SUNNY GLOBAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION:

ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF CHINAWAY NETWORK TECHNOLOGY LIMITED AND RESUMPTION OF TRADING

On 24 September 2003, the Purchaser entered into the Sale and Purchase Agreement with the Vendors and the Guarantor in relation to the acquisition of the entire issued share capital of Chinaway from the Vendors for an aggregate cash consideration of HK$35,000,000.

Each of the Vendors and the Guarantor is independent of and not connected with any directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

Chinaway is a limited company incorporated in Hong Kong on 12 October 2001. Chinaway commenced its business in early 2002 and is principally engaged in the provision of system integration services and the development of information technology infrastructure network for school projects in the PRC.

Pursuant to the Sale and Purchase Agreement, the Vendors warrant and guarantee to the Purchaser that the profit after taxation but before extraordinary items of Chinaway for the 12 months ending 31 December 2004 shall be not less than HK$10,000,000.

The consideration for the Acquisition was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement. As the consideration payable by the Purchaser to the Vendors pursuant to the Sale and Purchase Agreement represents approximately 46.37% of the net tangible assets value of the Group of HK$75,478,000 as shown in its audited consolidated financial statements for the financial year ended 30 September 2002, the Acquisition constitutes a discloseable transaction on the part of the Company under Rule 14.12 of the Listing Rules.

A circular containing details of the Acquisition and information regarding the Group will be despatched to the shareholders of the Company within 21 days from the date of this announcement.

The Board has noted the recent increase in the trading volume of the Shares and wish to state that save as disclosed in this announcement, the Board is not aware of any reasons for such increase.

The Board also confirms that save as disclosed in this announcement, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement between the Company and the Stock Exchange, nor are the Directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement which is or may be of a price-sensitive nature.

Trading in Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 25 September 2003 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in Shares at 9:30 a.m. on 2 October 2003.

SALE AND PURCHASE AGREEMENT

Date: 24 September 2003

Parties:

(1) Vendors: Ultra Tech Enterprises Inc.; and
Cyber Galaxy Technology Limited

(2) Purchaser: Appraise Asia Investments Limited, a wholly owned subsidiary of the Company

(3) Guarantor: Lau Yim, the ultimate sole beneficial owner of the entire issued share capitals of the Vendors

Each of the Vendors and the Guarantor is independent of and not connected with any directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

Pursuant to the Sale and Purchase Agreement, the Guarantor has unconditionally guaranteed full, prompt and complete performance by the Vendors of all their obligations under or arising out of or in connection with the Sale and Purchase Agreement and has undertaken to the Purchaser that if and whenever any of the Vendors shall be in default, the Guarantor shall duly and promptly perform or procure such performance of such obligations and shall fully indemnify the Purchaser against all loss and damages arising in connection thereof. The Guarantor will not receive any consideration or benefit for being the guarantor under the Sale and Purchase Agreement.

Asset to be acquired:

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire the entire issued share capital of Chinaway from the Vendors.

As at the time when the parties entered into the Sale and Purchase Agreement, the entire issued share capital of Chinaway consisted of two Chinaway Shares and were beneficially owned as to one Chinaway Share by each of Ultra Tech Enterprises Inc. and Cyber Galaxy Technology Limited, both being the Vendors. Immediately after the Sale and Purchase Agreement was entered into between the parties thereto on 24 September 2003, the shareholder's loans of HK$3,999,998 have been capitalised and an aggregate of 3,999,998 Chinaway Shares have been issued to Ultra Tech Enterprises Inc. as contemplated in the Sale and Purchase Agreement. The Directors confirm that the Purchaser was not involved in the Capitalisation.

As at the date of this announcement, the entire issued share capital of Chinaway consists of 4,000,000 Chinaway Shares which are beneficially owned as to 3,999,999 Chinaway Shares, representing approximately 99.999% of the existing issued share capital of Chinaway, by Ultra Tech Enterprises Inc. and as to one Chinaway Share, representing approximately 0.001% of the existing issued share capital of Chinaway, by Cyber Galaxy Technology Limited. As at the date of this announcement, no shareholder's loans are owed by Chinaway to the Vendors.

