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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)**

### **PRIVATE PLACING OF NON-LISTED WARRANTS AND RESUMPTION OF TRADING**

#### **PLACING OF WARRANTS**

The Directors are pleased to announce that on 16 August 2006, the Warrant Placing Agreement was entered into between the Company, the Subscriber and the Guarantor in relation to a private placing of 230,000,000 Warrants at an issue price of HK\$0.01 per Warrant.

The Warrants entitle the Subscriber to subscribe for the New Shares at an initial Exercise Price of HK\$0.10 per New Share for a period of eighteen months commencing from the date of issue of the Warrants. Each Warrant carries the right to subscribe for one (1) New Share.

Completion is subject to the fulfillment of the conditions stated in the section headed "Conditions of the Warrant Placing" in this announcement.

It is intended that the net proceeds from the Warrant Placing of approximately HK\$2.1 million will be applied as general working capital of the Group.

The New Shares will be issued under the General Mandate.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

#### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 17 August 2006 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 August 2006.

## **WARRANT PLACING AGREEMENT**

**Date:** 16 August 2006

**Parties:** (i) Issuer: the Company  
(ii) Subscriber: the Subscriber  
(iii) Guarantor: the Guarantor

### **Information on the Subscriber**

The Subscriber is a company incorporated in the British Virgin Islands for investment holdings and is wholly and beneficially owned by the Guarantor. The Guarantor is a private investor who has worked as a professional engineer in telecommunication industry in both private practice and government sector for over 20 years. The Directors confirm that the Subscriber and its ultimate beneficial owner, the Guarantor, are Independent Third Parties and there is no business relation between the Guarantor with the Subscriber and the Group and its connected persons (as defined under the Listing Rules). The Directors also confirm that the Subscriber and the Guarantor are not parties acting in concert or presumed to be parties acting in concert with any other Shareholders.

### **Number of Warrants**

230,000,000 Warrants.

### **Warrant Issue Price**

HK\$0.01 per Warrant.

### **Exercise Price**

HK\$0.10 per New Share, subject to adjustments for, subdivision or consolidation of shares, rights issues and other dilutive events which may have adverse effects on the rights of the holder of the Warrants.

The Exercise Price represents (i) a premium of approximately 2.04% over the closing price of HK\$0.098 per Share as quoted on the Stock Exchange on 16 August 2006, being the last trading day immediately prior to the entering into of the Warrant Placing Agreement; and (ii) a premium of approximately 3.31% over the average closing price of HK\$0.0968 per Share as quoted on the Stock Exchange for the last five trading days up to and including 16 August 2006.

The aggregate of the Warrant Issue Price and the Exercise Price represents (i) a premium of approximately 12.24% over the closing price of HK\$0.098 per Share as quoted on the Stock Exchange on 16 August 2006, being the last trading day before the entering into of the Warrant Placing Agreement; and (ii) a premium of approximately 13.64% over the average closing price of HK\$0.0968 per Share as quoted on the Stock Exchange for the last five trading days up to and including 16 August 2006.

The Board considers that both the Warrant Issue Price and the Exercise Price and the aggregate of which are fair and reasonable, which are determined after arm's length negotiations between the Company and the Subscriber with reference to the recent trading prices of the Shares, and are in the interests of the Company and the Shareholders as a whole. It is expected that the net price of each New Shares to be issued upon the exercise of the rights under the Warrants, after deducting the necessary related expenses, will be approximately HK\$0.10 per New Share.

### **Transferability**

The Warrants are transferable in integral multiples of 10,000,000 Warrants. In the event of a transfer of Warrants to a connected person of the Company (as defined under the Listing Rules), prior approvals from the Stock Exchange and the Company will be obtained. The Company undertakes to comply with the relevant Listing Rules and to make necessary announcement(s), where appropriate, if and when the Subscriber makes any transfer of the Warrants to other parties requiring disclosure.

### **Completion Date**

Completion will take place on the third Business Day after the fulfillment of the conditions referred to in the section headed "Conditions of the Warrant Placing" below.

### **Information of the Warrants**

The Warrants will be issued to the Subscriber upon Completion in registered form and constituted by a deed poll. The Warrants will rank *pari passu* in all respects among themselves.

Each Warrant carries the right to subscribe for one (1) New Share at the Exercise Price and is issued at the Warrant Issue Price.

The subscription rights attaching to the Warrants may be exercised at any time during a period of eighteen months commencing from the date of issue of the Warrants. The New Shares, when fully paid and allotted, will rank *pari passu* in all respects with the then existing issued Shares of the Company.

