
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sunny Global Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser.

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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)

- (1) PLACING OF NON-LISTED WARRANTS;
- (2) REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES;
- (3) REFRESHMENT OF SCHEME MANDATE LIMIT; AND
- (4) RE-ELECTION OF DIRECTORS

Financial adviser to the Company

VEDA | CAPITAL
智略資本

Placing Agent

Excalibur

Independent financial adviser to the Independent Board Committee
and the Independent Shareholders



INCUB Corporate Finance Limited

A letter from the Independent Board Committee is set out on page 24 of this circular. A letter from INCUB is set out on pages 25 to 34 of this circular.

A notice convening a special general meeting of the Company to be held at Plaza 4, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 20 December 2007 at 4:15 p.m. is set out on pages 42 to 46 of this circular. A form of proxy for use at the special general meeting is also enclosed with this circular.

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's head office and principal place of business in Hong Kong at 10B, Lee West Commercial Building, 375-379 Hennessy Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the special general meeting if you so wish.

3 December 2007

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“associates”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, Sunday and a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Bye-laws”	the bye-laws of the Company, and “ Bye-law ” shall mean a bye-law of the Bye-laws
“Capital Reorganisation”	the capital reorganisation of the Company involving the capital reduction and the capital consolidation as set out in the Capital Reorganisation Announcement
“Capital Reorganisation Announcement”	the announcement of the Company dated 21 November 2007 in relation to the capital reorganisation 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 Stock Exchange
“Completion”	completion of the Warrant Placing in accordance with the terms and conditions of the Warrant Placing Agreement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Current General Mandate”	the general mandate approved at the First SGM authorising the Directors to allot and issue Shares of up to 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution
“Director(s)”	director(s) of the Company

DEFINITIONS

“Eligible Participants”	any directors or employees of the Company or a subsidiary of the Company
“First SGM”	the special general meeting of the Company held on 9 July 2007 for the Shareholders to approve the Current General Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INCU”	INCU Corporate Finance Limited, a licensed corporation permitted to carry out type 6 regulated activity (advising on corporate finance) under the SFO
“Independent Board Committee”	an independent committee of the Board, comprising the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the granting and extension of the New General Mandate, the voting at the SGM and whether the granting and extension of the New General Mandate is in the interests of the Company and the Shareholders as a whole
“Independent Shareholder(s)”	Shareholder(s) other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party”	a party which is not connected persons of the Company and is independent of the Company and its connected persons
“Latest Practicable Date”	28 November 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the general mandate proposed to be granted to the Directors at the SGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM

DEFINITIONS

“New Shares”	a maximum of 636 million new Shares and 318 million new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attached to the Warrants prior to and after completion of the Capital Reorganisation respectively
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“Placee(s)”	any person or entity whom the Placing Agent have procured to subscribe for the Warrants
“Placing Agent”	Excalibur Securities Limited, a licensed corporation carrying on type 1 regulated activity (Dealing in securities) under the SFO
“PRC”	the People’s Republic of China
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme at the SGM
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the Shares in issue as at the date on which dealings in the Shares first commence on the Stock Exchange which may be refreshed pursuant to the rules of the Share Option Scheme. If the Scheme Mandate Limit is refreshed, the total number of Shares which may be issued upon exercise of all options to be granted must not in aggregate exceed 10% of the Shares in issue as at the date of passing the relevant ordinary resolutions
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held on Thursday, 20 December 2007 to consider and, if appropriate, to approve, among other matters, the Warrant Placing Agreement and the Specific Mandate, the proposed grant of the New General Mandate, the Proposed Refreshment and the re-election of Directors

DEFINITIONS

“Share(s)”	ordinary share(s) with a par value of HK\$0.10 each in the capital of the Company prior to the completion of the Capital Reorganisation or ordinary share(s) with a par value of HK\$0.01 each in the capital of the Company, as the case may be
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme of the Company approved and adopted pursuant to an ordinary resolution passed on 12 June 2002
“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the SGM to allot and issue the New Shares which may be issued on exercise of the Warrants
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	636 million non-listed warrants to be issued by the Company at the Warrant Issue Price, each entitles the holder thereof to subscribe for one New Share at the Warrant Exercise Price of HK\$0.20 (subject to adjustments) at any time during the period of 18 months commencing from the date of issue of the Warrants
“Warrant Exercise Price”	an initial exercise price of HK\$0.20 per New Share (subject to adjustments) at which holder of the Warrants may subscribe for the New Shares
“Warrant Issue Price”	HK\$0.04 per unit of Warrant to be issued pursuant to the Warrant Placing
“Warrant Placing”	a private placing of the Warrants at the Warrant Issue Price pursuant to the Warrant Placing Agreement
“Warrant Placing Agreement”	the conditional subscription agreement dated 7 November 2007 and entered into between the Company and the Placing Agent in relation to the Warrant Placing
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



SUNNY GLOBAL HOLDINGS LIMITED

新怡環球控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1094)

Executive Directors:

Mr. Yip Kwan, Ben

Mr. Li Chun Tak

Mr. Wong Hin Shek

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Non-executive Directors:

Mr. Wong Kam Fat Tony

*Head office and principal place of
business in Hong Kong:*

10B, Lee West Commercial Building

375-379 Hennessy Road

Wanchai

Hong Kong

Independent non-executive Directors:

Mr. Au Tin Fung

Mr. Chan Chun Wai

Mr. Tsui Pak Hang

Ms. So Wai Yee, Betty

3 December 2007

To the Shareholders

Dear Sir or Madam,

**(1) PLACING OF NON-LISTED WARRANTS;
(2) REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES;
(3) REFRESHMENT OF SCHEME MANDATE LIMIT; AND
(4) RE-ELECTION OF DIRECTORS**

1. INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the Warrant Placing; (ii) the proposed granting and extension of the New General Mandate; (iii) the

** for identification purpose only*

LETTER FROM THE BOARD

recommendation from the Independent Board Committee to the Independent Shareholders on the proposed granting and extension of the New General Mandate; (iv) the recommendation from INCU to the Independent Board Committee and the Independent Shareholders on the proposed granting and extension of the New General Mandate; (v) the Proposed Refreshment; (vi) the re-election of Directors; and (vii) the notice of SGM, at which resolutions will be proposed to the Independent Shareholders and the Shareholders to consider and, if thought fit, approve the Warrant Placing Agreement and the Specific Mandate, the granting and extension of the New General Mandate, the Proposed Refreshment and the re-election of Directors.

