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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)

DISCLOSEABLE TRANSACTION AND RESUMPTION OF TRADING

On 10 May 2007, Joy Century, a wholly owned subsidiary of the Company, entered into the Agreement to acquire from Mr Ngai and New Concept, the Sale Shares, for a total consideration of HK\$32,800,000.

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\$0.164 per Consideration Share, credited as fully paid.

The Consideration Shares represent approximately 10.26% of the existing issued share capital of the Company and approximately 9.31% 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\$0.161 per Share as quoted on the Stock Exchange on 10 May 2007, being the date of the Agreement, the Consideration Shares has a total value of HK\$32,200,000.

The Proposed Acquisition constitutes a discloseable transaction on the part of the Company under the Listing Rules. A circular containing details of, among other things, the Proposed Acquisition 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 11 May 2007 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 15 May 2007.

Reference is made to the announcement of the Company dated 27 April 2007 in respect of the Proposed Acquisition.

On 27 April 2007, the Board announced that the Company entered into the MOU with Mr. Ngai and New Concept to acquire the Sale Shares.

THE AGREEMENT

Date: 10 May 2007

Parties:

Purchaser: Joy Century

Vendors: Mr. Ngai

New Concept

New Concept is a company incorporated in the British Virgin Islands for investment holdings and is wholly and beneficially owned by Mr. Ngai. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Mr. Ngai and New Concept is a third party independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Agreement, Joy Century has agreed to acquire and Mr. Ngai and New Concept have agreed to sell the Sale Shares, which in aggregate represent the entire issued share capital of Interactive Broadband at Completion.

Consideration

The total consideration for the Sale Shares is HK\$32,800,000 and shall be settled by Joy Century by procuring the Company to allot and issue the Consideration Shares at the Issue Price of HK\$0.164 per Consideration Share, credited as fully paid.

The Issue Price represents: (i) a premium of approximately 1.86% over the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on 10 May 2007, being the date of the Agreement; (ii) a premium of approximately 13.10% over the average of the closing prices of approximately HK\$0.145 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 10 May 2007, being the date of the Agreement; (iii) a premium of approximately 9.33% over the average of the closing prices of approximately HK\$0.150 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 10 May 2007, being the date of the Agreement; (iv) the average of the closing prices of approximately HK\$0.164 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 27 April 2006, being the date of the MOU; and (v) a premium of approximately 368.75% over the net asset value per Share of approximately HK\$0.035 based on the audited consolidated financial statements of the Group as at 30 September 2006.

Interactive Broadband was preliminary valued by Grant Sherman Appraisal Limited, an independent valuer, at HK\$35,000,000 as at 30 April 2007 by adopting the income approach technique known as the discounted cash flow method to value Interactive Broadband. The income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the business enterprise than an amount equal to the present worth of anticipated future benefits (income) from the same or equivalent business enterprise with similar risk.

The income approach explicitly recognises that the current value of an investment is premised upon the expected receipt of future economic benefits such as cost savings, periodic income, or sale proceeds. The discounted cash flow method was used in appraising the economic benefits of Interactive Broadband. In practice, the discounted cash flow approach consists of estimating future annual cash flows and individually discounting them to present value.

As the valuation of Interactive Broadband adopting the discounted cash flow approach is considered to be a profit forecast in respect of Interactive Broadband, (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 valuation report 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, Mr. Ngai and New Concept after arm's length negotiation and in line with the valuation report prepared by Grant Sherman Appraisal 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 Interactive Broadband; and
- (d) all necessary consents and approvals required to be obtained on the part of Joy Century, Mr. Ngai and New Concept 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, Mr. Ngai and New Concept.

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

Mr. Ngai and New Concept have 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 30 May 2007 (or such later date as Joy Century may agree), the Agreement shall cease and determine.

THE CONSIDERATION SHARES

The 200,000,000 Consideration Shares will be issued at an issue price of HK\$0.164 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 200,000,000 Consideration Shares will be allotted and issued pursuant to 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 30 March 2007. As at the date of this announcement, the General Mandate had been utilised as to 48,000,000 Shares upon the exercise of the subscription rights attaching to the 48,000,000 2008 non-listed warrants held by Rainbow Bridge Group Limited, being approximately 12.32% of the aggregate number of Shares which may be allotted and issued under the General Mandate and as to 130,000,000 Shares upon the exercise of the subscription rights attaching to the 130,000,000 2009 non-listed warrants held by Wellington International Invest Limited, being approximately 33.37% of the aggregate number of Shares which may be allotted and issued under the General Mandate. Please refer to the Company's announcement dated 10 April 2007 for further details regarding the above matters.

Based on the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on 10 May 2007, being the date of the Agreement, the Consideration Shares has a total value of HK\$32,200,000.

The Consideration Shares represent approximately 10.26% of the existing issued share capital of the Company and approximately 9.31% 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. Ngai and New Concept 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 %
Info Fortune Holdings Limited (<i>Note 1</i>)	196,792,000	10.10	196,792,000	9.16
Goldlite International Limited (<i>Note 2</i>)	150,000,000	7.70	150,000,000	6.98
Wyndham Profit International Limited (<i>Note 2</i>)	75,000,000	3.85	75,000,000	3.49
Hikari International Limited (<i>Note 2</i>)	75,000,000	3.85	75,000,000	3.49
Mr. Lam Shu Chung	358,000,000	18.37	358,000,000	16.66
Mr. Ngai and New Concept or their nominee company(ies)	–	–	200,000,000	9.31
Public Shareholders	<u>1,093,608,000</u>	<u>56.13</u>	<u>1,093,608,000</u>	<u>50.91</u>
Total:	<u><u>1,948,400,000</u></u>	<u><u>100</u></u>	<u><u>2,148,400,000</u></u>	<u><u>100</u></u>

Notes:

1. Info Fortune Holdings Limited is a company wholly-owned by Lee Man Fa.
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.

