

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SOUTH EAST GROUP LIMITED

(東南國際集團有限公司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 726)

ANNOUNCEMENT

INSIDE INFORMATION

MEMORANDUM OF UNDERSTANDING

IN RELATION TO PROPOSED ACQUISITION OF ASSETS IN SHANGHAI

This announcement is made by South East Group Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors of the Company is pleased to announce that on 28 April 2015, Benelux Property Development (Shanghai) Limited (“**Benelux**”), a subsidiary of the Company, together with China Minsheng Zhuyou Co. Ltd.* (中民築友有限公司) (“**Zhuyou**”), a subsidiary of China Minsheng Jiaye Investment Co., Ltd.* (being the subscriber for the proposed subscription for new shares of the Company pursuant to the subscription agreement dated 9 February 2015 entered into by it with the Company, details of which are set out in the announcement of the Company dated 9 March 2015), entered into a memorandum of understanding (the “**MOU**”) with Shanghai Zhao Nian Heavy Machinery Co. Ltd.* (上海兆年重工機械有限公司) (the “**Vendor**”) in relation to the proposed acquisition of certain assets in Shanghai. Pursuant to the MOU, Benelux has conditionally agreed to acquire from the Vendor (the “**Proposed Acquisition**”) a parcel of land situated at No. 2677, Shen Gang Road, Songjiang Industrial District, Shanghai, the People’s Republic of China (中國上海市松江工業區申港路2677號), with a total area of 29,293 square metres, together with the factory compound erected on such land parcel of a gross floor area of 19,272.81 square meters and certain machinery, equipment and facility for the manufacturing of pre-cast construction units and materials (collectively, the “**Target Assets**”).

The Proposed Acquisition is subject to Benelux being satisfied with the result of the due diligence review to be conducted on the Target Assets and the entering into of a formal acquisition agreement with the Vendor.

Under the MOU, Benelux and the Vendor agreed that the total consideration for the Proposed Acquisition will be RMB82,000,000, with a deposit of RMB8,200,000 to be paid by Benelux or Zhuyou within 10 business days after the entering into of the MOU. The deposit is refundable in the event that Benelux decides not to proceed with the Proposed Acquisition or the MOU is terminated. Zhuyou has agreed to make certain initial payments for the Proposed Acquisition to the Vendor as advancement to Benelux.

It was also agreed between the parties that in the event that the subscription for the shares of the Company under the subscription agreement dated 9 February 2015 entered into between the Company and China Minsheng Jiaye Investment Co., Ltd.* does not proceed to completion or is otherwise terminated, the rights and obligations under the MOU should automatically be assigned to and vested in Zhuyou and Benelux shall be released from any obligation under the MOU.

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected person (as defined in the Listing Rules); and none of the Vendor and its ultimate beneficial owner is a shareholder of the Company.

Whether to proceed with the Proposed Acquisition is subject to the result of due diligence review on the Target Assets, and the entering into of a formal acquisition agreement with the Vendor, accordingly, the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares or other securities of the Company. The Proposed Acquisition, if materializes, may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) in relation to the Proposed Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 28 April 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 Directors.

* *For identification purposes only*