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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 AND CONNECTED TRANSACTION**

On 18 July 2008, Capital Access, an indirect wholly owned subsidiary of the Company, Harvest Mill and Huge Summit entered into the Agreement in relation to the sale of the Sale Shares and the Harvest Mill Sale Shares by Capital Access and Harvest Mill at a consideration of HK\$1,295,000 and HK\$555,000 respectively.

Pursuant to Chapter 14A of the Listing Rules, Harvest Mill is interested in 30% of the issued share capital of Bartech, an indirectly non-wholly owned subsidiary of the Company. Harvest Mill is therefore a connected person of the Company.

The Proposed Disposal constitutes a major and connected transaction on the part of the Company under the Listing Rules. A circular containing, among other things, further information of the Proposed Disposal, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the letter from the Independent Board Committee to the Independent Shareholders and a notice of SGM will be despatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

Pursuant to Chapter 14A of the Listing Rules, Harvest Mill and its associates are required to abstain from voting for the Resolution. As at the date of this announcement, Harvest Mill and its associates are not interested in any Share.

The Independent Board Committee comprising Mr. Au Tin Fung, Mr. Chan Chun Wai and Ms. So Wai Yee, Betty, all being the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Proposed Disposal. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 21 July 2008 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 23 July 2008.

## THE AGREEMENT

Date: 18 July 2008

Parties:

Vendors: Capital Access, an indirect wholly owned subsidiary of the Company

Harvest Mill

Purchaser: Huge Summit

Harvest Mill is principally engaged in investment holding. Harvest Mill is interested in 30% of the issued share capital of Bartech, an indirectly non-wholly owned subsidiary of the Company. Harvest Mill is therefore a connected person of the Company.

Huge Summit is principally engaged in the provision of securities trading information in Taiwan and the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Huge Summit and its ultimate beneficial owner is a third party independent of the Company and its connected persons. As at the date of this announcement, Huge Summit and its associates are not interested in any Share.

### Assets to be disposed

Pursuant to the Agreement, (i) Capital Access has agreed to sell and Huge Summit has agreed to acquire the Sale Shares, representing approximately 70% of the entire issued share capital of Bartech; and (ii) Harvest Mill has agreed to sell and Huge Summit has agreed to acquire the Harvest Mill Sale Shares, representing approximately 30% of the entire issued share capital of Bartech.

### Consideration

The consideration for the Sale Shares and the Harvest Mill Sale Shares is HK\$1,295,000 and HK\$555,000 respectively and shall be settled in the following manner:

- (i) HK\$259,000 and HK\$111,000 has been paid in cash by Huge Summit to Capital Access and Harvest Mill on the date of signing of the Agreement as initial non-refundable deposit (save as in the event that the conditions have not been satisfied, or waived by Huge Summit, by 30 September 2008 (or such other date as the parties under the Agreement may agree), the Deposit and the Harvest Mill Deposit shall be refunded to Huge Summit); and
- (ii) HK\$1,036,000 and HK\$444,000 shall be payable in cash by Huge Summit to Capital Access and Harvest Mill on the date of Completion.

The consideration was agreed after arm's length negotiation between the parties. The Consideration was calculated with reference to the number of the subscribers of securities trading information services of 425 multiple by the average 6-month prepaid subscription fees of HK\$3,600 plus other cost relating to the Proposed Disposal (including financial advisory fees, legal fees, accounting fees and other costs relating to the publication of announcement(s) and circular) of approximately HK\$320,000. 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:

- (a) Capital Access having obtained other necessary consent, authorisation and approval in relation to the Proposed Disposal;
- (b) Harvest Mill having obtained other necessary consent, authorisation and approval in relation to the proposed disposal of Harvest Mill Sale Shares;
- (c) the passing by the shareholders or directors of Capital Access the shareholders' resolutions or board resolutions to approve the Agreement and the transactions contemplated thereunder;
- (d) the passing by the shareholders or directors of Harvest Mill the shareholders' resolutions or board resolutions to approve the Agreement and the transactions contemplated thereunder; and
- (e) if necessary, the passing by the Shareholders at the special general meeting of the Company to be convened and held of an ordinary resolution to approve the Agreement and the transactions contemplated thereunder.

Conditions (a) to (d) are waivable by Huge Summit in writing. In the event that the conditions have not been satisfied, or waived by Huge Summit, by 30 September 2008 (or such other date as the parties under the Agreement may agree), the Agreement shall be of no further force and effect and the Deposit and the Harvest Mill Deposit paid by Huge Summit shall be refunded by Capital Access and Harvest Mill respectively to Huge Summit and no party shall have any further obligations to the other party.

## **Completion**

Completion shall take place on 30 September 2008 (or such other date as may be agreed between the parties under the Agreement) after the conditions of the Agreement have been fulfilled or waived.

## **INFORMATION ON BARTECH**

Bartech is principally engaged in the provision of securities trading information in Hong Kong. The entire issued Share capital of Bartech is owned as to 70% by Capital Access and as to 30% by Harvest Mill.

According to the audited management accounts of Bartech for the fifteen months ended 31 December 2007, the turnover was approximately HK\$6,725,000, the net profit before and after taxation and extraordinary items were approximately HK\$727,000.

As at 31 December 2007, the net liabilities of Bartech was HK\$2,113,000, the principal assets of Bartech was cash and cash equivalent of approximately HK\$372,000 and the principal liabilities of Bartech was trade and other payables of approximately HK\$2,826,000.