BOARD REPRESENTATION OF THE GROUP

Prior to Completion, Mr. Ngai is the sole director of Interactive Broadband. Upon Completion, Mr. Ngai will resign as director of Interactive Broadband and Joy Century will nominate not less than two directors to the board of Interactive Broadband.

INFORMATION ON INTERACTIVE BROADBAND

Interactive Broadband was incorporated on 16 December 1998 and is principally engaged in the provision of IP-based managed services, including VoIP telephony, video and data collaboration to broadband internet users. Interactive Broadband has commenced its business activities on 16 December 1998. It became dormant in April 2002 and resumed its operations in December 2005.

According to the unaudited management accounts of Interactive Broadband for the year ended 30 April 2006, the turnover was approximately HK\$19,000, the net loss before and after taxation and extraordinary items were approximately HK\$12,000.

As at 30 April 2006, the net liabilities of Interactive Broadband was approximately HK\$310,000, the principal assets of Interactive Broadband were cash at bank and application service equipment of approximately HK\$216,000 and HK\$338,000 and the principal liabilities of Interactive Broadband was loans of approximately HK\$789,000.

According to the unaudited management accounts of Interactive Broadband for the year ended 30 April 2007, the turnover was approximately HK\$1,426,000, the net profit before and after taxation and extraordinary items were approximately HK\$102,000.

As at 30 April 2007, the net liabilities of Interactive Broadband was approximately HK\$208,000, the principal assets of Interactive Broadband was application service equipment of approximately HK\$338,000 and the principal liabilities of Interactive Broadband was loans of approximately HK\$614,000.

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 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. 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 demand for VoIP telephony and video and data collaboration application services is increasing exponentially in the global market. Interactive Broadband is launching its services globally by quickly extending its network coverage by forming alliance with strategic business partners, being the quickest and most cost efficient approach to grasp the global market. In this regard, the Directors consider that the market potential is huge for such services. The Proposed Acquisition will provide the Group with an opportunity to benefit from extending its information technology business globally through the existing and to be established business arms of Interactive Broadband. The Group and Interactive Broadband can share their facilities and resources to achieve a synergy effect to reduce the costs of services of the Group. As the recently acquired the 80% non-wholly owned subsidiary, DigiSat Network Limited, and Interactive Broadband have developed networks in South East Asia region and Southern hemisphere respectively, the Proposed Acquisition will immediately extend business coverage of the Group globally.

After considering the benefits of the Proposed Acquisition and the net loss and the net liabilities position of Interactive Broadband, the Board considers that Interactive Broadband has only recently resumed its business activities and the results of Interactive Broadband will improve in the next few years. In this regard, the Board is of the view that the benefits outweigh the disadvantages of the Proposed Acquisition, 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 Interactive Broadband and will recruit additional staff with suitable experience and qualifications to manage the operation of Interactive Broadband.

Upon Completion, Interactive Broadband will become a wholly owned subsidiary of the Company and the accounts of Interactive Broadband will be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

The Proposed Acquisition constitutes a discloseable transaction on the part of the Company under the Listing Rules. A circular containing details of, among other things, the Proposed Acquisition 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 11 May 2007 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 15 May 2007.

DEFINITIONS

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

“Agreement”	the conditional sale and purchase agreement dated 10 May 2007 entered into between Joy Century, Mr. Ngai and New Concept in relation to the sale and purchase of the Sale Shares
“Board”	the board of Directors
“Business Day”	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
“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”	200,000,000 new Shares to be allotted and issued by the Company as the consideration for the Proposed Acquisition

“Director(s)”	the director(s) of the Company
“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 30 March 2007, pursuant to which a maximum of 389,600,000 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Interactive Broadband”	Interactive Broadband Services Limited, a company incorporated in Hong Kong with limited liability
“Issue Price”	the issue price of HK\$0.164 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 27 April 2006 entered into between Joy Century, Mr. Ngai and New Concept and setting out the basic understanding in relation to the Proposed Acquisition
“Mr. Ngai”	Ngai Tin Yee, the vendor of the Mr. Ngai Sale Shares
“Mr. Ngai Sale Shares”	5,000 shares of HK\$1.00 each in the share capital of Interactive Broadband, which are legally and beneficially owned by Mr. Ngai
“New Concept”	New Concept Management Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly and beneficially owned by Mr. Ngai and the vendor of the New Concept Sale Shares
“New Concept Sale Shares”	5,000 shares of HK\$1.00 each in the share capital of Interactive Broadband, which are legally and beneficially owned by New Concept
“Proposed Acquisition”	the proposed acquisition of the Sale Shares by Joy Century as contemplated under the MOU
“Sale Shares”	the Mr. Ngai Sale Shares and the New Concept Sale Shares
“Shareholders”	holders of the Shares

“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, 14 May 2007

* *for identification purpose only*

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.