

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Sunrise (China) Technology Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 report is accurate and complete in all material respects and not misleading and deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

The board of directors (the “Board”) of the Company announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the nine months ended 30 September 2014, together with the comparative figures as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the nine months ended 30 September 2014

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2014 HK\$'000	2013 HK\$'000 (restated)	2014 HK\$'000	2013 HK\$'000 (restated)
Continuing operations					
Revenue		673	1,192	7,721	25,631
Cost of sales		(513)	(830)	(6,841)	(16,862)
Gross profit		160	362	880	8,769
Other income and gains		–	98	75	23,492
Selling and distribution expenses		(35)	(56)	(82)	(210)
Administrative expenses		(5,222)	(4,401)	(10,509)	(15,613)
Other operating expenses		(39)	(5)	–	(590)
Finance costs		(1,438)	(7,756)	(3,814)	(15,775)
Loss before tax		(6,574)	(11,758)	(13,450)	73
Income tax	3	–	365	(3)	(6,575)
Loss for the period from continuing operations		(6,574)	(11,393)	(13,453)	(6,502)
Discontinued operations					
Profit for the period from discontinued operations	4	–	4,377	50,591	23,656
(Loss)/profit for the period		(6,574)	(7,016)	37,138	17,154
Other comprehensive income/(expense)					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		262	1,951	(743)	9,689
Reclassification adjustment relating to foreign operations disposed of during the period		–	(32,321)	–	(32,321)
Other comprehensive income/(expense) for the period		262	(30,370)	(743)	(22,632)
Total comprehensive (expense)/income for the period		(6,312)	(37,386)	36,395	(5,478)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2014 HK\$'000	2013 HK\$'000 (restated)	2014 HK\$'000	2013 HK\$'000 (restated)
(Loss)/profit for the period from continuing and discontinued operations attributable to:					
Owners of the Company		(6,051)	(6,477)	37,734	(2,139)
Non-controlling interests		(523)	(539)	(596)	19,293
		<u>(6,574)</u>	<u>(7,016)</u>	<u>37,138</u>	<u>17,154</u>
(Loss)/profit for the period from continuing operations attributable to:					
Owners of the Company		(6,051)	(10,855)	(13,029)	(15,874)
Non-controlling interests		(523)	(538)	(424)	9,372
		<u>(6,574)</u>	<u>(11,393)</u>	<u>(13,453)</u>	<u>(6,502)</u>
Total comprehensive (expense)/income for the period attributable to:					
Owners of the Company		(5,852)	(36,991)	37,142	(28,985)
Non-controlling interests		(460)	(395)	(747)	23,507
		<u>(6,312)</u>	<u>(37,386)</u>	<u>36,395</u>	<u>(5,478)</u>
(Loss)/earnings per share					
From continuing and discontinued operations					
Basic and diluted (in cents)	5	<u>(1.40)</u>	<u>(1.50)</u>	<u>8.74</u>	<u>(0.50)</u>
From continuing operations					
Basic and diluted (in cents)	5	<u>(1.40)</u>	<u>(2.51)</u>	<u>(3.02)</u>	<u>(3.68)</u>

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended 30 September 2014

	Attributable to owners of the Company									Total equity HK\$'000	
	Share capital HK\$'000	Share premium account HK\$'000	Asset revaluation reserve HK\$'000	Statutory reserve HK\$'000 (Note (a))	Share option reserve HK\$'000	Merger reserve HK\$'000 (Note (b))	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		Non-controlling interests HK\$'000
At 1 January 2013	4,318	165,417	11,293	12,828	24,572	2,441	23,309	(116,069)	128,109	172,945	301,054
Total comprehensive income for the period	-	-	-	-	-	-	(26,846)	(2,139)	(28,985)	23,507	(5,478)
Transfer from retained earnings	-	-	-	13,050	-	-	-	(13,667)	(617)	-	(617)
Decrease in non-controlling interests arising on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(158,534)	(158,534)
Share options forfeited	-	-	-	-	(2,423)	-	-	2,423	-	-	-
Transfer to retained earnings on disposal of a subsidiary	-	-	(11,293)	(12,940)	-	-	-	24,233	-	-	-
At 30 September 2013	4,318	165,417	-	12,938	22,149	2,441	(3,537)	(105,219)	98,507	37,918	136,425
At 1 January 2014	4,318	165,417	-	815	22,149	-	2,573	(132,759)	62,513	28,366	90,879
Total comprehensive income for the period	-	-	-	-	-	-	(592)	37,734	37,142	(747)	36,395
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	9,063	9,063
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(455)	(455)
Increase in non-controlling interests arising on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	10	10
Transfer to retained earnings on disposal of a subsidiary	-	-	-	(815)	-	-	-	815	-	-	-
At 30 September 2014	4,318	165,417	-	-	22,149	-	1,981	(94,210)	99,655	36,237	135,892

