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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF 80% OF THE ISSUED SHARE CAPITAL
AND
THE SHAREHOLDER'S LOAN OF
THE TARGET COMPANY**

THE ACQUISITION

The Board is pleased to announce that on 26 July 2016 (after trading hours), the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire the Sale Shares and take the assignment of the Shareholder's Loan and the Vendor has conditionally agreed to sell the Sale Shares and assign the Shareholder's Loan at the total Consideration of HK\$55,000,000. The Sale Shares represent 80% of the issued share capital of the Target Company.

The Consideration of HK\$55,000,000 shall be paid and satisfied by the Purchaser in the following manner:

- (i) as to HK\$2,000,000 has been paid in cash to the Vendor upon signing of the Agreement as a refundable deposit;
- (ii) as to HK\$48,048,000 by procuring the Company to allot and issue 273,000,000 Consideration Shares at the Issue Price of HK\$0.176 per Consideration Share to the Vendor (or its nominee as agreed by the Purchaser) upon Completion; and
- (iii) as to the remaining balance of HK\$4,952,000 shall be payable by cash to the Vendor (or as it may direct and agreed by the Purchaser) upon Completion.

Upon Completion, the Company will be interested in 80% of the issued share capital of the Target Company and the Target Group will be accounted for as indirect non wholly-owned subsidiaries of the Company.

GEM LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

WARNING NOTICE

As Completion is subject to the fulfillment of various conditions precedent as set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

The Board is pleased to announce that on 26 July 2016 (after trading hours), the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire the Sale Shares and take the assignment of the Shareholder's Loan and the Vendor has conditionally agreed to sell the Sale Shares and assign the Shareholder's Loan at the total Consideration of HK\$55,000,000. The Sale Shares represent 80% of the issued share capital of the Target Company.

THE AGREEMENT

Date: 26 July 2016 (after trading hours)

Parties: (i) the Purchaser; and
(ii) the Vendor

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire the Sale Shares and take the assignment of the Shareholder's Loan and the Vendor has conditionally agreed to sell the Sale Shares and assign the Shareholder's Loan.

The Sale Shares represent 80% of the issued share capital of the Target Company. As at the date of this announcement, the Target Company is beneficially owned as to 100% by the Vendor. Upon Completion, the Target Company will be beneficially owned as to 80% by the Purchaser and 20% by the Vendor.

Consideration

The Consideration for the sale and purchase of the Sale Shares and the assignment of the Shareholder's Loan shall be an aggregate sum of HK\$55,000,000 in which HK\$51,640,624 shall be the consideration for the Sale Shares and HK\$3,359,376 shall be the consideration for the Shareholder's Loan. The total Consideration of HK\$55,000,000 shall be paid and satisfied by the Purchaser by the following manner:

- (i) as to HK\$2,000,000 has been paid in cash to the Vendor upon signing of the Agreement as a refundable deposit (such deposit will be refundable immediately to the Purchaser if Completion does not occur for whatever reason);
- (ii) as to HK\$48,048,000 by procuring the Company to allot and issue 273,000,000 Consideration Shares at the Issue Price of HK\$0.176 per Consideration Share to the Vendor (or its nominee as agreed by the Purchaser) upon Completion; and
- (iii) as to the remaining balance of HK\$4,952,000 shall be payable by cash to the Vendor (or as it may direct and agreed by the Purchaser) upon Completion.

The Consideration was agreed between the Purchaser and the Vendor after arm's length negotiation. Having considered (i) the licensed status of Koala Securities to carry on Type 1 (dealing in securities) regulated activity under the SFO; (ii) the business development and prospects of the Target Group in the medium to long term; and (iii) the reasons and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" below. The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and the terms and conditions of the Acquisition are fair and reasonable.

Conditions precedent

Completion shall be conditional upon and subject to:

- (a) all necessary governmental and regulatory approvals or consents (or waivers), including but not limited to those from the Stock Exchange and/or the SFC, required by the Vendor, the Target Company, the Purchaser and the Company in respect of the Agreement and the transactions contemplated thereby having been obtained;
- (b) all necessary waiver, consent, approval, licence, authorisation, permission, order and exemption (if required) from the relevant governmental or regulatory authorities or other third parties which are necessary in connection with the Agreement and the transactions contemplated thereby having been obtained;
- (c) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares;

- (d) the SFC approving the Purchaser as the substantial shareholder of Koala Securities;
- (e) the Board approving and authorising the transactions contemplated under the Agreement; and
- (f) no adverse change in the business and/or financial or trading positions or prospects and/or status of the licence for Koala Securities to carry out Type 1 (dealing in securities) regulated activity under the SFO or any license(s) and/or rights of Koala Securities.

