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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 30 January 2008, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Share and the Sale Loan for a total consideration of HK\$45,000,000.

The aggregate consideration for the Sale Share and the Sale Loan shall be the sum of HK\$45,000,000 and shall be settled by the Purchaser in the following manner: (a) HK\$28,800,000 shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares to the Vendor credited as fully paid, at the Issue Price on Completion; and (b) the balance of HK\$16,200,000 shall be satisfied by the Purchaser procuring the Company to issue the Convertible Bonds to the Vendor on Completion.

The Acquisition constitutes a major transaction on the part of the Company under the Listing Rules and is subject to the approval of the Shareholders at the SGM. Each of the Vendor, parties acting in concert with it and their associates is an Independent Third Party and does not hold any Shares as at the date of this announcement. Accordingly, no Shareholder is required to abstain from voting at the SGM. A circular containing, among other matters, further details of the Acquisition and a notice to convene the SGM will be despatched to the Shareholders in compliance with the Listing Rules.

Trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 30 January 2008 pending the release of this announcement at the request of the Company. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 6 February 2008.

**Shareholders and investors should be aware that the Issue price and the Conversion Price represent substantial discounts to the net tangible asset value per Share based on the 12 Month Accounts. Based on the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on 29 January 2008, being the date before the Sale and Purchase Agreement, the aggregate value of the Consideration Shares and the Conversion Shares is HK\$366,000,000.**

**Shareholders and 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.**

## **THE SALE AND PURCHASE AGREEMENT**

**Date:** 30 January 2008

**Parties:** (1) Purchaser : Richy Spring International Limited, a wholly owned subsidiary of the Company  
(2) Vendor : Wisdom First Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner is an Independent Third Party. The Vendor is not acting in concert with any Shareholders.

### **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell (i) the Sale Shares, representing 75% of the issued share capital of the Target as at the date of this announcement; and (ii) the Sale Loan, which amounts to HK\$44,999,415.

### **Consideration**

The Consideration of HK\$45,000,000 for the sale and purchase of the Sale Share and the Sale Loan shall be satisfied by the Purchaser in the following manner:

- (a) HK\$28,800,000 shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares to the Vendor credited as fully paid, at the Issue Price on Completion; and
- (b) the balance of HK\$16,200,000 shall be satisfied by the Purchaser procuring the Company to issue the Convertible Bonds to the Vendor on Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor taking into consideration (i) the unaudited consolidated net asset value with reference to net liabilities of the Target Group; and (ii) the amount of the Sale Loan outstanding as at 25 January 2008.

Pursuant to the memorandum of understanding dated 6 December 2007 entered into between the Purchaser and the Vendor, the Purchaser had paid HK\$35,000,000 to the Vendor as deposit. Immediately following Completion, the Vendor shall refund to the Purchaser a sum of HK\$20,000,000, being part of the deposit paid by the Purchaser to the Vendor. Further, the Vendor shall retain the HK\$15,000,000 as the deposit pursuant to the Exclusivity Agreement in relation to the acquisition of the balance of 25% issued share capital of the Target. The Exclusivity Agreement does not form part of the Sale and Purchase Agreement. As at the date of this announcement, the Vendor and the Purchaser have not agreed on the terms of the Exclusivity Agreement. Further announcement in relation to the Exclusivity Agreement will be made as and when appropriate.

### **Conditions precedent**

Completion shall be conditional upon and subject to:

- (a) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group;
- (b) all necessary consents and approvals required to be obtained on the part of the Vendor and the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (c) the passing by the Shareholders at the SGM to be convened and held of an ordinary resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to: (i) the allotment and issue of the Consideration Shares to the Vendor, credited as fully paid; and (ii) the issue of the Convertible Bonds;
- (d) the obtaining of a PRC legal opinion (in form and substance satisfactory to the Purchaser) in relation to the transactions contemplated under the Sale and Purchase Agreement;
- (e) the warranties provided by the Vendor under the Sale and Purchase Agreement remaining true and accurate in all respects;
- (f) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consideration Shares and the Conversion Shares; and
- (g) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of the Consideration Shares and the Conversion Shares.

