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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 AND RESUMPTION OF TRADING

On 22 December 2006, Joy Century, a wholly owned subsidiary of the Company, entered into the Agreement to acquire from Mr. Lam, the Sale Shares, for a total consideration of HK\$35,800,000.

The consideration for the sale and purchase of the Sale Shares shall be satisfied by Joy Century procuring the Company to allot and issue the Consideration Shares at the Issue Price of HK\$0.10 per Consideration Share, credited as fully paid.

The Consideration Shares represent approximately 24.69% of the existing issued share capital of the Company and approximately 19.80% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Based on the closing price of HK\$0.10 per Share as quoted on the Stock Exchange on 22 December 2006, being the date of the Agreement, the Consideration Shares has a total value of HK\$35,800,000.

The Proposed Acquisition constitutes a major acquisition on the part of the Company under the Listing Rules and is subject to the approval of the Shareholders at the SGM. To the best of the Directors' knowledge, each of Mr. Lam, Best Glory, Mr. Lui Chun Shuen, Albert and their respective associates are not interested in any Shares. As such, no Shareholder has any material interests in the Proposed Acquisition as at the date of this announcement and no Shareholder will be required to abstain from voting for the relevant resolution to approve the Proposed Acquisition at the SGM. A circular containing details of, among other things, the Proposed Acquisition and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 27 December 2006 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 8 January 2007.

Reference is made to the announcement of the Company dated 12 December 2006 in respect of the possible acquisition of 800,000 Class A Shares, representing approximately 80% of the voting rights of DigiSat.

On 12 December 2006, the Board announced that the Company entered into the MOU with Mr. Lam to acquire the Sale Shares.

THE AGREEMENT

Date: 22 December 2006

Parties: (1) Purchaser: Joy Century
(2) Vendor: Mr. Lam

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) Mr. Lam is a third party independent of the Company and its connected persons; and (ii) Mr. Lam is not acting in concert or presumed to be acting in concert with any other Shareholder.

* for identification purpose only

Assets to be acquired

Pursuant to the Agreement, Joy Century has agreed to acquire and Mr. Lam has agreed to sell the Sale Shares, representing approximately 80% of the voting rights of DigiSat at Completion.

Consideration

The total consideration for the Sale Shares is HK\$35,800,000 and shall be settled by Joy Century by procuring the Company to allot and issue the Consideration Shares at the Issue Price of HK\$0.10 per Consideration Share, credited as fully paid.

The Issue Price represents: (i) the closing price of HK\$0.10 per Share as quoted on the Stock Exchange on 22 December 2006, being the date of the Agreement; (ii) a discount of approximately 1.4% to the average of the closing prices of approximately HK\$0.1014 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 December 2006, being the date of the Agreement; (iii) a premium of approximately 0.5% over the average of the closing prices of approximately HK\$0.0995 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 22 December 2006, being the date of the Agreement; (iv) the average of the closing prices of approximately HK\$0.10 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 11 December 2006, being the date of the MOU; and (v) a premium of approximately 100% over the net asset value per Share of approximately HK\$0.05 based on the audited consolidated financial statements of the Group as at 30 September 2005.

DigiSat was preliminary valued by B.I. Appraisals Limited, an independent valuer, at HK\$47,000,000 as at 30 November 2006 by adopting the discounted cash flow approach to value DigiSat. The discounted cash flow approach values the worth of future economic benefits derived from ownership of the shareholders' equity. Indications of value have been developed by discounting project future net cash flows available for payment of shareholders' loans and interests, and in some cases, repayment of registered capital plus interest, dividends to their present worth at market-derived rates of return. As the valuation of DigiSat adopting the discounted cash flow approach is considered to be a profit forecast in respect of DigiSat, (i) the reporting accountants of the Company has confirmed that they have reviewed the accounting policies and calculations for the profit forecast; and (ii) the financial advisers of the Company has confirmed that they are satisfied that the forecast has been made by the Directors after due and careful enquiry. A report on the valuation of DigiSat will be included in the circular in relation to the Proposed Acquisition to be despatched to the Shareholders pursuant to the Listing Rules.

The consideration was agreed between Joy Century and Mr. Lam after arm's length negotiation and in line with the valuation report prepared by B.I. Appraisals Limited. The Directors (including the independent non-executive Directors), consider the payment terms of the consideration under the Agreement to be fair and reasonable.

Conditions precedent

Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

- (a) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consideration Shares;
- (b) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of the Consideration Shares;
- (c) Joy Century being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of DigiSat;
- (d) the passing by the Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Consideration Shares at the Issue Price to Mr. Lam, or his nominee company(ies) credited as fully paid;
- (e) completion of the Capitalisation Agreement in accordance with its terms; and
- (f) all necessary consents and approvals required to be obtained on the part of Joy Century and Mr. Lam in respect of the Agreement and the transactions contemplated thereunder having been obtained.

Condition (c) above is waivable by Joy Century under the Agreement. Joy Century has no current intention to waive such condition.

Completion

Completion shall take place at 4:00 p.m. on the second Business Day after all the conditions of the Agreement have been fulfilled or waived or such later date as may be agreed between Joy Century and Mr. Lam.