Notes:

(a) Statutory reserve

Pursuant to the articles of association of the group entities in the People's Republic of China ("PRC" or "Mainland China"), appropriations are made from the retained earnings to certain statutory reserves, based on a percentage of profit in accordance with the rules and regulations in Mainland China. Such appropriations to reserves would be made only with approval from the board of directors of those group entities.

(b) Merger reserve

Merger reserve of the Group at 1 January 2013 and 30 September 2013 represents the difference between the nominal value of the shares issued by the Company and the share capital and share premium of a subsidiary acquired through an exchange of shares in 2002.

Notes to Condensed Consolidated Financial Statements (Unaudited)

For the nine months ended 30 September 2014

1. GENERAL

The Company is a limited liability company incorporated in the Cayman Islands, and the issued shares of which are listed on GEM of the Stock Exchange.

During the period, the Group was involved in environmental related businesses.

The condensed consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is the same as the functional currency of the Company.

In the opinion of the directors, the immediate holding company and ultimate holding company of the Company is Zhongyu Group Holdings Limited as at 30 September 2014, which is incorporated in the British Virgin Islands.

Reference is made to the Company’s announcements dated 30 October 2014 and 10 November 2014 in relation to the enforcements of share charges. A total of 230,000,000 shares of the charged shares originally held by Zhongyu Group Holdings Limited had been disposed of after 30 September 2014. Hence, subsequently, Hua R Sheng Technology Company Limited, which is incorporated in the British Virgin Islands, has become the immediate holding company and ultimate holding company of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in the exchange for goods.

The accounting policies and method of computation used in preparing the financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2013.

The condensed consolidated financial statements are presented to reflect the discontinued operations. Prior year’s comparative figures have been restated to conform with the current period’s presentation.

The condensed financial statements are unaudited but have been reviewed by the audit committee of the Company.

3. INCOME TAX

	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
– PRC Enterprise Income Tax				
Charge for the period	–	(365)	–	6,425
Underprovision in prior years	–	–	3	150
Total tax (credit)/charge for the period	–	(365)	3	6,575

No provision for Hong Kong profits tax has been made for both of the periods presented as the Group did not generate any assessable profits arising in Hong Kong during those periods.

The subsidiaries established in the PRC are subject to PRC Enterprise Income Tax at 25% for both of the periods presented. A PRC subsidiary was registered as a Hi-New Technology Enterprise by the relevant government authority in the PRC and is subjected to the PRC corporate tax at the rate of 15%.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

4. DISCONTINUED OPERATIONS

On 18 July 2013, following the disposal of the Company's subsidiary, Taraki Inc., the Group discontinued its business of manufacture and sales of loudspeaker systems.

On 30 January 2014, following the disposal of the Company's subsidiary, Confident Echo Holdings Limited, the Group discontinued its business of provision of technological desulphurization service.

An analysis of the results attributable to the discontinued operations is as follows:

	1.1.2014 to 30.1.2014	For the nine months ended 30 September 2013		
	Confident Echo HK\$'000	Confident Echo HK\$'000	Taraki Inc. HK\$'000	Total HK\$'000
(Loss)/profit of the discontinued operations	(352)	(3,656)	22,938	19,282
Gain on disposal of subsidiaries	50,943	–	4,374	4,374
Profit/(loss) for the period from discontinued operations	50,591	(3,656)	27,312	23,656
Profit/(loss) for the period from discontinued operations attributable to:				
Owners of the Company	50,763	(2,842)	16,577	13,735
Non-controlling interests	(172)	(814)	10,735	9,921
	50,591	(3,656)	27,312	23,656

The (loss)/profit of the discontinued operations are analysed as follows:

	1.1.2014 to 30.1.2014 Confident Echo HK\$'000	For the nine months ended 30 September 2013		
		Confident Echo HK\$'000	Taraki Inc. HK\$'000	Total HK\$'000
Revenue	-	-	353,306	353,306
Cost of sales	-	(7)	(258,525)	(258,532)
Gross (loss)/profit	-	(7)	94,781	94,774
Other income and gains	-	185	14,136	14,321
Selling and distribution expenses	(96)	(184)	(16,355)	(16,539)
Administrative expenses	(256)	(4,407)	(60,351)	(64,758)
Other operating expenses	-	-	(5,663)	(5,663)
Finance costs	-	-	(2,596)	(2,596)
(Loss)/profit before tax	(352)	(4,413)	23,952	19,539
Income tax	-	757	(1,014)	(257)
(Loss)/profit for the period of the discontinued operations	(352)	(3,656)	22,938	19,282

5. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	For the three months ended 30 September		For the nine months ended 30 September	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
(Loss)/earnings – From continuing and discontinued operations				
(Loss)/earnings for the purposes of calculating basic and diluted earnings per share	(6,051)	(6,477)	37,734	(2,139)
Loss – From continuing operations				
Loss for the purposes of calculating basic and diluted loss for share	(6,051)	(10,855)	(13,029)	(15,874)
Number of shares – From continuing and discontinued operations and from continuing operations	'000	'000	'000	'000
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	431,765	431,765	431,765	431,765

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the three months and nine months ended 30 September 2014 and 2013 in respect of a dilution as the impact of the unlisted warrants and convertible loan notes during these periods had either no dilutive effect or an anti-dilutive effect on the basic (loss)/earnings per share amounts presented.

6. DIVIDENDS

The Directors do not recommend the payment of any dividends in respect of the nine months ended 30 September 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Heilongjiang Province Shengyan New Energy Development Limited (“Shengyan”)

Shengyan was incorporated in the PRC in July 2010 with a registered capital of RMB30 million and is principally engaged in the production and sale of straw fuel briquettes, which is a type of biofuels and a substitute for coal in the northeast region of the PRC. The Group completed the acquisition of its 51% interest in Shengyan in December 2012. The business model of Shengyan is briefly summarised as follows:

- Straw collection – purchase, collect and strap raw straw from farmers and transport to the warehouses for storage;
- Straw chopping – the collected straw is then crushed into fine powder through crushing equipments;
- Straw briquetting – the powdered straw is then put into the briquetting press machines from where it is compressed and processed before straw fuel briquettes are made; and
- Sale of finished products – upon receiving sales orders, the straw fuel briquettes are then sold to customers.

The customers of Shengyan are mainly consisted of companies located at Heilongjiang Province in the PRC, which are engaged in agricultural and manufacturing industries and use the straw fuel briquettes for different usage such as heat generation. Revenue of Heilongjiang Shengyan is mainly derived from the sale of straw fuel briquettes by sales orders from customers and Shengyan purchases raw straw directly from many different local farmers located at the Baiquan County of Heilongjiang Province.

During the third quarter of this year, Shengyan has recorded a sales income of approximately HK\$0.6 million (2013: HK\$1.2 million). The reduction is mainly caused by a halt in production when Shengyan was engaging in the periodic inspection and maintenance of production plants.

Jiangsu Shengyi Environmental Technology Company Limited (“Shengyi”)

Shengyi was principally engaged in the provision of technological desulphurization service, which could effectively reduce sulfur dioxide and hydrogen sulfide emissions generated from burning of fossil fuels such as coal, natural gas and oil products.

Reference is made to the announcement of the Company dated 23 December 2013 and the circular of the Company dated 30 January 2014 in relation to the disposal of a subsidiary, the Company and a purchaser entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to dispose Confident Echo Holdings Limited and its subsidiaries including Shengyi at an aggregate consideration of HK\$51.0 million. The disposal was completed on 30 January 2014.

Financial Review

The Group has commenced its environmental related businesses since 2012. Revenue generated from such businesses was decreased by 69.9% to HK\$7.7 million (2013: 25.6 million) for the nine months ended 30 September 2014. The gross profit ratio decreased to 11.4% (2013: 34.2%) for the nine months ended 30 September 2014.

The Group recorded net profit of approximately HK\$37.1 million, compared with a profit of approximately HK\$17.2 million for the previous financial period. The net profit was mainly attributable to the gain on disposal of Shengyi.

Looking Ahead

In recent years, there have been different levels of environmental issues exposed in various regions of the PRC, continuously boosting public awareness of environmental protection throughout the country and making the Chinese government to strive for integrated management enhancement of pollution prevention, energy conservation and emission reduction at the enterprise level. Benefited from the enormous support given by the government towards environmental related industry, the environmental sector is filled with promising development opportunities and clear direct guidelines, further fortified the Group's objective to develop the environmental related industry.

