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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)

VERY SUBSTANTIAL ACQUISITION, SPECIFIC MANDATE TO ISSUE NEW SHARES AND RESUMPTION OF TRADING

VERY SUBSTANTIAL ACQUISITION

On 31 August 2008, the Purchaser, a wholly-owned subsidiary of the Company, the Vendors, the Guarantors and the Company entered into the Agreement pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of the Sale Shares, at a total consideration of not more than HK\$6,000 million.

Pursuant to the terms of the Agreement, the Consideration of not more than HK\$6,000 million shall be settled by the issue and allotment of the Consideration Shares and the Preferred Shares.

The Acquisition constitutes a very substantial acquisition on the part of the Company under Chapter 14 of the Listing Rules. Accordingly, the Agreement and the transactions contemplated thereunder are subject to the approval of the Shareholders at the SGM.

Upon Completion, the EJV will become an indirect non wholly-owned subsidiary of the Company. The PRC Partner, being a substantial shareholder of the EJV, will become a connected person of the Company upon Completion. As such, the transactions contemplated under the Promotion Agreement and the Service Agreement, details of which are set out below, will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules upon Completion.

GENERAL

A circular containing, among other matters, further details of the Acquisition and a notice convening the SGM, will be despatched to the Shareholders in compliance with the Listing Rules.

* For identification purposes only

SPECIFIC MANDATE TO ISSUE NEW SHARES

A specific mandate for the issue of the Consideration Shares and the Preferred Shares will be sought at the SGM.

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 1 September 2008 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in Shares with effect from 9:30 a.m. on 8 October 2008.

VERY SUBSTANTIAL ACQUISITION

THE AGREEMENT

Date: 31 August 2008

Parties:

Purchaser: Positive Rise Holdings Limited, a wholly-owned subsidiary of the Company and an investment holding company

Vendors:

- (i) Master Top Investments Limited (wholly and beneficially held by Ho Wai Kong);
- (ii) Mega Step Investments Limited (wholly and beneficially held by Lu Xing);
- (iii) Favor Mind Holdings Limited (wholly and beneficially held by Wang Dingbo);
- (iv) Magical Power Investments Limited (wholly and beneficially held by Zheng Zhi); and
- (v) Huge Ally Group Limited (wholly and beneficially held by Fong, Herman Yat Wo)

Guarantors:

- (i) Ho Wai Kong;
- (ii) Lu Xing;
- (iii) Wang Dingbo;
- (iv) Zheng Zhi; and
- (v) Fong, Herman Yat Wo

Confirmor: The Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendors and their ultimate beneficial owners and the Guarantors are third parties independent of the Company and connected persons of the Company. The Company does not have any transactions with the Vendors and their ultimate beneficial owners completed within 12 months prior to the Acquisition and save and except being shareholders of the Target there is no prior or current relationship (business or otherwise) (i) among the Vendors; and (ii) between the Vendors with the Company and/or connected person(s) of the Company.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of the Sale Shares (being the entire issued share capital of the Target).

Consideration

Pursuant to the terms of the Agreement, the Consideration is the aggregate sum of the Basic Consideration (as defined below) and the Earn-out (as defined below) (in any event, the Consideration shall not be more than HK\$6,000 million) and which shall be determined and settled in the following manner:

(i) *Basic Consideration*

Basic Consideration = Value of the Consideration Shares

Upon Completion, the Purchaser shall procure the Company and the Company shall issue and allot the Consideration Shares to the Vendors or their designated nominees (in proportion to their shareholdings in the Target), provided that the aggregate amount of the Consideration Shares together with the Shares then beneficially held (directly or indirectly) by the Vendors and the parties acting in concert with them shall represent the closest to 29.9% of the then issued shares of the Company as enlarged by the issue and allotment of the Consideration Shares. Such arrangement is a decision commercially made by the parties to the Agreement which is considered to be a more practical approach than the provision of a complicated anti-dilution mechanism to protect interests of the Vendors from dilution by conversions of any convertible securities of the Company (as at the date of the Agreement, the Company has 632,000,000 outstanding warrants and 200,000,000 outstanding convertible bonds) during the interim period between the date of Agreement and the Completion Date; and

(ii) *Earn-out*

Within 14 days after the determination of the Earn-out, the Purchaser shall procure the Company and the Company shall issue and allot the appropriate amount of Preferred Shares to the Vendors or their designated nominees (in proportion to their shareholdings in the Target) according to the amount of the Earn-out as determined. The principal terms of the Preferred Shares are set out in the paragraph headed “Principal terms of the Preferred Shares” below.

*Earn-out = {2009 NPAT or 2010 NPAT (as requested by the Vendors) X 30} –
Basic Consideration*

The Purchaser and the Vendors agreed that even if the 2009 NPAT or the 2010 NPAT (whichever is applicable) is more than HK\$200 million, HK\$200 million will be used for the purposes of determining the amount of the Earn-out and the Consideration will not exceed HK\$6,000 million. Further, as the Basic Consideration is not based on the results of the Target Group, it shall not be refunded (in part or in whole) by the Vendors under any circumstances (including but not limited to where the 2009 NPAT or the 2010 NPAT being equal or less than HK\$0).

If no Earn-out is payable by the Purchaser to the Vendors, the Consideration for the Acquisition will be the Basic Consideration.