The Company will issue the Consideration Shares on the date of Completion.

Mr. Lam has no current intention to appoint any representatives to the Board upon Completion.

Long-stop date

If all of the conditions are not fulfilled (or as the case may be, waived by Joy Century) on or before 4:00 p.m. on 31 March 2007 (or such later date as Joy Century may agree), the Agreement shall cease and determine.

THE CONSIDERATION SHARES

The 358,000,000 Consideration Shares will be issued at an issue price of HK\$0.10 per Consideration Share, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue.

The 358,000,000 Consideration Shares will be allotted and issued pursuant to the specific mandate to be sought at the SGM.

Based on the closing price of HK\$0.10 per Share as quoted on the Stock Exchange on 22 December 2006, being the date of the Agreement, the Consideration Shares has a total value of HK\$35,800,000.

The Consideration Shares represent approximately 24.69% of the existing issued share capital of the Company and approximately 19.80% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

There is no provision in the Agreement which restricts Mr. Lam from disposing of the Consideration Shares.

Application for listing

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

CHANGES IN SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement and before Completion; and (ii) immediately after Completion and the allotment and issue of the Consideration Shares:

	As at the date of this announcement and before Completion		Immediately after Completion and the allotment and issue of the Consideration Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Lee Man Fa (Note 1)	196,792,000	13.57	196,792,000	10.88
Mr. Lam or his nominee company(ies) (Note 1)	–	–	358,000,000	19.80
Other public Shareholders	1,253,208,000	86.43	1,253,208,000	69.31
Total:	<u>1,450,000,000</u>	<u>100.00</u>	<u>1,808,000,000</u>	<u>100.00</u>

Notes:

1. Mr. Lee Man Fa and Mr. Lam are not acting in concert or presumed to be acting in concert with each other.
2. Up to the date of this announcement, the Company has received the exercise notice to exercise 12,000,000 non-listed warrants issued by the Company from the holder of such warrants. None of the remaining 218,000,000 non-listed warrants issued by the Company are exercised by the holder of such warrants. For further details in relation to such warrants, please refer to the announcement of the Company dated 22 August 2006.

BOARD REPRESENTATION OF THE GROUP

Prior to Completion, DigiSat has three directors. Upon Completion, all three existing directors of DigiSat will resign and Joy Century will nominate not less than two directors to the board of DigiSat. There is no current intention for the remaining shareholders of DigiSat to nominate any directors to the board of DigiSat upon Completion.

INFORMATION ON DIGISAT

DigiSat was incorporated on 18 August 2003 and is principally engaged in the operation of internet protocol television platform which provides to its customers an interactive, high quality, reliable video delivery and multimedia entertainment via the internet using state of the art digital broadcast technology.

As at the date of this announcement, the issued share capital of DigiSat is HK\$1,000,000 divided into 1,000,000 Class A Shares.

The following is the shareholding structure of DigiSat:

	As at the date of this announcement, before completion of the Capitalisation Agreement and before Completion	Immediately after completion of the Capitalisation Agreement but before Completion	Immediately after completion of the Capitalisation Agreement and after Completion
	%	%	%
Mr. Lam	90	90	10
Best Glory	10	10	10
Joy Century	–	–	80
Total:	<u>100</u>	<u>100</u>	<u>100</u>

As DigiSat commenced its operations in October 2005, DigiSat did not have any turnover and net profit for the year ended 30 September 2005.

According to the unaudited management accounts of DigiSat for the year ended 30 September 2006, the turnover was approximately HK\$1,460,000, the net loss before and after taxation and extraordinary items were approximately HK\$2,709,000.

As at 30 September 2006, the principal assets of DigiSat were fixed assets of approximately HK\$2,305,000 and the principal liabilities of DigiSat were accruals of approximately HK\$1,249,000.

As at the date of this announcement, DigiSat is indebted to Mr. Lam and Best Glory an aggregate sum of approximately HK\$4,547,003.60. The Shareholders' Loans from Mr. Lam and Best Glory are unsecured, carry no interest and have no fixed term of repayment.

DigiSat intends to enter into the Capitalisation Agreement with Mr. Lam and Best Glory, pursuant to which Mr. Lam and Best Glory will conditionally agree to subscribe for such number of new Class A Shares in cash at a subscription price of approximately HK\$1.00 per Class A Share prior to Completion. The subscription price payable by Mr. Lam and Best Glory under the Capitalisation Agreement will be satisfied by capitalising the entire amount of the Shareholders' Loans due from DigiSat to Mr. Lam and Best Glory.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of Best Glory and Mr. Lui Chun Shuen, Albert is a third party independent of the Company and its connected persons; (ii) other than the 10% shareholding interests of Best Glory in DigiSat and Mr. Lui Chun Shuen, Albert being a director of DigiSat, each of Best Glory and Mr. Lui Chun Shuen, Albert is a third party independent of Mr. Lam and DigiSat and their respective associates; and (iii) Best Glory and Mr. Lui Chun Shuen, Albert are not connected persons of the Company.

