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中晁科技集團有限公司

Sunrise (China) Technology Group Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8226)

SUBSCRIPTION FOR CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

SUBSCRIPTION FOR CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 21 May 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$80,000,000. Completion is subject to the fulfillment of the Conditions. Details terms of the Convertible Bonds are set out in the paragraph headed “Terms of the Convertible Bonds” in this announcement.

Under the terms and conditions of the Convertible Bonds, the Convertible Bonds will bear coupon interest at the rate of 3% per annum payable annually in arrears. The Convertible Bonds are convertible into Conversion Shares at a Conversion Price of HK\$0.095 per Share (subject to adjustments). The maturity of the Convertible Bonds will be the date falling on the third anniversary of the date of issue of the Convertible Bonds.

The gross proceeds and net proceeds from the issue of the Convertible Bonds will be HK\$80,000,000 and estimated to be approximately HK\$77,500,000 respectively. It is intended that the Company shall mainly utilise the net proceeds from the issue of the Convertible Bonds for the repayment of the Remaining Current Borrowings, general working capital of the Group, and future and potential investment opportunities.

For illustration purpose only, assuming full conversion of the Convertible Bonds at the Conversion Price, 842,105,263 Conversion Shares will be issued, representing approximately 162.5% of the existing issued share capital of the Company and approximately 61.91% of the issued share capital of the Company as enlarged by the issue of the 842,105,263 Conversion Shares (assuming that there is no change in the

issued share capital of the Company between the date of this announcement up to full exercise of the Conversion Rights).

GENERAL

The EGM will be held to consider and, if thought fit, pass the requisite resolutions to approve, among other things: (i) the Subscription Agreement and the transactions contemplated thereunder; and (ii) the specific mandate for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds. The Subscriber and parties acting in concert with it do not currently hold any Shares and accordingly will not vote on any of the resolutions.

A circular containing, among other things, further details of the Subscription Agreement and a notice of the EGM will be despatched by the Company to the Shareholders within 15 Business Days after the publication of this announcement in accordance with the GEM Listing Rules.

As completion of the issue of the Convertible Bonds under the Subscription Agreement is subject to the satisfaction of the Conditions therein and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

On 21 May 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber. Details of the Subscription Agreement and the principal terms of the Convertible Bonds are set out below.

THE SUBSCRIPTION AGREEMENT

Date: 21 May 2015

Parties: (i) the Subscriber; and
(ii) the Company.

Information on the Subscriber

The Subscriber is a Hong Kong citizen and a professional investor (as defined in the SFO as extended by the Professional Investor Rules).

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber is an Independent Third Party.

Subscription

Pursuant to the Subscription Agreement, the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$80,000,000, which may be converted into 842,105,263 Conversion Shares based on the initial Conversion Price upon full conversion.

TERMS OF THE CONVERTIBLE BONDS

Interest

The Convertible Bonds shall carry coupon interest at the rate of 3% per annum payable annually in arrears.

Maturity

The maturity of the Convertible Bond will be on the date falling on the third anniversary of the date of issue of the Convertible Bonds.

Unless previously converted or purchased and cancelled, the Company shall redeem each Convertible Bond which remains outstanding by 4:00 p.m. on the Maturity Date at 100% of the principal amount of such outstanding Convertible Bond.

Status of the Convertible Bonds

The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by applicable legislations, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any stock or securities exchange.

Number of Conversion Shares issuable

Under the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds. As at the date of this announcement, there were 518,116,974 Shares in issue and for illustration purpose only, upon full conversion of the Convertible Bonds, the 842,105,263 Conversion Shares represent: (i) approximately 162.5% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 61.91% of the issued share capital of the Company as enlarged by the issue of the 842,105,263 Conversion Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Conversion Shares between the date of this announcement up to the full conversion of the Convertible Bonds).

