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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)

### **MAJOR TRANSACTION ACQUISITION OF SLS INVESTMENTS LIMITED**

On 20 February 2006, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with, among others, the Vendors. Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire equity interest in SLS, from Goldlite International, Wyndham Profit and Hikari at a total consideration of HK\$54,000,000.

As the applicable percentage ratios for the Acquisition are greater than 25% and lower than 100%, the Acquisition constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to the relevant reporting and announcement requirements and conditional on the approval of the Shareholders at the SGM under Chapter 14 of the Listing Rules. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there are no parties acting in concert with the Vendors and the Guarantors regarding the Acquisition, and accordingly, the issue of the Consideration Shares to the Vendors will not have any implications under The Codes on Takeovers and Mergers and Share Repurchases.

A circular containing, among other things, (i) the details of the Sale and Purchase Agreement, (ii) the valuation report on SLS Group, and (iii) a notice convening the SGM, will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## **THE SALE AND PURCHASE AGREEMENT**

Date: 20 February 2006

Vendors: Goldlite International  
Wyndham Profit  
Hikari

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

Guarantors: Lum Lap Kwan, Simon, the sole shareholder of Goldlite International  
and 45% shareholder of Hikari

Wong Wai Wing, Stephanie, the sole shareholder of Wyndham Profit  
and 55% shareholder of Hikari

Both Guarantors are Independent Third Parties and do not hold any Shares as at the date of this announcement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, all Vendors and their respective beneficial shareholders are Independent Third Parties and no information is in the possession of the Company which suggests that the Guarantors are in any way related to each other as at the date of this announcement.

### **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire equity interest of SLS, from Goldlite International, Wyndham Profit and Hikari, at a total consideration of HK\$54,000,000. Upon Completion, Asset Play would also assign its rights, title and interest in the Debt to the Purchaser or its nominee at a consideration of HK\$1.

### **Consideration**

The consideration of the Sale Shares shall be HK\$54,000,000 and would be settled as follows:

1. the amount in the sum of HK\$5,000,000 shall be payable to the Vendors (or their nominees) in the amount proportionate to their respective equity interests in the Sale Shares in cash upon signing of the Sale and Purchase Agreement;
2. the amount in the sum of HK\$7,000,000 shall be payable to the Vendors (or their nominees) in the amount proportionate to their respective equity interests in the Sale Shares in cash within 3 Business Days from the date of the SGM; and
3. the balance of HK\$42,000,000 for the Sale Shares shall be satisfied on the date of Completion by the issue and allotment of the 300,000,000 Consideration Shares at an issue price of HK\$0.14 per Share, credited as fully paid at par to the Vendors or their nominees as they may direct in the amount proportionate to their respective equity

interests in the Sale Shares. The Consideration Shares to be allotted and issued will represent approximately 26.09% and 20.69% of the existing and enlarged issued share capital of the Company respectively. There are no restrictions on the subsequent sale of the Consideration Shares by the Vendors.

The issue price of HK\$0.14 per Consideration Share represents a premium of approximately 15.7% over the closing price of the Shares of HK\$0.121 on 26 January 2006, being the last trading day prior to the issuance of this announcement, and a premium of approximately 17.6% over the average closing price of the Shares of HK\$0.119 as quoted on the Stock Exchange for the five consecutive trading days up to and including 26 January 2006. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The consideration for the Sale Shares, and the issue price per Consideration Share were arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement. The considerations were determined after taking into account the nature of business of SLS Group, economic factors affecting its business, its current stage of development and future performance, the prospects of providing broadband Internet access services in the PRC, as well as the current and future size of broadband Internet access user base in Beijing, the PRC. Furthermore, as a condition precedent to the Sale and Purchase Agreement, the value of the SLS Group, which should not be less than HK\$54 million, will be appraised by Grant Sherman Appraisal Limited, an independent professional valuer.