Conditions (a) and (d) are waivable by the Purchaser under the Sale and Purchase Agreement. The Purchaser has no current intention to waive such conditions. If the conditions have not been satisfied (or as the case may be, waived by the Purchaser) on or before 31 May 2008, or such later date as the Vendor and the Purchaser may agree, the Sale and Purchase Agreement shall cease and determine, and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

## **Completion**

Completion shall take place at 4:00 p.m. on the date falling two Business Days after the fulfilment (or waiver) of the conditions or such later date as may be agreed between the Vendor and the Purchaser.

Upon Completion, the Target will become an indirect owned subsidiary of the Company.

There is no current intention for the Vendor to nominate any Director to the Board.

## **THE CONSIDERATION SHARES**

The 400,000,000 Consideration Shares will be issued at the Issue Price of approximately HK\$0.072 per Consideration Share, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares then in issue on the date of allotment and issue of the Consideration Shares.

The Issue Price represents (i) a discount of approximately 88.2% to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on 29 January 2008, being the date before the Sale and Purchase Agreement; (ii) a discount of approximately 86.6% to the average of the closing prices of approximately HK\$0.538 per Share for the last five consecutive trading days up to and including 29 January 2008, being the date before the Sale and Purchase Agreement; and (iii) a discount of approximately 42.86% to the net tangible asset value per Share of approximately HK\$0.126 based on the 12 Month Accounts.

The Issue Price was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to various factors including (i) the net tangible asset value per Share as set out above; (ii) the current fluctuation of market price of the Shares may not reflect the fair value of the Shares; (iii) the loss making record of the Group in the previous three consecutive years; (iv) the low liquidity and trading volume of the Shares, as the Shares were traded in the previous year with an average daily trading volume of less than 4.6% of the issued share capital of the Company; and (v) the factors set out in the section headed "Reasons for the Acquisition" below. The Directors (including the independent non-executive Directors) consider that the Issue Price is fair and reasonable.

Based on the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on 29 January 2008, being the date before the Sale and Purchase Agreement, the value of the Consideration Shares is HK\$244,000,000.

The Consideration Shares will be allotted and issued pursuant to the specific mandate to be sought at the SGM and will be allotted and issued on the date of Completion.

The Consideration Shares represent approximately 24.91% of the existing issued share capital of the Company and approximately 19.94% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

## **Application for listing**

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

## **TERMS OF CONVERTIBLE BONDS**

The terms of the Convertible Bonds have been negotiated on an arm's length basis and the principal terms of which are summarised below:

### **Issuer**

The Company

### **Principal amount**

HK\$16,200,000

### **Interest**

The Convertible Bonds will bear no interest.

### **Maturity**

A fixed term of three years commencing from the date of issue of the Convertible Bonds. Unless previously redeemed, converted or cancelled as provided in the Sale and Purchase Agreement pursuant to which the Convertible Bonds were issued, the Company shall redeem the outstanding principal amount of the Convertible Bonds on the Maturity Date.

### **Conversion**

Provided that (i) any conversion of the Convertible Bonds, if applicable, together with any Shares already owned or agreed to be acquired by the Bondholder and/or parties acting in concert with it, do not exceed 19.99% or more of the then issued ordinary share capital of the Company; and (ii) the conversion will not result in the Company breaching any of the Listing Rules, including, but not limited to, the minimum public float of 25%, the Bondholder may convert in whole or part (in multiples of HK\$500,000 or if the aggregate outstanding principal amount is less than HK\$500,000, the entire outstanding amount of the Convertible Bonds) of the principal amount of the Convertible Bonds into the Conversion Shares at the Conversion Price for the period commencing on the date falling six months after the date of issue of the Convertible Bonds up to the Maturity Date.

### **Conversion Price**

The Conversion Price is HK\$0.081 per Conversion Share subject to adjustments.