2. PLACING OF NON-LISTED WARRANTS

THE WARRANT PLACING AGREEMENT

Date: 7 November 2007

Parties: (i) Issuer : the Company
(ii) Placing Agent : Excalibur Securities Limited

Information on the Placing Agent

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party. The Placing Agent will receive a commission equal to 2.5% of the Warrant Issue Price multiplied by the aggregate number of units of the Warrants actually placed by the Placing Agent.

Warrant Issue Price and Warrant Exercise Price

The Warrant Issue Price is HK\$0.04 per Warrant payable in cash.

The Warrant Exercise Price is HK\$0.20 per New Share, subject to adjustments for, subdivision or consolidation of shares, rights issues and other dilutive events which may have adverse effects on the rights of the holder of the Warrants.

The Warrant Exercise Price represents:

- (i) a discount of approximately 51.81% to the closing price of HK\$0.415 per Share as quoted on the Stock Exchange on 7 November 2007, being the last trading day immediately prior to the entering into of the Warrant Placing Agreement;

LETTER FROM THE BOARD

- (ii) a discount of approximately 53.16% to the average of the closing prices of approximately HK\$0.427 per Share as quoted on the Stock Exchange for the last five trading days up to and including 7 November 2007;
- (iii) a discount of approximately 23.95% to the average of the closing prices of approximately HK\$0.263 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including 7 November 2007;
- (iv) a premium of approximately 467% over the unaudited net asset value per Share attributable to the Shareholders of approximately HK\$0.0353 (based on the unaudited net asset value of HK\$113,361,000 as at 31 March 2007 over the existing issued share capital of 3,211,570,000 Shares as at the Latest Practicable Date); and
- (v) a discount of approximately 48.72% to the closing price of HK\$0.39 on the Latest Practicable Date.

The aggregate of the Warrant Issue Price and the Warrant Exercise Price represents:

- (i) a discount of approximately 42.17% to the closing price of approximately HK\$0.415 per Share as quoted on the Stock Exchange on 7 November 2007, being the last trading day before the entering into of the Warrant Placing Agreement;
- (ii) a discount of approximately 43.79% to the average of the closing prices of approximately HK\$0.427 per Share as quoted on the Stock Exchange for the last five trading days up to and including 7 November 2007;
- (iii) a discount of approximately 8.75% to the average of the closing prices of HK\$0.263 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including 7 November 2007;
- (iv) a premium of approximately 580% over the unaudited net asset value per Share attributable to the Shareholders of approximately HK\$0.0353 (based on the unaudited net asset value of HK\$113,361,000 as at 31 March 2007 over the existing issued share capital of 3,211,570,000 Shares as at the Latest Practicable Date); and
- (v) a discount of approximately 38.46% to the closing price of HK\$0.39 on the Latest Practicable Date.

LETTER FROM THE BOARD

The Board considers that both the Warrant Issue Price and the Warrant Exercise Price and the aggregate of which are fair and reasonable, which are determined after arm's length negotiations between the Company and the Placing Agent with reference to (i) the continuous loss making performance of the Group since the year ended 30 September 2003; (ii) the aggregate of the Warrant Issue Price and the Warrant Exercise Price of HK\$0.24 represents the highest amount of per Share value for fund raising of the Company during the past 12 months (of which the fund raising per Share value ranged from HK\$0.10 to HK\$0.235); and (iii) the acute increase in trading prices of the Shares at the end of October 2007, and are in the interests of the Company and the Shareholders as a whole. It is expected that the net price of each New Share to be issued upon the exercise of the rights under the Warrants, after deducting the necessary related expenses, will be approximately HK\$0.238 per New Share.

Adjustment to the Warrant Exercise Price and the number of Warrants

Upon completion of the Capital Reorganisation, the par value of the Shares will be adjusted from HK\$0.10 each to HK\$0.01 each and the Warrant Exercise Price will be adjusted to HK\$0.40 per New Share and the number of Warrants will be adjusted to 318 million Warrants.

The Placees

The Placing Agent will procure not less than six Placees to subscribe for an aggregate of up to 636 million Warrants on a best effort basis. The Placees shall be independent institutional or private investors and each of them and their respective ultimate beneficial owners will be an Independent Third Party prior to and immediately after Completion. Immediately upon the exercise of the subscription rights attaching to the Warrants, it is expected that none of the Placees will become a substantial Shareholder.

Transferability

The Warrants are transferable in integral multiples of 2,000,000 Warrants. In the event of a transfer of the Warrants to a connected person of the Company, prior approval from the Stock Exchange, if applicable, and the Company will be required. The Company undertakes to comply with the relevant Listing Rules and to make necessary announcement(s), where appropriate, if and when the Placees makes any transfer of the Warrants to other parties requiring disclosure.

Completion Date

Completion of the Warrant Placing Agreement will take place on the third Business Day after the fulfillment of the conditions referred to in the section headed "Conditions of the Warrant Placing" below.

LETTER FROM THE BOARD

Information of the Warrants

The Warrants will be issued to the Placees upon Completion in registered form and constituted by the instrument creating the Warrants. The Warrants will rank *pari passu* in all respects among themselves.

Each Warrant carries the right to subscribe for one New Share at the Warrant Exercise Price and is issued at the Warrant Issue Price.

The subscription rights attaching to the Warrants may be exercised at any time during a period of 18 months commencing from the date of issue of the Warrants. The New Shares, when fully paid and allotted, will rank *pari passu* in all respects with the then existing issued Shares of the Company.

A total of 636 million Warrants are proposed to be issued. Upon full exercise of the subscription rights attaching to the Warrants, a total of 636 million New Shares will be issued, representing (i) approximately 19.80% of the issued share capital of the Company of 3,211,570,000 Shares as at the Latest Practicable Date; and (ii) approximately 16.53% of the issued share capital of the Company as enlarged by the allotment and issue of the New Shares from the full exercise of the subscription rights attaching to the Warrants.

As at the Latest Practicable Date, there was no other equity securities in issue which carries subscription rights of further issue.