The amount of HK\$200 million is the maximum cap used to determine the Consideration based on the price to earnings ratio of 30. Such amount was adopted by the Vendors based on their requirement and the amount does not constitute a forecast or estimate and the final consideration will be determined by the “Earn-out” formula as set out above.

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser taking into account the future amount of the 2009 NPAT and the 2010 NPAT and the relevant historical price to earnings ratio of several comparable companies. The Consideration represents approximately an implied price to earnings ratio of 30 times on the 2009 NPAT or the 2010 NPAT. Based on the products, services, markets, earning and growth, capital structure, nature of competition and the characteristics of the underlying investment risk and expected rate of return, the Company has selected four similar comparable companies (two from Hong Kong, one from the PRC and one from Taiwan). The criteria to identify the comparable companies are to select listed enterprises with similar business nature and associated risks. Since listed companies with principal business of public procurement related services are very limited around the world, other listed companies in related industries, like the business-to-business (“**B2B**”), instead, are also used. In the selection process, companies with dominating role and strong bargaining power in the B2B industry are focused on as it is believed that competition to be faced by the proposed EJV will be minimal in view of the fact that the buyer side (i.e. governmental bodies of the PRC) is always available. The range of the price to earnings ratio of the selected companies is approximately 21.75 to 32.69 with an average and median of approximately 28.14 and 29.07 respectively. The abovementioned implied price to earnings ratio is slightly higher than the average and the median of the comparable companies. The Directors are of the opinion that the Consideration is fair and reasonable and is in the interests of the Shareholders as a whole.

The comparable companies aforesaid include Alibaba.com, Li & Fung, Zhejiang Netsun Co Ltd. and Gu Ta Internet Information, which all provide marketplaces which allow matching of buyers and suppliers from around the world. All of them have significant market share in their respective target markets as well as good reputation for their deal-matching efficiency and transparency. Their operations are akin to the online public procurement platform for suppliers and public procurers. The future business of the EJV is expected as an online platform for public procurement of the government bodies of the PRC , and only such kinds of sizeable trading enterprises can be comparable to the market position of the EJV. Further details of the comparable companies will be disclosed in the circular.

Conditions precedent

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

- (a) the obtaining of all necessary consents and approvals by the Target Group, the Vendors, the Guarantors and the Purchaser in respect of the Agreement and the transactions contemplated thereby (including but not limited to (i) all necessary authorisations, consents and approvals in respect of the amendments to the memorandum of association and the bye-laws of the Company according to Bermuda laws regarding the creation, allotment and issue of the Preferred Shares and (ii) all necessary applications for foreign exchange registration according to the relevant PRC laws to be made by the EJV and the Guarantors (whoever being a PRC national);
- (b) the Vendors' and the Guarantors' warranties contained in the Agreement remaining true and accurate in all respects and the Vendors and the Guarantors having complied with all of their obligations under the Agreement;
- (c) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal, in the Consideration Shares (including the Shares to be issued upon conversion of the Preferred Shares) and (if necessary) to issue and allot the Preferred Shares;

- (d) the passing by the Shareholders at the SGM to be convened and held with special resolution to approve the alterations to the memorandum of association and the bye-laws of the Company for the creation of the Preferred Shares and the adoption of the terms of the Preferred Shares and ordinary resolution(s) to approve the Agreement and the transactions contemplated thereunder, including but not limited to, the allotment and issue of the Consideration Shares to the Vendors at the Consideration Shares Issue Price credited as fully paid, the allotment and issue of the Preferred Shares, the Conversion Shares upon conversion of the Preferred Shares;
- (e) the delivery to the Purchaser of a PRC legal opinion (in form and substance satisfactory to the Purchaser) from a PRC legal adviser appointed by the Purchaser in relation to the Agreement and the transactions contemplated thereby and the EJV and the delivery to the Purchaser of a BVI legal opinion (in form and substance reasonably satisfied by the Purchaser) from a BVI legal adviser appointed by the Purchaser in relation to the due incorporation and good standing of the Target;
- (f) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs and the feasibility of the business plan of the Target Group;
- (g) the obtaining of a business plan of the EJV provided by the Vendors and the obtaining of a feasibility study (in substance reasonably satisfied by the Purchaser) from a valuer appointed by the Purchaser prepared based on the aforesaid business plan of the EJV (covering areas including business operations, revenue, price to earnings ratio and comparison with similar businesses);
- (h) the legal and due establishment of the EJV, the obtaining of all consents and approvals required for its establishment, subsistence, current and further operations, and its normal commencement of its business and operations under circumstances reasonably satisfied by the Purchaser;
- (i) the ownership of all necessary licences, approvals and consents (including an effective telecommunication and information services business operating permit (the ICP certificate)) for the existing businesses or proposed businesses to be operated by the PRC Partner;
- (j) the legality, validity and the due implementation after the respective commencement dates of each of the Promotion Agreement, the Service Agreement, and the know-how agreement (for the provision of know-how to the EJV to enable it to provide the requisite services to the PRC Partner under the Service Agreement) to be entered into between the EJV and Tsinghua University (or its related entities); and
- (k) the entering into of cooperation agreements by the EJV or the PRC Partner with the 10 procurement centres in the PRC or any other procurement centres to the satisfaction of the Purchaser.