The adjustments for the Conversion Price include the following:

- (i) an alteration of the nominal amount of each Share by reason of any consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);

- (iii) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to Shareholders (in their capacity as such) or a grant by the Company to Shareholders (in their capacity as such) of rights to acquire for cash assets of the Company or any of its subsidiaries;
- (iv) an offer of new Shares for subscription by way of rights, or a grant of options or warrants to subscribe new Shares being made by the Company to Shareholders (in their capacity as such);
- (v) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares and the total effective consideration per Share receivable for such securities is less than 80% of the market price on the date of announcement of the terms of the issue of such securities; and
- (vi) an issue of Shares wholly for cash at a price per Share which is less than 80% of the market price on the date of announcement of the terms of such issue.

The Company will issue an announcement when there is any adjustment to the Conversion Price and the adjustment will be certified by the Company's auditor or by merchant bank.

The Conversion Price represents: (i) a discount of approximately 86.7% to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on 29 January 2008, being the date before the Sale and Purchase Agreement; (ii) a discount of approximately 84.9% to the average of the closing prices of approximately HK\$0.538 per Share for the last five consecutive trading days up to and including 29 January 2008, being the date before the Sale and Purchase Agreement; and (iii) a discount of approximately 35.71% to the net tangible asset value per Share of approximately HK\$0.126 based on the 12 Month Accounts.

The Conversion Price was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to various factors including (i) the net tangible asset value per Share as set out above; (ii) the current fluctuation of market price of the Shares may not reflect the fair value of the Shares; (iii) the loss making record of the Group in the previous three consecutive years; (iv) the low liquidity and trading volume of the Shares, as the Shares were traded in the previous year with an average daily trading volume of less than 4.6% of the issued share capital of the Company; (v) the risk of the fluctuation of the price of the Shares as the commencement of the conversion period will be six months after the date of the issue of the Convertible Bonds; (vi) the Convertible Bonds do not bear any interest; (vii) given there is a period of three years to convert the Convertible Bonds; and (viii) the factors as set out in the section headed "Reasons for the Acquisition" below, the issue of the Convertible Bonds do not have any immediate dilution effect on the shareholding of the existing Shareholders. The Directors (including the independent non-executive Directors) consider that the Conversion Price is fair and reasonable.

### **Conversion Shares**

Based on the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on 29 January 2008, being the date before the Sale and Purchase Agreement, the value of the Conversion Shares is HK\$122,000,000.

Assuming there is an immediate exercise in full of the conversion rights attaching to the Convertible Bonds at the Conversion Price by the Bondholder, the Company will issue an aggregate of 200,000,000 new Shares, representing (i) approximately 12.45% of the existing issued share capital of the Company; and (ii) approximately 11% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares. The Conversion Shares will be issued pursuant to the specific mandate to be sought at the SGM.

## Ranking

The Conversion Shares, when allotted and issued, will rank pari passu in all respects with all existing Shares in issue at the date of the allotment and issue of the Conversion Shares.

## Status of the Convertible Bonds

The Convertible Bonds constitute a direct, general, unconditional and unsecured obligation of the Company and rank pari passu and rateably without preference (with the exception of obligations in respect of taxes) equally with all other present and/or future unsecured and unsubordinated obligations of the Company.

## Transferability

With the prior notification to the Company, the Convertible Bonds may be transferred or assigned by the Bondholders to any party other than a connected person of the Company.

## Voting rights

The Convertible Bonds do not confer any voting rights at any meetings of the Company.

## Application for listing

No application will be made by the Company for the listing of the Convertible Bonds. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares assuming full conversion of the Convertible Bonds.

## 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; (ii) immediately after Completion and the allotment and issue of the Consideration Shares; and (iii) immediately after Completion and the allotment and issue of the Consideration Shares and the Conversion Shares:

	As at the date of this announcement and before Completion		Immediately after Completion and the allotment and issue of the Consideration Shares		Immediately after Completion and the allotment and issue of the Consideration Shares and the Conversion Shares (Note 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Shareholders						
Success Way Holdings Limited (Note 1)	331,644,000	21.03	337,644,000	16.83	337,644,000	15.31
The Vendor and parties acting in concert with it	—	—	400,000,000	19.94	600,000,000	27.20
Public Shareholders	1,268,141,000	78.97	1,268,141,000	63.23	1,268,141,000	57.49
<b>Total:</b>	<b>1,605,785,000</b>	<b>100.00</b>	<b>2,005,785,000</b>	<b>100.00</b>	<b>2,205,785,000</b>	<b>100.00</b>