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire the existing entire issued share capital of Chinaway (including the 3,999,998 Chinaway Shares allotted and issued to Ultra Tech Enterprises Inc. pursuant to the Capitalisation) from the Vendors. Completion took place on 30 September 2003. Immediately after Completion, Chinaway became a wholly owned subsidiary of the Company.

Chinaway is a limited company incorporated in Hong Kong on 12 October 2001. Chinaway commenced its business in early 2002 and is principally engaged in the provision of system integration services and the development of information technology infrastructure network for school projects in the PRC. The financial information of Chinaway based on its unaudited management accounts for the year ended 31 December 2002 and the seven months ended 31 July 2003 is set out as follows:

	For the year ended 31 December 2002 (Approximately HK$)	**For the seven months ended 31 July 2003 (Approximately HK$)**
Fixed assets	17,000	17,000
Net current assets	588,000	940,000
Net assets (liabilities)	(1,084,000)	330,000
Turnover	1,360,000	3,970,000
Net profits (loss) before taxation and extraordinary items	(1,084,000)	1,413,000

On 24 September 2003, the shareholder's loans of HK$3,999,998 have been capitalised and an aggregate of 3,999,998 Chinaway Shares have been issued to Ultra Tech Enterprises Inc. as contemplated in the Sale and Purchase Agreement. As at the date of this announcement, no shareholder's loans are owed by Chinaway to the Vendors. The Directors confirm that no audited account of Chinaway has been prepared up to the date of this announcement.

Pursuant to the Sale and Purchase Agreement, the Vendors warrant and guarantee to the Purchaser that the profit after taxation but before extraordinary items of Chinaway for the 12 months ending 31 December 2004 (the "**Guaranteed Period**") shall be not less than HK$10,000,000 (the "**Guaranteed Profit**"). There would not be any guaranteed profit for the period between 30 September 2003 (the date of Completion) and 31 December 2003. The Group would be solely responsible for the results of Chinaway for such period. In order to determine the actual profit (the "**Actual Profit**") after taxation but before extraordinary items of Chinaway for the Guaranteed Period, the Purchaser shall cause Chinaway to prepare unaudited management accounts, or (if so elected by the Vendors by written notice) audited financial statements, for the Guaranteed Period. In the event that the results shown in the said unaudited management accounts or (as the case may be) the audited financial statements of Chinaway is less than the Guaranteed Profit, the Vendors shall pay to the Purchaser a sum (the "**Damages**") representing 3.5 times of the difference between the Guaranteed Profit and the Actual Profit, as liquidated damages within 7 days after the receipt of the unaudited management accounts or (as the case may be) the audited financial statements of Chinaway by the Vendors. In view of the above, the Directors consider that the performance of the Group will not be adversely affected even if the profit guarantee cannot be attained.

Since the Vendors have an obligation to pay the Damages, it was agreed between the parties to the Sale and Purchase Agreement that only the Vendors can elect to determine the Actual Profit by reference to the audited financial statements. The Directors consider such arrangement is beneficial to the interests of the Group and the shareholders of the Company as a whole. The unaudited management accounts or (as the case may be) audited financial statements prepared for the purpose of determining the Actual Profit shall be prepared in accordance with the Generally Accepted Accounting Principles applied in Hong Kong.

Consideration:

The consideration payable by the Purchaser under the Sale and Purchase Agreement for the acquisition of the entire issued share capital of Chinaway comprising 4,000,000 Chinaway Shares, is HK$35,000,000, of which:

(1) HK$13,000,000 has been paid to the Vendors in cash upon Completion and has been satisfied by the deposit of the same amount paid by the Purchaser to the Vendors upon the signing of the Sale and Purchase Agreement; and

(2) the balance of HK$22,000,000 shall be payable to the Vendors in cash within one month after Completion.