All of the above conditions cannot be waived, except for condition numbered (b) which can be waived by the Purchaser. In the event that (i) the above conditions are not fulfilled (or as the case may be, waived by the Purchaser) on or before 180 days after the date of the Agreement or such later date as the Vendors and the Purchaser may agree in writing; or (ii) the Purchaser giving not less than 14 business days written notice to the Vendors at any time prior to Completion to determine the Agreement (the date of termination specified in such termination notice being not later than the Completion Date), the Agreement shall cease and determine and save and except antecedent breach thereof, neither the Vendors and the Purchaser shall have any obligations towards each other.

The Directors confirm that as at the date of this announcement, none of the above conditions have been fulfilled and the Purchaser has no intention to waive the condition which is capable of being waived and no notice in respect of termination of the Agreement had been served by the Purchaser.

Completion

Completion shall take place at 4:00 p.m. on the Completion Date.

Upon Completion, the Target will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company.

As at the date of this announcement, it was not intended that any of the Guarantors (being the respective beneficial owner of each of the Vendors) would be appointed as Director and it was not expected that there would be any change in the members of the Board upon Completion. Pursuant to the terms of the Agreement, the Vendors have no power to control the composition of a majority of the Board.

SPECIFIC MANDATE TO ISSUE NEW SHARES

The Consideration Shares

The Consideration Shares will be issued at the Consideration Shares Issue Price of HK\$0.6667 per Consideration Share, credited as fully paid. Such number of Consideration Shares will be issued to the Vendors at Completion which will result in the Vendors and parties acting in concert with them holding (directly or indirectly) such number of issued shares of the Company which is closest to 29.9% of the issued Shares as at the Completion Date (as enlarged by the issue of the Consideration Shares).

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, the record date for which falls on or after the date of such allotment and issue.

Based on the number of Shares in issue as at the date of this announcement and assuming no further Shares will be issued or repurchased, the Consideration Shares should satisfy up to approximately HK\$573,581,198 of the Consideration.

The Consideration Share Issue Price represents:

- (i) a discount of approximately 19.67% to the closing price of HK\$0.83 per Share as quoted on the Stock Exchange on 29 August 2008, being the trading day immediately prior to the date of the Agreement;
- (ii) a discount of approximately 10.15% to the average of the closing prices of HK\$0.742 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 29 August 2008, being the trading day immediately prior to the date of the Agreement;
- (iii) a discount of approximately 8.17% to the average of the closing prices of HK\$0.726 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 29 August 2008, being the trading day immediately prior to the date of the Agreement; and
- (iv) approximately 6.05 times of the net assets value per Share, being approximately HK\$0.1102 per Share, based on the net assets value of approximately HK\$222,210,000 for the year ended 31 December 2007 as set out in the 2007 annual report of the Company and the total number of issued Shares as at the date of this announcement being 2,017,025,000 Shares.

The Consideration Shares Issue Price and the Preferred Shares Issue Price (referred to below) were arrived at after arm's length negotiation between the parties to the Agreement with reference to the average monthly closing price of the Shares in the eight consecutive months from January 2008 to August 2008. During the eight consecutive months from January 2008 to August 2008, the lowest and highest average monthly closing prices of the Shares as quoted on the Stock Exchange were HK\$0.425 per Share recorded in March 2008 and HK\$0.8355 per Share recorded in May 2008 respectively. The average of those average monthly closing prices from January 2008 to August 2008 is HK\$0.65 per Share.

The Consideration Shares Issue Price and the Preferred Shares Issue Price (referred to below) represent a premium of approximately 2.57% over the average of the average monthly closing prices from January 2008 to August 2008. In light of the recent volatility and generally downward trend of the market, the Company considers that the Consideration Shares Issue Price and the Preferred Shares Issue Price (referred to below) are reasonable.

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

As at the date of this announcement, there are 2,017,025,000 Shares in issue. As illustrated in the table set out under the paragraph headed "Changes in shareholding structure of the Company" below and based on the assumption that no further Shares will be issued or repurchased by the Company before Completion, the maximum number of Consideration Shares to be issued would be approximately 860,328,780 and which represents approximately 42.65% of the issued share capital of the Company as at the date of this announcement and approximately 29.90% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

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. Since the Purchaser shall procure the Company and the Company shall issue and allot the Consideration Shares to the Vendors or their designated nominees (in proportion to their shareholdings in the Target) upon Completion, an exact number of the Consideration Shares would be determined and available upon Completion and would be included in the then listing application of the Company.

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

Principal terms of the Preferred Shares

The principal terms of the Preferred Shares are summarised below:

Par value:	HK\$0.01
Preferred Shares Issue Price:	HK\$0.6667 per Preferred Share
Conversion rate for each Preferred Share:	One to one (one Preferred Share can be converted in one ordinary Share)
Conversion:	The holders of the Preferred Shares shall have the right to convert the Preferred Shares, in whole or in part, at any time at the conversion rate set out above provided that: <ul style="list-style-type: none">(i) any conversion of the Preferred Shares will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Preferred Shares holder who exercised the conversion rights; and(ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares of the Company at any one time in compliance with the Listing Rules.

