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SUN EAST TECHNOLOGY (HOLDINGS) LIMITED

日東科技（控股）有限公司*

(incorporated in Bermuda with limited liability)

ANNOUNCEMENT

Further to the announcement of the Company dated 13 June, 2002 relating to the suspension of trading in the shares of the Company pending an announcement in connection with the proposed placing and top-up subscription of the shares of the Company to independent institutional and private investors, the Board announces that it has resolved not to proceed with the proposed placing and top-up subscription and accordingly no placing and subscription agreement has been entered into with any placing agent.

Trading in the shares of the Company was suspended from 9:46 a.m. on 13 June, 2002 pending the release of this announcement in order to prevent any leakage of information in the course of negotiation of the terms and conditions of the placing and subscription agreement. An application has been made to the Stock Exchange for a resumption of trading in the shares of the Company with effect from 9:30 a.m. on 18 June, 2002.

The board of directors (the “**Board**”) of Sun East Technology (Holdings) Limited (the “**Company**”) refers to the announcement made in the teletext dated 13 June, 2002 relating to the suspension of trading in the shares of the Company pending a further announcement in connection with the proposed placing of the existing shares and top-up subscription of the new shares of the Company (the “**Proposed Placing and Subscription**”) to independent institutional and private investors.

In view of the unfavourable current market sentiment and taking into account of the interests of the Company and its shareholders as a whole, the Board wishes to announce that it has resolved not to proceed with the Proposed Placing and Subscription and accordingly no placing and subscription agreement has been entered into with any placing agent. The Board will continue to explore other opportunities of raising funds for the Company in future. The Board considers that the termination of the Proposed Placing and Subscription will not have any adverse effect on the Company and its shareholders.

Trading in the shares of the Company was suspended from 9:46 a.m. on 13 June, 2002 pending the release of this announcement in order to prevent any leakage of information in the course of negotiation of the terms and conditions of the placing and subscription agreement. An application has been made to the Stock Exchange for a resumption of trading in the shares of the Company with effect from 9:30 a.m. on 18 June, 2002.

By Order of the Board of
Sun East Technology (Holdings) Limited
But Tin Hing
Chairman

Hong Kong, 17 June, 2002

* For identification purpose only