Conditions of the Warrant Placing

Completion of the Warrant Placing Agreement shall be subject to and conditional upon, among other things, the following:

- (a) (if required) the Listing Committee of the Stock Exchange shall have approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Company nor the Placing Agent shall reasonably object and the satisfaction of such conditions;
- (b) the Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Placees shall reasonably object) the listing of, and permission to deal in, the New Shares to be allotted and issued upon the exercise in full of the subscription rights attaching to the Warrants;

LETTER FROM THE BOARD

- (c) the passing of the necessary resolution(s) by the Shareholders at the SGM approving the Warrant Placing Agreement and all transactions contemplated thereby, including the granting of a specific mandate to the Directors to allot and issue the New Shares; and
- (d) no event having occurred or occurring which would constitute an event of default or a potential event of default (both terms as defined in the instrument creating the Warrants) had the Warrants been issued.

If the conditions of the Warrant Placing Agreement are not fulfilled on or before 31 December 2007 (or such later date as may be agreed between the Company and the Placing Agent), the Warrant Placing Agreement will terminate and cease to have any effect and none of the parties shall have any claim against the other save for any antecedent breaches of the provisions thereof.

Voting rights for the holders of the Warrants

The holders of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holders of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

Rights of the holders of the Warrants on the liquidation of the Company

If the Company is wound up during the subscription period of the Warrants, all subscription rights attaching to the Warrants which have not been exercised shall lapse, save for in the event of a voluntary winding-up, the holders of the Warrants shall be entitled within six weeks after the passing of such a resolution approving the winding-up to exercise the subscription rights attaching to the Warrants in accordance with the terms and conditions of the Warrants.

Mandate to issue the New Shares

The New Shares will be allotted and issued under the Specific Mandate to be sought at the SGM.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

LETTER FROM THE BOARD

REASONS FOR THE WARRANT PLACING

The Group is 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 Board has considered other alternative fund raising methods such as debt financing, rights issue or open offers but the Board believes that the Warrants Placing is more appropriate means of fund raising for the Company. The Warrant Placing is not interest bearing and after considering different methods to raise further capital for the Group, the Board considers that the Warrant Placing represents the lowest cost method to increase the capital base of the Company. The Company was given to understand that the Warrant Placing has less underwriting risk when compared to an open offer and a rights issue so far as the Placing Agent is concerned and after arm's length negotiation between the Placing Agent and the Company, the Warrant Placing is considered to be the most appropriate way for the current fund raising of the Company. Given the recent fluctuations in the stock market, the Directors consider that it is prudent for the Group to conduct the Warrant Placing to have sufficient fund for its future diversification and/or expansion of business. Although the Warrant Exercise Price is at a substantial discount to the prevailing market price of the Shares, given there is a period of 18 months to exercise the Warrants, the Warrant Placing does not have any immediate dilution effect on the shareholding of the existing Shareholders. In addition to the net proceeds that will be raised upon Completion, further capital will be raised upon the exercise of the subscription rights attaching to the Warrants by the holders of such Warrants during the subscription period without incurring any additional underwriting commission to the Company.

In view of the interest of the Placees in investing in the Group and the immediate inflow of net proceeds of approximately HK\$24.5 million, coupled with the potential inflow of further net proceeds of up to a maximum of approximately HK\$127 million upon the exercise of the subscription rights attaching to the warrants, the Directors are of the view that the Warrant Placing provides a good opportunity to strengthen the Company's financial position and in the event the Placees fully exercise their subscription right under the Warrant Placing Agreement, funds received may cater for future needs for its operation and development. In view of the above, the Board considers that the Warrant Placing are justified and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Board considers that the terms of the Warrant Placing including the Warrant Issue Price and the Warrant Exercise Price have been arrived at after arm's length negotiations between the Company and the Placing Agent and are fair and reasonable and in the interests of the Company and the Shareholders as a whole given (i) the continuous loss making performance of the Group since the year ended 30 September 2003; (ii) the aggregate of the Warrant Issue Price and the Warrant Exercise Price of HK\$0.24 represents the highest amount of per Share value for fund raising of the Company during the past 12 months (of which the fund raising per Share value ranged from HK\$0.10 to HK\$0.235); and (iii) recent acute increase in trading prices of the Shares at the end of October 2007. In addition, given that the New Shares will be allotted and issued under the Specific Mandate to be sought at the SGM, all the Shareholders are offered a chance to express their views on the terms of the Warrant Placing through voting at the SGM.

It is intended that the net proceeds of approximately HK\$24.5 million from the Warrant Placing will be applied as general working capital of the Group and any additional proceeds from the issue of the New Shares upon the exercise of the subscription rights attaching to the Warrants in future will be applied up to HK\$27 million as general working capital and up to HK\$100 million as funds for future development of the Group when investment opportunities arise. As at the Latest Practicable Date, the Company has not identified any specific investment plans. Since the exercise of the subscription rights attaching to the Warrants is at the discretion of the holders of the Warrants, the Company is not able to ascertain the exact additional proceeds which may be raised from the issue of the New Shares as at the Latest Practicable Date.

Assuming the full exercise of the subscription rights attaching to the Warrants, the net proceeds, including the funds raised by the Warrant Placing, to be raised is approximately HK\$127 million, net of, among other fees, legal fees, printing expenses and the fees for the application of listing of the New Shares.

There will be no change to the composition of the Board and the principal business engaged by the Group as a result of or in connection with the Warrant Placing.

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

Date of announcement	Event	Net proceeds	General mandate used	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
14 March 2007	Subscription of 50,000,000 new Shares at the subscription price of HK\$0.10 per Share	HK\$4,850,000	General mandate granted at the special general meeting held on 27 November 2006	General working capital of the Group	HK\$2,700,000 was utilised for the consideration of acquiring subsidiaries and the remaining balance of HK\$2,150,000 has been deposited at the bank accounts of the Group which will be applied as general working capital of the Group
20 March 2007	Subscription of 70,000,000 new Shares at the subscription price of HK\$0.14 per Share	HK\$9,650,000	General mandate granted at the special general meeting held on 27 November 2006	General working capital of the Group	HK\$6,000,000 was utilised for the consideration of acquiring subsidiary and the remaining balance of HK\$3,650,000 has been deposited at the bank accounts of the Group which will be applied as general working capital of the Group
10 April 2007	Private placing of 48,000,000 non-listed 2008 warrants at an issue price of HK\$0.016 per warrant and exercise price of HK\$0.134 per new Share. All 48,000,000 non-listed 2008 warrants had been fully exercised	HK\$7,032,000 (of which HK\$600,000 was from warrant placing and HK\$6,432,000 was from the exercise of the subscription rights attaching to the 48,000,000 warrants pursuant to the subscription agreement dated 3 April 2007)	General mandate granted at the annual general meeting held on 30 March 2007	Proceeds from warrant placing as general working capital of the Group; and proceeds from the exercise of warrant as general working capital of the Group and as funds for future development when investment opportunities arise	HK\$6,000,000 was utilised for the consideration of acquiring subsidiary and the remaining balance of HK\$1,032,000 has been deposited at the bank accounts of the Group which will be applied as general working capital of the Group