Dividends:	Holder of the Preferred Shares shall be entitled to dividend to the same extent as holders of the ordinary Shares and the Preferred Shares shall rank pari passu with the ordinary Shares in dividend as declared by the Company from time to time
Redemption:	The Preferred Shares are non-redeemable
Transferability:	The Preferred Shares are transferrable
Voting rights:	The Preferred Shares have no voting rights
Rights in liquidation:	<p>(i) The Preferred Shares shall rank pari passu with ordinary Shares for return of capital in the event of liquidation; and</p> <p>(ii) The Preferred Shares shall rank pari passu with ordinary Shares for the right to participate in distribution of surplus in the event of liquidation.</p>
Governing law:	Hong Kong

Based on the number of Shares in issue as at the date of this announcement and assuming no further Shares will be issued or repurchased prior to Completion and the Consideration will be HK\$6,000 million, the maximum number of the Preferred Shares to be issued pursuant to the Acquisition will be 8,139,221,242. The Preferred Shares will not be listed and no application will be made to the Stock Exchange for the listing of the Preferred Shares.

As at the date of this announcement, there are 2,017,025,000 Shares in issue. As illustrated in the table set out under the paragraph headed “Changes in shareholding structure of the Company” below and based on the assumption that no further Shares will be issued or repurchased by the Company before Completion and the Consideration will be HK\$6,000 million, the maximum number of Conversion Shares to be issued upon full conversion of the Preferred Shares would be 8,139,221,242 and which represents approximately 403.53% of the issued share capital of the Company as at the date of this announcement, approximately 282.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and approximately 73.88% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares.

The conversion price of the Preferred Shares is equivalent to the Preferred Shares Issue Price. The Preferred Shares Issue Price represents:

- (i) a discount of approximately 19.67% to the closing price of HK\$0.83 per Share as quoted on the Stock Exchange on 29 August 2008, being the trading day immediately prior to the date of the Agreement;
- (ii) a discount of approximately 10.15% to the average of the closing prices of HK\$0.742 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 29 August 2008, being the trading day immediately prior to the date of the Agreement;
- (iii) a discount of approximately 8.17% to the average of the closing prices of HK\$0.726 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 29 August 2008, being the trading day immediately prior to the date of the Agreement; and

- (iv) approximately 6.05 times of the net assets value per Share, being approximately HK\$0.1102 per Share, based on the net assets value of approximately HK\$222,210,000 for the year ended 31 December 2007 as set out in the 2007 annual report of the Company and the total number of issued Shares as at the date of this announcement being 2,017,025,000 Shares.

The issue of the Preferred Shares and the Conversion Shares to be issued upon conversion of the Preferred Shares will be made pursuant to the specific mandate to be sought at the SGM. As at the date of this announcement, the Company was not aware of any Shareholders disposing of their interest of the Company to the Vendors which would result in a change in control of the Company.

Dilution effect of the Preferred Shares

In view of the potential dilution effect on the existing Shareholders on exercise of conversion rights attaching to the Preferred Shares, for so long as any of the Preferred Shares are outstanding, the Company will keep the Shareholders informed of the level of dilution and details of conversion as follow:

- (1) the Company will make a monthly announcement (“**Monthly Announcement**”) on the website of the Stock Exchange and the Company after the issue of the Preferred Shares. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following information in a table form:
 - (a) whether there is any conversion of the Preferred Shares during the relevant month. If so, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - (b) the outstanding number of the Preferred Shares after the conversion, if any;
 - (c) the total number of new Shares issued pursuant to other transactions during the relevant month, including new Shares issued pursuant to exercise of options under any share option scheme(s) of the Company;
 - (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month;
- (2) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Preferred Shares reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Preferred Shares (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange and the Company including details as stated in (1) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Preferred Shares (as the case may be), up to the date on which the total amount of Shares issued pursuant to the conversion amounts to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Preferred Shares; and
- (3) if the Company forms the view that any issue of Shares will trigger the disclosure requirements under Rule 13.09 of the Listing Rules, then the Company will be obliged to make such disclosure regardless of the issue of any announcement in relation to the Preferred Shares as mentioned in (1) and (2) above.

INFORMATION ON THE TARGET

The Target

The Target is a company incorporated in the BVI and is wholly and beneficially owned by the Vendors. The Target is principally engaged in investment holding. The sole asset of the Target is the entire issued capital of the Subsidiary, which in turn will own 90% of the registered and paid up capital of the proposed EJV while 10% of the registered and paid up capital of the proposed EJV will be owned by the PRC Partner. The PRC Partner is principally engaged in the development of computer technology, networking technology, electronic information technology, sale of computer networking equipments and investment and investment management. As confirmed by the Vendors, the interest in the PRC Partner is currently held by an individual shareholder and Dongfang Sheng Ye (as defined below). As further confirmed by the Vendors, upon relevant transfer of shares in the PRC Partner becoming effective, the PRC Partner will be held by five shareholders and so far as the Vendors are aware, the background information of the shareholders of the PRC Partner and their future shareholdings in the PRC Partner are set out below:

