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SUNNY GLOBAL HOLDINGS LIMITED

新怡環球控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1094)

SHARE AND DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF GOLDEN PORTAL HOLDINGS LIMITED

The Board has noted the recent increases in the trading volume of the shares of the Company and wishes to state that it is not aware of any reasons for such increases except the Acquisition.

Open Challenge Group Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement on 26 August 2005 with Jet Palace Development Limited to acquire the entire issued share capital of Golden Portal Holdings Limited at HK\$16,000,000 subject to downward adjustment. Golden Portal Holdings Limited is, through its direct wholly-owned subsidiary, Capital Access Limited, indirectly interested in 70% of the issued share capital of Bartech (International) Information Network Limited, which is principally engaged in the provision of on-line financial information services.

The Consideration is to be satisfied by: (a) HK\$4,000,000 payable to the Vendor in cash within 7 working days upon signing of the Sale and Purchase Agreement; and (b) HK\$12,000,000 to be satisfied by the Purchaser procuring the issue of a maximum of 120,000,000 new Shares, credited as fully paid at par (as determined by reference to the Agreed Basis), to the Vendor or as it may direct, subject to downward adjustment.

According to the Valuation, the business of Bartech is valued at HK\$23,500,000. A total of 120,000,000 new Shares will be issued and allotted as Consideration Shares upon Completion. The Consideration Shares represent approximately 12% of the existing issued share capital of the Company as at the date hereof and 10% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. The Vendor will become a substantial shareholder of the Company upon Completion. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is no party acting in concert with the Vendor for the Acquisition and the Acquisition will not have any implications under the Takeovers Code.

The issue price of the Consideration Shares at par of HK\$0.10 each represents a discount of approximately 35% to the closing price of the Shares of HK\$0.153 on 25 August 2005 and a discount of approximately 28% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 trading days of HK\$0.138 prior to the date of the Sale and Purchase Agreement of HK\$0.149 respectively.

The Acquisition constitutes a share and discloseable transaction for the Company under the Listing Rules. A circular containing, amongst others, further details of the Acquisition will be despatched to the Shareholders as soon as practicable.

Reference is made to the announcements of the Company dated 27 July 2005, 4 August 2005 and 17 August 2005 respectively regarding the MOU.

THE SALE AND PURCHASE AGREEMENT DATED 26 AUGUST 2005

Parties

Purchaser: Open Challenge Group Limited, a wholly-owned subsidiary of the Company

Vendor: Jet Palace Development Limited, a company incorporated in the British Virgin Islands. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is a third party independent of the Group and connected persons (as defined in the Listing Rules) of the Group. The beneficial owners of the Vendor are independent third parties to the Group and connected persons (as defined in the Listing Rules) of the Group.

Assets to be acquired

The Sale Shares, being the entire issued share capital of Golden Portal. There is no restriction on subsequent disposal of the Sale Shares.

Consideration

The Consideration is HK\$16,000,000 (subject to downward adjustment) and shall be satisfied as follows:

- (1) the amount in the sum of HK\$4,000,000 shall be payable to the Vendor in cash within 7 working days upon signing of the Sale and Purchase Agreement; and

- (2) the balance of the Consideration, being HK\$12,000,000, shall be satisfied by the issue and allotment of the Consideration Shares, credited as fully paid at par (as determined by reference to the Agreed Basis as detailed below), to the Vendor or as it may direct. The Consideration Shares are subject to a lock-up period of 6 months from the date of Completion.

If the Valuation of Bartech, details of Bartech is set out in the section headed “Information on the Golden Portal Group” below, as at 31 July 2005 is lower than HK\$20,000,000 (which was determined by reference to the representations of the directors of Bartech for the estimated value of the business of Bartech as at 31 July 2005) under the valuation report as required in the condition (5) below, the Purchaser shall have the right to waive condition (5) set out below and adjust the total consideration for the Sale Shares downward in the following manner and assign the shortfall to reduce the balance of the Consideration:

$$\text{the adjusted consideration} = \text{HK\$16,000,000} \times \frac{\text{the Valuation}}{\text{HK\$20,000,000}}$$

Since condition (5) set out below has been satisfied, the consideration for the Sale Shares would not be subject to any downward adjustment.