The Purchaser may waive the above condition (f) at its discretion. If the above conditions have not been satisfied (or, as the case may be, waived by Purchaser) on or before 5:00 p.m. on the Long Stop Date, the Purchaser shall not be bound to proceed with the purchase of the Sale Shares and the assignment of the Shareholder's Loan and the Agreement (other than clauses relating to the confidentiality, notices, costs and stamp duty and governing law and jurisdiction as set out in the Agreement) shall from the Long Stop Date, become void and of no further effect and, save in respect of any antecedent breaches, all liabilities and obligations of the parties to the Agreement shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the parties thereto which shall have accrued prior to such termination.

Completion

Upon compliance with or fulfilment of all the conditions set out in the Agreement, Completion shall take place at 5:00 p.m. on the Completion Date, or such date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Company will be interested in 80% of the issued share capital of the Target Company and the Target Group will be accounted for as indirect non wholly-owned subsidiaries of the Company.

CONSIDERATION SHARES

The Consideration Shares will be allotted and issued at the Issue Price, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue.

The Issue Price represents:

- (i) a premium of approximately 1.73% over the closing price of HK\$0.173 per Share as quoted on the Stock Exchange on 26 July 2016, being the date of the Agreement;
- (ii) a discount of approximately 4.76% to the average of the closing prices of HK\$0.1848 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Agreement; and
- (iii) a discount of approximately 6.08% to the average of the closing prices of HK\$0.1874 per Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Agreement.

The Issue Price was determined by the Board after taking into account the prevailing Share prices and the Directors consider that the Issue Price is fair and reasonable.

The Consideration Shares represent approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. The Consideration Shares will be allotted and issued pursuant to the General Mandate and will be allotted and issued on the date of Completion. As at the date of this announcement, no Shares have been issued and allotted under the General Mandate.

Application for listing

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

CHANGES IN SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement and prior to Completion; and (ii) immediately upon Completion and the allotment and issue of the Consideration Shares.

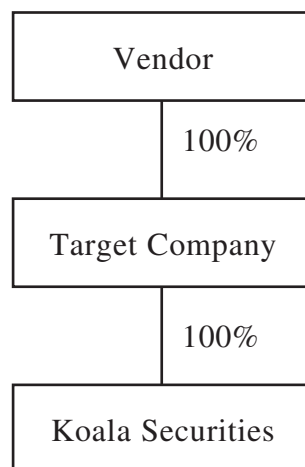
Shareholders	As at the date of this announcement and prior to Completion		Immediately upon Completion and the allotment and issue of the Consideration Shares	
	Number of Shares	Approximately %	Number of Shares	Approximately %
Ms. Wong Ka Man	139,794,315	10.24	139,794,315	8.53
Like Capital Limited (<i>Note</i>)	305,263,157	22.36	305,263,157	18.64
Vendor	–	–	273,000,000	16.67
Public Shareholders	919,971,974	67.40	919,971,974	56.16
Total	<u>1,365,029,446</u>	<u>100.00</u>	<u>1,638,029,446</u>	<u>100.00</u>

Note:

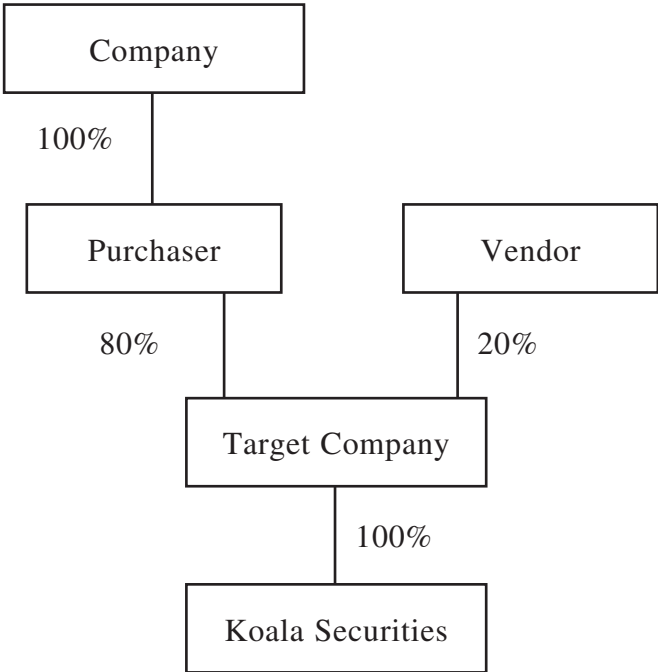
The entire issued share capital of Like Capital Limited is wholly and beneficially owned by Capital VC Limited.

