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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)**

### **REORGANISATION OF SHARE CAPITAL AND INCREASE IN AUTHORISED SHARE CAPITAL**

#### **CAPITAL REORGANISATION**

The Directors propose to (a) reduce the par value of each issued Share from HK\$0.10 to HK\$0.005 by canceling the paid-up capital to the extent of HK\$0.095 on each Share; (b) reduce the par value of each authorised but unissued Share of HK\$0.10 to HK\$0.005 by canceling the authorised share capital to the extent of HK\$0.095 on each authorised but unissued Share; and (c) apply the credits arising from the Reduction of Issued Share Capital by transferring the credits to the contributed surplus account of the Company.

The Directors also propose to implement the Capital Consolidation pursuant to which every two New Shares of par value HK\$0.005 each in the issued and unissued share capital of the Company be consolidated into one Consolidated Share of par value HK\$0.01 each in the issued and unissued share capital of the Company.

The proposed Capital Reorganisation will not affect the continuity and the listing status of the Company.

The proposed Capital Reorganisation will allow the Company to issue Consolidated Shares below its existing par value per Share of HK\$0.10, and will increase flexibility for the Company in possible future fund raisings.

#### **INCREASE IN AUTHORISED SHARE CAPITAL**

Conditional upon the completion of the Capital Reorganisation, the Directors propose to increase the authorised share capital of the Company from HK\$25,000,000 divided into 2,500,000,000 Consolidated Shares to HK\$100,000,000 divided into 10,000,000,000 Consolidated Shares by authorising an additional 7,500,000,000 unissued Consolidated Shares.

*\* for identification purpose only*

## **WARNING**

**Shareholders should also be aware of and take note that the Capital Reorganisation involving the Capital Reduction and the Capital Consolidation are conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions” in the section headed “Capital Reorganisation”. Therefore, the Capital Reorganisation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **GENERAL**

A circular containing further information regarding, among other things, the Capital Reorganisation and the Increase in Authorised Share Capital, together with the notice of the SGM will be despatched to Shareholders as soon as practicable.

## **CAPITAL REORGANISATION**

The Directors propose to reorganise the capital of the Company in the following manner:

- (a) the par value of each of the issued Shares of HK\$0.10 each shall be reduced to HK\$0.005 each by canceling the paid-up capital to the extent of HK\$0.095 on each issued Share;
- (b) the par value of each of the authorised but unissued Shares of HK\$0.10 each will be reduced to HK\$0.005 each by canceling the authorised share capital to the extent of HK\$0.095 on each authorised but unissued Share;
- (c) the credit of HK\$305,099,150 arising from the Reduction of Issued Share Capital will be transferred to the contributed surplus account of the Company; and
- (d) every two New Shares of HK\$0.005 each in the issued and unissued share capital of the Company be consolidated into one Consolidated Share of HK\$0.01 in the issued and unissued share capital of the Company.

As at the date of this announcement, the Company has an authorised share capital of HK\$500,000,000 divided into 5,000,000,000 Shares, of which 3,211,570,000 Shares have been issued and are fully paid or credited as fully paid. Upon completion of the Capital Reduction, the Company will have an authorised share capital of HK\$25,000,000 divided into 5,000,000,000 New Shares, of which 3,211,570,000 New Shares will be issued and fully paid or credited as fully paid, assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reduction become effective. Upon completion of the Capital Reorganisation, the Company will have an authorised share capital of HK\$25,000,000 divided into 2,500,000,000 Consolidated Shares, of which 1,605,785,000 Consolidated Shares will be issued and fully paid or credit as fully paid, assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becomes effective.

## Conditions

The Capital Reorganisation is conditional upon:

- (a) the passing of the necessary special resolution(s) by the Shareholders at the SGM of the Company to approve the Capital Reorganisation involving the Capital Reduction and the Capital Consolidation;
- (b) compliance with the relevant procedures and requirements under the Listing Rules to effect the Capital Reorganisation; and
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares arising from the Capital Reorganisation.

Subject to the fulfillment of the above conditions, the Directors expect the Capital Reorganisation will be completed by 31 January 2008.

## Reasons for the Capital Reorganisation and impact on the Company and the Shareholders

The Capital Reorganisation is proposed in order to allow the Company to issue Consolidated Shares below its existing par value per Share of HK\$0.10, and to increase flexibility for the Company in possible future fund raisings. This, together with the application of the credit standing to the contributed surplus account arising from the reduction of capital as set out above, will facilitate the payment of dividends as and when the Directors consider it appropriate in the future. Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

## Application for listing of Consolidated Shares

Application will be made to the Stock Exchange for granting the listing of, and permission to deal in, the Consolidated Shares arising from the Capital Reorganisation and all necessary arrangements will be made for the Consolidated Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

## EXPECTED TIMETABLE

The expected timetable for the implementation of the Capital Reorganisation is set out below:

	<b>2007</b>
Despatch of the circular regarding, among other matters, the Capital Reorganisation .....	3 December
Publication of the notice of SGM .....	3 December
	<b>2008</b>
Latest time for lodging the form of proxy for the SGM .....	11:00 a.m., 5 January
SGM .....	11:00 a.m., 7 January

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation:

