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中星科技集團有限公司

Sunrise (China) Technology Group Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8226)

DISCLOSEABLE TRANSACTION DISPOSAL OF CMGC SHARES

THE DISPOSAL OF CMGC SHARES

On 2 September 2015 and 8 September 2015, the Company, through Honest Smart, executed orders with its broker to dispose of 55,710,000 CMGC Shares and 144,288,000 CMGC Shares, respectively, at a price of HK\$0.101 per CMGC Share and HK\$0.090 per CMGC Share, respectively, generating gross sale proceeds of HK\$18,612,630 and net sale proceeds of HK\$18,545,121.60 (after deducting the transaction costs). The Company recorded a net loss of approximately HK\$1,454,678.40, calculated on the basis of the difference between the purchase price and the net sale proceeds.

IMPLICATIONS UNDER THE GEM LISTING RULES

The relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the First Disposal is less than 5%, and is not subject to any disclosure requirements under Chapter 19 of the GEM Listing Rules. However, pursuant to Rule 19.22 of the GEM Listing Rules, the First Disposal and the Second Disposal shall be aggregated as if they were one transaction for the purpose of Chapter 19 of the GEM Listing Rules. As the relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

THE DISPOSAL OF CMGC SHARES

Reference is made to the announcement (the “**Announcement**”) of the Company dated 17 August 2015 in relation to the acquisition of 199,998,000 shares (the “**Disposed Shares**”) in CMGC by Honest Smart, an indirect wholly-owned subsidiary of the Company. Capitalised terms used in this section shall have the same meanings as defined in the Announcement unless the context requires otherwise.

On 2 September 2015 and 8 September 2015, the Company, through Honest Smart, executed orders with its broker to dispose of 55,710,000 CMGC Shares (the “**First Disposal**”) and 144,288,000 CMGC Shares (the “**Second Disposal**”, together with the First Disposal, the “**Disposals**”), respectively (representing in aggregate of approximately 3.51% of the issued share capital of CMGC, based on the 5,701,130,430 issued CMGC Shares as at 21 August 2015, according to the publicly available information), at a price of HK\$0.101 per CMGC Share and HK\$0.090 per CMGC Share, respectively, generating gross sale proceeds of HK\$18,612,630 and net sale proceeds of HK\$18,545,121.60 (after deducting the transaction costs). The Company recorded a net loss of approximately HK\$1,454,678.40, calculated on the basis of the difference between the purchase price and the net sale proceeds. The book value of the 199,998,000 CMGC Shares as at 21 August 2015 was approximately HK\$19,999,800.

As the Disposed Shares were disposed of by the Company in the open market through its broker, the Company is not aware of the identities of the purchasers of the Disposed Shares and accordingly, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the broker and the buyer(s) of the Disposed Shares and its (their respective) ultimate beneficial owner(s) is (are) third party(ies) independent of the Company and its connected persons (within the meaning of the GEM Listing Rules).

INFORMATION ON THE CMGC GROUP

CMGC is a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM. The CMGC Group is principally engaged in (i) mobile-online game business and provision of games related integral marketing services, (ii) provision of IT services, (iii) money lending business, (iv) provision of medical diagnostic and health check services, and (v) securities investments business.

The following information is extracted from the annual reports of CMGC for the two financial years ended 31 December 2013 and 31 December 2014 respectively:

	Year ended 31 December	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	236,970	99,557
Net loss before taxation	(25,467)	(9,241)
Net loss after taxation	<u>(24,580)</u>	<u>(9,603)</u>

The unaudited net assets of CMGC as at 30 June 2015 was approximately HK\$480 million.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company is an investment holding company. The Group is principally engaged in (i) manufacturing and sales of straw briquettes, (ii) trading of commodities, (iii) trading of garment accessories, (iv) manufacturing and trading of LED digital display products, and (v) investment in securities.

The Group acquired the Disposed Shares for investment purpose. The consideration for the Disposed Shares was determined by reference to the market price on the date of each of the First Disposal and the Second Disposal. Having regard to the share market conditions and the trading price of CMGC, the Board believes that the Hong Kong stock market may continue to be volatile, therefore selling some of the on-hand securities which are more vulnerable to the market to maintain a healthy and balanced securities investment portfolio. The proceeds of the disposal will be used by the Company for general working capital and funding for any future acquisition or investment opportunities. The Directors believe that the transaction is on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

The relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the First Disposal is less than 5%, and is not subject to any disclosure requirements under Chapter 19 of the GEM Listing Rules. However, pursuant to Rule 19.22 of the GEM Listing Rules, the First Disposal and the Second Disposal shall be aggregated as if they were one transaction for the purpose of Chapter 19 of the GEM Listing Rules. As the relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

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

Hong Kong, 9 September 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”.