SHAREHOLDING STRUCTURE OF THE TARGET GROUP

Set out below is the shareholding structure of the Target Group immediately before Completion:



Set out below is the shareholding structure of the Target Group immediately upon Completion:



INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands on 3 October 2014 with limited liability. The Target Company has no business activity other than being an investment holding company of Koala Securities. As at the date of this announcement, the Target Company is owned as to 100% by the Vendor.

Koala Securities is a company incorporated in Hong Kong on 14 January 2015 with limited liability and is a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO. Koala Securities is principally engaged in the provision of securities brokerage services.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the financial information of the Target Group based on its management accounts prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the period from 3 October 2014 (date of incorporation of the Target Company) to 30 June 2015 (unaudited) HK\$'000	For the year ended 30 June 2016 (unaudited) HK\$'000
Revenue	–	19,947
Net (loss)/profit before taxation	(5)	12,130
Net (loss)/profit after taxation	(5)	10,130
	As at 30 June 2015 (unaudited) HK\$'000	As at 30 June 2016 (unaudited) HK\$'000
Net (liabilities)/assets	(5)	10,125

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and the Group is principally engaged in trading of commodities, trading of garments accessories, manufacturing and trading of LED digital display products and securities investment.

The Target Group is principally engaged in provision of securities brokerage services.

The Company considers that the Acquisition will diversify the Group's business into the financial services industry and broaden revenue sources of the Group. According to the "HKEX Fact Book 2015" published by the Stock Exchange, the total equity funds raised has increased from approximately HK\$942.7 billion in 2014 to approximately HK\$1,115.6 billion in 2015, representing a growth of 18.3%. Also, with the potential development of the Shenzhen-Hong Kong Stock Connect, Hong Kong's securities market is expected to benefit from this mutual market access scheme in which more capital will flow into the securities market of Hong Kong. As such, the Company is of the view that licensed corporation which is carrying on Type 1 (dealing in securities) regulated activity under the SFO are expected to benefit from the increase of equity fund raising activities and volume of securities trading in Hong Kong which in turn will drive the demand for securities brokerage, share placements and underwriting services of the Target Group.

In view of the above, the Board is optimistic on the business prospects of the Target Group and considers that the Acquisition would further enhance the profitability of the Group and it is in the interests of the Group and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

WARNING NOTICE

As Completion is subject to the fulfillment of various conditions precedent as set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Acquisition"	the agreement for the sale and purchase of the Sale Shares and the assignment of the Shareholder's Loan entered into between the Vendor and the Purchaser on 26 July 2016
"Agreement"	the sale and purchase agreement dated 26 July 2016 entered into among the Purchaser and the Vendor in relation to the Acquisition
"associates"	has the same meaning ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors

“Business Day(s)”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Sunrise (China) Technology Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	completion of the sale and purchase of the Sale Shares and the assignment of the Shareholder’s Loan in accordance with the terms and conditions of the Agreement
“Completion Accounts”	the unaudited management accounts of Koala Securities to be prepared for the period from 1 July 2015 to the Completion Date
“Completion Date”	the third Business Days after the date of fulfillment (or waiver) of all the conditions set out in the Agreement
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the consideration for the Acquisition, being HK\$55,000,000
“Consideration Shares”	273,000,000 Shares to be issued to the Vendor (or its nominee as agreed by the Purchaser) at an issue price of HK\$0.176 per new Share as part of the Consideration
“Director(s)”	the director(s) of the Company from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 28 June 2016. Under this general mandate, the Directors are allowed to allot and issue up to 273,005,889 Shares. As at the date of this announcement, no Shares have been issued and allotted under the General Mandate

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the GEM Listing Rules)
“Issue Price”	HK\$0.176 per Consideration Share
“Koala Securities”	Koala Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO
“Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“Long Stop Date”	31 January 2017 or such later date as the Vendor and the Purchaser may agree in writing
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Leading Nation Investment Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
“Sale Shares”	80 ordinary shares of the Target Company, representing 80% of the issued share capital of the Target Company as at the date of the Agreement
“SFC”	Securities and Futures Commission
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Shareholder’s Loan”	the benefit of the loan in the aggregate sum of HK\$3,359,376 due and owing by the Target Company to the Vendor as at the date of the Agreement and as at the Completion Date, which is interest free and repayable on demand
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Prime Paradise Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and Koala Securities
“Vendor”	Mr. Chan Kin Kee, being the beneficial owner of 100% of the issued share capital of the Target Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Sunrise (China) Technology Group Limited
Kwan Kar Ching
Chairlady

Hong Kong, 26 July 2016

As at the date of this announcement, the Board comprises seven Directors namely Ms. Kwan Kar Ching, Mr. Ma Arthur On-hing, Mr. Mui Wai Sum and Ms. Hsin Yi-Chin, being the executive Directors and Mr. Ho Chun Kit Gregory, Mr. Hung Cho Sing and Mr. Luk Kin Ting, 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”.