As stated in the section headed "Shareholding structure" below, Woda Taifeng was converted into a sino-foreign equity joint venture on 31 August 2005 when Gala Success acquired 89% equity interest in Woda Taifeng as part of the reorganization of the SLS Group conducted by the Vendors. The consideration paid by Gala Success at that time was approximately RMB1.3 million (approximately HK\$1.28 million). However, according to the unaudited consolidated balance sheet of SLS Group as at 31 December 2005, the book value of Haidian was approximately HK\$7.1 million. Furthermore, as also explained below in the subsection headed "Business cooperation arrangement", Woda Taifeng is entitled to 70% of the connection fees and monthly service fees paid by subscribers for services to Haidian beginning on 1 January 2006. In addition, during the course of the reorganization of the SLS Group by the Vendors, Asset Play lent to Tianxun the Debt so that Tianxun could acquire 40% equity interest in Haidian. As stated above, the Debt would be assigned to the Purchaser for HK\$1 upon Completion. Therefore, the Vendors effectively paid an additional RMB7 million to effect the above reorganization. As such, the Directors consider that the consideration is fair and reasonable so far as the Company and the Shareholders are concerned.

## **Conditions precedent**

Completion of the Sale and Purchase Agreement is conditional upon, among others, the following conditions:

1. the Purchaser completing to its own satisfaction of a due diligence investigation into the business, assets and the affairs of SLS, Gala Success, Woda Taifeng, Tianxun and Haidian;
2. the Vendors 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, including but not limited to their obligations to effect the Restructuring;
3. the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Consideration Shares;
4. the Shareholders approving the Sale and Purchase Agreement, the issue and allotment of the Consideration Shares to the Vendors and the Acquisition and all other transactions contemplated thereunder in compliance with the Listing Rules at the SGM;
5. the Purchaser receiving PRC legal opinions issued by PRC law firms acceptable to the Purchaser confirming the due incorporation of Woda Taifeng, Tianxun and Haidian, and all licences, permits and approvals which are relevant to their businesses are valid and subsisting and that the Acquisition complies with the PRC laws and regulations;
6. all consents or approvals, if any, including but not limited to consents or approvals of the State Administration for Industry and Commerce of the PRC, any other relevant government authorities, relevant regulatory bodies, banks or creditors in Hong Kong and other relevant jurisdictions, which are required for the entering into and the implementation of the Sale and Purchase Agreement and any transactions contemplated thereunder having been obtained; and
7. the receipt by the Purchaser of a valuation report on the business of SLS Group as at 31 December 2005 of not less than HK\$54,000,000 to be performed by Grant Sherman Appraisal Limited, an independent professional valuer, acceptable to the Purchaser on or before 13 March 2006.

The Purchaser is entitled to waive the above condition 1 by giving written notice to the Vendors.

## **Guarantee provided by the Guarantors**

Lum Lap Kwan, Simon and Wong Wai Wing, Stephanie irrevocably guarantee to the Purchaser as the principal obligors of the due observance by Goldlite International, Wyndham Profit and Hikari respectively of all of their respective undertakings and warranties under or pursuant to the Sale and Purchase Agreement.

## **Completion**

It is expected that the Sale and Purchase Agreement will be completed on 30 May 2006.

## **INFORMATION ON THE GROUP**

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 the information technology business including the provision of system integration services, facility management services and information technology infrastructure network development in the PRC and Hong Kong.

## **INFORMATION ON SLS GROUP**

SLS is an investment holding company which is the sole beneficial and registered owner of Gala Success. SLS is owned as to 50% by Goldlite International, 25% by Wyndham Profit and 25% by Hikari. Gala Success is also an investment holding company and holds approximately 89% equity interest in Woda Taifeng. Both SLS and Gala Success did not have any operations save for the holding of their respective direct subsidiary. Woda Taifeng is a sino-foreign equity joint venture established in the PRC and holds 70% of the equity interests in Tianxun. Woda Taifeng is engaged in the provision of system development and integration and consulting services on Internet network and applications development. Tianxun's main operation is the holding of 40% equity interest in Haidian and is its single largest shareholder. To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the remaining shareholders of Woda Taifeng, Tianxun and Haidian, as specified in the shareholding structure below, and their respective ultimate shareholders are Independent Third Parties.