Conversion Rights and conversion restrictions

The Bondholder may convert the whole or part (in multiple of HK\$1,000,000) of the principal amount of the Convertible Bonds into the Conversion Shares at the initial Conversion Price for the period commencing from the date of issue of the Convertible Bonds up to the maturity date provided that:

- (i) any conversion of the Convertible Bonds will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder and any parties acting in concert with it (as defined in the Takeovers Code); and
- (ii) the exercise of the Convertible Bonds will not cause the Company to be unable to meet the public float requirement under the GEM Listing Rules.

Ranking of the Conversion Shares

The Conversion Shares shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of such Conversion Shares.

Conversion period

The Bondholder will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares from the date of the issue of the Convertible Bonds up to 4:00 p.m. on the day immediately prior to the Maturity Date in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion.

Conversion Price

The price at which Conversion will be issued upon exercise of a Conversion Right will be HK\$0.095 per New Conversion Share. The Conversion Price represents:

- (i) a discount of approximately 70.31% to the closing price of HK\$0.320 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 69.75% to the average closing price of HK\$0.314 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 34.0% over the Group's audited consolidated net assets per Share as at 31 December 2014 of approximately HK\$0.0709 (based on the then total of 431,764,974 Shares as at 31 December 2014); and
- (iv) a premium of approximately 0.01% over the Group's unaudited consolidated net assets per Share as at 31 March 2015 of approximately HK\$0.0949 (based on a total of 518,116,974 Shares as at the date of this announcement).

The Conversion Price was determined after arm's length negotiations between the Company and the Subscriber having regard to the prevailing market price of the Shares prior to the date of the Subscription Agreement, the unaudited consolidated net assets per Share as at 31 March 2015 and the business performance of the Group under the prevailing market conditions.

Adjustment events

The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:

- (i) consolidation or subdivision of the Shares;
- (ii) capitalisation of profits or reserves;
- (iii) capital distribution;
- (iv) offer of Conversion Shares for subscription by way of rights, or a grant of options or warrants to subscribe for Conversion Shares, at a price which is less than 80% of the market price per Share to the Shareholders;
- (v) issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for Conversion Shares, if in any case the total effective consideration per new Share receivable is less than 80% of the market price, or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration receivable is less than 80% of such market price;
- (vi) issue of the Shares being made wholly for cash at a price less than 80% of the market price per Share.
- (vii) an issue of Shares for the acquisition of asset at a total effective consideration per Share which is less than 80% of the market price of the Shares; and
- (viii) issue (other than in lieu of a cash dividend) of any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund).

Voting rights

The Bondholder shall not be entitled to attend or vote at any general meetings of the Shareholders of the Company by reason only it being the Bondholder.

Transfer

The Bondholder may assign or transfer the Convertible Bonds to the transferee subject to the prior notification to the Company. The Convertible Bonds may not be assigned or transferred, in whole or in part, to any connected person of the Company (as defined under the GEM Listing Rules) without prior written consent of the Company. The Convertible Bonds may be assigned or transferred in whole or in part (provided that the principal amount to be assigned or transferred shall be at least HK\$1,000,000 and in integral multiples of HK\$1,000,000 unless the outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000 in which case the whole (but not part only) of that amount may be assigned and transferred) of its outstanding principal amount and the Company shall facilitate any such assignment or transfer of the Convertible Bonds, including making any necessary applications to the Stock Exchange for the said approval (if required).

Form and denomination

The Convertible Bonds will be issued in registered form in the denomination of HK\$1,000,000 each.

Conditions of the Subscription

Completion is conditional upon each of the following Conditions being satisfied or, if applicable, waived:

- (i) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and the Subscriber have no reasonable objection) listing of and permission to deal in the Conversion Shares;
- (ii) the Shareholders having approved the transactions contemplated in the Subscription Agreement and the issue of the Convertible Bonds, the issue and allotment of the Conversion Shares upon the exercise of the Conversion Rights or otherwise pursuant to the Conditions at the EGM;
- (iii) trading in the Shares on GEM not being revoked or withdrawn at any time;
- (iv) there being no indication being received from the Stock Exchange or the SFC that the listing of the Shares on GEM will or may be revoked or withdrawn at any time after the Completion, whether in connection with any of the transactions contemplated by the Subscription Agreement or otherwise;
- (v) there being no event existing or having occurred and no condition being in existence which would be (after the issue of the Convertible Bonds) an event of default and no event or act having occurred which, with the giving of notices, or the lapse of time, or both, would (after the issue of the Convertible Bonds), constitute such an event of default;

- (vi) the warranties remaining true, accurate and complete in all material respects;
- (vii) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated hereby having been obtained; and
- (viii) all necessary consents and approvals required to be obtained on the part of the Subscriber in respect of the Subscription Agreement and the transactions contemplated hereby having been obtained.