LETTER FROM THE BOARD

Date of announcement	Event	Net proceeds	General mandate used	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
10 April 2007	Private placing of 130,000,000 non-listed 2009 warrants at an issue price of HK\$0.016 per warrant and exercise price of HK\$0.156 per new Share. All 130,000,000 non-listed 2009 warrants had been fully exercised	HK\$22,180,000 (of which HK\$1,900,000 was from warrant placing and HK\$20,280,000 was from the exercise of the subscription rights attaching to the 130,000,000 warrants pursuant to the subscription agreement dated 3 April 2007)	General mandate granted at the annual general meeting held on 30 March 2007	Proceeds from warrant placing as general working capital of the Group; and proceeds from the exercise of warrant as general working capital of the Group and as funds for future development when investment opportunities arise	HK\$22,180,000 has been deposited at the bank accounts of the Group, of which HK\$1,900,000 will be applied as general working capital of the Group and HK\$20,280,000 will be applied as general working capital of the Group and as funds for future development when investment opportunities arise
18 July 2007	Placing of 469,000,000 Shares at an issue price of HK\$0.235 per Share	HK\$109 million	General mandate granted at the special general meeting held on 9 July 2007	50% for general working capital of the Group and 50% for possible investments	HK\$109 million has been deposited at the bank accounts of the Group of which HK\$54.5 million will be applied as general working capital of the Group and HK\$54.5 million will be applied towards possible investments

Based on the management account of the Company, the Group has unaudited cash balance of approximately HK\$186.3 million as at 30 September 2007. Given the recent fluctuations in the stock market, the Directors consider that it is prudent for the Group to conduct the Warrant Placing to raise funding for any of its future diversification and/or expansion

LETTER FROM THE BOARD

CHANGES OF SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company has 3,211,570,000 Shares in issue. The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the full exercise of the subscription rights attaching to the Warrants prior to the completion of the Capital Reorganisation are as follows:

	As at the Latest Practicable Date		Immediately after the full exercise of the subscription rights attaching to the Warrants	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Success Way Holdings Limited (<i>Note</i>)	453,000,000	14.11	453,000,000	11.77
Public Shareholders				
— Placees	—	—	636,000,000	16.53
— Other Public Shareholders	<u>2,758,570,000</u>	<u>85.89</u>	<u>2,758,570,000</u>	<u>71.70</u>
Total:	<u><u>3,211,570,000</u></u>	<u><u>100.00</u></u>	<u><u>3,847,570,000</u></u>	<u><u>100.00</u></u>

Note: 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.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the Subscription Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the Latest Practicable Date, there are no securities with subscription rights outstanding and not yet exercised. Assuming full exercise of the subscription rights attaching to the Warrants, 636 million Subscription Shares, representing (i) approximately 19.80% of the existing issued

LETTER FROM THE BOARD

share capital of the Company as at the Latest Practicable Date; and (ii) approximately 16.53% of the issued share capital of the Company as enlarged by the allotment and issue of all of the Subscription Shares, assuming no Shares are further issued or repurchased. Accordingly, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

Further announcement will be made by the Company once the number of Warrants placed by the Placing Agent is confirmed.

3. **REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES**

CURRENT GENERAL MANDATE

At the First SGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to allot and issue not more than 469,021,600 Shares, being 20% of the entire issued share capital of the Company of 2,345,108,000 Shares as at the date of passing of the resolution. During the period from the granting of the Current General Mandate to the Latest Practicable Date, the Current General Mandate had been utilised as to 469,000,000 Shares, in association with the issue of 469,000,000 new Shares on completion of the Placing on 31 July 2007, representing approximately 99.995% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate. Please refer to the Company's announcement dated 18 July 2007 for further details regarding the above matter.

PROPOSED GRANT OF NEW GENERAL MANDATE

The Company will convene the SGM at which ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the general mandate granted to the Directors at the First SGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had an aggregate of 3,211,570,000 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot and issue up to 642,314,000 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

REASONS FOR THE NEW GENERAL MANDATE

The Company is an investment holding company. The Group is 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.

As explained in the paragraph headed “Current General Mandate” above, the Current General Mandate had been utilised as to 469,000,000 Shares, representing approximately 99.995% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate.

The Board believes that the granting and extension of the New General Mandate is in the best interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group’s future business development. The Board considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. In appropriate circumstances, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. While the Board considers that there is no immediate funding need for the Group’s current operations and that there is currently no concrete proposal presented by potential investors for investment in the Shares, the Board is now proposing to seek the approval of Independent Shareholders at the SGM of the New General Mandate such that should future funding needs arise or attractive terms for investment in the Shares become available from potential investors, the Board will be able to respond to the market promptly.

LETTER FROM THE BOARD

There has not been any refreshment of the Current General Mandate since the First SGM. The following table summarises the use of the Current General Mandate since the First SGM:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
18 July 2007	Private placing of an aggregate 469,000,000 Shares	HK\$109 million	50% for general working capital of the Group and 50% for possible investments	HK\$109 million has been deposited at the bank accounts of the Group of which HK\$54.5 million will be applied as general working capital of the Group and HK\$54.5 million will be applied towards possible investments

CHANGES OF SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company as at (i) the Latest Practicable Date; and (ii) the date upon the full utilisation of the New General Mandate:

	As at the date of the Latest Practicable Date		Upon full utilisation of the New General Mandate	
	<i>(No. of Shares)</i>	%	<i>(No. of Shares)</i>	%
Success Way Holdings Limited (<i>Note</i>)	453,000,000	14.11	453,000,000	11.75
Existing Public Shareholders	2,758,570,000	85.89	2,758,570,000	71.58
Shares issued under the New General Mandate	—	—	642,314,000	16.67
Total	3,211,570,000	100.00	3,853,884,000	100.00

Note: 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.