*Note:*

- 1 Success Way Holdings Limited is beneficially owned by Liu Yi Dong Family Trust and the beneficiaries of which are Mr. Liu Yi Dong and his family members.
- 2 For illustration purposes only. Pursuant to the terms of the Convertible Bonds, the Company will not issue any Conversion Shares to the Vendor and parties acting in concert with it, if upon the issue of such Conversion Shares will result in the shareholding of the Vendor and/or parties acting in concert with it holding more than 19.99% of the then issued ordinary share capital of the Company.

## **INFORMATION ON THE TARGET GROUP**

The Target was incorporated in the British Virgin Islands on 10 January 2008 and is principally engaged in investment holding. The HK Subsidiary, a direct wholly-owned subsidiary of the Target, was incorporated in Hong Kong on 3 October 2006. The HK Subsidiary is principally engaged in investment holding.

Pursuant to a joint venture agreement dated 10 January 2008 and entered into between Guangdong ZhenRong, a state owned enterprise, Yan Lung and the HK Subsidiary, Guangdong ZhenRong, Yan Lung and the HK Subsidiary have agreed to form the Oil Company, an equity joint venture company to be established in the PRC. The Oil Company will be principally engaged in exploitation, trading, selling of oil and oil related products. The registered capital of the Oil Company will be RMB50,000,000 (equivalent to approximately HK\$54,348,000). Guangdong ZhenRong, Yan Lung and the HK subsidiary will own 51%, 3% and 46% respectively of the equity interests in the Oil Company. As such, the capital commitment of Guangdong ZhenRong, Yan Lung and the HK Subsidiary in the Oil Company will be RMB25,500,000 (equivalent to approximately HK\$27,717,000), RMB1,500,000 (equivalent to approximately HK\$1,630,000) and RMB23,000,000 (equivalent to approximately HK\$25,000,000) respectively. There is no further capital commitment or capital requirement in the Oil Company under the joint venture agreement or other related documents. The HK Subsidiary intends to finance the payment of registered capital of the Oil Company by internal resources of the Group upon Completion.

According to the unaudited consolidated management accounts of the Target Group prepared under the Hong Kong accounting standards, for the period from 10 January 2008 (date of incorporation of the Target) to 25 January 2008, the net loss and after taxation was approximately HK\$123,000 and the net liabilities of the Target Group was approximately HK\$122,000 as at 25 January 2008.

The sole liability of the Target Group was the shareholder advances made by the Vendor of approximately HK\$60,212,000 outstanding as at 25 January 2008, of which HK\$44,999,415 will be disposed of as the Sale Loan under the Sale and Purchase Agreement.

According to the unaudited management accounts of the HK Subsidiary prepared under the Hong Kong accounting standards, for the period ended 31 December 2006, the net loss before and after taxation was approximately HK\$9,000 and the net asset value of the HK Subsidiary was approximately HK\$1,000 as at 31 December 2006.

According to the unaudited management accounts of the HK Subsidiary prepared under the Hong Kong accounting standards, for the year ended 31 December 2007, the net loss before and after taxation was approximately HK\$122,000 and the net liabilities of the HK Subsidiary was approximately HK\$113,000 as at 31 December 2007.



The sole liability of the HK Subsidiary was amount due to the Target of HK\$60,202,000 as at 31 December 2007.

## **REASONS FOR THE ACQUISITION**

The Group is principally 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 Directors consider that the Acquisition represents a good opportunity for the Group to diversify its existing businesses. The Directors consider that entering into to the crude oil and fuel oil businesses will provide a good return to the Company and the Shareholders. Guangdong ZhenRong and its holding companies and subsidiaries are the fifth largest state owned group which holds a licence to import crude oil and fuel oil into the PRC. The crude oil and fuel oil demand in the PRC is expected to increase substantially in the future.

As the Group does not have the required amount of cash for the payment of the Consideration, the Directors consider that the issue of the Consideration Shares and the Convertible Bonds to be the most suitable method for the payment of the Consideration.