The Condition set out in paragraph (vi) above may be waived by the Subscriber. None of the other Conditions may be waived. In the event that any of the Conditions have not been satisfied (or, if applicable, waived) by the Long Stop Date, the Subscription Agreement will lapse and the parties thereto will be released from all obligations thereunder, save for liabilities for any antecedent breaches of the Subscription Agreement.

Completion of the Subscription

Subject to fulfillment (or, if applicable, waiver) of the Conditions, Completion shall take place within three Business Days of the satisfaction or waiver (where applicable) of the Conditions or at such other date to be agreed between the Subscriber and the Company.

Application for listing

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

EFFECTS OF THE FULL CONVERSION OF THE CONVERTIBLE BONDS

The shareholdings in the Company as at the date of this Announcement (based on information received by the Company and notified pursuant to Part XV of the SFO) and immediately after conversion in full of the Convertible Bonds (assuming that there is no other change in the issued share capital of the Company) are summarised as follows:

Shareholders	As at the date of this announcement		Upon immediately conversion in full of the Convertible Bonds up to the conversion limit but before the exercise of the conversion rights attaching to the outstanding share options and the unlisted warrants		For illustration purpose only			
	No. of Shares	%	No. of Shares	%	Upon immediately conversion in full of the Convertible Bonds and before the exercise of the subscription rights attaching to the outstanding share options and the unlisted warrants		Upon immediately conversion in full of the Convertible Bonds and fully exercise of the subscription rights attaching to the outstanding share options and the unlisted warrants	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Subscriber Hua R Sheng Technology Company Limited (Note 1)	–	–	221,944,408	29.99	842,105,263	61.91	842,105,263	58.15
Public shareholders	60,000,000	11.58	60,000,000	8.11	60,000,000	4.41	60,000,000	4.14
Holders of Share options (Note 2)	458,116,974	88.42	458,116,974	61.90	458,116,974	33.68	458,116,974	31.64
Holders of unlisted warrants (Note 3)	–	–	–	–	–	–	21,200,000	1.46
	–	–	–	–	–	–	66,666,700	4.61
Total	518,116,974	100.00	740,061,382	100.00	1,360,222,237	100.00	1,448,088,937	100.00

Notes:

1. The entire issued share capital of Hua R Sheng Technology Company Limited is wholly and beneficially owned by Mr. Yan Qiyu.
2. The share options refer to the outstanding share options under the share option scheme of the Company approved on 8 July 2002.
3. On 9 August 2011, a total of 40 warrants were issued to Concept Capital Management Limited. Each warrant shall be exercisable in denomination of HK\$1,000,000 and the integral multiples thereof at the warrant exercise price. The number of new Shares of the Company to be issued upon full exercise of the outstanding warrants is 66,666,700 shares at the latest reset exercise price of HK\$0.600.

Share options and warrants

As at the date of this announcement, 21,200,000 outstanding share options have been granted by the Company under the share option scheme approved on 8 July 2002. On 9 August 2011, a total of 40 warrants were issued to Concept Capital Management Limited. Each warrant shall be exercisable in denomination of HK\$1,000,000 and the integral multiples thereof at the warrant exercise price. The number of new Shares of the Company to be issued upon full exercise of the outstanding warrants is 66,666,700 Shares at the latest reset exercise price of HK\$0.600.