- (i) China Venture Capital Co., Ltd. (中國風險投資有限公司) (“**CVC**”), a company engaged in the field of venture capital, which is initiated by the Central Committee of China National Democratic Construction Association (中國民主建國會) (“**CNDCA**”), a democratic party mainly composed of entrepreneurs, economists and other experts and scholars in the economic field. Mr. Cheng Siwei (成思危), who was then the chairman of the central committee of the CNDCA and also the vice chairman of the Standing Committee of the National People’s Congress of the PRC, is the originator of CVC. CVC will hold 30% shareholding interest in the PRC Partner.
- (ii) Dongfang Sheng Ye Investment Ltd. (東方盛業投資有限公司) (“**Dongfang Sheng Ye**”), a company initiated by Development Research Center of the State Council (國務院發展研究中心) and is under restructuring to become a member organisation of CECC (as defined below). Dongfang Sheng Ye will hold 24% shareholding interest in the PRC Partner.
- (iii) Tsinghua Infotech Co., Ltd. (北京清軟英泰信息技術有限公司) (“**Tsinghua Infotech**”), a wholly-owned subsidiary of the School of Software, Tsinghua University (清華大學軟件學院) which is governed by the PRC government. It is mainly engaged in research and development of information technology to enhance the effectiveness of information exchange in enterprises and the government of the PRC. Tsinghua Infotech will hold 23% shareholding interest in the PRC Partner.
- (iv) Beijing Hualu Dongfang Information System Development Ltd. (華錄東方信息系統開發有限公司) (“**Beijing Hualu**”) is a state owned enterprise and funded by Development Research Center of the State Council (國務院發展研究中心). Beijing Hualu is mainly engaged in research and development of information system. Beijing Hualu will hold 18% shareholding interest in the PRC Partner.
- (v) China Electronic Chamber of Commerce (中國電子商會) (“**CECC**”), established and registered at the Ministry of Civil Affairs of the PRC (中國民政部) in 1988, is a national corporate organisation of electronic industry incorporated on a voluntary basis with companies and organisations dealing in electronic products across the PRC. CECC is under the guidance of the Ministry of Industry and Information Technology of the PRC (中國工業和信息化部) on its business development. CECC is currently one of the largest organisations in the circulation of electronic information products. CECC will hold 5% of shareholding interest in the PRC Partner.

As at the date of this announcement, the EJV has not been established. It is expected that the proposed EJV will be principally engaged in technological development, advisory services, business planning and public-relations activities planning of network technologies.

It is intended that the EJV proposes, among other matters, to develop a nationwide online public procurement platform for suppliers and public procurers in the PRC including central and local government and public authorities; improve the efficiency, effectiveness and transparency of public procurement procedures in the PRC; promote international public procurement standards in the PRC to satisfy the requirements of the World Trade Organisation (WTO).

It is intended that the PRC Partner or the proposed EJV will enter into relevant agreements with 10 pilot public procurement centres under which each of them will agree to conduct their online procurement operations through the Platform. It is intended that the EJV will seek to set up its own procurement centers after these 10 pilot public procurement centers are satisfactorily operated.

It is expected that the business model of the EJV will be as follow:

- (a) Services to be provided to procurers include access to the online procurement system; training services to procurement professionals; uploading of electronic tendering documents and online receipt of bids from suppliers; up-to-date market information and news; verification of the identity of the suppliers and online contracting services.
- (b) Services to be provided to suppliers include access to the online procurement system; linkage to suppliers' website; online advertisements and showrooms; downloading of electronic tendering documents and online submission of bids; up-to-date market information and news; online contracting services and other related services.

It is also expected that the revenue stream of the EJV will include the following (may subject to change):

- (a) commission fee received from each transaction conducted through the Platform, which (as currently intended) will be charged at 1% of the invoiced amount for each transaction;
- (b) registration and membership renewal fee charged to each registered supplier; and
- (c) other income including online advertisements and showrooms, arrangement fees for fund raising, logistics and insurance services.

According to the unaudited financial statements of the Target prepared under the Hong Kong Financial Reporting Standards, the unaudited net loss from 8 January 2008 (being its incorporation date) to 31 July 2008 was HK\$1,700 and the unaudited net liabilities of the Target as at 31 July 2008 was approximately HK\$920. According to the unaudited financial statements of the Subsidiary prepared under the Hong Kong Financial Reporting Standards, the unaudited net loss from 29 November 2007 (being its incorporation date) to 31 July 2008 was HK\$76,543 and the unaudited net liabilities of the Subsidiary as at 31 July 2008 was approximately HK\$66,543. Since the five future shareholders of the PRC Partner are either public affairs units or units governed by the PRC government and/or non-profit making entities, the historical financial figures of them are not publicly available.

Further information in relation to the EJV, including but not limited to, its status of incorporation process, registered principal businesses, business partners and agreements, will be included in the circular to be despatched to the Shareholders as soon as practicable.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Consideration Shares; and (iii) with the allotment and issue of the Consideration Shares and conversion of the Preferred Shares in full, are as follows:

	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares		With the allotment and issue of the Consideration Shares and conversion of the Preferred Shares in full (Hypothetical)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>The Vendors and parties acting in concert with them</i>						
— Existing Shares	—	—	—	—	—	—
— Consideration Shares:	—	—	860,328,780	29.90	860,328,780	7.809
<i>Master Top Investments Limited</i>	—	—	417,517,557	14.51	417,517,557	3.789
<i>Mega Step Investments Limited</i>	—	—	126,554,364	4.40	126,554,364	1.149
<i>Favor Mind Holdings Limited</i>	—	—	171,033,361	5.94	171,033,361	1.552
<i>Magical Power Investments Limited</i>	—	—	119,929,832	4.17	119,929,832	1.089
<i>Huge Ally Group Limited</i>	—	—	25,293,666	0.88	25,293,666	0.230
— Preferred Shares	—	—	—	—	—	—
— Conversion Shares:	—	—	—	—	8,139,221,242	73.882
<i>Master Top Investments Limited</i>	—	—	—	—	3,949,964,069	35.855
<i>Mega Step Investments Limited</i>	—	—	—	—	1,197,279,444	10.868
<i>Favor Mind Holdings Limited</i>	—	—	—	—	1,618,077,183	14.688
<i>Magical Power Investments Limited</i>	—	—	—	—	1,134,607,441	10.299
<i>Huge Ally Group Limited</i>	—	—	—	—	239,293,105	2.172
<i>The Vendors and parties acting in concert with them (Note 1)</i>	—	—	860,328,780	29.90	8,999,550,022	81.691

	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares		With the allotment and issue of the Consideration Shares and conversion of the Preferred Shares in full (Hypothetical)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>Directors</i>						
— Mr. Au Tin Fung	600,000	0.03	600,000	0.02	600,000	0.005
— Mr. Chan Chun Wai	420,000	0.02	420,000	0.01	420,000	0.004
— Mr. Dai Zhongcheng	3,000,000	0.15	3,000,000	0.10	3,000,000	0.027
— Mr. Li Chun Tak	140,000,000	6.94	140,000,000	4.87	140,000,000	1.271
— Mr. Wong Hin Shek	3,000,000	0.15	3,000,000	0.10	3,000,000	0.027
— Mr. Wong Kam Fat, Tony	28,412,000	1.41	28,412,000	0.99	28,412,000	0.258
<i>Directors</i>	175,432,000	8.70	175,432,000	6.10	175,432,000	1.592
<i>Existing Substantial Shareholder:</i>						
— Success Way Holdings Limited (Note 3)	254,604,000	12.62	(Note 4)	(Note 4)	(Note 4)	(Note 4)
<i>Public Shareholder</i>	1,586,989,000	78.68	1,841,593,000 (Note 4)	64.00	1,841,593,000 (Note 4)	16.717
Total	<u>2,017,025,000</u>	<u>100.00</u>	<u>2,877,353,780</u>	<u>100.00</u>	<u>11,016,575,022</u>	<u>100.000</u>

- Note:* 1. As at the date of this announcement, the Vendors and parties acting in concert with them do not hold any Shares.
2. As stated in the paragraph headed “Principal terms of the Preferred Shares” above, the holders of the Preferred Shares shall have the right to convert the Preferred Shares, in whole or in part, at any time at the conversion rate set out above provided that any conversion of the Preferred Shares will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Preferred Shares holder who exercised the conversion rights. Hence, the circumstances with the allotment and issue of the Consideration Shares and conversion of the Preferred Shares in full is hypothetical.
3. 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.
4. Success Way Holdings Limited will no longer be a substantial Shareholder and will become a public Shareholder both (i) immediately after the allotment and issue of the Consideration Shares and (ii) with the allotment and issue of the Consideration Shares and conversion of the Preferred Shares in full (hypothetical).

If and when a general offer obligation is triggered by the Vendors and the parties acting in concert with them, relevant regulatory requirements including the Takeovers Code will be fully complied with.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the provision of system integration services, facility management services and information technology infrastructure network development in the PRC and Hong Kong, trading of construction materials and mobile phones.

As mentioned in the 2007 annual report of the Company, the Company is always looking for new opportunities to enhance the profitability of the Group. The Acquisition and the proposed underlying scope of business of the EJV and the Platform would provide the Company with an unique opportunity to participate in an information technology related business activity with lucrative potential. It is intended that the EJV and the Platform would develop a nationwide online public procurement platform for suppliers and public procurers in the PRC including central and local government and public authorities which is expected to be unique in the PRC.

Accordingly and based on the expected business model and revenue stream of the EJV as set out in the paragraph headed “Information on the Target” above, the Directors believe that the Acquisition would enhance the future growth and profitability prospect of the Group. In addition, the Acquisition will be financed by non-cash consideration, a potential significant part of which is based on an “earn-out” basis as described earlier in this announcement, the Directors consider that the interest of the Vendors would be in alignment with that of the Company and the Shareholders.

Moreover, the Directors consider that the issue and allotment of the Consideration Shares and the Preferred Shares as settlement of the Consideration could allow the Company to pursue with the Acquisition which is expected to enhance the future growth and profitability of the Group without imposing an immediate negative effect on the cash flow of the Company. Besides, as illustrated above, the Consideration Shares Issue Price and the Preferred Shares Issue Price represent a premium of approximately 2.57% over the average of the average monthly closing prices from January 2008 to August 2008, and which the Directors consider as fair and reasonable.

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

IMPLICATION UNDER THE LISTING RULES

The Acquisition constitutes a very substantial acquisition on the part of the Company under Chapter 14 of the Listing Rules. Accordingly, the Agreement and the transactions contemplated thereunder are subject to the approval of the Shareholders at the SGM.

POSSIBLE CONTINUING CONNECTED TRANSACTIONS UPON COMPLETION

The EJV has entered into two framework agreements (i.e. the Promotion Agreement and the Service Agreement) with the PRC Partner. Since the PRC Partner intends to promote the research and development, construction and implementation of the Platform, it entered into the Promotion Agreement and the Service Agreement with the EJV on 22 August 2008.

