



SUN EAST TECHNOLOGY (HOLDINGS) LIMITED
(日東科技(控股)有限公司)*
(Incorporated in Bermuda with limited liability)
(Stock code: 365)

PLACING OF EXISTING SHARES
AND
SUBSCRIPTION OF NEW SHARES

Placing Agent



Guotai Junan Securities (Hong Kong) Limited

On 23 November 2004, the Vendor and GTJS entered into the Placing Agreement where GTJS has been appointed as the Placing Agent to place 25,000,000 existing Shares beneficially owned by the Vendor to independent investors at a price of HK\$0.80 per Placing Share on a best effort basis. This price was determined after arm's length negotiation between the Vendor and the Placing Agent and represents (i) a discount of approximately 3.61% to the closing price of HK\$0.83 per Share as quoted on the Stock Exchange on 23 November 2004, being the date of this announcement; and (ii) a premium of approximately 16.79% over the average closing price of HK\$0.685 per Share as quoted on the Stock Exchange for the ten consecutive trading days ended 23 November 2004.

On the same date, the Vendor and the Company entered into the Subscription Agreement where the Vendor has conditionally agreed to subscribe and the Company agreed to allot and issue 25,000,000 Subscription Shares at a price of HK\$0.80 per Subscription Share. After deducting expenses, the net price is equal to HK\$0.78 per Subscription Share.

The net proceeds of the Subscription are expected to amount to approximately HK\$19.5 million, after taken into consideration of the placing commission of HK\$500,000 payable to the Placing Agent and will be used (i) as to approximately HK\$6 million for capital injection to one of our subsidiaries in Shanghai and (ii) as to approximately HK\$5.5 million for operational costs of bonding business and (iii) as to approximately HK\$8 million as general working capital of the Group.

The Placing Shares represents approximately 7.14% of the existing issued share capital of the Company and approximately 6.67% of the Company's issued share capital as enlarged by the issue of the Subscription Shares. The Subscription Shares will be allotted and issued pursuant to the resolutions passed at the annual general meeting of the Company held on 10 September 2004 authorising the directors to issue new Shares up to a maximum of 20% of the issued share capital of the Company as at the date of the said annual general meeting.

Completion of the Subscription is subject to the satisfaction of certain conditions as described below.

The board of directors of the Company has noted the recent increases in the trading volume of the Shares on 23 November 2004 and wish to state that we are not aware of any reasons for such increases, save for the negotiation regarding a co-operation agreement to be entered into with a top Japanese semiconductor packaging equipment supplier disclosed in the press release dated 19 November 2004, the directors of the Company confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules, neither is the board of directors of the Company aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

THE PLACING		Conditions:	The Subscription is conditional upon:
Date:	23 November 2004		(a) completion of the Placing;
Vendor:	The Vendor, the controlling shareholder of the Company, which is interested in approximately 45.02% of the existing issued share capital of the Company.		(b) the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Subscription Shares;
Placing Agent:	GTJS has been appointed as the Placing Agent to place the Placing Shares on a best effort basis. The Placing Agent is independent of and not connected with the directors, chief executive or substantial shareholders of any member of the Group or any of their respective associates (as defined in the Listing Rules).		(c) the Executive granting a waiver to the Vendors under Note 6 of the Notes on dispensations from Rule 26 of the Code to the effect that neither of the Vendor or any party acting in concert with it will be obliged to make a general offer for the Shares not already owned by it under the Code as a result of the Subscription; and
Placees:	Not less than six placees who are individual, corporate and/or institutional investors. Such placees and their ultimate beneficial owners and parties acting in concert with them are not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).		(d) the Bermuda Monetary Authority approving the issue of the Subscription Shares (if required).
Number of Placing Shares:	25,000,000 existing Shares, representing approximately 7.14% of the existing issued share capital of 350,000,000 Shares of the Company and approximately 6.67% of the issued share capital of the Company as enlarged by the Subscription to 375,000,000 Shares.		The conditions must be satisfied within 14 days from the date of the Placing Agreement (i.e. on or before 7 December 2004) unless a later date is agreed by the Vendor and the Company. If the Subscription is completed after this date, the Subscription will constitute a connected transaction and the Company will fully comply with the requirements of Chapter 14 of the Listing Rules in such event. If any of the above conditions including condition (d) are not fully fulfilled or satisfied within the time specified, the Subscription will lapse.
Placing Price:	HK\$0.80 per Placing Share. This price was determined after arm's length negotiation between the Vendor and the Placing Agent and represents (i) a discount of approximately 3.61% to the closing price of HK\$0.83 per Share as quoted on the Stock Exchange on 23 November 2004, being the date of this announcement; and (ii) a premium of approximately 16.79% over the average closing price of HK\$0.685 per Share as quoted on the Stock Exchange for the ten consecutive trading days ended 23 November 2004. The Company will bear all costs and expenses in connection with the Placing and the Subscription.	Completion:	Completion of the Subscription is expected to be completed immediately after full satisfaction of the abovementioned conditions of the Subscription, and in any event will not exceed 14 days from the date of the Placing Agreement.
Completion:	Completion of the Placing will take place on or before the third day immediately following the date of the Placing and Subscription Agreement (or such other time as the Vendor and the Placing Agent shall agree) but, in any event, no later than 14 days from the date of the Placing Agreement.		