According to the Valuation, the business of Bartech is valued at HK\$23,500,000. A total of 120,000,000 new Shares will be issued and allotted as Consideration Shares upon Completion. The Consideration Shares represent approximately 12% of the existing issued share capital of the Company as at the date hereof and 10% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. The Vendor will become a substantial shareholder of the Company upon Completion. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, there is no party acting in concert with the Vendor for the Acquisition and the Acquisition will not have any implications under the Takeovers Code.

The issue price of the Consideration Shares at par of HK\$0.10 each represents a discount of approximately 35% to the closing price of the Shares of HK\$0.153 on 25 August 2005 and a discount of approximately 28% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 trading days of HK\$0.138 prior to the date of the Sale and Purchase Agreement of HK\$0.149 respectively.

The discount rate for the issue price of the Consideration Shares was justified by the Company on the following grounds:

1. The Consideration Shares are subject to a lock-up period of 6 months from the date of completion of the Sale and Purchase Agreement and the Vendor has to assume the risk that there will be fluctuations in the price of the Shares after the lock-up period.

2. The Vendor and the Purchaser have been in negotiation of the Sale and Purchase Agreement for over a month. When the parties entered into the MOU for the Acquisition on 27 July 2005, the basis for the determination of the issue price for the Consideration Shares has been agreed in principle on that day. It has been agreed by the parties to the MOU that the issue price shall be determined with reference to the higher of (i) the closing price of the Shares on 27 July 2005 of HK\$0.093; (ii) the average closing price of the Shares for an agreed period by both parties prior to the date of the MOU; and (iii) the par value of the Shares. In this regard, the issue price of the Consideration Shares at par of HK\$0.10 each is the agreed basis for the Consideration between the parties (the “**Agreed Basis**”).

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 as valued by Castores Magi Asia Limited, a valuer which is a third party independent of the Group and its connected persons (as defined in the Listing Rules). The Valuation was based on the discounted cash flow method. The Valuation was based on the principal assumptions that, including but not limited to, (i) the continuous operation of Bartech; (ii) there will be no material changes from political, legal, economic or financial aspects in the jurisdictions in which Bartech currently runs or intends to run its business which will materially affect the operation of Bartech; and (iii) Bartech will allocate sufficient resources to keep abreast of its future expansion. The Company’s reporting accountants have confirmed that they have reviewed the accounting policies and calculation relating to the Valuation and on the basis of their review which does not constitute an audit, the forecast of the profit after tax of Bartech commencing the year ending 30 September 2005, so far as the accounting policies and calculations are concerned, has been properly compiled on the bases and assumptions adopted by the directors of Bartech and is presented on a basis consistent in all material respects with the accounting policies adopted by the Company and Bartech. The Directors have confirmed that the Board has carried out due and careful enquiry in respect of the Valuation.

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

The Consideration Shares will be issued by the Company under the general mandate (“**General Mandate**”) granted to the Directors at the annual general meeting of the Company held on 24 February 2005, by which the Directors may allot up to 206,000,000 Shares. Save for the Consideration Shares to be issued by the Directors under the General Mandate, no Shares have been issued pursuant to the General Mandate as at the date hereof. Subject to the Valuation, the Consideration Shares will be valued at HK\$12,000,000 and therefore the Directors will issue 120,000,000 Shares as Consideration Shares, representing approximately 58% of the Shares that may be allotted under the General Mandate.

Application will be made by the Company for the listing of, and the permission to deal in, the Consideration Shares.