Save as the aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

As disclosed in the annual report of the Company for the year ended 31 December 2014 (the “**Annual Report 2014**”), the Group had net current assets of approximately HK\$2,717,000 and net assets of approximately HK\$30,599,000 as at 31 December 2014 and the Group recorded a consolidated loss for the year of approximately HK\$59,471,000 for the year ended 31 December 2014.

As at 31 December 2014, the Group had the following loans and borrowings classified as current liabilities (apart from the amount due to a director of approximately HK\$189,000): (i) corporate bonds payable within one year of approximately HK\$11,347,000; (ii) amount due to a noteholder of approximately HK\$24,138,000; and (iii) other borrowings of HK\$15,000,000. The aforesaid loans and borrowings totaled approximately HK\$50,485,000 as at 31 December 2014 (the “**Current Borrowings**”), details of which are set out as below:

(i) *Corporate bonds payable within one year*

With respect to the corporate bonds payable within one year of approximately HK\$11,347,000, the principal amount of such corporate bond was HK\$11,000,000, bearing an interest rate of 10% per annum. The corporate bond was issued on 8 September 2014 with a maturity period of 1 year and is due on 7 September 2015.

(ii) *Amount due to a noteholder*

On 9 August 2011, the Company issued 12% convertible redeemable notes due on 8 August 2016 at a principal amount of RMB33,000,000 (equivalent to approximately HK\$40,000,000) to an independent subscriber. During the year ended 31 December 2013, at the request of the noteholder, the Company redeemed all of the convertible loan notes on 9 October 2013 at a consideration of RMB35,956,376 (equivalent to approximately HK\$45,460,000). Such consideration payable by the Company has been overdue as at 31 December 2013 and interest on the outstanding balance was charged at 18% per annum.

During the year ended 31 December 2014, the Company entered into a supplemental agreement with the noteholder, under which the repayment of the outstanding consideration payable was further extended to 30 December 2014 and interests on the note were calculated at the interest rates revised from 18% per annum to 30% and 45% per annum with effect from 1 April 2014 and 1 November 2014 respectively, which are inclusive of the consent fees calculated at 12% and 27% per annum respectively of the outstanding balances. As at 31 December 2014, the amount due to noteholder, representing consideration payable and accrued interest thereon, amounted to RMB19,099,841 (equivalent to approximately HK\$24,138,000).

On 6 February and 21 May 2015, the Company entered into two supplemental agreements with the noteholder, under which the repayment of the amount due by the Company to the noteholder has been extended to 30 May 2015 and further extended to 30 August 2015; and interest on the outstanding balance is calculated at the interest rate of 45% per annum (inclusive of the consent fee calculated at 27% per annum).

(iii) Other Borrowings

The other borrowings of HK\$15,000,000 relates to a secured loan of HK\$15,000,000 granted from an independent third party to the Company. The secured loan carries an interest at the rate of 25% per annum and is due on 10 September 2015. Such loan is secured by the pledge of the Group's inventories with the carrying amount of HK\$27,261,000 as at 31 December 2014.

On 14 January 2015, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent agreed to place, on a best efforts basis, up to an aggregate of 86,352,000 new Shares to be issued under the general mandate of the Company (the “**GM Placing**”) at a placing price of HK\$0.35 per Share on behalf of the Company to not less than six placees who and whose ultimate beneficial owners are Independent Third Parties. The GM Placing was completed on 29 January 2015 and an aggregate of 86,352,000 new Shares were placed to not less than six placees pursuant to the terms of the placing agreement. The net proceeds from the GM Placing, after deduction of placing commission and other related expenses, are approximately HK\$29.3 million, of which HK\$5 million has been applied for the settlement of certain liabilities of the Group, approximately HK\$23.2 million as general working capital of the Company and the remaining balance of approximately HK\$1.1 million is intended to be applied as general working capital of the Group.

On 26 March 2015, the Company entered into a loan agreement with an Independent Third Party under which a loan facility of HK\$60,000,000 was granted to the Company. The loan, which is unsecured, carries interest at 20% per annum and repayable on the business day falling on eighteen months from the date of the first drawdown of any amount of the loan. As at the date of this announcement, this loan facility was not utilised by the Company.

