

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

LETTER OF INTENT IN RESPECT OF A POSSIBLE ACQUISITION

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board announces that on 28 September 2012, the Vendor and the Company entered into the Letter of Intent, pursuant to which the Company proposed to acquire 51% of the total number of issued shares of the Target Company subject to further negotiation among the parties to the Letter of Intent and finalization of the terms of the Formal Agreements.

It should be noted that the Possible Acquisition is still subject to, among other things, the signing of the Formal Agreements. Accordingly, as the Possible Acquisition may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

THE LETTER OF INTENT

Date: 28 September 2012

Parties: (i) the Vendor
(ii) the Company

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate shareholder(s) are independent third parties who are not connected persons of the Company as defined in the GEM Listing Rules and are independent of the Company and connected persons of the Group.

Major terms of the Letter of Intent

Subject to further negotiation among the parties to the Letter of Intent and finalization of the terms of the Formal Agreements, it is contemplated that the Company will acquire 51% of the total number of issued shares of the Target Company upon completion of the Possible Acquisition.

Pursuant to the Letter of Intent, the parties to the Letter of Intent have agreed to negotiate in good faith for entering into the Formal Agreements in respect of the Possible Acquisition.

Conditions Precedent

Pursuant to the Letter of Intent, the completion of the Possible Acquisition shall be subject to, among others, the following conditions precedent:

- (i) the Formal Agreements shall have been executed;
- (ii) the reorganisation exercise resulting that the WFOE and the PRC Subsidiary become the subsidiaries of the Target Company shall have been duly completed on or before the date of the Formal Agreements;
- (iii) all necessary prior approvals as required by all applicable laws and legislation, rules and regulations of the PRC, Hong Kong, the British Virgin Islands and other jurisdiction(s) in connection with the completion of the Possible Acquisition shall have been obtained by relevant parties; and
- (iv) the due diligence exercise to be conducted against the Target Group shall have been completed to the satisfaction of the Company.

Due diligence exercise

Pursuant to the Letter of Intent, the Company shall arrange its professional parties to conduct due diligence exercise against the Target Group from the date of the Letter of Intent, and the Vendor shall procure each member of the Target Group to provide all reasonable assistance to the Company and the professional parties engaged by the Company to carry out the due diligence exercise.

Exclusivity

Pursuant to the Letter of Intent, the Vendor shall not, during the period of six months from the date of the Letter of Intent (or such longer period as to be agreed by the parties), negotiate or enter into or reach any agreement with any third parties other than the Company or its subsidiary(ies) regarding the transfer of interest in the Target Company.

Others

The Letter of Intent is non-legally binding save for certain provisions relating to the due diligence exercise, the exclusivity, the confidentiality, the expiry of the Letter of Intent and the governing law of the Letter of Intent.

The Letter of Intent shall expire on the date of the Formal Agreements or 30 November 2012 (whichever is earlier).

INFORMATION OF THE TARGET GROUP

The Target Company is an investment holding company which directly holds the entire issued share capital of the HK Subsidiary. The HK Subsidiary is in the course of establishing the WFOE in the PRC. The WFOE will acquire 51% of the entire equity interest in the PRC Subsidiary.

The PRC Subsidiary is engaged in the sale and production of straw briquettes which is a type of biofuels and a substitute for coal. As at the date of this announcement, the PRC Subsidiary owns about 20 production plants for production of straw briquettes in the PRC.

REASONS FOR ENTERING INTO THE LETTER OF INTENT

The Company is an investment holding company. The Group is principally engaged in the investment holding, manufacturing and sales of loudspeaker systems to customers in the PRC and overseas markets and environmental related business. The Group is exploring environmental technology related business. The Company considers that the Possible Acquisition can facilitate the Group to implement its business plan and expand the Group's business at a timely fashion.

GENERAL

The Letter of Intent may or may not lead to the entering into of the Formal Agreements and the transactions contemplated thereunder may or may not be consummated. As at the date of this announcement, no legally binding agreement has been entered into between the Company and the Vendor in relation to the Possible Acquisition. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

It should be noted that the Possible Acquisition is still subject to, among other things, the signing of the Formal Agreements. Accordingly, as the Possible Acquisition may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“Board”	means the board of Directors;
“Company”	means Sunrise (China) Technology Group Limited, a company incorporated in the Cayman Islands whose shares are listed and traded on the GEM;
“connected persons”	has the meaning set out in the GEM Listing Rules;
“Directors”	means the directors of the Company;
“Formal Agreements”	means the formal sale and purchase agreement(s) to be entered into between the Company and the Vendor with respect to the Possible Acquisition;
“GEM”	means the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM;
“Group”	means the Company and its subsidiaries;
“HK Subsidiary”	means Light China Limited, a limited liability company incorporated in Hong Kong;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Letter of Intent”	means the letter of intent dated 28 September 2012 entered into between the Company and the Vendor;
“Possible Acquisition”	means the possible acquisition by the Company of the equity interest of 51% in the Target Company from the Vendor;

“PRC”	means the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“PRC Subsidiary”	means Heilongjiang Province Shengyan New Energy Development Limited* (黑龍江省盛焱新能源開發有限公司), a limited liability company incorporated in the PRC;
“Shares”	means the shares of HK\$0.01 each in the share capital of the Company;
“Shareholders”	means shareholders of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Target Company”	means Pro-Worth Limited, a limited liability company incorporated in the British Virgin Islands, which is a directly wholly-owned subsidiary of the Vendor;
“Target Group”	means the Target Company, the HK Subsidiary, the WFOE and the PRC Subsidiary;
“Vendor”	means Risen Talent Limited, a limited liability company incorporated in the British Virgin Islands;
“WFOE”	means a wholly foreign owned enterprise to be established in the PRC by the HK Subsidiary;
“%”	means per cent..

* *For identification purpose only.*

By order of the Board
Sunrise (China) Technology Group Limited
Shan Xiaochang
Chairman

Hong Kong, 28 September 2012

As at the date of this announcement, the Board comprises seven Directors namely Mr. Shan Xiaochang, Ms. Shan Zhuojun, Mr. Ma Arthur On-hing and Mr. Yang Ching Yau, being the executive Directors, and Mr. Lee Kam Fan, Andrew, Mr. Wang Jialian, and Mr. Wang Zhihua, 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 “Latest Company Announcements” page of the GEM website at “www.hkgem.com” for at least 7 days from its date of posting and on the Company’s website at “www.sunrisechina-tech.com”.