The consideration for the Acquisition was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to the prospect of the business of Chinaway and the performance of Chinaway by taking into account the current performance of Chinaway, the profit guarantee given by the Vendors under the Sale and Purchase Agreement and the growth of the industry in which Chinaway operates. As it is the trend that schools in the PRC will be equipped with computer network, the Directors expect that the demand for the services offered by Chinaway will increase substantially in the coming few years.

The consideration for the Acquisition represents a price earnings ratio of approximately 24.77 times to the unaudited net profits of Chinaway before taxation and extraordinary items for the seven months ended 31 July 2003 and a premium of approximately 105 times over the unaudited net asset value of Chinaway as at 31 July 2003. Assuming all the shareholder's loans which were outstanding as at 31 July 2003 were capitalised, the unaudited net asset value of Chinaway as at 31 July 2003 would increase to approximately HK$4,100,000 and the consideration for the Acquisition would represent a premium of approximately 7.54 times over the said net asset value.

Given the fact that the shareholder's loans of HK$3,999,998 have been capitalised on 24 September 2003 which would have a favourable effect on the net asset value of Chinaway and that the consideration for the Acquisition represents a price earnings ratio of only 3.5 times to the Guaranteed Profit, the Directors consider that the consideration and the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

As it is the trend that schools in the PRC will be equipped with computer network, the Directors expect that the demand for the services offered by Chinaway will increase substantially in the coming few years. Chinaway has been engaged by a number of schools in the PRC to provide system integration services. Based on the existing contracts on hand, the contracts which are in the final stage of negotiation and the prospect of the industry in which Chinaway operates, the Directors consider that the premium that the consideration represents over the unaudited net asset value of Chinaway can be justified.

Source of funding

The consideration for the Acquisition will be financed by the Group's internal resources. The Directors confirm that the Acquisition will not have any material adverse effect on the working capital position of the Group.

Completion

Completion is not conditional upon the fulfilment of any conditions and has taken place on 30 September 2003.

Information on Chinaway

Chinaway is principally engaged in the provision of system integration services and the development of information technology infrastructure network for school projects in the PRC. Chinaway does not have its own service teams. After obtaining the service contracts from its customers, Chinaway would engage subcontractors to provide the required services to the customers. The staff of Chinaway would travel to the PRC regularly in order to monitor the performance of the subcontractors. Each of the subcontractors engaged by Chinaway are independent of and not connected with any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

Since Chinaway would engage subcontractors to provide the required services to its customers, Chinaway does not require much personnel and machinery and equipment for its operation. As at the date of this announcement, the fixed assets of Chinaway include office equipments and computers. As at the date of this announcement, Chinaway has one management and one engineer. Given their extensive experience in information technology industry, both of them would oversee the operation of Chinaway. Although both of them are stationed in Hong Kong, they would travel to the PRC regularly to meet the customers and to monitor the performance of the subcontractors.

The management of Chinaway holds a master's degree in information technology and a bachelor's degree in electronic engineering and has over 15 years' experience in the telecom industry. He joined Chinaway in January 2002. The engineer of Chinaway also holds a bachelor's degree in electronic engineering. Before he joined Chinaway in January 2002, he has worked for a telecom operator and an internet service provider for two years.

Each of the management and the engineer of Chinaway has entered into service contract with Chinaway which may be terminated by either party thereto by giving to the other (in the case of the management of Chinaway) not less than three months' notice in writing and (in the case of the engineer of Chinaway) not less than one month's notice in writing. Should any of Chinaway's management and engineer cease to be involved in Chinaway's management and operation, the Directors believe that Chinaway can look for replacement without much difficulties. As such, the Directors consider that there would not be any material adverse effect on Chinaway's operation and profitability should any of Chinaway's management and engineer ceases to be involved in Chinaway's management and operation.

Reasons for the Acquisition

The Group is principally engaged in the design, manufacture and sale of a wide range of leisure and athletic footwear.