### **Basis of pricing of the Consideration Shares and Conversion Shares**

The Directors first announced that the Purchaser and the Vendor entered into a non-legally binding memorandum of understanding in relation to the possible Acquisition on 6 December 2008. The negotiation in the terms in relation to the Acquisition has been commenced before then. The Purchaser and the Vendor have discussed various ways of investment in the Target and finally the Vendor agreed to dispose 75% of its interest in the Target to the Purchaser. The Purchaser and the Vendor agreed to satisfy the Consideration by way of issue of the Consideration Shares and the Convertible Bonds. Towards the determination of the pricing of the Consideration Shares and the Convertible Bonds in early December 2007, the parties have based on the then latest available published Interim Accounts released by the Company on 28 June 2007. According to the Interim Accounts, the net tangible asset value as at 31 March 2007 was HK\$42.91 million and the number of issued Shares was 1,948 million. Net tangible asset value per Share was HK\$0.022. After adjusting for the share capital reorganisation of the Company as announced on 21 November 2007, which involved the consolidation of two shares of HK\$0.005 each in the share capital of the Company to one Share, the net tangible asset value per Share was HK\$0.044.

The Issue price and the Conversion Price represents premium of approximately 63% and 84% over the Reference Price respectively. The Directors draw reference between the Issue Price, the Conversion Price and the Reference Price in view of (i) the Interim Accounts was the most updated consolidated accounts available to the Vendor and the Purchaser at the time of negotiation; (ii) the Issue price and the Conversion Price were at substantially premium over the Reference Price; and (iii) the Company may not be able to proceed with the Acquisition if the pricing structure was to be renegotiated after the release of the 12 Month Accounts on 21 December 2007 as the principal terms have been substantially concluded.

In view of the above, the Directors considered the Issue Price and the Conversion Price, comparing to the Reference Price, to be fair and reasonable.

## **Discount of the Issue price and the Conversion Price to the net tangible asset value per Share as per the 12 Month Accounts**

Pursuant to the 12 Month Accounts, the net tangible asset value per Share was approximately HK\$0.126 and the Issue price and the Conversion Price represents discount of approximately 35.71% and 42.86% to the net tangible asset value per Share based on the 12 Month Accounts respectively. The Directors considered such discount to be acceptable in view of the following:

- (i) upon Completion, the Company shall issue the Consideration Shares and the Convertible Bonds as Consideration. The Company will not be depleted of any cash under the Acquisition. In addition, the Vendor shall also refund HK\$20,000,000 to the Company which the Directors considered to be in the best interests of the Company in terms of cash management; and
- (ii) the trading of the Shares has been under a thin volume in the past 12 months and the Company has recorded a losing record for past three consecutive years. The Directors believed that the premium over the Reference Price as well as the discount to the net tangible asset per Share should be considered in arriving at whether the Issue Price and the Conversion Price are fair.

Also, given that (i) there is the risk of the fluctuation of the price of the Shares as the commencement of the conversion period will be six months after the date of the issue of the Convertible Bonds; (ii) the Convertible Bonds do not bear any interest; and (iii) there is a period of three years to convert the Convertible Bonds, the issue of the Convertible Bonds do not have any immediate dilution effect on the shareholding of the existing Shareholders given there is a period of three years to convert the Convertible Bonds, the issue of the Convertible Bonds do not have any immediate dilution effect on the shareholding of the existing Shareholders, the Conversion Price is different from the Issue Price.

Taking into account of the huge market potential for such business, the Board is of the view that the terms and conditions of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

**Shareholders and investors should be aware that the Issue price and the Conversion Price represent substantial discounts to the net tangible asset value per Share based on the 12 Month Accounts. Based on the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on 29 January 2008, being the date before the Sale and Purchase Agreement, the aggregate value of the Consideration Shares and the Conversion Shares is HK\$366,000,000.**

**Shareholders and 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 Acquisition constitutes a major transaction on the part of the Company under the Listing Rules and is subject to the approval of the Shareholders at the SGM. Each of the Vendor, parties acting in concert with it and their associates is an Independent Third Party and does not hold any Shares as at the date of this announcement. Accordingly, no Shareholder is required to abstain from voting at the SGM. A circular containing, among other matters, further details of the Acquisition and a notice to convene the SGM will be despatched to the Shareholders in compliance with the Listing Rules.