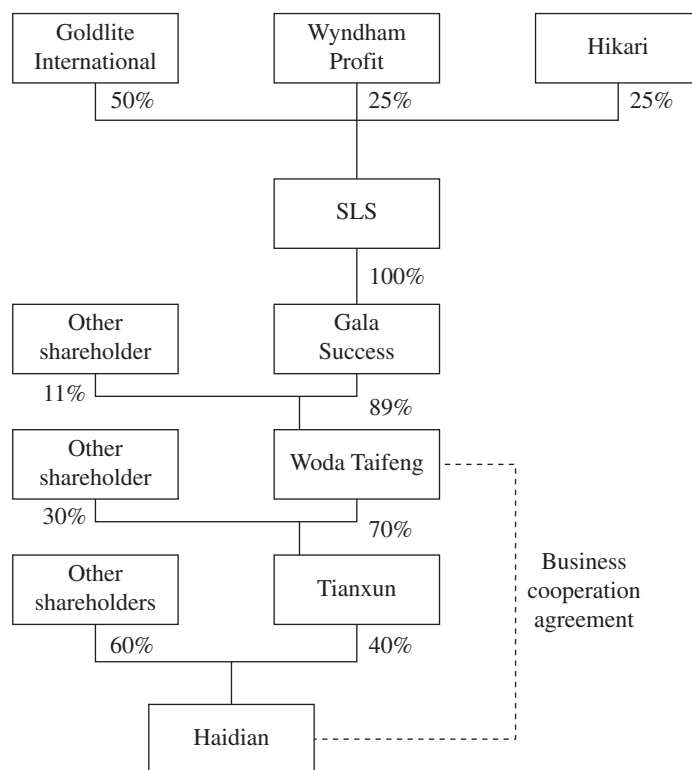
Haidian is a broadband Internet service provider in Beijing, PRC. Its operations include the provision of broadband Internet access, telecommunication value added services and related business via its proprietary Internet network in Beijing, the PRC.

### *Business cooperation arrangement*

On 9 August 2005, Haidian and Woda Taifeng entered into a business cooperation agreement to assist Haidian in developing its operations. The term of the agreement commenced on 1 January 2006 for a period of nine years. Pursuant to the agreement, Woda Taifeng would provide technical support to Haidian including advising on network management and optimization, system design and installation for development of Haidian's broadband network in Beijing, the PRC. Haidian would be mainly responsible for data center maintenance, customer service and collection of fees from customers. Initially, Woda Taifeng would be entitled to 70% of the connection fees and monthly service fees paid by subscribers for services to Haidian in return for Woda Taifeng's provision of the aforesaid consultancy services. This revenue sharing arrangement only applies to new customers subscribing to Haidian's services on or after 1 January 2006. There would be no revenue sharing regarding fees collected from customers who have signed up prior to that date. Since Haidian has been generating profits for the past three years, the Directors believe that this business cooperation arrangement would not adversely affect its financial performance.

## Shareholding structure

The shareholding structure of SLS Group as at the date of this announcement is as follows:



Under the relevant PRC laws and regulations, a wholly foreign-owned company is not permitted to engage in the provision of telecommunication value added services in the PRC. Furthermore, with respect to any sino-foreign joint venture engaging in the provision of telecommunication value-added services in the PRC, the foreign shareholder cannot own more than 50% equity interest in such PRC joint venture to provide the above products or services. Therefore, the Vendors reorganized the SLS Group, which involved the following: (i) Tianxun acquired 40% equity interest in Haidian on 29 July 2005 at a consideration of RMB7 million from Tianshi, a shareholder currently holding 30% equity interest in Haidian; (ii) Woda Taifeng then acquired 70% equity interest in Tianxun on 12 August 2005 at a consideration of RMB140,000 from Mr. Liu Ligang, an Independent Third Party; and (iii) Gala Success paid approximately RMB1.3 million to acquire an 89% equity interest in Woda Taifeng on 31 August 2005, and thereby converting Woda Taifeng into a sino-foreign equity joint venture. Neither the Group nor the Directors were involved in the reorganization of SLS Group. To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, none of the remaining shareholders of Haidian or their respective ultimate beneficial owners are foreign companies.

## **Restructuring**

As stated above, Completion is conditional upon the successful restructuring of SLS Group. As such, Woda Taifeng and the PRC Nominee would enter into the Share Transfer Agreement, Loan Agreement and Share Pledge Agreement. Woda Taifeng and Tianxun would also enter into the Exclusive Technical and Consultancy Services Agreement. A description of the above agreements is as follows:

### *1. Share Transfer Agreement*

Woda Taifeng and the PRC Nominee would enter into the Share Transfer Agreement, pursuant to which Woda Taifeng would transfer its 70% equity interest in Tianxun (the “Tianxun Interest”) to the PRC Nominee at a consideration of RMB140,000 (approximately HK\$135,000). The consideration was determined with reference to, and is equivalent to, the original cost of investment by Woda Taifeng for 70% equity interest in Tianxun. After completion of the Share Transfer Agreement, Woda Taifeng would no longer have any equity interest in Tianxun. To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the PRC Nominee is an Independent Third Party.