Chinaway is principally engaged in the provision of system integration services and the development of information technology infrastructure network for school projects in the PRC. Following the Acquisition, the Directors intend to continue the existing business of Chinaway. The Directors also intend to continue the employment of the existing management and engineer of Chinaway and Chinaway will continue to be managed by its existing management.

The Directors consider that the Acquisition offers the Group a good business opportunity to diversify its existing business by expanding into information technology business. The Directors also consider that the Acquisition will broaden its income base and benefit the Group financially through profit contribution.

The Directors confirm that the Group will continue to carry on its existing principal business, namely the design, manufacture and sale of a wide range of leisure and athletic footwear, after the Acquisition. The Board will continue to explore other suitable business opportunities in order to broaden the income base of the Group. The Directors confirms that no such business opportunities have been identified yet. Further announcement will be made as and when appropriate in accordance with the Listing Rules.

LISTING RULES IMPLICATION

The Directors (including the independent non-executive Directors) consider that the Sale and Purchase Agreement is entered into upon normal commercial terms following arm's length negotiations between the parties to the Sale and Purchaser Agreement and that the terms of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

As the consideration payable by the Purchaser to the Vendors pursuant to the Sale and Purchase Agreement represents approximately 46.37% of the net tangible assets value of the Group of HK$75,478,000 as shown in its audited consolidated financial statements for the financial year ended 30 September 2002, the Acquisition constitutes a discloseable transaction on the part of the Company under Rule 14.12 of the Listing Rules.

A circular containing details of the Acquisition and information regarding the Group will be despatched to the shareholders of the Company within 21 days from the date of this announcement.

EXCEPTIONAL TURNOVER MOVEMENT

The Board has noted the recent increase in the trading volume of the Shares and wish to state that save as disclosed in this announcement, the Board is not aware of any reasons for such increase.

The Board also confirms that save as disclosed in this announcement, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement between the Company and the Stock Exchange, nor are the Directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement which is or may be of a price-sensitive nature.

Trading in Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 25 September 2003 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in Shares at 9:30 a.m. on 2 October 2003.

Made by the order of the Board, the Directors individually and jointly accept responsibility for the accuracy of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"Acquisition"	the acquisition by the Purchaser of the entire issued share capital of Chinaway from the Vendors subject to and upon the terms and conditions of the Sale and Purchase Agreement
"associates"	has the meaning ascribed to this term under the Listing Rules
"Board"	the board of Directors
"Capitalisation"	the capitalisation of shareholder's loans in the aggregate sum of HK$3,999,998 and the allotment and issue of 3,999,998 Chinaway Shares to Ultra Tech Enterprises Inc.
"Chinaway"	Chinaway Network Technology Limited, a limited company incorporated in Hong Kong
"Chinaway Share(s)"	ordinary share(s) of HK$1.00 each in the share capital of Chinaway
"Company"	Sunny Global Holdings Limited, a company incorporated in Bermuda and the issued Shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
"Directors"	directors (including the independent non-executive directors) of the Company
"Group"	the Company and its subsidiaries
"Guarantor"	Lau Yim, the ultimate sole beneficial owner of the entire issued share capitals of the Vendors
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Purchaser"	Appraise Asia Investments Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, the purchaser under the Sale and Purchase Agreement

"Sale and Purchase Agreement"	the sale and purchase agreement dated 24 September 2003 and entered into between the Vendors, the Purchaser and the Guarantor
"Sale Shares"	4,000,000 Chinaway Shares (including the 3,999,998 Chinaway Shares allotted and issued to Ultra Tech Enterprises Inc. pursuant to the Capitalisation) acquired by the Purchaser from the Vendors pursuant to the Sale and Purchase Agreement
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendors"	collectively, Ultra Tech Enterprises Inc. and Cyber Galaxy Technology Limited
"HK$"	Hong Kong dollars, the lawful currency for the time being of Hong Kong
"%"	per cent.

By order of the board of directors of
Sunny Global Holdings Limited
Lee Man Fa
Chairman

Hong Kong, 30 September 2003

"Please also refer to the published version of this announcement in The Standard".