A total of 230,000,000 Warrants are proposed to be issued. Upon full exercise of the subscription rights attaching to the Warrants, a total of 230,000,000 New Shares will be issued, representing (i) approximately 15.86% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.69% of the issued share capital of the Company as enlarged by the allotment and issue of the New Shares from the full exercise of the subscription rights attaching to the Warrants.

As at the date of this announcement, save for the Warrants, the Company does not have any outstanding share options, convertible bonds or any other securities convertible into Shares.

The date of the settlement of the final terms of the Warrant Placing Agreement is 16 August 2006.

## **Conditions of the Warrant Placing**

Completion shall be subject to and conditional upon, among other things, the following:

- (1) (if required) the Listing Committee of the Stock Exchange shall have approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object and the satisfaction of such conditions; and
- (2) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the New Shares.

If the conditions of the Warrant Placing Agreement are not fulfilled on or before 31 August 2006 (or such later date as may be agreed between the Company and the Subscriber), the Warrant Placing Agreement will terminate and cease to have any effect and none of the parties shall have any claim against the other save for any antecedent breaches of the provisions thereof.

## **Voting rights for the holders of the Warrants**

The holder of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

## **Rights of the holders of the Warrants on the liquidation of the Company**

If the Company is wound up during the subscription period of the Warrants, all subscription rights attaching to the Warrants which have not been exercised shall lapse, save for in the event of a voluntary winding-up, the holders of the Warrants shall be entitled within six weeks after the passing of such a resolution approving the winding-up to exercise the subscription rights attaching to the Warrants in accordance with the terms and conditions of the Warrants.

## **Mandate to issue the New Shares**

The General Mandate was granted to the Directors pursuant to an ordinary resolution of the Company passed at its annual general meeting on 24 March 2006 to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on that date, being HK\$23,000,000 divided into 230,000,000 Shares.

The New Shares will be allotted and issued under the General Mandate. The 230,000,000 New Shares to be allotted and issued upon full exercise of the subscription rights attaching to the Warrants utilises 100% of the General Mandate. The General Mandate has not been previously utilised prior to the Warrant Placing.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

## **REASONS FOR THE WARRANT PLACING**

The Group is 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.

The Board has considered other alternative fund raising methods such as debt financing, rights issue or open offers but the Board believes that the Warrant Placing is a more appropriate means of fund raising for the Company. The Warrant Placing is not interest bearing and does not have any immediate dilution effect on the shareholding of the existing Shareholders. In addition to the net proceeds that will be raised upon Completion, further capital will be raised upon the exercise of the subscription rights attaching to the Warrants by the holder of the Warrants during the subscription period.

In view of the Subscriber's interests in investing in the Group and the immediate inflow of approximately HK\$2.1 million, coupled with the potential inflow of further capital upon the exercise of the subscription rights attaching to the Warrants, the Directors are of the view that the Warrant Placing provides a good opportunity to strengthen the Company's financial position and in the event the Subscriber fully exercises his subscription right under the Warrant Placing Agreement, funds received may cater for future needs for its operation and development. In view of the above, the Board considers that the Warrant Placing is justified and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The Board considers that the terms of the Warrant Placing including the Warrant Issue Price and the Exercise Price have been arrived at after arm's length negotiations between the Company and the Subscriber and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

It is intended that the net proceeds from the Warrant Placing of approximately HK\$2.1 million will be applied as general working capital of the Group and any additional proceeds from the issue of the New Shares upon the exercise of the subscription rights attaching to the Warrants in future will be applied as general working capital and as funds for future development of the Group when investment opportunities arise. As at the date of this announcement, the Company have not identified any specific investment plans. As the exercise of the subscription rights attaching to the Warrants is at the discretion of the holder of the Warrants, the Company cannot ascertain the exact additional proceeds which may be raised from the issue of the New Shares as at the date of this announcement.

Assuming the full exercise of the subscription rights attaching to the Warrants, the total funds, including the funds raised by the Warrant Placing, to be raised is approximately HK\$22 million, net of, among other fees, legal fees, printing expenses and the fees for the application of listing of the New Shares.

There will be no change to the composition of the Board and the principal business engaged by the Group as a result of or in connection with the Warrant Placing.

No fund raising activity has been carried out by the Company in the twelve months immediately prior to the date of this announcement.

