subscription Shares and the Conversion Shares**[Note 3]	
	Shares	*% (approx.)*	*Shares*	*% (approx.)*	*Shares*	*% (approx.)*
Taiping Quantum Strategic Fund[Note 1]	340,000,000	9.17	340,000,000	3.33	340,000,000	3.03
Taiping Quantum Prosperity Fund[Note 1]	400,420,000	10.79	400,420,000	3.92	400,420,000	3.57
Taiping Quantum China Opportunities Fund[Note 1]	7,420,000	0.20	7,420,000	0.07	7,420,000	0.07
Quantum Advantage Fund[Note 1]	81,000,000	2.18	81,000,000	0.79	81,000,000	0.72
Jiang Hongqing and his associate[Note 4]	15,000,000	0.41	15,000,000	0.15	15,000,000	0.13
The Share Subscriber and its concert parties	–	–	6,500,000,000	63.67	6,500,000,000	57.99
The CB Subscriber	–	–	–	–	1,000,000,000	8.92
Existing public Shareholders	2,865,762,920	77.25	2,865,762,920	28.07	2,865,762,920	25.57
Total	**3,709,602,920**	**100.00**	**10,209,602,920**	**100.00**	**11,209,602,920**	**100.00**

Note 1: Each of Taiping Quantum Strategic Fund, Taiping Quantum Prosperity Fund and Taiping Quantum China Opportunities Fund and Quantum Advantage Fund is managed by Quantum China Asset Management Limited. Mr. Yeung, an executive Director, is the managing partner and chief executive officer of Quantum China Asset Management Limited.

Note 2: Assuming that the Increase in Authorised Share Capital will be approved by the Shareholders at the SGM and assuming that the CB Subscriber does not purchase any Share from the date hereof up to the Share Subscription Completion Date.

Note 3: Assuming that the Increase in Authorised Share Capital will be approved by the Shareholders at the SGM and assuming that the CB Subscriber does not purchase any Share from the date hereof up to the issue of the Conversion Shares and assuming that the Share Subscriber and its concert parties do not acquire any Share after completion of the Share Subscription and up to the issue of the Conversion Shares.

Note 4: Mr. Jiang Hongqing is an independent non-executive Director who, together with his spouse, held 15,000,000 Shares as at the date of the Appointment Announcement and the Subscription Announcement.

By order of the Board of
South East Group Limited
Yeung Chun Wai, Anthony
Chairman and Executive Director

Hong Kong, 24 March 2015

As at the date of this announcement, the Board comprises six Directors, namely Mr. Yeung Chun Wai, Anthony (Chairman), Mr. Chen Domingo (Deputy Chairman) and Mr. Chan Chi Yuen as executive Directors; Mr. Lee Chi Ming, Mr. Chan Chi Hung, Anthony and Mr. Jiang Hongqing as independent non-executive Director.

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