In respect of debt financing, on 7 January 2015 and 25 March 2015, the Company entered into agreements with certain third parties, under which these third parties have agreed to act as placing agents for the purpose of arranging placees, on a best efforts basis, to subscribe for the unlisted corporate bonds to be issued by the Company with the principal amounts of up to HK\$200,000,000 and HK\$100,000,000 respectively. However, up to the date of this announcement, no such corporate bonds have been issued by the Company and no fund has been raised therefrom.

For the three months ended 31 March 2015, the Group recorded the unaudited consolidated loss of approximately HK\$10,848,000. After utilising the net proceed from the GM Placing of HK\$5 million which has been applied for the settlement of part of the Current Borrowings, the outstanding loan and borrowings of the Group (classified as current liabilities) would amount to approximately HK\$48,668,000 (the “**Remaining Current Borrowings**”) as at the date of this announcement.

Notwithstanding the loan facilities of approximately HK\$60,000,000 granted to the Company and the Group's bank and cash balance of approximately HK\$1.22 million as at 30 April 2015 totaled approximately HK\$61.22 million is sufficient to repay the Group's Remaining Current Borrowings of approximately HK\$48.7 million as at the date of this announcement, on the basis that (i) such loan facilities bearing higher interest rate of 20% per annum which will incur massive interest burden to the Company as compared that of the Convertible Bonds; (ii) the Convertible Bonds have a longer maturity of three years as compared to that of the loan facilities; (iii) the lender of such loan facilities may at its discretion to demand immediate repayment made by the Group if there is the occurrence of an event default under the loan facilities; (iv) the amount of fund raised from the issue of Convertible Bonds is more than that of the loan facilities; and (v) the net asset value of the Group will be increased upon conversion of the Convertible Bonds; the Directors are of the view that the issue of the Convertible Bonds is a suitable fund-raising method.

In addition, after taking into account (i) the amount due to the noteholder which amounted to approximately HK\$24,138,000 as at 31 December 2014 will fall due on 30 August 2015; (ii) the secured loan of HK\$15,000,000 together with the accrued interest thereon will fall due on 10 September 2015; (iii) the corporate bond with carrying value of approximately HK\$11,347,000 will fall due on 7 September 2015; (iv) the cash and bank balances of the Group was approximately HK\$966,000 as at 31 December 2014 whereas the current liabilities of the Group were approximately HK\$92.2 million as at 31 December 2014; (v) it is uncertain that the Group can obtain bank borrowing given the loss making position of the Group in the past few years; (vi) the prevailing market prices and trading volume of the Shares which are not favourable to a fund raising exercise for substantial amount by way of issue of new Shares to Independent Third Party(ies) or to existing Shareholders on a pro rata basis where considerable discount to the market prices of the Shares would be required, the Directors are of the view that the issue of the Convertible Bonds, which not lead to immediate dilution effect on the Shareholders' shareholding interest in the Company, is an appropriate means of raising substantial amount of mid-term funds to fulfill the Group's repayment obligation as aforementioned.

Based on the above, the Directors consider that the terms and conditions of the Subscription Agreement as well as the terms of the Convertible Bonds are fair and reasonable, on normal commercial terms, and in the interests of the Group and the Shareholders as a whole.

The gross proceeds and net proceeds from the issue of the Convertible Bonds will be HK\$80,000,000 and estimated to be approximately HK\$77,500,000 respectively. Based on the estimated net proceeds from the issue of the Convertible Bonds and a total of 842,105,263 Conversion Shares to be issued at the initial Conversion Price upon exercise of the Conversion Rights in full, the net subscription price per Conversion Share would be approximately HK\$0.092.