(a) Promotion Agreement

Pursuant to the Promotion Agreement, the PRC Partner agreed to appoint and the EJV agreed to act as the exclusive agent of the PRC Partner to recruit suppliers for the Platform and provide necessary services to the suppliers on the Platform. Pursuant to the Promotion Agreement, the EJV has agreed to pay a lump sum payment of RMB8 million (equivalent to approximately HK\$9.04 million) to the PRC Partner within 60 days from the date of the Promotion Agreement; and the EJV, in consideration of the services to be provided to the PRC Partner will be entitled to receive a service fee which equals 40% of the gross revenue received by the PRC Partner from its business. The Promotion Agreement is effective until terminated by the EJV upon serious breach of the terms of the Promotion Agreement by the PRC Partner.

(b) Service Agreement

Pursuant to the Service Agreement, the PRC Partner agreed to engage the EJV and the EJV agreed to provide (i) all necessary capital, know-how, equipment and human resources in relation to the building and setting up of the Platform and (ii) technical support in relation to the operation of the Platform. Pursuant to the Service Agreement, the EJV has agreed to pay a lump sum payment of RMB7 million (equivalent to approximately HK\$7.91 million) to the PRC Partner within 60 days from the date of the Service Agreement; and the EJV, in consideration of the services to be provided to the PRC Partner will be entitled to receive a service fee which equals 60% of the gross revenue received by the PRC Partner from its business. The Service Agreement is effective until terminated by the EJV upon serious breach of the terms of the Service Agreement by the PRC Partner. As confirmed by the Vendors, the source of the resources to be provided by the EJV to the PRC Partner would be based on the know-how agreement to be entered into between the EJV and the Tsinghua University (or its related entities) as mentioned in sub-paragraph (j) under the paragraph headed “Conditions precedent” above.

It is expected that 100% of the PRC Partner’s gross revenue from its business will be levied under the Promotion Agreement and the Service Agreement. However, the substantial income of the EJV is expected to be directly generated by the EJV and that from the PRC Partner should not be significant. Upon Completion, the EJV will become an indirect non wholly-owned subsidiary of the Company. The PRC Partner, being a substantial shareholder of the EJV, will become a connected person of the Company upon Completion. As such, the transactions contemplated under the Promotion Agreement and the Service Agreement will constitute connected transactions for the Company under Chapter 14A of the Listing Rules upon Completion. Written agreements with relevant maximum cap of the transactions involved under each of the Promotion Agreement and the Service Agreement will be entered into between the EJV and the PRC Partner from time to time subsequent to the Completion. Reporting, announcement and independent shareholders’ approval requirements pursuant to the Listing Rules will be complied with where applicable.

SGM

The SGM will be convened at which resolutions will be proposed to seek the approval of the Shareholders by way of a poll for the transactions contemplated under the Agreement, including, amongst other things, the Acquisition, the allotment and issue of the Consideration Shares and the Preferred Shares and the Conversion Shares upon conversion of the Preferred Shares, the creation of the Preferred Shares and alterations to the memorandum of association and bye-laws of the Company.

INFORMATION AS TO COMMISSION TO BE PAID BY THE COMPANY IN RELATION TO THE ACQUISITION

It is agreed between the Agent and the Company that a commission, based on 2.5% of the Consideration, would be paid by the Company to the Agent for the procurement and assistance offered by the Agent in relation to the Acquisition. So far as the Directors are aware, the Agent is a company incorporated in the BVI and its management is experienced in trading and merchandising business. The Agent has been assisting the Company to acquire a trading-related company. Save as disclosed above, the Directors are not aware of any prior or current relationship (business or otherwise) between the Agent and the Company and its connected persons.

Since the Agent is familiar with the PRC markets and has offered assistance to the Company during the early negotiation process of the structure of the Acquisition, the Directors consider that it is beneficial for the Company to engage the Agent. So far as the Directors are aware, the rate of commission to the Agent is in accordance with the normal market practice for similar kind of transactions, and after an arm's length commercial negotiation between the Company and the Agent and in consideration of the Agent's efforts and contribution, it is considered that the payment of the commission at 2.5% of the Consideration is reasonable. In particular, the Agent provided assistance to the Company in the following aspects: (i) introducing the Vendors to the Company; (ii) explaining the business model of the EJV to the Company; and (iii) taking part in the early negotiation process on the preliminary terms and skeleton structure of the Acquisition between the Vendors and the Purchaser. Furthermore, the Directors believe that the Acquisition would enhance the future growth and profitability prospect of the Group and the payment of the commission is fair and reasonable and in the interest of the Company and the Shareholders as a whole. As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Agent and its ultimate beneficial owner(s) is a third party independent of the Company and connected persons of the Company, the Vendors and the Target.

GENERAL INFORMATION

A circular containing, among other matters, further details of the Acquisition and a notice convening the SGM, will be despatched to the Shareholders in compliance with the Listing Rules.

