

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

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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 2013, together with the comparative figures as follows:

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the nine months ended 30 September 2013

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Continuing operations					
Revenue		1,192	–	25,631	7,517
Cost of sales		(830)	–	(16,869)	(5,605)
Gross profit		362	–	8,762	1,912
Other revenue, gains and losses		93	55	23,087	228
Selling and marketing costs		(56)	(284)	(394)	(284)
Administrative expenses		(4,403)	(6,273)	(20,020)	(18,228)
Finance costs		(7,756)	(4,186)	(15,775)	(11,804)
(Loss)/gain arising from fair value change of derivative financial instruments		–	(12,118)	–	12,236
Loss before tax		(11,760)	(22,806)	(4,340)	(15,940)
Income tax	3	365	(34)	(5,818)	(58)
Loss for the period from continuing operations		(11,395)	(22,840)	(10,158)	(15,998)
Discontinued operations					
Profit for the period from discontinued operations	4	4,379	28,829	27,312	44,952
(Loss)/profit for the period		(7,016)	5,989	17,154	28,954
Other comprehensive income					
– exchange differences on translating foreign operations		1,951	(178)	9,689	(94)
– reclassification adjustment relating to disposal of subsidiaries	4(b)	(32,321)	–	(32,321)	–
Other comprehensive income for the period, net of tax		(30,370)	(178)	(22,632)	(94)
Total comprehensive income for the period		(37,386)	5,811	(5,478)	28,860

	<i>Notes</i>	For the three months ended 30 September		For the nine months ended 30 September	
		2013	2012	2013	2012
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit attributable to:					
– owners of the Company		(6,477)	(7,813)	(2,139)	7,897
– non-controlling interests		(539)	13,802	19,293	21,057
		<u>(7,016)</u>	<u>5,989</u>	<u>17,154</u>	<u>28,954</u>
Total comprehensive income attributable to:					
– owners of the Company		(36,991)	(7,311)	(28,985)	7,441
– non-controlling interests		(395)	13,122	23,507	21,419
		<u>(37,386)</u>	<u>5,811</u>	<u>(5,478)</u>	<u>28,860</u>
(Loss)/earnings per share attributable to ordinary equity holders					
– basic (in cents)	5	<u>(1.50)</u>	<u>(1.81)</u>	<u>(0.50)</u>	<u>1.83</u>
– diluted (in cents)	5	<u>(1.50)</u>	<u>(1.81)</u>	<u>(0.50)</u>	<u>1.83</u>

Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the nine months ended 30 September 2013

	Share capital HK\$'000	Share premium HK\$'000	Property revaluation reserve HK\$'000	Statutory reserves (Note (a)) HK\$'000	Share-based payment reserve HK\$'000	Merger reserve (Note (b)) HK\$'000	Cumulative translation adjustment reserve HK\$'000	Accumulated losses HK\$'000	Equity attributable to owners of the Company HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2012	4,318	165,417	11,293	11,891	25,830	2,441	20,335	(113,419)	128,106	153,397	281,503
Total comprehensive income for the period	-	-	-	-	-	-	(456)	7,897	7,441	21,419	28,860
Share option lapsed	-	-	-	-	(1,258)	-	-	1,258	-	-	-
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(10,246)	(10,246)
At 30 September 2012	<u>4,318</u>	<u>165,417</u>	<u>11,293</u>	<u>11,891</u>	<u>24,572</u>	<u>2,441</u>	<u>19,879</u>	<u>(104,264)</u>	<u>135,547</u>	<u>164,570</u>	<u>300,117</u>
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)
Share option lapsed	-	-	-	-	(2,423)	-	-	2,423	-	-	-
Release of reserve	-	-	(11,293)	(12,940)	-	-	-	24,233	-	-	-
Disposal of subsidiaries (Note 4(b))	-	-	-	-	-	-	-	-	-	(158,534)	(158,534)
At 30 September 2013	<u>4,318</u>	<u>165,417</u>	<u>-</u>	<u>12,938</u>	<u>22,149</u>	<u>2,441</u>	<u>(3,537)</u>	<u>(105,219)</u>	<u>98,507</u>	<u>37,918</u>	<u>136,425</u>

Notes:

(a) Statutory reserves

Pursuant to the articles of association of the group entities in 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 the PRC. 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 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.

Notes to Condensed Consolidated Financial Statement (Unaudited)

For the nine months ended 30 September 2013

1. GENERAL INFORMATION

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

During the period, the Group was involved in the following principal activities:

Continuing operations

- environmental protection related businesses
- investment holding

Discontinued operations

- manufacturing and sales of loudspeaker systems
- investment properties for rental income

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Zhongyu Group Holdings Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These 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. They have been prepared under the historical cost convention, except for investment properties, buildings and certain of derivative financial instruments, which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

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 2012.

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

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries for the nine months ended 30 September 2013. These consolidated financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest of the subsidiary even if it results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

3. INCOME TAX

No provision for Hong Kong profits tax has been made during the period as the Group did not generate any assessable profits arising in Hong Kong (2012: Nil).