## CHANGES OF SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 1,450,000,000 Shares in issue. The shareholding structure of the Company before and after the full exercise of the subscription rights attaching to the Warrants are as follows:

Shareholders	At the date of this announcement		Immediately after full exercise of the subscription rights attaching to the Warrants	
	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
Info Fortune Holdings Limited ( <i>Note 1</i> )	196,792,000	13.57%	196,792,000	11.71%
Goldlite International Limited ( <i>Note 2</i> )	150,000,000	10.35%	150,000,000	8.93%
Wyndham Profit International Limited ( <i>Note 2</i> )	75,000,000	5.17%	75,000,000	4.46%
Hikari International Limited ( <i>Note 2</i> )	75,000,000	5.17%	75,000,000	4.46%
Grandtech Management Limited	160,544,458	11.07%	160,544,458	9.56%
The Subscriber	Nil	Nil	230,000,000	13.69%
<b>Public Shareholder</b>				
Rainbow Bridge Group Limited	105,708,000	7.29%	105,708,000	6.29%
Win Power Limited	80,360,000	5.54%	80,360,000	4.78%
Jet Palace Development Limited	120,000,000	8.28%	120,000,000	7.14%
Other public Shareholders	<u>486,595,542</u>	<u>33.56%</u>	<u>486,595,542</u>	<u>28.98%</u>
Total	<u>1,450,000,000</u>	<u>100%</u>	<u>1,680,000,000</u>	<u>100%</u>

*Notes:*

1. Info Fortune Holdings Limited is wholly owned by Lee Man Fa, the chairman and an executive Director of the Company.
2. Lum Lap Kwan, Simon is the sole shareholder of Goldlite International Limited and a 45% shareholder of Hikari International Limited. Wong Wai Wing, Stephanie is the sole shareholder of Wyndham Profit International Limited and a 55% shareholder of Hikari International Limited.

Upon the full exercise of the subscription rights attaching to the Warrants, the Subscriber will hold 230,000,000 Shares, representing approximately 13.69% of the issued share capital of the Company as enlarged by the allotment and issue of the New Shares from the full exercise of the subscription rights attaching to the Warrants. Although the Subscriber will become the single largest Shareholder upon full exercise of the subscription rights attaching to the Warrants, the Subscriber and the Guarantor have no current intention to engage in the management or the business operation of the Group or to nominate any persons to the Board.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 17 August 2006 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 August 2006.

## **DEFINITIONS**

Terms or expressions used in this announcement shall, unless the context otherwise requires, shall have the meanings ascribed to them below:

“Board”	the board of Directors
“Business Day”	any day (not being a Saturday and a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Sunny Global Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Warrant Placing in accordance with the terms and conditions of the Warrant Placing Agreement
“Directors”	the directors of the Company
“Exercise Price”	an initial exercise price of HK\$0.10 per New Share (subject to adjustment) at which holder of the Warrants may subscribe for the New Shares

“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 24 March 2006, pursuant to which a maximum of 230,000,000 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Guarantor”	Pun Yan Chak, the guarantor under the Warrant Placing Agreement and the legal and beneficial owner of the entire issued share capital of the Subscriber
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party which is not connected persons (as defined under the Listing Rules) of the Company and is independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	a maximum of 230,000,000 new Share(s) which may fall to be allotted and issued upon the exercise of the subscription rights attached to the Warrant(s)
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Wellington International Invest Limited, a company incorporated in the British Virgin Islands and the subscriber to the Warrant Placing Agreement
“Warrant(s)”	230,000,000 non-listed warrants to be issued by the Company at the Warrant Issue Price, each entitles the holder thereof to subscribe for one New Share at the Exercise Price of HK\$0.10 (subject to adjustment) at any time during a period of eighteen months commencing from the date of issue of the Warrants
“Warrant Issue Price”	HK\$0.01 per unit of Warrant to be issued pursuant to the Warrant Placing



“Warrant Placing”	a private placing of the Warrants at the Warrant Issue Price pursuant to the Warrant Placing Agreement
“Warrant Placing Agreement”	the conditional subscription agreement dated 16 August 2006 and entered into between the Company and the Subscriber in relation to the Warrant Placing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 22 August 2006

*As at the date of this announcement, the Board comprises Mr. Lee Man Fa, Mr. Too Shu Wing, Mr. Yan Wa Tat, Mr. Tai King Foon and Mr. Lo Chi Fai who are the executive Directors, Mr. Liu Kwok Wah, Mr. Tsui Pak Hang, Mr. Chan Wai Ming, Mr Leung Sai Cheong and Mr. Wong Chi Chung who are the independent non-executive Directors.*

*\* for identification purpose only*

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