LETTER FROM THE BOARD

Assuming that (i) the refreshment of the Current General Mandate is approved at the SGM; (ii) no Shares will be repurchased and no new Shares will be issued from the Latest Practicable Date up to the date of the SGM (both dates inclusive); and (iii) upon full utilisation of the New General Mandate, 642,314,000 Shares are to be issued, which represents 20% and approximately 16.67% of the existing issued share capital as at the Latest Practicable Date and the enlarged issued share capital of the Company respectively. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 85.89% to approximately 71.58% upon full utilisation of the New General Mandate.

4. REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Company adopted the Share Option Scheme pursuant to the ordinary resolution passed by the Shareholders on 12 June 2002. Under the Share Option Scheme, the original number of Shares which may be issued upon the exercise of all Options granted or to be granted under the Share Option Scheme was 40,000,000 Shares, representing 10% of the issued share capital as at the date of adoption of the Share Option Scheme and the maximum number of Shares that might be issued upon the exercise of all Options under the Share Option Scheme or other schemes. Subject to prior Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to grant options over Shares as shall represent 10% of the issued share capital of the Company as at the date of passing the relevant resolution.

Pursuant to the ordinary resolution passed by the Shareholders on 24 March 2006, the Scheme Mandate Limit was refreshed so that the total number of Shares which may fall to be issued upon exercise of all Options to be granted under the Share Option Scheme or other schemes shall not exceed 115,000,000 Shares, being 10% of the issued share capital of the Company as at 24 March 2006.

Pursuant to the ordinary resolution passed by the Shareholders on 30 March 2007, the Scheme Mandate Limit was refreshed so that the total number of Shares which may fall to be issued upon exercise of all Options to be granted under the Share Option Scheme or other schemes shall not exceed 194,800,000 Shares, being 10% of the issued share capital of the Company as at 30 March 2007. As at the Latest Practicable Date, the number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit was 194,676,000 Shares, representing approximately 99.94% of the current Scheme Mandate Limit.

As at the Latest Practicable Date, the Company has 3,211,570,000 Shares in issue. The maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed will be 321,157,000 Shares (assuming no further issue or purchase of Shares prior to the SGM), representing 10% of the issued share capital of the Company as at the date of approval of the Proposed Refreshment by the Shareholders at the SGM.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. The Board undertakes that no Options shall be granted under the Share Option Scheme or any scheme(s) of the Company if this will result in the 30% limit being exceeded. As at the Latest Practicable Date, the total number of Shares which may fall to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme is 102,604,000 Shares.

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit to permit the granting of further Options so as to provide incentives to, and recognise the contributions of, the Eligible Participants. The Board therefore decided to seek the approval of the Shareholders at the SGM to refresh the Scheme Mandate Limit.

CONDITIONS OF THE PROPOSED REFRESHMENT

The Proposed Refreshment is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the SGM to approve the Proposed Refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Options to be granted under the refreshed Scheme Mandate Limit.

5. RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 86(5), Mr. Yip Kwan Ben, Mr. Li Chun Tak, Mr. Wong Hin Shek, Mr. Wong Kam Fat Tony, Mr. Chan Chun Wai, Mr. Au Tin Fung and Ms. So Wai Yee, Betty, being the Directors appointed by the Board after the annual general meeting of the Company held on 30 March 2007, shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, Mr. Yip Kwan Ben, Mr. Li Chun Tak, Mr. Wong Hin Shek, Mr. Wong Kam Fat Tony, Mr. Chan Chun Wai, Mr. Au Tin Fung and Ms. So Wai Yee, Betty shall retire at the SGM and, being eligible, offer themselves for re-election at the SGM.

LETTER FROM THE BOARD

Biographical details of each of Mr. Yip Kwan Ben, Mr. Li Chun Tak, Mr. Wong Hin Shek, Mr. Wong Kam Fat Tony, Mr. Chan Chun Wai, Mr. Au Tin Fung and Ms. So Wai Yee, Betty are set out in Appendix I to this circular.

6. GENERAL

SGM

Pursuant to Rule 13.36(4)(a) of the Listing Rules, the granting and extension of the New General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. As the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. There were no controlling Shareholders and no Directors and chief executive of the Company (other than the current Directors and chief executive of the Company) at the time the decision to seek the refreshment of the Current General Mandate was made or approved by the Board. Further, pursuant to Rule 13.39(4)(b) of the Listing Rules, any vote of the Independent Shareholders at the SGM will be taken by poll.

The resolutions to approve (i) the Warrant Placing and the Specific Mandate; (ii) the Proposed Refreshment; and (iii) the re-election of Directors, will be taken by show of hands, unless a poll is demanded pursuant to Bye-law 66.

As at the Latest Practicable Date, Mr. Yip Kwan, Ben, Mr. Wong Kam Fat Tony, Mr. Au Tin Fung and Mr. Chan Chun Wai was interested in 28,412,000 Options, 28,412,000 Options, 2,840,000 Options and 2,840,000 Options respectively. Mr. Yip Kwan, Ben, Mr. Wong Kam Fat Tony, Mr. Au Tin Fung and Mr. Chan Chun Wai will abstain from voting in favour of the relevant resolutions upon exercise of any of the abovenamed Options prior to the SGM. In such an event, the Board was advised by Mr. Yip Kwan, Ben, Mr. Wong Kam Fat Tony, Mr. Au Tin Fung and Mr. Chan Chun Wai that they have no intention to vote against the relevant resolution. Further, pursuant to Rule 13.39(4)(b) of the Listing Rules, any vote of the Independent Shareholders at the SGM will be taken by poll for resolutions in relation to the granting and extension of New General Mandate.

The notice convening the SGM is set out on pages 42 to 46 of this circular. At the SGM, ordinary resolutions will be proposed to approve the Warrant Placing and the Specific Mandate, the granting and extension of the New General Mandate, the Proposed Refreshment and the re-election of Directors. A form of proxy for use at the SGM is also enclosed with this circular. To

LETTER FROM THE BOARD

be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority at the Company's head office and principal place of business in Hong Kong at 10B, Lee West Commercial Building, 375-379 Hennessy Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish.