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

One of the Company's subsidiaries in Mainland China was registered as a Hi-New technology Enterprise with the relevant government authority in the PRC and is subjected to the PRC corporate tax at the rate of 15%.

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Continuing operation				
Current tax				
– PRC Enterprise Income Tax	(365)	34	5,668	92
– Under/(over) provision in prior years	–	–	150	(34)
Total tax (credit)/charge for the period	<u>(365)</u>	<u>34</u>	<u>5,818</u>	<u>58</u>
Discontinued operations				
Current tax				
– PRC Enterprise Income Tax			1,699	9,878
– (Over)/under provision in prior years			(686)	125
Total tax charge for the period (Note 4(a))			<u>1,013</u>	<u>10,003</u>

4. DISCONTINUED OPERATIONS

- (a) The Company and a purchaser entered into a Sale and Purchase Agreement, pursuant to which the Company conditionally agreed to dispose the shares of Taraki Inc. and its subsidiaries (the "Taraki Inc. Group") and the amount owed by the Taraki Inc. Group to the Company at an aggregate consideration of HK\$122,000,000. The disposal was completed on 18 July 2013.

The disposal of the Taraki Inc. Group constitutes a discontinued operation under HKFRS 5 – "Non-current Assets Held for Sale and Discontinued Operations" and the financial information of the Taraki Inc. Group is disclosed as follows:

	From 1 January 2013 to 18 July 2013 HK\$'000	For the nine months ended 30 September 2012 HK\$'000
Turnover	353,306	604,083
Cost of sales	<u>(258,525)</u>	<u>(473,633)</u>
Gross profit	94,781	130,450
Other revenue, gains and losses	8,467	15,092
Selling and marketing costs	(16,355)	(13,007)
Administrative expenses	(60,351)	(69,935)
Finance costs	<u>(2,596)</u>	<u>(7,645)</u>
Profit before income tax	23,946	54,955
Income tax (Note 3)	(1,013)	(10,003)
Gain on disposal of discontinued operations (Note 4(b))	<u>4,379</u>	<u>-</u>
Profit for the period from discontinued operations	<u><u>27,312</u></u>	<u><u>44,952</u></u>

(b) The carrying amounts of assets and liabilities disposed of the Taraki Inc. Group are as follows:

	Total HK\$'000
Property, plant and equipment	313,109
Investment properties	35,310
Prepaid land lease payment	19,496
Intangible assets	930
Deferred tax assets	3,374
Inventory	142,205
Trade receivables	175,442
Prepayments, deposits and other receivables	58,656
Restricted bank deposits	89,419
Cash and bank balances	81,237
Trade payables	(295,252)
Other payables and accruals	(136,662)
Interest-bearing bank borrowings	(39,862)
Amounts due to non-controlling interests of subsidiaries	(128,966)
Tax payable	(1,025)
Deferred tax liabilities	<u>(8,935)</u>
Non-controlling interests derecognized	308,476
Reclassification adjustment relating to disposal of subsidiaries	(158,534)
Gain on disposal of Taraki Inc. Group (Note 4(a))	<u>(32,321)</u>
Total Consideration	<u><u>122,000</u></u>

5. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
(Loss)/earnings				
(Loss)/earnings for the purposes of calculating basic and diluted (loss)/earnings per share	<u>(6,477)</u>	<u>(7,813)</u>	<u>(2,139)</u>	<u>7,897</u>
Number of shares	'000	'000	'000	'000
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share	<u>431,765</u>	<u>431,765</u>	<u>431,765</u>	<u>431,765</u>

6. DIVIDENDS

The Directors do not recommend the payment of any dividends in respect of the nine months ended 30 September 2013 (2012: 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. Shengyan has one main plant and thirty sub-plants located at the Baiquan County of Heilongjiang Province and a production capacity of approximately 200,000 tonnes per year. Since established in 2010, Shengyan has developed into a sizeable corporation with healthy operation, and it has received the subsidy of 2011 granted by the Ministry of Finance of the State Council in relation to the straw integrated utilization project with a total amount of RMB18.8 million (equivalent to approximately HK\$23.6 million) which was recorded in February 2013. According to the website of the Ministry of Finance of the PRC publishing the list of companies who had been granted straw energy utilization subsidy, Shengyan was the largest straw utilization manufacturer in Heilongjiang Province in terms of annual sales in 2011. For the third quarter of this year, Shengyan has recorded a sales income of approximately HK\$1.2 million and a gross profit of approximately HK\$0.4 million, which decreased comparing with those of the first and second quarters. Since the products of Shengyan are mainly used for heat generation, market demand is usually low in summer and the Company believes that sales will recover in the coming winter.

Jiangsu Shengyi Environmental Technology Company Limited (“Shengyi”)

Shengyi is principally engaged in the provision of technological desulphurization service, which can effectively reduce sulfur dioxide and hydrogen sulfide emissions generated from burning of fossil fuels such as coal, natural gas and oil products. Since there is a slowdown in overall economic growth during the past months and many traditional chemical manufacturers are suffering from cash flow shortages, existing contracts of Shengyi are experiencing slow progress.