As part of the terms and conditions of the Share Transfer Agreement, the PRC Nominee would grant to Woda Taifeng the Exclusive Option to purchase the Tianxun Interest for an agreed amount, subject to compliance with PRC laws and regulations. Woda Taifeng can exercise the Exclusive Option at anytime from the time it becomes effective. Pursuant to this agreement, and since the Tianxun Interest would be pledged by the PRC Nominee as security for the Loan Agreement, the PRC Nominee cannot dispose of the Tianxun Interest or pledge it as security for any other obligation without the written approval of Woda Taifeng.

The PRC nominee would also execute an irrevocable power of attorney in favor of a representative to be appointed by the Group. This representative shall then have the full power and authority to exercise all of the rights attached to a shareholder, director and chief executive of Tianxun.

### *2. Loan Agreement and Share Pledge Agreement*

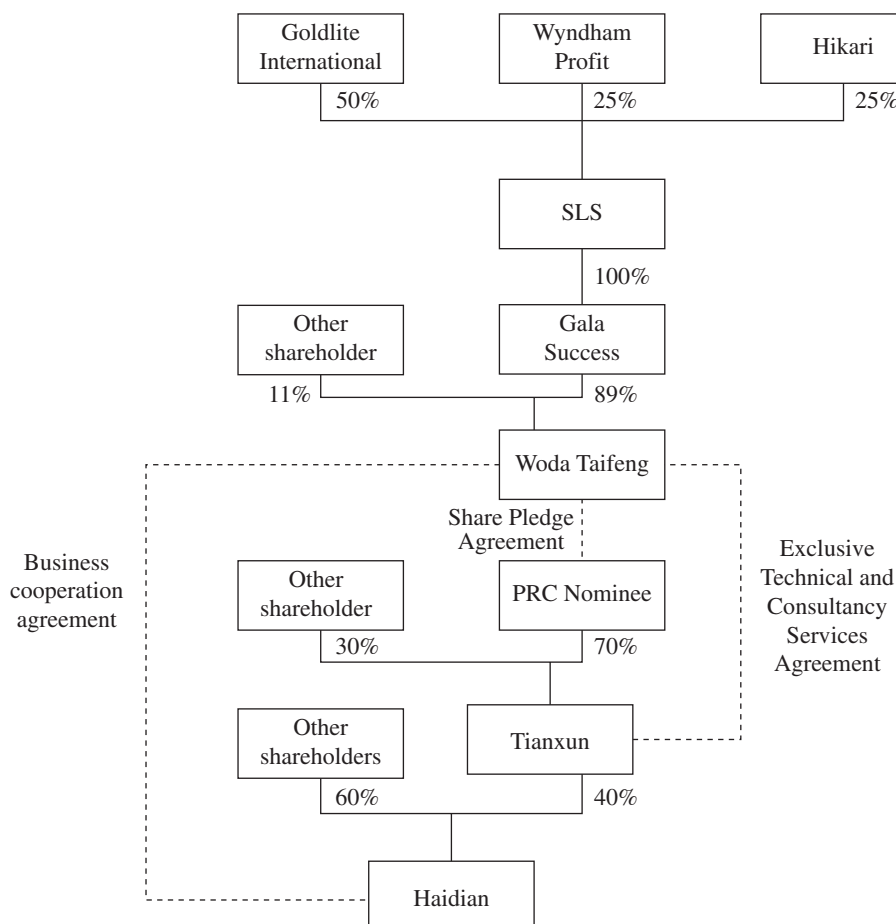
Woda Taifeng would lend to the PRC Nominee RMB140,000 to finance the purchase of the Tianxun Interest. The loan is interest free, and has a term of 20 years beginning from 21 February 2006. As security for the Loan Agreement, the PRC Nominee would pledge the Tianxun Interest to Woda Taifeng.

### *3. Exclusive Technical and Consultancy Services Agreement*

Pursuant to the Exclusive Technical and Consultancy Services Agreement, Woda Taifeng would provide various services to Tianxun including Internet application development, technical support, management consulting and providing training for Tianxun’s

technical personnel. In return for the above services, Tianxun would pay 70% of its revenues and investment income to Woda Taifeng as service fees. Through this agreement, Woda Taifeng would be able to receive economic benefits from Tianxun and any distributions from Haidian even without actual shareholding in Tianxun.