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 1 September 2008 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in Shares with effect from 9:30 a.m. on 8 October 2008.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

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|-------------------------|---|
| “2009 Audited Accounts” | the audited financial statements of the Target Group for the year ending 31 December 2009 (or of a shorter period as determined by the Vendors) prepared by auditors appointed by the Purchaser based on the Hong Kong General Acceptable Accounting Principles and other relevant principles |
| “2010 Audited Accounts” | the audited financial statements of the Target Group for the year ending 31 December 2010 (or of a shorter period as determined by the Vendors) prepared by auditors appointed by the Purchaser based on the Hong Kong General Acceptable Accounting Principles and other relevant principles |

“2009 NPAT”	the net profit (after tax and extraordinary expenses) as shown in the 2009 Audited Accounts
“2010 NPAT”	the net profit (after tax and extraordinary expenses) as shown in the 2010 Audited Accounts
“Acquisition”	the acquisition of the Sale Shares pursuant to the terms and conditions of the Agreement
“Agent”	Rose Bay Group Limited
“Agreement”	the conditional agreement dated 31 August 2008 and entered into between the Purchaser, the Vendors, the Guarantors and the Company in respect of the Acquisition
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“business day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“BVI”	the British Virgin Islands
“Company”	Sunny Global Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	the date of Completion, being the date falling five business days after all the conditions of the Agreement have been fulfilled or waived or such later date as may be agreed between the Vendors and the Purchaser
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the consideration for the Acquisition, being not more than HK\$6,000 million
“Consideration Shares”	new Shares to be allotted and issued by the Company at the Consideration Shares Issue Price for settlement of the Basic Consideration for the Acquisition (based on the number of Shares in issue as at the date of this announcement and assuming no further Shares will be issued or repurchased by the Company prior to Completion, 860,328,780 Consideration Shares will be issued)

“Consideration Shares Issue Price”	the issue price of HK\$0.6667 per Consideration Share as agreed between the Vendors and the Purchaser
“Conversion Shares”	the Shares to be issued upon conversion of the Preferred Shares
“Directors”	directors of the Company
“EJV”	國采(北京)技術有限公司(Guocai (Beijing) Technology Company Limited*), a Chinese foreign equity joint venture company to be established under the PRC laws
“Group”	the Company and its subsidiaries
“Guarantors”	(i) Ho Wai Kong; (ii) Lu Xing; (iii) Wang Dingbo; (iv) Zheng Zhi; and (v) Fong, Herman Yat Wo, being the beneficial owner of each of the Vendors respectively
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Platform”	China Public Procurement Online Platform (中國公共採購網)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Partner”	國采科技股份有限公司 (Guocai Technology Joint Stock Company Limited*), the PRC partner to the EJV and a party independent of the Company and its connected persons
“Preferred Shares”	new preferred shares to be allotted and issued by the Company at the Preferred Shares Issue Price for the settlement of the Earn-out for the Acquisition (based on the number of Shares in issue as at the date of this announcement and assuming no further Shares will be issued or repurchased by the Company prior to Completion and the Consideration will be HK\$6,000 million, 8,139,221,242 Preferred Shares will be issued)
“Preferred Shares Issue Price”	the issue price of HK\$0.6667 per Preferred Share as agreed between the Vendors and the Purchaser
“Purchaser”	Positive Rise Holdings Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company and the purchaser named under the Agreement

“Promotion Agreement”	the exclusive promotion and consultation services agreement dated 22 August 2008 entered into between the EJV and the PRC Partner
“Sale Shares”	4,350,100 ordinary shares of nominal value US\$1.00 each in the issued share capital of the Target, representing the entire issued share capital of the Target
“Service Agreement”	the exploration, construction and exclusive know-how services agreement dated 22 August 2008 entered into between the EJV and the PRC Partner
“SFC”	Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the relevant matters mentioned in this announcement
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	Public Procurement Limited, a company incorporated in Hong Kong and as at the date of this announcement, wholly and beneficially owned by the Target
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the SFC
“Target”	Hero Joy International Limited, a company incorporated in the BVI, and as at the date of this announcement, wholly and beneficially owned by the Vendors in the following proportion: <ul style="list-style-type: none"> (i) Master Top Investments Limited (48.53%); (ii) Mega Step Investments Limited (14.71%); (iii) Favor Mind Holdings Limited (19.88%); (iv) Magical Power Investments Limited (13.94%); and (v) Huge Ally Group Limited (2.94%)
“Target Group”	together with the Target, the Subsidiary and the EJV
“Vendors”	<ul style="list-style-type: none"> (i) Master Top Investments Limited (wholly and beneficially held by Ho Wai Kong); (ii) Mega Step Investments Limited (wholly and beneficially held by Lu Xing); (iii) Favor Mind Holdings Limited (wholly and beneficially held by Wang Dingbo); (iv) Magical Power Investments Limited (wholly and beneficially held by Zheng Zhi); and (v) Huge Ally Group Limited (wholly and beneficially held by Fong, Herman Yat Wo), <p>all incorporated in the BVI and being the vendors under the Agreement</p>

“HK\$”	Hong Kong dollars
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this announcement, unless otherwise specified, conversions of RMB and US\$ into Hong Kong dollars are based on the approximate exchange rate of RMB1.00 to HK\$1.13 and US\$1.00 to HK\$7.8.

By order of the Board
Sunny Global Holdings Limited
Liu Bo
Executive Director

Hong Kong, 6 October 2008

* the English translation of the Chinese name is for information purposes only, and should not be regarded as the official English translation of such name.

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