

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



SUNNY GLOBAL HOLDINGS LIMITED

新怡環球控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1094)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF POPULAR ASSET LIMITED

On 7 January 2005, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor pursuant to which the Purchaser would acquire the entire issued share capital of Popular Asset Limited for a Consideration of HK\$15,000,000 (subject to downward adjustment).

The Acquisition constitutes a discloseable transaction of the Company under Rule 14.06 (2) of the Listing Rules. A circular containing, amongst others, further details of the Acquisition Agreement will be despatched to the Shareholders as soon as practicable.

THE ACQUISITION AGREEMENT

Date and parties to the Acquisition:

Date: 7 January 2005

Vendor: Fortis Development Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are third parties independent of the Group and connected persons (as defined in the Listing Rules) of the Group.

Purchaser: Appraise Asia Investments Limited, a wholly-owned subsidiary of the Company

THE ACQUISITION:

The Purchaser agreed to acquire from the Vendor the entire issued share capital of Popular Asset.

Consideration:

The Consideration for the Acquisition is HK\$15,000,000 which will be settled by internal resources of the Company and payable by cash at Completion. In the event that the audited total assets value of Popular Asset as at 31 December 2004 as shown in its audited financial

statements for the period from 8 August 2003 (being the date of incorporation of Popular Asset) to 31 December 2004 is less than HK\$1,500,000, the Consideration will be adjusted downwards. The Consideration is not subject to any upward adjustment. Any downward adjustment to the Consideration will be payable by the Vendor to the Purchaser in cash on or before 30 June 2005. The Consideration was arrived at after arm's length negotiation and is on normal commercial terms.

The Consideration was determined by the parties having regard to the valuation of Popular Asset as at 1 December 2004 in the amount of HK\$15,500,000 valued by Castores Magi Asia Limited, a valuer which is independent of the Group and connected persons (as defined in the Listing Rules) of the Group. Such valuation of Popular Asset was based on the discounted cash flow method. The valuation was based on the principal assumptions that, including but not limited to, (i) there will be no material changes from political, legal, economic or financial aspects in the jurisdictions in which Popular Asset currently runs or intends to run its business which will materially affect its operation; (ii) there will be no substantial market fluctuation in the industry in the jurisdictions or states in which Popular Asset currently runs or intends to run its business, which will materially affect its operations and the revenues attributable to shareholders; and (iii) the management of Popular Asset will not make any decision which is harmful to the revenue generation ability of Popular Asset's business. The Company's reporting accountants have confirmed that they have reviewed the accounting policies and calculation relating to the valuation. The Board has confirmed that the Directors have carried out due and careful enquiries in respect of the valuation.

The Directors are of the view that the terms of the Acquisition Agreement including the Consideration are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholder as a whole.

Information on Popular Asset:

Popular Asset was incorporated in Hong Kong in August 2003. Based on the unaudited management accounts of Popular Asset for the period from 8 August 2003 (being the date of incorporation of Popular Asset) to 31 October 2004, Popular Asset recorded a net loss of approximately HK\$107,000 and no profits tax was incurred as Popular Asset did not derive any assessable profit for the same period. Based on the same accounts, the total assets value of Popular Asset as at 31 October 2004 was approximately HK\$2.4 million.

Popular Asset is principally engaged in the business of the provision of information technology and telecommunication facility management services. It operates a data center in Hong Kong which provides a wide range of services, such as server hosting and facilities management, internet connectivity, systems management and internet technology services and other value-added services.

Conditions of the Acquisition:

Completion of the Acquisition is conditional on the satisfaction of, amongst others, the following conditions on or before 31 January 2005 or at such later date as extended in writing between the Purchaser and the Vendor:-

- (a) the Purchaser being satisfied with the results of the due diligence review on the business, operation and assets of Popular Asset; and
- (b) all necessary consents required (if any) in relation to the Acquisition being granted by third parties (including governmental or official).

If any of the above conditions is not satisfied or waived by 31 January 2005 (or such other date as the parties may agree), the Acquisition Agreement will lapse.

The Acquisition Agreement will be completed on the day upon the fulfillment of the conditions or such other date as the parties may agree. The expected date of Completion shall be on or before 31 January 2005.

Reasons for the Acquisition:

The Group is principally engaged in the design, manufacture and sale of a wide range of leisure and athletic footwear. The Group is also engaged in information technology business such as the provision of system integration services and the development of information technology infrastructure network in the PRC.

The Board is of the view that the information technology businesses of the Group shall be strengthened and diversified by the Acquisition. Popular Asset currently operates a data center in Hong Kong. The Acquisition is expected to bring a potential source of recurring income to the Group and provides synergies to the existing information technology related businesses of the Group. The Directors are optimistic that the Acquisition will strengthen the network platform of the Group and facilitate the Company towards the imminent information technology related business opportunities in Hong Kong and the PRC. Given the potentials of the information technology market in the PRC and Hong Kong, the Company shall continue to explore any opportunity for the development and investment of the information technology business in the PRC and Hong Kong.

General

The Acquisition constitutes a discloseable transaction of the Company under Rule 14.06 (2) of the Listing Rules. A circular containing, amongst others, further details of the Acquisition will be despatched to the Shareholders as soon as practicable.

As at the date of this announcement, Messrs. Lee Man Fa, Lin Huis Sheng, Kwok Ming Fai and Tai King Foon are the executive Directors and Messrs. Kan Siu Lun, Liu Kwok Wah and Leung Sai Cheong are the independent non-executive Directors.

Terms used in this announcement

“Acquisition”	the acquisition by the Purchaser from the Vendor of the entire issued share capital of Popular Asset pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement entered into between the Vendor and the Purchaser dated 7 January 2005 in connection with the Acquisition
“Board”	the board of Directors
“Company”	Sunny Global Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“Consideration”	the consideration of HK\$15,000,000 for the Acquisition under the Acquisition Agreement
“Director(s)”	the director(s) of the Company
“Popular Asset”	Popular Asset Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Fortis Development Limited, a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

By Order of the Board
Sunny Global Holdings Limited
Lee Man Fa
Chairman

Hong Kong, 7 January 2005

* *For identification purpose only*

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