Upon completion of the restructuring, the shareholding structure of SLS Group would be as follows:



As shown in the chart above, Woda Taifeng would not have any shareholding in Tianxun or Haidian. However, through the series of contracts above, it would be able to control and receive economic benefits from Tianxun. Woda Taifeng would also have exclusive rights to acquire the Tianxun Interest.

Shareholders should note that SLS, Gala Success and Woda Taifeng are considered foreign persons or foreign funded enterprises under the PRC laws. As stated below, PRC laws and regulations restrict foreign ownership of companies that provide value added telecommunication services to a maximum of 50%. Therefore, the SLS Group operates its business through Tianxun, which in turn is the largest shareholder in Haidian. SLS Group would not have any shareholding interests in these companies upon completion of the Restructuring but would enjoy the economic benefits of these companies through the Contractual Agreements. These companies conduct substantially all of SLS Group's



operations and hold licenses and approvals that are crucial to SLS Group's operations. Through the Contractual Agreements, Woda Taifeng would gain effective control over the management and decision making of Tianxun, and SLS would therefore be able to consolidate it when preparing its consolidated financial statements.

According to the Company's PRC legal adviser, the above shareholding structure and the arrangements pursuant to the Contractual Agreements are in compliance with existing PRC laws, rules and regulations. However, shareholders should be aware that there is uncertainty over the interpretation and application of the relevant PRC laws and regulations as amended from time to time. Any administrative or legal actions against the SLS Group could materially affect its business, financial condition and results of operations.

### Financial information

SLS was incorporated in the British Virgin Islands on 1 July 2004. Its unaudited consolidated net profit before tax was HK\$321,165 for the year ended 31 December 2005. Consolidated net profits after tax before and after minority interest for the same period were HK\$299,830 and HK\$179,122, respectively. It had unaudited consolidated total assets of HK\$9,033,881, total liabilities of HK\$8,233,993 and net assets of HK\$799,888 as at 31 December 2005.

The majority of the liabilities is the Debt due to Asset Play of approximately HK\$6,731,000. As mentioned above, Asset Play would assign its rights, title and interest in the Debt to the Purchaser upon Completion. Gala Success, Woda Taifeng and Tianxun were all incorporated in 2005 and therefore had no financial information for the past two years. Haidian was incorporated in the PRC on 8 March 2000. The following table shows its financial information for the three years ended 31 December 2005 which were audited by 北京天同信會計師事務所有限公司, a certified public accountant in the PRC:

	<b>As at</b> <b>31 December</b> <b>2005</b> <i>RMB</i>	<b>As at</b> <b>31 December</b> <b>2004</b> <i>RMB</i>	<b>As at</b> <b>31 December</b> <b>2003</b> <i>RMB</i>
Assets	62,262,819	41,731,528	39,980,779
Liabilities	30,028,151	10,641,432	10,165,348
Net assets	32,234,668	31,090,096	29,815,431
	<b>For the year</b> <b>ended</b> <b>31 December</b> <b>2005</b> <i>RMB</i>	<b>For the year</b> <b>ended</b> <b>31 December</b> <b>2004</b> <i>RMB</i>	<b>For the year</b> <b>ended</b> <b>31 December</b> <b>2003</b> <i>RMB</i>
Revenue	12,700,471	10,514,277	7,120,223
Gross profit	6,982,263	6,943,664	4,026,173
Administrative costs	5,754,079	5,548,846	3,174,764
Net profit before tax and extraordinary items	1,235,615	1,400,540	865,662
Net profit after tax and extraordinary items	1,134,139	1,274,665	793,551

## INFORMATION ON THE VENDORS

The Vendors are investment holding companies and have no business or operations save for the holding of equity interests in SLS.

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, Wyndham Profit, Goldlite International, Hikari, their ultimate beneficial owners and the Guarantors are Independent Third Parties.