Effective date of the Capital Reorganisation .....	8 January
Dealings in the Consolidated Shares commence .....	9:30 a.m., 8 January
Original counter for trading in existing Shares in board lots of 4,000 Shares temporarily closes .....	9:30 a.m., 8 January
Temporary counter for trading in board lots of 2,000 Consolidated Shares (in the form of Existing Share Certificates ) opens .....	9:30 a.m., 8 January
First day of free exchange of Existing Share Certificates for Consolidated Share Certificates .....	8 January
Original counter for trading in Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of Consolidated Share Certificates) re-opens .....	9:30 a.m., 22 January
Parallel trading in Consolidated Shares (in the form of Consolidated Share Certificates and the Existing Share Certificates) commences .....	9:30 a.m., 22 January
Parallel trading in Consolidated Shares (in the form of Consolidated Share Certificates and the Existing Share Certificates) ends .....	4:00 p.m., 14 February
Temporary counter for trading in board lots of 2,000 Consolidated Shares (in the form of Existing Share Certificates) closes .....	4:00 p.m., 14 February
Last day for free exchange of Existing Share Certificates for Consolidated Share Certificates .....	4:00 p.m., 19 February

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m., 14 February 2008 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Consolidated Shares on the basis of two Shares for one Consolidated Share and may be exchanged free of charge for the Consolidated Share Certificates for Consolidated Shares at any time between 8 January 2008 and 19 February 2008, and on payment of a prescribed fee any time after 4:00 p.m. on 19 February 2008. It is expected that the Consolidated Share Certificates will be available for collection within a period of ten business days after the submission of the Existing Share Certificates.

The Consolidated Share Certificates will be issued in light green colour in order to distinguish them from the Existing Share Certificates which are in blue colour.

## **INCREASE IN AUTHORISED SHARE CAPITAL**

Upon completion of the Capital Reorganisation, the Directors propose to increase the authorised share capital of the Company from HK\$25,000,000 divided into 2,500,000,000 Consolidated Shares to HK\$100,000,000 divided into 10,000,000,000 Consolidated Shares by authorising an additional 7,500,000,000 unissued Consolidated Shares.

### **Conditions**

The Increase in Authorised Share Capital is conditional upon:

- (a) the passing of the necessary ordinary resolution by the Shareholders at the SGM of the Company to approve the Increase in Authorised Share Capital; and
- (b) the completion of the Capital Reorganisation.

### **WARNING**

**Shareholders should also be aware of and take note that the Capital Reorganisation involving the Capital Reduction and the Capital Consolidation are conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions” in the section headed “Capital Reorganisation”. Therefore, the Capital Reorganisation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

### **GENERAL**

The Capital Reorganisation involving the Capital Reduction and the Capital Consolidation will be conditional upon the passing by the Shareholders of special resolution(s) at the SGM. The Increase in Authorised Share Capital will be conditional upon the passing by the Shareholders of an ordinary resolution at the SGM.

The SGM will be held to consider and, if thought fit, approve the resolutions in respect of the Capital Reorganisation and the Increase in Authorised Share Capital. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolutions.

A circular containing, amongst other things, further information on the Capital Reorganisation involving the Capital Reduction and the Capital Consolidation, the Increase in Authorised Share Capital and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

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

“Board”	the board of directors of the Company
“Capital Consolidation”	the proposed consolidation of every two New Shares of par value HK\$0.005 each in the issued and unissued share capital of the Company into one Consolidated Share of par value HK\$0.01 each in the issued and unissued share capital of the Company
“Capital Reduction”	the Reduction of Issued Share Capital and the cancellation of the authorised share capital to the extent of HK\$0.095 on each Share, such that the par value of all of the issued Shares shall reduce from HK\$0.10 each to HK\$0.005 each
“Capital Reorganisation”	the capital reorganisation of the Company involving the Capital Reduction and the Capital Consolidation
“Company”	Sunny Global Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
“Consolidated Shares”	shares of par value HK\$0.01 each in the share capital of the Company upon the Capital Reorganisation taking effect
“Consolidated Share Certificates”	certificates for the Consolidated Shares
“Directors”	the directors of the Company
“Existing Share Certificates”	certificates for the existing Shares
“Increase in Authorised Share Capital”	the increase in the authorised share capital of the Company from HK\$25,000,000 divided into 2,500,000,000 Consolidated Shares to HK\$100,000,000 divided into 10,000,000,000 Consolidated Shares by authorising an additional 7,500,000,000 unissued Consolidated Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	shares of par value HK\$0.005 each in the share capital of the Company upon the Capital Reduction taking effect
“Reduction of Issued Share Capital”	the proposed reduction of capital of the Company by way of the cancellation of the paid-up share capital to the extent of HK\$0.095 on each Share, such that the par value of all of the issued Shares shall reduce from HK\$0.10 each to HK\$0.005
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the Capital Reorganisation and the Increase in Authorised Share Capital

“Share(s)”	existing share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China

By order of the Board  
**Sunny Global Holdings Limited**  
**Li Chun Tak**  
*Executive Director*

Hong Kong, 21 November 2007

*As at the date of this announcement, Messrs. Yip Kwan, Ben, Li Chun Tak and Wong Hin Shek are the executive Directors, Mr. Wong Kam Fat Tony is the non-executive Director, and Messrs. Au Tin Fung, Chan Chun Wai, Tsui Pak Hang and Ms. So Wai Yee, Betty are the independent non-executive Directors.*