Reference is made to the announcement of the Company dated 31 October 2013 in relation to the disposal of a subsidiary. On 31 October 2013 (after trading hours of the Stock Exchange), the Company and a purchaser entered into a Sale and Purchase Agreement, pursuant to which the Company conditionally agreed to dispose the shares of Confident Echo Holdings Limited and its subsidiaries including Shengyi (the “Confident Echo Group”) and the amount owed by Confident Echo Group to the Company at an aggregate consideration of HK\$21,000,000.

Loudspeaker business (“Sonavox”)

Reference is made to the announcement of the Company dated 9 May 2013 and the circular of the Company dated 28 June 2013. The Company and a purchaser entered into a Sale and Purchase Agreement, pursuant to which the Company conditionally agreed to dispose the shares of Taraki Inc. and its subsidiaries including Sonavox (the “Taraki Inc. Group”) and the amount owed by the Taraki Inc. Group to the Company at an aggregate consideration of HK\$122 million. The transaction was completed on 18 July 2013, resulting in a gain of HK\$4.4 million.

Financial Review

During the period under review, the Group recorded an increase in turnover of 2.4 times to approximately HK\$25.6 million (2012: HK\$7.5 million), which is mainly generated from the environmental protection related businesses.

During the nine months ended 30 September 2013, the Group recorded net profit of approximately HK\$17.2 million (2012: HK\$29.0 million). Such net profit was mainly attributable to Shengyan’s subsidy of RMB18.8 million (equivalent to approximately HK\$23.6 million) (2012: fair value gain on derivative financial instruments of approximately HK\$13.2 million).

Prospects

The PRC government announced in 2011 to support the development of the environmental related industries during China’s 12th Five-Year Plan (2011-2015). With heightened environmental concerns among the PRC government and its citizens, the relevant PRC authorities have promulgated policies with a view to encourage the development of environmental protection related industry. Benefited from the enormous support given by the PRC government towards environmental protection related industry, the Directors are of the view that there are enormous growth opportunities for the environmental protection related businesses of the Group in the future.

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

As at 30 September 2013, 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	239,556,536 (Note 1)	–	239,556,536	55.48%
	Beneficial owner	–	35,000,000 (Note 2)	35,000,000	8.11%
		<u>239,556,536</u>	<u>35,000,000</u>	<u>274,556,536</u>	<u>63.59%</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 2013.

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

As at 30 September 2013, 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 (Note 1)	Beneficial owner	239,556,536	–	239,556,536	55.48%
Mr. Shan Xiaochang (Note 1)	Interest of a controlled corporation	239,556,536	–	239,556,536	55.48%
	Beneficial owner	–	35,000,000 (Note 2)	35,000,000	8.11%
		239,556,536	35,000,000	274,556,536	63.59%
Ms. Wu Shuhua (Note 3)	Interest of spouse	239,556,536	35,000,000	274,556,536	63.59%
Mr. Chan Ping Yee	Beneficial owner	73,675,000	–	73,675,000	17.06%
Ms. Liu Sau Wan (Note 4)	Interest of spouse	73,675,000	–	73,675,000	17.06%
Concept Capital Management Limited	Beneficial owner	–	146,163,814 (Note 5)	146,163,814	33.85%

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 274,556,536 shares in which Mr. Shan Xiaochang is interested.

4. Ms. Liu Sau Wan is the spouse of Mr. Chan Ping Yee and, under section 316 of the SFO, is therefore deemed to be interested in all 73,675,000 shares in which Mr. Chan Ping Yee is interested.
5. The latest disclosure of interest notice filed by Concept Capital Management Limited has not taken into account the reset adjustment to the conversion and exercise prices on 9 May 2012.

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 2013.

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 2013, the Company had 56,200,000 (30 September 2012: 60,200,000) share options outstanding under the 2002 Share Option Scheme, which represented approximately 13.0% (30 September 2012: 13.9%) 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 2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30 September 2013
Directors							
Mr. Shan Xiaochang	20 October 2011 to 1 September 2021	0.962	35,000,000	-	-	-	35,000,000
Employees (other than Directors)							
In aggregate	2 September 2011 to 1 September 2021	0.962	4,000,000	-	-	(4,000,000)	-
Others							
In aggregate	25 November 2010 to 24 November 2020	0.666	21,200,000	-	-	-	21,200,000
			<u>60,200,000</u>	<u>-</u>	<u>-</u>	<u>(4,000,000)</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 Mr. Wang Jialian, Mr. Wang Zhihua and Ms. Chan Sze Man who are the independent non-executive Directors.

The Group's unaudited results for the nine months ended 30 September 2013 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
Shan Xiaochang
Chairman

Hong Kong, 14 November 2013

As at the date of this report, the Board comprises of three executive Directors, namely Mr. Shan Xiaochang, Ms. Shan Zhuojun and Mr. Ma Arthur On-hing and three independent non-executive Directors, namely Mr. Wang Jialian, Mr. Wang Zhihua and Ms. Chan Sze Man.