## SHAREHOLDING OF THE COMPANY IMMEDIATELY BEFORE AND AFTER COMPLETION

Name	Number of Shares interested as at the date of this announcement	Approximate percentage of the existing issued share capital of the Company	Number of Shares interested immediately after Completion	Approximate percentage of the enlarged issued share capital of the Company
Info Fortune Holdings Limited <sup>(1)</sup>	196,792,000	17.11%	196,792,000	13.57%
Rainbow Bridge Group Limited <sup>(1)</sup>	105,708,000	9.19%	105,708,000	7.29%
Grandtech Management Limited	160,544,458	13.96%	160,544,458	11.07%
Win Power Limited	141,360,000	12.29%	141,360,000	9.75%
Jet Palace Development Limited	120,000,000	10.44%	120,000,000	8.28%
Goldlite International <sup>(2)</sup>	—	—	150,000,000	10.35%
Wyndham Profit <sup>(2)</sup>	—	—	75,000,000	5.17%
Hikari <sup>(2)</sup>	—	—	75,000,000	5.17%
Public	<u>425,595,542</u>	<u>37.01%</u>	<u>425,595,542</u>	<u>29.35%</u>
Total	<u>1,150,000,000</u>	<u>100.00%</u>	<u>1,450,000,000</u>	<u>100.00%</u>

*Note 1: Both Info Fortune Holdings Limited and Rainbow Bridge Group Limited are wholly owned by Mr. Lee Man Fa*

*Note 2: To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the ultimate beneficial shareholders of Goldlite International, Wyndham Profit and Hikari, save for their shareholding interests in Hikari, are not related to one another.*

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors are of the view that the information technology business of the Group would be strengthened by the Acquisition. The Acquisition is expected to provide a source of income to the Group, as well as a platform for more participation in information technology and telecommunication value added services in the PRC. The Directors believe that there is increasing demand for high quality Internet broadband services as well as promising growth and potential in the information technology market in the PRC. The Company will continue to explore business opportunities with good prospects to enhance the Group's information technology business in the PRC.

According to independent research performed by Shanghai iResearch Co., Ltd. (“iResearch”), an independent research firm in the PRC specializing in Internet data, statistics and analysis, Internet users in the PRC in 2004 only amounted to about 8% of the entire population of the PRC. This is well below the 40% to 60% for developed countries and the world average of 12%. iResearch expects Internet users in the PRC to grow from about 104 million in 2004 to about 205 million by 2007, representing a compound annual growth rate (“CAGR”) of about 25%. Furthermore, broadband users in the PRC only amounted to about 26 million in 2004. This figure is expected to reach 88 million by 2007, representing a CAGR of over 50%.

The provision of Internet access in the PRC is highly regulated by the government. Under the relevant PRC laws, a wholly foreign-owned company cannot provide telecommunication value added services in the PRC. Furthermore, the foreign shareholder cannot own more than 50% equity interest in any joint venture to provide the above products or services. Haidian already owns and has license to operate its proprietary fiber optic network. According to the information provided by the Vendors, Haidian’s network has a capacity of about 150,000 users but is currently only about 10% utilized and therefore has capacity to support more customers. Therefore, the Company only needs to provide resources and manage SLS Group to capture its potential. The Company believes that it would take the Group several years as well as considerable resources to build its own fiber optic network of comparable scale. As such, the Acquisition would enable the Group to gain immediate access to a broadband network and capture the growth of the broadband Internet access in Beijing, the PRC in the coming few years, especially the opportunities brought about by the Beijing Olympics in 2008. Taking into account the relatively small penetration rate of Internet access in the PRC and expected growth of the industry, the Directors believe that the business of SLS Group would grow significantly in the future.

After Completion, the Company will provide the managerial skills and other resources to develop SLS Group and its businesses. The Directors believe that new management with expertise in the broadband Internet service industry will strengthen and improve SLS Group’s operations while new resources will increase their scale. Combined with the growth in the industry in the PRC, the Directors believe that SLS Group will provide a new source of income for the Company in the future.

As stated above, Tianxun has a 40% equity interest in Haidian and is its single largest shareholder. The Company would then have effective control of Tianxun upon Completion through its equity interest in SLS. Furthermore, through a business cooperation agreement (please see section above for details), Woda Taifeng would provide technical support to Haidian in developing its fiber-optic network. In return, Woda Taifeng would be entitled to 70% of the connection fees and monthly fees earned by Haidian from new customers subscribing to Haidian’s services on or after 1 January 2006. This would enhance the Group’s income, as the Directors believe that SLS Group would contribute to the Group’s information technology business segment.

The Directors consider that the terms of the Sale and Purchase Agreement, including the consideration, are fair and reasonable and on normal commercial terms and that the Sale and Purchase Agreement is in the interest of the Company and the Shareholders as a whole.

## **GENERAL**

As the applicable percentage ratios for the Acquisition are greater than 25% and lower than 100%, the Acquisition constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to the relevant reporting and announcement requirements and conditional on the approval of the Shareholders at the SGM under chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there are no parties acting in concert with the Vendors and/or the Guarantors regarding the Acquisition, and accordingly, the issue of the Consideration Shares to the Vendors will not have any implications under The Codes on Takeovers and Mergers and Share Repurchases.

