

12 August 2016

*To the Independent Shareholders*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
QUAM SECURITIES COMPANY LIMITED FOR AND ON BEHALF OF  
UNIS TECHNOLOGY STRATEGY INVESTMENT LIMITED TO ACQUIRE  
ALL THE ISSUED SHARES (OTHER THAN THE EXCLUDED SHARES) OF  
SUN EAST TECHNOLOGY (HOLDINGS) LIMITED**

**INTRODUCTION**

Reference is made to (i) the joint announcement dated 14 February 2016 issued by the Offeror and the Company in relation to, among others, the Subscriptions and the Offer; (ii) the joint announcement dated 30 May 2016 issued by the Offeror and the Company in relation to the completion of the Subscriptions; (iii) the joint announcement dated 2 June 2016 issued by the Offeror and the Company in relation to the despatch of the Composite Document; (iv) the Composite Document dated 2 June 2016 jointly issued by the Offeror and the Company; (v) the Profit Warning Announcement dated 15 June 2016 issued by the Company in relation to the expected net loss for the financial year ended 31 March 2016; (vi) the joint announcement dated 15 June 2016 issued by the Offeror and the Company, in relation to the extension of the Offer Period; and (vii) the joint announcement dated 23 June 2016 issued by the Offeror and the Company in relation to the extension of the Offer Period and the level of acceptance of the Offer on the First Closing Date.

As announced jointly by the Company and the Offeror on 23 June 2016, the Closing Date will be extended and the Independent Shareholders shall have at least a further 14 days to tender their acceptances of the Offer after the issue of this Supplemental Document. As set out in the section headed "Expected Timetable" of this Supplemental Document, the latest time and date for acceptance of Offers shall be extended to 4:00p.m. on Friday, 26 August 2016, being the Revised Closing Date.

The purpose of this Supplemental Document is to provide you with, among other things, (i) the financial results of the Group for the financial year ended 31 March 2016; (ii) a supplemental letter from the Independent Financial Adviser; and (iii) any other additional information as required under Rule 8.5 of the Takeovers Code. This Supplemental Document will be served as notice in writing to the Shareholders in accordance with Rule 15.1 of the Takeovers Code.

## **PRINCIPAL TERMS OF THE OFFER**

The Offer Price will remain as HK\$1.70 per Offer Share. The Offer shall close on the Revised Closing Date on 26 August 2016. Apart from the Closing Date which will be extended as set out in this Supplemental Document, all the other terms of the Offer as set out in the Composite Document and in the Form of Acceptance remain unchanged and apply to the extended Offer.

As at the Latest Practicable Date, save for the Convertible Bonds, the Company had no other outstanding warrants, derivatives, options, convertibles or other securities in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

### **Comparisons of value**

The Offer Price of HK\$1.70 per Offer Share represents:

- (a) a premium of approximately 15.65% to the closing price of HK\$1.470 per Share as quoted on the Stock Exchange on 4 February 2016, being the Last Trading Day;
- (b) a premium of approximately 25.00% to the average closing price of approximately HK\$1.360 per Share as quoted on the Stock Exchange for the last five Trading Days up to and including the Last Trading Day;
- (c) a premium of approximately 32.09% to the average closing price of approximately HK\$1.287 per Share as quoted on the Stock Exchange for the last 10 Trading Days up to and including the Last Trading Day;
- (d) a premium of approximately 33.82% over the average closing price of approximately HK\$1.270 per Share as quoted on the Stock Exchange for the last 30 Trading Days up to and including the Last Trading Day;
- (e) a premium of approximately 165.31% over the unaudited consolidated net asset value per Share of HK\$0.641 as at 30 September 2015;
- (f) a premium of approximately 0.59% to the closing price of HK\$1.69 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (g) a premium of approximately 91.01% to the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on the last full Trading Day preceding the date of the initial announcement of the Company regarding a possible change in control of the Company.

## **SUPPLEMENTAL INFORMATION ON THE OFFEROR**

The Offeror is a wholly-owned subsidiary of Tsinghua Unigroup and was established for the purpose of the UNISTECH Subscription. Tsinghua Unigroup is one of the key enterprises under Tsinghua Holdings. It aims to become the industry leader in the integrated circuit industry and is committed to the development of an integrated circuit production chain. Principal subsidiaries of Tsinghua Unigroup include Unigroup Guoxin Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002049) and Spreadtrum Communications, Inc.

As at the Latest Practicable Date, the directors of the Offeror were Mr. Zhao Weiguo and Mr. Zhang Yadong and the directors of Tsinghua Unigroup were Mr. Zhao Weiguo, Mr. Li Zhongxiang, Mr. Li Yanhe, Mr. Zhang Yadong, Mr. Li Yi, Mr. Qi Lian and Ms. Zhou Yanhua.

## **SUPPLEMENTAL INFORMATION ON THE GROUP**

The principal activities of the Group comprise the design, manufacture and distribution of production lines and production equipment, and the distribution of brand name production equipment. Additional financial information of the Group and supplemental general information of the Company are set out in Appendices I and III to this Supplemental Document, respectively.

The Company published the Profit Warning Announcement on 15 June 2016 in respect of the expected net loss for the financial year ended 31 March 2016, the Results Announcement on 29 June 2016 in respect of the Group's audited financial results for the financial year ended 31 March 2016 and the annual report on 28 July 2016 which contains the auditor's report issued by BDO Limited in respect of the Group's audited consolidated statements for the financial year ended 31 March 2016.

## **LEVEL OF ACCEPTANCE**

As at 4:00 p.m. on the Latest Practicable Date, the Offeror had received valid acceptances in respect of a total of 258,180,970 Shares under the Offer, representing approximately 17.74% of the total issued share capital of the Company as at the Latest Practicable Date and approximately 59.33% of the Shares subject to the Offer. For the avoidance of doubt, the acceptances of the Offer in respect of 184,323,472 Acceptance Shares, representing approximately 12.67% of the issued capital of the Company, under the Irrevocable Undertakings have been received as at the Latest Practicable Date.

**ADDITIONAL INFORMATION**

Your attention is also drawn to the supplemental letter from the Board, the supplemental letter from the Independent Financial Adviser contained in this Supplemental Document and the additional information set out in the appendices to, and which forms part of, this Supplemental Document.

Yours faithfully,  
For and on behalf of  
**Quam Capital Limited**

  
**Noelle Hung**  
*Managing Director*