Conditions

Completion is conditional upon the fulfilment of the following conditions, inter alia:

1. the Purchaser being satisfied with the results of the due diligence investigation into the affairs of the Golden Portal Group;
2. the warranties of the Sale and Purchase Agreement being complete, true and accurate;
3. the Vendor having complied fully with and otherwise having performed all of the covenants and agreements required to be performed by it under the Sale and Purchase Agreement prior to Completion;
4. all such consents, authorisations or other approvals in connection with the entering into and the performance of the terms of the Sale and Purchase Agreement being obtained by the Vendor;
5. the receipt by the Purchaser of a valuation report on the business of Bartech as at 31 July 2005 of not less than HK\$20,000,000 to be determined by an independent valuer acceptable to the Purchaser on or before 30 September 2005; and
6. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares.

If any of the conditions is not satisfied (or waived by the Purchaser (except condition (6) above) by the Completion Date, the Sale and Purchase Agreement shall terminate and shall be of no further effect and the Vendor shall refund to the Purchaser the amount of HK\$4,000,000 forthwith. As at the date of this announcement, condition (5) has been satisfied.

Completion

Completion will be on the third business day after the satisfaction of the above conditions (or such later date as the parties may agree). It is expected that the Sale and Purchase Agreement will be completed on 30 September 2005.

Information on Golden Portal

Golden Portal is a company incorporated in the British Virgin Islands on 20 October 2004. Golden Portal is an investment holding company. Its sole asset is the shareholding interests of Capital Access, and via Capital Access the indirect 70% equity interests in Bartech (details of which are set out in the section headed "Information on the Golden Portal Group" below).

Based on the unaudited management accounts of Golden Portal for the period ended 31 July 2005, the consolidated net deficits of Golden Portal was approximately HK\$10,128,000 as at 31 July 2005. Golden Portal recorded an unaudited consolidated net loss of approximately HK\$78,000 for the month ended 31 July 2005. According to the Vendor, the Vendor acquired the Golden Portal Group in July 2005 and therefore the results of the Golden Portal Group were consolidated by the Vendor commencing July 2005.

Information on the Golden Portal Group

(a) *Capital Access Limited*

Capital Access is a company incorporated in the British Virgin Islands on 18 March 2005 and is wholly owned by Golden Portal. Capital Access has the sole asset of the 70% equity interests in Bartech.

The principal activity of Capital Access is investment holding.

(b) *Bartech (International) Information Network Limited*

Bartech is a company incorporated in Hong Kong on 18 July 1995. It is an established financial information provider based in Hong Kong for over 10 years and had cross-frontier operations with strategic partners in the Greater China region such as the PRC and Taiwan under the trade names of “StockOnLine”, “Bartech”, “霸才”, “Best Source (寶源)” etc. Currently, it is principally engaged in the provision of on-line financial information of Hong Kong, the PRC and certain American and European markets under the trade name of “Bartech”. Bartech is exploring other new business opportunities in the PRC markets and has recently joined up with a PRC strategic partner in promoting the services of Bartech for the wealth management and financial planning businesses in the PRC especially in Shanghai.

Bartech is owned as to 70% by Capital Access and 30% by a third party independent of the Vendor and its connected persons (as defined under the Listing Rules).

Bartech recorded an audited net profit before and after tax of approximately HK\$71,000,000 and HK\$3,000,000 for the years ended 30 September 2004 and 2003, respectively. No profits tax was incurred as Bartech did not derive any assessable profit for the two years respectively. The audited accumulated deficits of Bartech amounted to approximately HK\$11,600,000 and HK\$83,000,000 as at 30 September 2004 and 2003, respectively. Based on the unaudited management accounts of Bartech for the period ended 31 July 2005, the unaudited net deficits of Bartech was approximately HK\$3,128,000 as at 31 July 2005.

Upon Completion, Golden Portal and Capital Access will become wholly-owned subsidiaries of the Group whilst Bartech will become a 70%-owned subsidiary of the Group respectively. The results of the Golden Portal Group will be consolidated into the Group’s financial results for the financial year ending 30 September 2005.

Reasons for the Acquisition

The Group is principally engaged in the design and trading 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, facility management services and the development of information technology infrastructure network in the PRC and Hong Kong.