A circular containing, among other things, (i) the details of the Sale and Purchase Agreement, (ii) valuation report on SLS Group, and (iii) a notice convening the SGM, will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## **BOARD OF DIRECTORS**

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

## **DEFINITIONS**

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“Appraise Asia”	Appraise Asia Investments Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Asset Play”	Asset Play Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Lum Lap Kwan, Simon
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays) on which commercial banks are generally open for banking business in Hong Kong
“Company”	Sunny Global Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement

“Consideration Shares”	300,000,000 new Shares to be issued as part of the consideration for the Sale Shares
“Contractual Agreements”	the Share Transfer Agreement, Share Pledge Agreement and Exclusive Technical and Consultancy Services Agreement collectively
“Debt”	a debt in the principal of RMB7,000,000 (approximately HK\$6,731,000) plus accrued interest at a rate of 1% per annum owed by Tianxun to Asset Play as at 31 December 2005
“Directors”	The directors of the Company
“Exclusive Option”	the exclusive and irrevocable option to purchase the Tianxun Interest for an agreed amount to be granted by the PRC Nominee to Woda Taifeng pursuant to the Share Transfer Agreement
“Exclusive Technical and Consultancy Services Agreement”	the exclusive technical and consultancy services agreement to be entered into between Woda Taifeng and Tianxun pursuant to the Sale and Purchase Agreement
“Gala Success”	Gala Success (Asia) Limited, a company incorporated in Hong Kong
“Goldlite International”	Goldlite International Limited, a company incorporated in Samoa and an Independent Third Party
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Lum Lap Kwan, Simon and Ms. Wong Wai Wing, Stephanie, both of whom are Independent Third Parties
“Haidian”	北京市海澱區有綫廣播電視網絡信息有限公司 (Beijing Haidian District Cable Television Broadcasting and Network Information Limited*), a company incorporated in the PRC
“Hikari”	Hikari International Limited, a company incorporated in the British Virgin Islands and an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	A party which is independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Loan Agreement”	the loan agreement to be entered into between Woda Taifeng and the PRC Nominee pursuant to the Sale and Purchase Agreement
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“PRC Nominee”	the shareholder to be named by the Company to hold 70% equity interest in Tianxun pursuant to the Restructuring
“Purchaser”	Appraise Asia Investments Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Restructuring”	the execution of the Contractual Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 20 February 2006 entered into between, among others, the Purchaser and the Vendors regarding the sale and purchase of the Sale Shares
“Sale Shares”	10,000 shares of US\$1.00 each in the issued share capital of SLS, representing the entire issued share capital of SLS as at the date of this announcement, owned as to 50% by Goldlite International, 25% by Wyndham Profit and 25% by Hikari
“SGM”	the special general meeting of the Company to be held to consider and approve the Acquisition and any transactions contemplated thereunder pursuant to the Listing Rules
“Share Pledge Agreement”	the share pledge agreement to be entered into between Woda Taifeng and the PRC Nominee pursuant to the Sale and Purchase Agreement
“Share Transfer Agreement”	the share transfer agreement to be entered into between Woda Taifeng and the PRC Nominee pursuant to the Sale and Purchase Agreement
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“SLS”	SLS Investments Limited, a company incorporated in the British Virgin Islands
“SLS Group”	SLS and its subsidiaries

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianshi”	北京天視凌雲技術開發有限公司 (Beijing Tianshi Lingyun Technology Development Company Limited*), a company incorporated in the PRC and an Independent Third Party
“Tianxun”	北京天迅視通科技發展有限公司 (Beijing Tianxun Shitong Technology Development Company Limited*), a company incorporated in the PRC and an Independent Third Party
“Vendors”	Goldlite International, Wyndham Profit and Hikari collectively
“Wyndham Profit”	Wyndham Profit International Limited, a company incorporated in the British Virgin Islands and an Independent Third Party
“Woda Taifeng”	北京沃達泰豐諮詢有限公司 (Beijing Woda Taifeng Consultation Company Limited*), a sino-foreign equity joint venture
“%”	Per cent

*Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated to HK\$ at the rate of HK\$1.00 = RMB1.04, respectively. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates or at all.*

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

Hong Kong, 20 February 2006

*\* for identification purposes only*

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