In 2014, the Group will continue to strengthen the existing business of Shengyan, proactively explore new business scope and continuously seek for other suitable investment opportunities.

Besides, the Group will continue to strictly control risks, strengthen internal management, integrate dominant resources and develop a cautious investment strategy in order to create a better return for its shareholders.

Legal Proceedings

Reference is made to the Company's announcement dated 25 July 2014 in relation to the writ of summons received by the Company. It was alleged in the Writ that a total sum of HK\$10,000,000 was advanced by Total Shares Limited (the "Plaintiff") to Mr. Shan Xiaochang ("Mr Shan") pursuant to a loan agreement (the "Loan Agreement") dated 9 August 2013 made between the Plaintiff as the lender and Mr. Shan as the borrower, the repayment of which was guaranteed by the Company as a guarantor by a guarantee (the "Guarantee") signed by the Company in favour of the Plaintiff dated 9 August 2013. The amount of the claim specified in the Writ was HK\$10,000,000 plus the accrued unpaid interest under the Loan Agreement and other interest. Pursuant to the writ, a statement of claim was subsequently issued against the Company.

As no meeting at the Board or shareholders of the Company was held to approve the Guarantee or authorise any Director to sign the Guarantee for and on behalf of the Company, the Board is of the view that the Guarantee is not binding on or enforceable against the Company and the Claim has no merit against the Company. The Company will vigorously dispute the allegations under the Writ and is in the process of seeking independent legal advice. The Company shall make further announcement as and when appropriate.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2014, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares and underlying shares of the Company

Name	Capacity	Number of Ordinary shares held	Number of underlying shares held	Total	Percentage of issued share capital of the Company
Mr. Shan Xiaochang	Interest of a controlled corporation	230,056,536 (Note 1)	–	230,056,536	53.28%
	Beneficial owner	–	35,000,000 (Note 2)	35,000,000	8.11%
		<u>230,056,536</u>	<u>35,000,000</u>	<u>265,056,536</u>	<u>61.39%</u>

Notes:

- These shares are held by Zhongyu Group Holdings Limited. The entire issued share capital of Zhongyu Group Holdings Limited is beneficially owned by Mr. Shan Xiaochang, the Chairman, the Chief Executive Officer and the executive Director, who is therefore deemed to be interested in the shares held by Zhongyu Group Holdings Limited.
- Total number of shares to be allotted and issued upon exercise in full of options under share option scheme adopted by the Company on 8 July 2002. These share options were conditionally granted to Mr. Shan Xiaochang, the Chairman, the Chief Executive Officer and the executive Director on 2 September 2011. Such grants were approved by independent shareholders of the Company at the extraordinary general meeting of the Company on 20 October 2011.

Save as disclosed above, none of the Directors nor chief executives of the Company had interests or short positions in any shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 September 2014.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2014, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions in ordinary shares and underlying shares of the Company

Name	Capacity	Number of Ordinary shares held	Number of underlying shares held	Total	Percentage of issued share capital of the Company
Zhongyu Group Holdings Limited <i>(Note 1)</i>	Beneficial owner	230,056,536	–	230,056,536	53.28%
Mr. Shan Xiaochang <i>(Note 1)</i>	Interest of a controlled corporation	230,056,536	–	230,056,536	53.28%
	Beneficial owner	–	35,000,000 <i>(Note 2)</i>	35,000,000	8.11%
		230,056,536	35,000,000	265,056,536	61.39%
Ms. Wu Shuhua <i>(Note 3)</i>	Interest of spouse	230,056,536	35,000,000	265,056,536	61.39%
Tong Heng Company Limited	Beneficial owner	230,000,000	–	230,000,000	53.27%
Mr. Yan Qiyu <i>(Note 4)</i>	Interest of a controlled corporation	230,000,000	–	230,000,000	53.27%
Concept Capital Management Limited	Beneficial owner	–	66,666,700	66,666,700	15.44%

Notes:

- The entire issued share capital of Zhongyu Group Holdings Limited was solely and beneficially owned by Mr. Shan Xiaochang, the Chairman and the Chief Executive Officer and the executive Director, who is therefore deemed to be interested in the shares held by Zhongyu Group Holdings Limited.
- Total number of shares to be allotted and issued upon exercise in full of options under share scheme adopted by the Company on 8 July 2002. These share options were conditionally granted for Mr. Shan Xiaochang, the Chairman, the Chief Executive Officer and the executive Director on 2 September 2011. Such grants were approved by independent shareholders of the Company at the extraordinary general meeting of the Company on 20 October 2011.
- Ms. Wu Shuhua is the spouse of Mr. Shan Xiaochang and, under section 316 of the SFO, is therefore deemed to be interested in all 265,056,536 shares in which Mr. Shan Xiaochang is interested.
- Mr. Yan Qiyu holds approximately 69.69% interest in Tong Heng Company Limited and therefore is deemed to be interested in the 230,000,000 shares in which Tong Heng Company Limited is interested.

Save as disclosed above, the Company has not been notified of any other interests or short positions in the issued share capital of the Company as at 30 September 2014.

SHARE OPTIONS

The Company operates a share option scheme for the purpose of to enable the Company to grant share options to the eligible participants as incentives or rewards for their contribution to the Group. Eligible participants include any employees, directors, consultants or professional advisors, shareholders and suppliers or customers of the Group. The share option scheme became effective on 8 July 2002 (the “2002 Share Option Scheme”) was terminated and a new share option scheme (the “New Share Option Scheme”) was adopted at the annual general meeting held on 15 June 2012. Shares options granted prior to the expiry of the 2002 Share Option Scheme will continue to be valid and exercisable in accordance with the rules of the 2002 Share Option Scheme. The maximum number of shares of the Company which may be issued upon exercise of all options granted under its share option scheme or any other share option scheme adopted by the Company must not in aggregate exceed 30% of its issued share capital of the Company from time to time. As at 30 September 2014, the Company had 56,200,000 (30 September 2013: 56,200,000) share options outstanding under the 2002 Share Option Scheme, which represented approximately 13.0% (30 September 2013: 13.0%) of its issued share capital on that date. No share option were granted under the New Share Option Scheme.

The maximum number of share issued and which may fall to be issued upon exercise of the share options granted under the share option scheme to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares in issue unless it is approved by shareholders (other than the grantees and/or their respective associates) in a general meeting of the Company. Any share option granted to a substantial shareholder or an independent non-executive director of the Company or to any of their associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of grant) in excess of HK\$5 million, in any 12-month period, are subject to shareholders’ approval in general meeting of the Company.

The offer of a grant of share option under the share option scheme may be accepted, upon payment of a nominal consideration of HK\$1 in total by the grantee. A share option granted under the share option scheme may be exercised in whole or in part in the manner provided in the share option scheme by a grantee giving notice in writing to the Company at any time during a period not exceed 10 years from the date an share option granted under the share option scheme is offered.

The exercise price of the share options is a price determined by the Board, in its absolute discretion, but in any case is not less than whichever is the highest of (1) the closing price of the Shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant, which must be a trading day; (2) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the date of grant; and (3) the nominal value of the Shares.

The following table discloses movements in the Company’s share options during the period:

Name or category of participant	Exercisable period	Exercise price per share of the Company HK\$	Outstanding at 1 January 2014	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 30 September 2014
Directors							
Mr. Shan Xiaochang	20 October 2011 to 1 September 2021	0.962	35,000,000	-	-	-	35,000,000
Others							
In aggregate	25 November 2010 to 24 November 2020	0.666	21,200,000	-	-	-	21,200,000
			<u>56,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,200,000</u>

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above, at no time during the period were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or chief executive of the Company or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire such rights or benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the period.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code on Corporate Governance Practice as defined in the GEM Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting processes and internal controls. The audit committee comprises Ms. Chan Sze Man, Mr. Ho Chun Kit Gregory and Mr. Ng Chi Ho Dennis who are the independent non-executive Directors.

The Group's unaudited results for the nine months ended 30 September 2014 have been reviewed by the audit committee, which was of the opinion that such financial statements complied with the applicable accounting standards and that adequate disclosures have been made.

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

Hong Kong, 14 November 2014

As at the date of this report, the Board comprises eight Directors namely Mr. Shan Xiaochang, Mr. Ma Arthur On-hing, Mr. Shan Biao and Mr Mui Wai Sum, being the executive Directors, and Ms. Chan Sze Man, Mr. Ho Chun Kit Gregory, Mr. Ng Chi Ho Dennis and Mr. Ho Wai Shing, being the independent non-executive Directors.