SUN INNOVATION HOLDINGS LIMITED



PROSPECT

Our Group's mission is to build the most innovative multimedia conglomerate in Asia, through balanced investments in media-related businesses with superior growth potential.

We will continue to focus and deploy substantial resources on the content aggregation business in Asia Pacific region. Our Group will also further expand the distribution business through our DigiRaku kiosk machines in the Japanese market and will explore the potential markets in Asia. In Hong Kong, we plan to expand the distribution business and will locate and operate the DigiRaku machines in Hong Kong so that the content downloading service can be launched in early 2007 in certain famous chain convenience stores, bookshops and video shops in Hong Kong. Since the DigiRaku machines would allow the download of digital content to different memory devices including SD cards, Memory Sticks, Multimedia Cards, Compact Flash Cards and CDs which allow for viewing on mobile phones, PDAs, Sony PSP and Nintendo DS players and personal computers as well, the Group believes that our service will be a pioneer in the Hong Kong market and will be popular and trendy indicator in the foreseeable future.

Regarding the Media Shopping business, since Guangdong Province is one of the provinces with the greatest consumption power in China, its consumption power and receptivity to new shopping concepts are similar to other major Asian cities. Through the alliance with our strategic partner who is holding a TV shopping license in Guangdong Province, the Group believes that there are huge business opportunities.

The Group also has formulated suitable strategy to strengthen its assets base and to maximize the return of the property investment business in Hong Kong. We will continue to explore suitable investments inside or outside the Hong Kong markets.