According to the audited management accounts of Bartech for the year ended 30 September 2006, the turnover was approximately HK\$5,927,000, the net profit before and after taxation and extraordinary items were approximately HK\$104,000.

As at 30 September 2006, the net liabilities of Bartech was HK\$3,032,000, the principal assets of Bartech was cash at banks of approximately HK\$429,000 and the principal liabilities of Bartech was trade and other payables of approximately HK\$2,605,000.

Immediately after completion of the Proposed Disposal, Bartech will cease to be an indirect non-wholly owned subsidiary of the Company and Capital Access will not hold any interests in Bartech.

## **REASONS FOR THE PROPOSED DISPOSAL**

The Group is engaged in the information technology business including the provision of system integration services, facility management services and information technology related business in the PRC and Hong Kong. Besides, the Group has recently commenced energy-trading business.

In order to better utilise the Group's internal resources, the Directors intend to increase the sales and marketing activities and re-allocate the internal resources on the development in other telecommunication value-added services.

The Board considers the business of Bartech to be fiercely competitive and difficult due to the following reasons: (i) most of the hardware, such as data processor and servers, are outdated and need to be replaced for a quicker and more stable performance; (ii) there is a possible risk that the system will collapse at any time, thereby failing to provide data information to subscribers and resulting in a loss to Bartech due to the refund of the prepaid deposits to subscribers; (iii) the software needs to be updated as to meet the new window vista platform; (iv) the new software is a custom-made software, which is not readily available and will take around nine months to one year for development and testing; (v) the sales income from subscription of the services is declining due to less subscription under the downturn of stock market in the current year; (vi) the keen competition in the securities trading information business lowered down the subscription price per customer and the overall sales revenue of Bartech was adversely affected; and (vii) Bartech needs to invest substantially but the business of Bartech is expected to decline in the near future.

Based on the above, the Group intends to dispose of its interests in Bartech. The Group intends to further concentrate its resources on the core business of energy-oil trading, and identify suitable opportunities to reduce its investments in non-core at appropriate consideration.

The Directors consider the Proposed Disposal to be in line with such re-allocation plan. As such, the Directors believe that the Proposed Disposal also represents a good opportunity for the Group to wind down its capital expenditure commitment in an effective and efficient manner.

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

The gross proceeds receivable by the Group would be approximately HK\$1,295,000. After deducting financial advisory fees, legal fees, accounting fees and other costs relating to the publication of announcement(s) and circular, the net proceeds of the Proposed Disposal of approximately HK\$1,071,000 will be applied as general working capital of the Group.

## **FINANCIAL EFFECT OF THE PROPOSED DISPOSAL**

It is estimated that, upon Completion, the Group will record a profit on disposal of approximately HK\$2,452,000 for the year ending 31 December 2008, which was calculated by adding the gross proceeds of approximately HK\$1,295,000 to the Group's share of net liability of Bartech as at 30 June 2008 of approximately HK\$1,157,000 and will be reflected in the consolidated profit and loss account of the Group for the year ending 31 December 2008.

## **LISTING RULES IMPLICATIONS**

The Proposed Disposal constitutes a major and connected transaction on the part of the Company under the Listing Rules. A circular containing, among other things, further information of the Proposed Disposal, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the letter from the Independent Board Committee to the Independent Shareholders and a notice of SGM will be despatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

Pursuant to Chapter 14A of the Listing Rules, Harvest Mill and its associates are required to abstain from voting for the Resolution. As at the date of this announcement, Harvest Mill and its associates are not interested in any Share.

The Independent Board Committee comprising Mr. Au Tin Fung, Mr. Chan Chun Wai and Ms. So Wai Yee, Betty, all being the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Proposed Disposal. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 21 July 2008 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 23 July 2008.

## **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 18 July 2008 entered into between Capital Access, Harvest Mill and Huge Summit in relation to the sale and purchase of the Sale Shares and the Harvest Mill Sale Shares
“Bartech”	Bartech (International) Information Network Limited, a company incorporated in Hong Kong with limited liability and an indirect 70% non-wholly owned subsidiary of the Company
“Board”	the board of Directors
“Capital Access”	Capital Access Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company

“Company”	Sunny Global Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares and the Harvest Mill Sale Shares in accordance with the terms and conditions of the Agreement
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Deposit”	deposit in the amount of HK\$259,000 paid by Huge Summit to Capital Access on the date of signing of the Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Harvest Mill”	Harvest Mill Commercial Limited, a company incorporated in the British Virgin Islands with limited liability
“Harvest Mill Deposit”	deposit in the amount of HK\$111,000 paid by Huge Summit to Harvest Mill on the date of signing of the Agreement
“Harvest Mill Sale Shares”	3,000,000 shares of HK\$1.00 each in the issued share capital of Bartech
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huge Summit”	Huge Summit Enterprises Limited (泰峰企業有限公司), a company incorporated in Hong Kong with limited liability
“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, formed for the purpose of advising Independent Shareholders in relation to the Proposed Disposal
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the general meeting to approve a connected transaction
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Disposal”	the proposed disposal of the Sale Shares by Capital Access to Huge Summit
“Resolution”	the resolution to be passed by the Independent Shareholders at the special general meeting to be convened by the Company to approve the Proposed Disposal
“Sale Shares”	7,000,000 shares of HK\$1.00 each in the issued share capital of Bartech
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder

“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share 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**  
**Li Chun Tak**  
*Executive Director*

Hong Kong, 22 July 2008

*As at the date of this announcement, Messrs. Li Chun Tak, Wong Hin Shek, Dai Zhongcheng, Liu Bo and Zhao Peilai 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 purpose only*