REASONS FOR THE PROPOSED ACQUISITION

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 People's Republic of China and Hong Kong.

The Group has experienced fierce competition from other competitors in the footwear industry. The difficult market conditions in the footwear industry have caused the Group to review and reposition its businesses. The Directors are currently considering not to continue with the business of the Group in the design and trading of footwear. The Company intends to position itself to capture more of the markets of its other existing principal business activities and to re-allocate more of its internal resources to industries that are more profitable. In this regard, the Directors have been identifying further investment opportunities in order to diversify its existing business and maximise the return of the Shareholders.

The telecommunications and media broadcast industry is at a fast growing stage. Among such industry, the internet protocol television industry is experiencing the strongest growth. The proliferation of interactive television, as just one subset of the media broadcast and telecoms industry, is growing from year to year. The subscribers of broadband internet service are also increasing constantly. Based on the representation of the Vendor and the business plan provided by the Vendor, the Directors consider that within two years, internet protocol television internet protocol television subscribers' growth will reach 400 million worldwide. Broadband internet service is also forecasted to achieve record penetration. Within three years, the Directors consider that 85% of the population will have access to broadband connection with 15% of the group subscribing to internet protocol television service. DigiSat will target Asian market segment region. The first targeted market is Japan, where it has around 40% annual growth rate and 100,000 potential subscribers. The second targeted market is Hong Kong, where (i) the pay-TV market penetration rate is lower than other Asian cities; and (ii) there are more potential subscribers as there are a large number of expatriates. DigiSat will further expand to the China market. DigiSat is expecting strong growth rate and large amount of potential subscribers because of the exclusive premium content of its internet protocol television. In this regard, the Directors consider that the market potential is huge for DigiSat's network internet protocol television services and the Proposed Acquisition will provide the Group with an opportunity to benefit from the rapid growth in the internet protocol television industry.

Taking into account the benefits of the Proposed Acquisition, the Board is of the view that the terms of the Proposed Acquisition are fair and reasonable and the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole.

The Group will retain the existing management of DigiSat and will recruit additional staff with suitable experience and qualifications to manage the operation of DigiSat.

Upon Completion, DigiSat will become a 80% non-wholly owned subsidiary of the Company and the accounts of DigiSat will be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

The Proposed Acquisition constitutes a major acquisition on the part of the Company under the Listing Rules and is subject to the approval of the Shareholders at the SGM. To the best of the Directors' knowledge, each of Mr. Lam, Best Glory, Mr. Lui Chun Shuen, Albert and their respective associates are not interested in any Shares. As such, no Shareholder has any material interests in the Proposed Acquisition as at the date of this announcement and no Shareholder will be required to abstain from voting for the relevant resolution to approve the Proposed Acquisition at the SGM. A circular containing details of, among other things, the Proposed Acquisition and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 27 December 2006 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 8 January 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“acting in concert”	has the meaning ascribed to it in the Code on Takeovers and Mergers
“Agreement”	the conditional sale and purchase agreement dated 22 December 2006 entered into between Joy Century and Mr. Lam in relation to the sale and purchase of the Sale Shares
“Best Glory”	Best Glory International Limited, a company incorporated in British Virgin Islands with limited liability and the share of which are legally and beneficially owned by Lui Chun Shuen, Albert
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Capitalisation Agreement”	the capitalisation agreement to be made among DigiSat, Mr. Lam and Best Glory pursuant to which DigiSat will allot and issue Class A Shares to settle all the outstanding Shareholders' Loans
“Class A Shares”	Class A shares of HK\$1.00 each in the share capital of DigiSat
“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 sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Consideration Shares”	358,000,000 new Shares to be allotted and issued by the Company as the consideration for the Proposed Acquisition
“DigiSat”	DigiSat Network Limited, a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Issue Price”	the issue price of HK\$0.10 per Consideration Share
“Joy Century”	Joy Century Holding Limited, a company incorporated in Samoa with limited liability, a wholly owned subsidiary of the Company and the purchaser of the Sale Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 11 December 2006 entered into between Joy Century, Mr. Lam and setting out the basic understanding in relation to the Proposed Acquisition
“Mr. Lam”	Lam Shu Chung, the vendor of the Sale Shares
“Proposed Acquisition”	the proposed acquisition of the Sale Shares by Joy Century as contemplated under the MOU
“Sale Shares”	such Class A Shares which represents 80% of the issued Class A Shares upon completion of the Capitalisation Agreement and is legally and beneficially owned by Mr. Lam immediately prior to Completion

“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Proposed Acquisition
“Shareholders”	holders of the Shares
“Shareholders’ Loans”	the outstanding shareholders’ loans due by DigiSat to Mr. Lam and Best Glory
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Sunny Global Holdings Limited
Too Shu Wing
Chairman

Hong Kong, 5 January 2007

As at the date of this announcement, the Board comprises Mr. Too Shu Wing, Mr. Yan Wa Tat and Mr. Tai King Foon who are the executive Directors, Mr. Lee Man Fa who is the non-executive Director, Mr. Liu Kwok Wah, Mr. Chan Wai Ming and Mr. Tsui Pak Hang who are the independent non-executive Directors.

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