Upon Completion, the Vendor will not acting in concert with other Shareholder to such an extend that the Vendor and parties acting in concert with it will hold 30% or more of the voting rights of the Company. If the Vendor and parties acting in concert with it hold 30% or more of the voting rights of the Company, the Vendor and parties acting in concert with it will comply with all the requirements under the Takeovers Code.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 30 January 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 6 February 2008.

## **DEFINITIONS**

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

“12 Month Accounts”	the consolidated financial statements of the Group for the 12 months ended 30 September 2007
“Acquisition”	the acquisition of the Sale Share and the Sale Loan by the Purchaser as contemplated under the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed to this term under the Takeovers Code
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bondholder”	holder of the Convertible Bonds
“Business Day”	a day (other than a Saturday, Sunday or 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 and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Share and the Sale Loan in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	the consideration of HK\$45,000,000 payable by the Purchaser to the Vendor for the Acquisition and to be satisfied in the manner as described in this announcement

“Consideration Shares”	400,000,000 new Shares to be allotted and issued to satisfy in part of the Consideration
“Conversion Price”	the initial conversion price of approximately HK\$0.081 per Conversion Share, subject to adjustment, pursuant to the terms of the Convertible Bonds
“Conversion Shares”	200,000,000 new Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the zero coupon convertible bonds in an aggregate principal amount of HK\$16,200,000 to be issued by the Company in favour of the Vendor pursuant to the Sale and Purchase Agreement
“Directors”	the directors of the Company
“Exclusivity Agreement”	the agreement to be entered into between the Target, the Vendor and the Purchaser pursuant to which the Vendor has granted exclusive rights to the Purchaser to purchase 25% of the equity interests in Target
“Group”	the Company and its subsidiaries
“Guangdong ZhenRong”	Guangdong ZhenRong Energy Co., Ltd., a state owned enterprise established in the PRC and is an Independent Third Party
“HK Subsidiary”	Welford International Industrial Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of the Target
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Interim Accounts”	the interim consolidated financial statements of the Group for the six months ended 31 March 2007
“Issue Price”	the issue price of approximately HK\$0.072 per Consideration Share
“JV Agreement”	the joint venture agreement dated 10 January 2008 and entered into between Guangdong ZhenRong, Yan Lung and the HK Subsidiary
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date of maturity of the Convertible Bonds

“Oil Company”	Guangdong ZhenRong Petroleum Chemical Co., Ltd., the Chinese-foreign equity joint venture company to be established in the PRC pursuant to the JV Agreement.
“PRC”	the People’s Republic of China
“Purchaser”	Richy Spring International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Reference Price”	the net tangible asset value per Share of approximately HK\$0.44 based on the Interim Accounts
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 30 January 2008 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Share and the Sale Loan
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target to the Vendor on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether the same is due and payable on Completion which amounted to HK\$44,999,415 at Completion
“Sale Shares”	75 ordinary shares of US\$1.00 in the issued share capital of the Target, representing the 75% of the total issued share capital of the Target
“SGM”	the special general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares and the issue of the Convertible Bonds
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target”	Great Hill Trading Limited, a company incorporated in the British Virgin Islands, whose entire issued share capital is beneficially owned by the Vendor
“Target Group”	the Target, the HK Subsidiary and where the context so requires, the Oil Company
“Vendor”	Wisdom First Limited, a company incorporated in the British Virgin Islands and wholly and beneficially owned as to 50% by Ms Wong Sau Lan and as to 50% by Mr Gao YuanXing

“Yan Lung”	Yan Lung International Limited, a company established in the PRC and is an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For the purpose of this announcement, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB92 to HK\$100.

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

Hong Kong, 5 February 2008

*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 and Ms. So Wai Yee, Betty are the independent non-executive Directors.*

*\* For identification purposes only*