The estimated net proceeds from the issue of the Convertible Bonds of approximately HK\$77,500,000 which are intended to be used as to (i) approximately HK\$48.7 million of the net proceeds for the repayment of the Remaining Current Borrowings; and (ii) approximately HK\$28.8 million of the net proceeds as general working capital of the Group, and future and potential investment opportunities.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company did not raise funds on any issue of equity securities raising activities during the past twelve months immediately preceding the date of this announcement:

Date	Fund raising activity	Net proceeds	Proposed use of proceeds	Actual use of proceeds
30 January 2015	Placing of 86,352,000 new Shares under general mandate	HK\$29.3 million	Will be applied for general working capital of the Group and settlement of certain liabilities of the Group	Approximately HK\$5 million was applied for settlement of certain liabilities of the Group; approximately HK\$23.2 million was applied as general working capital and the remaining will be used as general working capital of the Group.

GENERAL

The EGM

The EGM will be held to consider and, if thought fit, pass the requisite resolutions to approve, among other things: (i) the Subscription Agreement and the transactions contemplated thereunder; and (ii) the specific mandate for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds. The Subscriber and parties acting in concert with it do not currently hold any Shares and accordingly will not vote on any of the resolutions.

Despatch of circular

A circular containing, among other things, further details of the Subscription Agreement and a notice of the EGM will be despatched by the Company to the Shareholders within 15 Business Days after the publication of this announcement in accordance with the GEM Listing Rules.

As completion of the issue of the Convertible Bonds under the Subscription Agreement is subject to the satisfaction of the Conditions therein and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

“associate”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of the Directors;
“Bondholder(s)”	holder(s) of Convertible Bonds;
“Business Day”	a day (excluding a Saturday, Sunday or public holiday) on which license banks generally are open for business in Hong Kong throughout their normal business hour;
“Company”	Sunrise (China) Technology Group Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the GEM;
“Completion”	completion of the Subscription;
“Completion Date”	the date when Completion shall take place, which shall be within three Business Days after the satisfaction or waiver of the Conditions (except Conditions which are expressed to be satisfied on the Completion Date);
“connected person”	has the meaning ascribed to it under the GEM Listing Rules;
“Conditions”	the conditions precedent to Completion set out under the section headed “Conditions of the Subscription”, and each a “Condition”;
“Conversion Price”	the initial conversion price of the Convertible Bonds being HK\$0.095 (subject to adjustments) per Conversion Share;

“Conversion Rights”	the rights attached to the Convertible Bonds to convert the principal amount of the Convertible Bonds or part thereof into Conversion Shares;
“Conversion Shares”	the new Shares to be allotted and issued upon the exercise of the Conversion Rights;
“Convertible Bonds”	the unsecured 3% interest bearing convertible bonds in the aggregate principal amount of HK\$80,00,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Subscription Agreement and the specific mandate for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the GEM Listing Rules);
“Last Trading Day”	20 May 2015, being the last trading day of the Shares on the Stock Exchange prior to the publication of this announcement;
“Long Stop Date”	31 July 2015 or any other date to be agreed by the Subscriber and the Company in writing;
“Maturity Date”	the date falling on the third anniversary of the date of issue of the Convertible Bonds;

“Professional Investor Rules”	Securities and Futures (Professional Investor) Rules (Chapter 571D of the Laws of Hong Kong);
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the existing ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Ms. Wong Ka Man, a Hong Kong citizen and an investor with various investments in Hong Kong. The Subscriber is a professional investor (as defined in the SFO as extended by the Professional Investor Rules) and an Independent Third Party;
“Subscription”	the subscription by the Subscriber for the Convertible Bonds pursuant to the Subscription Agreement;
“Subscription Agreement”	the conditional subscription agreement dated 21 May 2015 entered into between the Company and the Subscriber relating to the Subscription;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

By order of the Board
Sunrise (China) Technology Group Limited
Ma Arthur On-hing
Executive Director

Hong Kong, 21 May 2015

As at the date of this announcement, the Board comprises eight Directors namely Mr. Ma Arthur On-hing, Mr. Shan Biao, Mr. Mui Wai Sum and Ms. Kwan Kar Ching, being the executive Directors, Mr. Chen Wai Chung Edmund, being the non-executive Director and Mr. Ho Chun Kit Gregory, Mr. Ho Wai Shing and Mr. Hung Cho Sing, being the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at “www.sunrisechina-tech.com”.