THE SUBSCRIPTION		USE OF PROCEEDS OF THE SUBSCRIPTION						
Date:	23 November 2004	The directors of the Company are of the view that the Placing and the Subscription will help broaden the shareholder base and strengthen the capital base of the Company.						
Issuer:	The Company	The net proceeds of the Subscription are expected to amount to approximately HK\$19.5 million, after taken into consideration of the placing commission of HK\$500,000 payable to the Placing Agent. The Company currently intends to use the net proceeds as follows:						
Subscriber:	The Vendor	<ul style="list-style-type: none">approximately HK\$5.5 million for operational costs of bonding business; andthe balance of approximately HK\$8 million will be used as the general working capital of the Group.						
		EFFECTS ON SHAREHOLDING						
Number of Subscription Shares:		The shareholding of the structures of the Company immediately before completion of the Placing, after completion of the Placing but before completion of the Subscription, and after completion of both the Placing and the Subscription are as follows:						
Subscription Price:	HK\$0.80 per Subscription Share. After deducting expenses, the net price is equal to HK\$0.78 per Subscription Share.	Before Placing and Subscription		After Placing but Before Subscription		After Placing and Subscription		
		Shares	%	Shares	%	Shares	%	
		The Vendor	157,575,600	45.02	132,575,600	37.88	157,575,600	42.02
		Sum Win	1,732,000	0.49	1,732,000	0.49	1,732,000	0.46
		Benefit Return Sundial	4,611,800	1.32	4,611,800	1.32	4,611,800	1.23
General Mandate to allot and issue new Shares:	The Subscription Shares will be allotted and issued pursuant to the resolutions passed at the annual general meeting of the Company held on 10 September 2004 authorising the directors of the Company to issue new shares up to a maximum of 20% of the issued share capital of the Company as at the date of the said annual general meeting.		280,200	0.08	280,200	0.08	280,200	0.07
		Vendor and parties acting in concert	164,199,600	46.91	139,199,600	39.77	164,199,600	43.78
		Placees	–	–	25,000,000	7.14	25,000,000	6.67
Ranking:	The Subscription Shares, when fully paid and issued, will rank pari passu in all respects among themselves and with the existing Shares.	Public	185,800,400	53.09	185,800,400	53.09	185,800,400	49.55
		Total	350,000,000	100.00	350,000,000	100.00	375,000,000	100.00

Immediately after completion of the Placing but before completion of the Subscription, the shareholding interests of the Vendor and parties acting in concert with it (including Sum Win, Benefit Return and Sundial) will decrease from approximately 46.91% to approximately 39.77% of the existing issued share capital of the Company. The shareholding interests of the Vendor and parties acting in concert with it (including Sum Win, Benefit Return and Sundial) will increase from approximately 39.77% of the existing issued share capital of the Company to approximately 43.78% of the issued share capital of the Company as enlarged by the issue of Subscription Shares immediately after completion of both the Placing and the Subscription.

BUSINESS OF THE GROUP

The principal activities of the Company is investment holding. The principal activities of the Group comprise design, manufacture and distribution of production lines for the manufacturers of consumer electronic products, home electrical appliances and telecommunication products, and the distribution of brand name production equipment for the manufacturers of electronic products.

GENERAL

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. Application by the Vendor has been made to the Executive for the waiver.

The board of directors of the Company has noted the recent increases in the trading volume of the Shares on 23 November 2004 and wish to state that we are not aware of any reasons for such increases, save for the negotiation regarding a co-operation agreement to be entered into with a top Japanese semiconductor packaging equipment supplier disclosed in the press release dated 19 November 2004, the directors of the Company confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules, neither is the board of directors of the Company aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

The directors of the Company confirm that the Company did not have any equity fund raising in the past twelve months.

DEFINITIONS

The following defined terms are used in this announcement:

“Benefit Return”	Benefit Return Inc., a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Leung Kuen, Ivan, a director of the Company
“Code”	the Hong Kong Code on Takeovers and Mergers
“Company”	Sun East Technology (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Executive”	The Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“GTJS” or the “Placing Agent”	Guotai Junan Securities (Hong Kong) Limited, a licensed corporation to carry on business in types 1, 4, 6, 7 and 9 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of 25,000,000 Placing Shares by the Vendor pursuant to the Placing Agreement
“Placing Agreement”	the agreement entered into between the Vendor and the Placing Agent dated 23 November 2004 in relation to the Placing
“Placing Shares”	a total of 25,000,000 existing Shares beneficially owned by the Vendor to be placed pursuant to the Placing Agreement
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for 25,000,000 Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the agreement entered into between the Vendor and the Company dated 23 November 2004 in relation to the Subscription
“Subscription Shares”	a total of 25,000,000 new Shares to be subscribed by the Vendor pursuant to the Subscription Agreement
“Sum Win”	Sum Win Management Corp., a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. But Tin Fu, a director of the Company
“Sundial”	Sundial International Ltd., a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Leung Cheong, a director of the Company
“Vendor”	Mind Seekers Investment Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Messrs. But Tin Hing, But Tin Fu, Leung Cheong and Leung Kuen, Ivan (all are executive directors of the Company) as to 50%, 20%, 20% and 10% respectively and the largest shareholder of the Company holding approximately 45.02% of the issued share capital of the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Sun East Technology Holdings Limited
But Tin Fu
Chairman

Hong Kong, 23 November 2004

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

** For identification purpose only*