POLL PROCEDURE

According to Bye-law 66, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of such meeting; or
- (ii) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (v) if required by the Listing Rules, any Directors holding proxies if such aggregate proxies held individually or collectively by the Directors account for 5% or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposition manner to that instructed in those proxies.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee which comprises Mr. Au Tin Fung, Mr. Chan Chun Wai, Mr. Tsui Pak Hang and Ms. So Wai Yee, Betty, all being the independent non-executive Directors, has been established to advise the Independent Shareholders on the granting and extension of the New General Mandate.

LETTER FROM THE BOARD

INCU has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the granting and extension of the New General Mandate.

The Independent Board Committee and the Directors, having taken into account the advice of INCU, consider that the granting and extension of the New General Mandate is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the ordinary resolutions which will be proposed at the SGM for approving the granting and extension of the New General Mandate.

The text of the letter from the Independent Board Committee is set out on page 24 of this circular and the text of the letter from INCU containing its advice is set out on pages 25 to 34 of this circular.

GENERAL INFORMATION

Your attention is drawn to the letter of advice from INCU set out on pages 25 to 34 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the granting and extension of the New General Mandate and the letter from the Independent Board Committee set out on page 24 of this circular which contains its recommendation to the Independent Shareholders in relation to the granting and extension of the New General Mandate. The Independent Board Committee, having taken into account the advice of INCU in relation to the New General Mandate, is of the opinion that the New General Mandate are in the best interests of the Company and are fair and reasonable so far as the Independent Shareholders are concerned.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully
For and on behalf of the Board
Sunny Global Holdings Limited
Li Chun Tak
Executive Director



SUNNY GLOBAL HOLDINGS LIMITED

新怡環球控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1094)

3 December 2007

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

We refer to the circular of the Company dated 3 December 2007 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the proposed granting and extension of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. INCU has been appointed as the independent financial adviser to advise us in this respect.

Having considered the principal reasons and factors considered by, and the advice of, INCU as set out in its letter of advice to us on pages 25 to 34 of the Circular, we are of the opinion that the granting and extension of the New General Mandate is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the granting and extension of the New General Mandate.

Yours faithfully

For and on behalf of the Independent Board Committee

Mr. Au Tin Fung Mr. Chan Chun Wai Mr. Tsui Pak Hang Ms. So Wai Yee, Betty

Independent non-executive Director

** for identification purpose only*

LETTER FROM INCU

The following is the text of a letter of advice from INCU to the Independent Board Committee and the Independent Shareholders in respect of the granting of the New General Mandate, and is prepared for inclusion in this circular.



INCU Corporate Finance Limited
Unit 1602, 16/F.,
Ruttonjee House
Ruttonjee Centre
11 Duddell Street
Central
Hong Kong

3 December 2007

*The Independent Board Committee and
the Independent Shareholders*

Sunny Global Holdings Limited

10B, Lee West Commercial Building
375-379 Hennessy Road
Wanchai
Hong Kong

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the granting of the New General Mandate, details of which are contained in the Letter from the Board (the “Letter”) in the circular dated 3 December 2007 (the “Circular”), of which this letter forms a part. We have been retained by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the granting and extension of the New General Mandate is fair and reasonable and whether (i) the

LETTER FROM INCU

grant of the New General Mandate to the Board to exercise the power of the Company to allot and issue shares not exceeding 20% of the issued Share capital of the Company as at the date of the SGM and (ii) the extension of the New General Mandate to allot and issue Shares to be repurchased by the Company are in the interests of the Company and its Shareholders as a whole, and to advise Independent Shareholders whether to vote in favour of the ordinary resolutions for approving the granting and extension of the New General Mandate. Unless the context otherwise requires, capitalised terms used in this letter have the same meanings as those defined in the Circular.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, the granting and extension of the New General Mandate require the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. Since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. In addition, pursuant to Rule 13.39(4)(b) of the Listing Rules, any vote of the Independent Shareholders at the SGM will be taken by way of poll.

As set out in the Letter, as at the Latest Practicable Date, Mr. Yip Kwan, Ben, Mr. Wong Kam Fat Tony, Mr. Au Tin Fung and Mr. Chan Chun Wai are interested in 28,412,000 Options, 28,412,000 Options, 2,840,000 Options and 2,840,000 Options respectively, representing 62,504,000 Options in total and approximately 1.95% of the issued share capital of the Company. Mr. Yip Kwan, Ben, Mr. Wong Kam Fat Tony, Mr. Au Tin Fung and Mr. Chan Chun Wai will abstain from voting in favour of the relevant resolutions upon exercise of any of such share Options of the Company prior to the SGM.

The Independent Board Committee, comprising Mr. Au Tin Fung, Ms. So Wai Yee, Betty, Mr. Chan Chun Wai and Mr. Tsui Pak Hang, all being independent non-executive Directors, has been established to consider the terms of the New General Mandate and to advise the Independent Shareholders in relation to the granting and extension of the New General Mandate.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon accuracy of the information and representations contained in the Circular and information provided to us by the Company and its Director. We have assumed that all statements and representations made or referred to in this Circular were true at the time they were made and continue to be true at the date of the SGM. We have also assumed that all statements of belief, opinion and intention made by the Director in this Circular were reasonably made after due enquiry.

LETTER FROM INCU

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and have been confirmed by the Directors that no material facts and representations the omission of which would make any statement in this Circular, including this letter, misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and management of the Company. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information and representations contained in this Circular and to provide a reasonable basis for our recommendation regarding the granting and extension of the New General Mandate.

PRINCIPAL FACTORS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the granting and extension of the New General Mandate, we have taken into consideration the following factors and reasons:

1. Background

The Company is an investment holding company. The Group is 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.

Since the last annual general meeting of the Company held on 30 March 2007 (the “AGM”), the Company has refreshed the general mandate to allot and issue Shares once at the First SGM. At the First SGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to allot and issue not more than 469,021,600 Shares, being 20% of the entire issued share capital of the Company of 2,345,108,000 Shares as at the date of passing such resolution. As announced by the Company’s announcement dated 18 July 2007, the Company has entered into a placing agreement on 16 July 2007 with the placing agent to place up to 469,000,000 new Shares. Upon completion of the placing of new Shares completed in July 2007, a total of 469,000,000 new Shares were allotted and issued under the Current General Mandate, representing approximately 99.995% of the Current General Mandate.

LETTER FROM INCU

The Company will convene the SGM at which ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the general mandate granted to the Directors at the First SGM.