The Board is of the view that the information technology businesses of the Group shall be strengthened and diversified by the Acquisition into the e-financial sector. The Acquisition is expected to bring in a source of recurring income to the Group and provides potential businesses for the Group in the development of e-financial related business in Hong Kong and the PRC. The management is expected to build on the upcoming business expansion of Bartech in the PRC which will lay the foundation for the Group in exploring potential e-financial business opportunities in the PRC. The Directors are optimistic that the Acquisition will widen the business of the information technology division 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 region.

Bartech has been improving its cost structure since the economic downturn following SARS in 2003 as a result of stringent cost measures and redeployment of resources in an efficient and effective manner were implemented. During the period, Bartech diminished 60% of deficits to an audited operating loss before taxation of approximately HK\$1,641,000 for the year ended 30 September 2004 from HK\$4,117,000 for the year ended 30 September 2003. As a result, Bartech achieved to have an improvement in the accumulated net deficits from approximately HK\$83,000,000 in 2003 to HK\$11,600,000 in 2004, and was optimally progressing to HK\$3,128,000 for the ten months results ended 31 July 2005. Therefore, the Company is optimistic that Bartech will be turning over from a loss in future.

After having completed the costing enhancement exercises, Bartech began to explore further business development in the PRC market and has recently joined up with a PRC strategic partner (the “**PRC Partner**”) based in Shanghai to promote the services of Bartech for the proposed nationwide wealth management and financial planning businesses of the PRC Partner in the PRC. The Company considered that Bartech has been operated for over ten years with an established information technology platform and experienced technical team to explore this market. The joint force development between Bartech and the PRC Partner will enhance the market penetration of both Bartech and the PRC Partner in the wealth management industry of the PRC. With respect to the booming economy of the PRC, the wealth management and financial planning businesses is a potential and prospective industry in the PRC, in particular for the affluent Shanghai, which the Golden Portal Group will be heading towards profitability in the foreseeable future.

General

The Acquisition constitutes a share and discloseable transaction of the Company under Rule 14.06(1) and 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.

The Board has noted the recent increases in the trading volume of the shares of the Company and wishes to state that it is not aware of any reasons for such increases except the Acquisition.

Saved as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions and realizations which are discloseable under Rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price-sensitive nature.

Made by the order of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

Definitions

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the conditional acquisition of the entire issued share capital of Golden Portal
“Bartech”	Bartech (International) Information Network Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Capital Access”	Capital Access Limited, a company incorporated in the British Virgin Islands with limited liability
“Company”	Sunny Global Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the Sale and Purchase Agreement
“Completion Date”	30 September 2005 or such other date as the parties hereto may agree in writing
“Consideration”	the consideration of the Acquisition
“Consideration Shares”	a maximum of 120,000,000 Shares to be issued to the Vendor or as it may direct, credited as fully paid at par, pursuant to the Sale and Purchase Agreement
“Directors”	the directors of the Company
“Golden Portal”	Golden Portal Holdings Limited, a company incorporated in the British Virgin Islands and is wholly-owned by the Vendor
“Golden Portal Group”	Golden Portal, Capital Access and Bartech
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 27 July 2005 between the Vendor and the Purchaser in relation to the Acquisition
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Purchaser”	Open Challenge Group Limited, a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the agreement dated 26 August 2005 entered into between the Purchaser and the Vendor in connection with the Acquisition
“Sale Shares”	100 shares of US\$1.00 each in the issued share capital of Golden Portal, representing 100% of the total issued share capital of Golden Portal
“Shareholders”	the holders of the Shares
“Shares”	the ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollar, the lawful currency of the United States of America
“Valuation”	the valuation of the business of Bartech by an independent valuer as at 31 July 2005
“Vendor”	Jet Palace Development Limited, a company incorporated in the British Virgin Islands

As at the date of this announcement, Messrs. Lee Man Fa, Lin Huis Sheng, Yan Wa Tat, Kwok Ming Fai and Tai King Foon are the executive Directors and Messrs. Leung Sai Cheong, Liu Kwok Wah and Wong Chi Chung are the independent non-executive Directors.

By Order of the Board of
Sunny Global Holdings Limited
Yan Wa Tat
Director

Hong Kong, 26 August 2005

** for identification purpose only*

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