2. Reasons for the granting and extension of the New General Mandate

As set out in the Company's announcement dated 12 November 2007 (the "Warrant Placing Announcement") in respect of the Warrant Placing, the Company has appointed an placing agent to place up to 636 million Warrants. As advised by the Directors, the maximum net proceeds from the Warrant Placing will be approximately HK\$24.5 million which will be applied for general working capital of the Group and any additional net proceeds of up to approximately HK\$127 million arising from the exercise of the subscription rights attaching to the Warrants by the Placees in future will be applied up to HK\$27 million as general working capital and up to HK\$100 million as funds for future development of the Group when investment opportunities arise.

In order to maintain the Company with maximum financial flexibility for the Group's future business development, the Board proposed to seek approval by the Independent Shareholders at the SGM in respect of the New General Mandate, in which the Directors shall be granted the authority to allot and issue not exceeding 20% of the issued share capital of the Company as at the date of the SGM. The New General Mandate will be in force when it is approved by the Independent Shareholders at the SGM. As at the Latest Practicable Date, the total number of issued Shares was 3,211,570,000 Shares. On the assumptions that there will be no further issue of new Shares from the Latest Practicable Date to the date of the SGM (both dates inclusive), the Board will be granted the power to allot and issue further 642,314,000 Shares, being 20% of the total number of issued shares of the Company of 3,211,570,000 Shares, under the New General Mandate when it is approved by the Independent Shareholders at the SGM.

LETTER FROM INCU

Equity Fund Raising Activities In The Past Twelve-Month Period

Set out below is the equity fund raising activities conducted by the Company in the past twelve-month period immediately before the date of the Warrant Placing Agreement:

Date of announcement	Event	Discount	Net proceeds	General mandate used	Intended use of proceeds	Actual use of proceeds as at Latest Practicable Date
14 March 07	subscription of 50,000,000 new Shares at the subscription price of HK\$0.10 per Share	a discount of approximately 4.76% to the closing price of HK\$0.105 per Share as quoted on the Stock Exchange on 13 March 2007	HK\$4,850,000	general mandate granted at the special general meeting held on 27 November 2006	general working capital of the Group	HK\$2,700,000 was utilised for the consideration of acquiring subsidiaries and the remaining balance of HK\$2,150,000 has been deposited at the bank accounts of the Group which will be applied as general working capital of the Group
20 March 07	subscription of 70,000,000 new Shares at the subscription price of HK\$0.14 per Share	represents the closing price of HK\$0.14 per Share as quoted on the Stock Exchange on 19 March 2007	HK\$9,650,000	general mandate granted at the special general meeting held on 27 November 2006	general working capital of the Group	HK\$6,000,000 was utilised for the consideration of acquiring subsidiary and the remaining balance of HK\$3,650,000 has been deposited at the bank accounts of the Group which will be applied as general working capital of the Group
10 April 07	private placing of 48,000,000 non-listed 2008 warrants at an issue price of HK\$0.016 per warrant and exercise price of HK\$0.134 per new Share. All 48,000,000 non-listed 2008 warrants had been fully exercised	the aggregate of the 2008 Warrant Issue Price and the 2008 Warrant Exercise Price represents a premium of approximately 11.94% over the closing price of HK\$0.134 per Share as quoted on the Stock Exchange on 3 April 2007	HK\$7,032,000 (of which HK\$600,000 was from warrant placing and HK\$6,432,000 was from the exercise of the subscription rights attaching to the 48,000,000 warrants pursuant to the subscription agreement dated 3 April 2007)	general mandate granted at the annual general meeting held on 30 March 2007	proceeds from warrant placing as general working capital of the Group; and proceeds from the exercise of warrants as general working capital of the Group and as funds for future development when investment opportunities arise	HK\$6,000,000 was utilised for the consideration of acquiring subsidiary and the remaining balance of HK\$1,032,000 has been deposited at the bank accounts of the Group which will be applied as general working capital of the Group

LETTER FROM INCU

Date of announcement	Event	Discount	Net proceeds	General mandate used	Intended use of proceeds	Actual use of proceeds as at Latest Practicable Date
10 April 2007	private placing of 130,000,000 non-listed 2009 warrants at an issue price of HK\$0.016 per warrant and exercise price of HK\$0.156 per new Share. All 130,000,000 non-listed 2009 warrants had been fully exercised	the aggregate of the 2009 Warrant Issue Price and the 2009 Warrant Exercise Price represents a premium of approximately 28.36% over the closing price of HK\$0.134 per Share as quoted on the Stock Exchange on 3 April 2007	HK\$22,180,000 (of which HK\$1,900,000 was from warrant placing and HK\$20,280,000 was from the exercise of the subscription rights attaching to the 130,000,000 warrants pursuant to the subscription agreement dated 3 April 2007)	general mandate granted at the annual general meeting held on 30 March 2007	proceeds from warrant placing as general working capital of the Group; and proceeds from the exercise of warrants as general working capital of the Group and as funds for future development when investment opportunities arise	HK\$22,180,000 has been deposited at the bank accounts of the Group, of which HK\$1,900,000 will be applied as general working capital of the Group and HK\$20,280,000 will be applied as general working capital of the Group and as funds for future development when investment opportunities arise
18 July 2007	placing of 469,000,000 Shares at an issue price of HK\$0.235 per Placing Shares	a discount of approximately 17.54% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on 16 July 2007	HK\$109 million	general mandate granted at the First SGM	50% for general working capital of the Group; and 50% for possible investments	HK\$109 million has been deposited at the bank accounts of the Group of which HK\$54.5 million will be applied as general working capital of the Group and HK\$54.5 million will be applied towards possible investments

As at the Latest Practicable Date, net proceeds from the above fund raising activities remains unutilised is approximately HK\$138 million, out of which approximately HK\$63.232 million will be applied as general working capital of the Group and approximately HK\$74.768 million will be applied for possible investment of the Group. As confirmed with the Directors, approximately HK\$31 million (representing approximately 49% of the unutilised funds which intended to be applied as general working capital which raised from previous fund raising exercises) has been set aside as general working capital of the Group in the coming six months. The Directors confirm that the existing cash and facility resources of the Group are sufficient for it to conduct its daily operations and the Group has sufficient working capital to meet its present requirements. However, as set out in the Letter, as at the Latest Practicable Date, the Company has not identified any investment opportunities and no specific funding has been set aside for future investments.

LETTER FROM INCU

As advised by the Directors, as at the Latest Practicable Date, the aggregate net proceeds of approximately HK\$109 million raised from the placing of new Shares completed in July 2007 which is intended to be used as approximately 50% for general working capital of the Company and/or the remaining balance for possible investments opportunities, including but not limited to further acquisition of new business into the Group, has not yet been utilised and the net proceeds from the Warrant Placing will be approximately HK\$24.5 million which will be applied as general working capital of the Group and any additional net proceeds of up to approximately HK\$127 million arising from the exercise of the subscription rights attaching to the Warrants by the Placees in future will be applied up to HK\$27 million as general working capital and up to HK\$100 million as funds for future development of the Group when investment opportunities arise. Although there will also be additional net proceeds of up to approximately HK\$127 million to the Company upon exercise of the subscription rights attaching to the warrants by the Placees in future, the Company cannot ascertain and/or estimate the timing and amount of such subscription.

As mentioned in the Company's interim report for the six months ended 31 March 2007, the Group's IT division is still going through its development stage to build up an IT business platform for the Group. Moreover, as set out in announcement dated 18 July 2007 in relation to the placing of new Shares, the Company might still acquire new business to the Group to strengthen its business and income base in order to turn around the poor financial performance in previous years.

We also note from the Letter that the Group has an unaudited cash balance of approximately HK\$186.3 million as at 30 September 2007 based on the management account of the Company, in view of (i) the intended use of part of the net proceeds from previous funds raising exercises as general working capital of the Group; (ii) the uncertainty as to the timing and amount of subscription of new Shares under the Warrant(s); (iii) the strategy of the Company to build up an IT business platform and to acquire new business to the Group which might require additional funding from the Group; and (iv) the existing cash resources of the Group might not be sufficient to meet such funding requirement for future investments that are considered attractive by the Board especially under the circumstances that no specific investment project has yet been identified and the investment amount could not be ascertained by the Company as at the Latest Practicable Date, we consider that the granting of the New General Mandate is fair and reasonable and is in the interests of the Company and its Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business expansion.

LETTER FROM INCU

3. Financial Flexibility

The Directors believe that the granting and extension of the New General Mandate will enable the Company to take advantage of the market condition to raise additional funds for the Company through the issue of new Shares when investment opportunities are identified and when the Directors think fit and appropriate.

Given that equity financing is an important avenue of resources of the Group as it does not create any interest paying obligations on the Group, we consider that the granting and extension of the New General Mandate could enhance the financing flexibility of the Company to raise capital, if and when required, through placing of Shares for further development of the Group and further strengthen the Company's capital base. We concur with the Directors' view that, although there is no immediate needs for further funding, the granting and extension of the New General Mandate is essential for the Group to respond to the market promptly in the event that the Group identifies suitable investment opportunities which needs further funding or attractive terms for investment in the Shares are to be offered by potential investors.

4. Other Financing Alternatives

Other than raising funds by way of issuing equity capital, the Board indicates that the Company will consider other financing methods such as bank financing, debt financing and funding through internal resources in order to meet its financing requirements arising from future investment of the Group, depending on the then financial position, capital structure and cost of funding of the Group as well as the then market condition. As such, the New General Mandate will serve as one of the alternatives for the Company to finance the Group's future investment and the Board will use the method that serves the best interests of the Group. We consider that it is sensible to make reference to the then financial position, capital structure and cost of funding of the Group as well as the then market condition in order to decide a suitable financing method for the future investment of the Group.

5. Potential Dilution to Shareholdings of the Shareholders

Shareholders should note that the granting and extension of the New General Mandate if approved by the Independent Shareholders at the SGM will be and continue to be in force until the earliest of (i) the conclusion of the Company's next annual general meeting, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held, and (iii) the revocation or variation of the authority given under the relevant resolutions to be proposed as ordinary resolutions of the Shareholders in general meeting. Such duration is in compliance with Rule 13.36(3) of the Listing Rules.

LETTER FROM INCU

The table below sets out the potential dilution effect on the shareholding of the Company upon full utilisation of the New General Mandate.

	As at the		Upon full	
	Latest Practicable Date		utilisation of the	
	<i>(No. of Shares)</i>	<i>%</i>	<i>(No. of Shares)</i>	<i>%</i>
Success Way Holdings Limited	453,000,000	14.11	453,000,000	11.75
Existing Public Shareholders	2,758,570,000	85.89	2,758,570,000	71.58
Shares issued under the New General Mandate	—	—	642,314,000	16.67
Total	<u>3,211,570,000</u>	<u>100.00</u>	<u>3,853,884,000</u>	<u>100.00</u>

Note: 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.

Assuming that (i) the granting and extension of the New General Mandate is approved at the SGM; (ii) no Shares will be repurchased and no new Shares will be issued from the Latest Practicable Date up to the date of the SGM (both dates inclusive); and (iii) upon full utilisation of the New General Mandate, 642,314,000 Shares are to be issued, which represents 20% and approximately 16.67% of the existing issued share capital and the enlarged issued share capital of the Company as at the Latest Practicable Date respectively. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 85.89% to approximately 71.58% upon full utilisation of the New General Mandate.

Taking into account that (i) the New General Mandate will allow the increase in capital which may be raised by way of new equity issue under the New General Mandate; (ii) the New General Mandate will provide an alternative of financing to the Group for future development of its business and potential investment as and when such opportunities arise, and (iii) the fact that the shareholding of all the existing Shareholders will be diluted proportionally to their respective shareholdings upon utilisation of the New General Mandate, we consider that such maximum potential dilution to the shareholdings of the Shareholders to be acceptable.

LETTER FROM INCU

RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we consider that the granting and extension of the New General Mandate is fair and reasonable and is in the interests of the Company so far as the Shareholders as a whole are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the granting and extension of the New General Mandate.

Yours faithfully,
For and on behalf of
INCU Corporate Finance Limited
Gina Leung
Executive Director

The details of the Directors who will retire from office by rotation at the SGM and being eligible, will offer themselves for re-election at the SGM, are set out below:

Mr. Yip Kwan, Ben (“Mr. Yip”)

Mr. Yip, aged 36, an executive Director and the chief financial officer of the Company who graduated from Soochow University with a bachelor degree majoring in accounting and later obtained his doctorate degree in business from Sichuan University. He has over 15 years of experience in the field of business, accounting and finance in Hong Kong and the PRC. In particular, he had managed and supervised various corporate financial activities including audit, credit management, cash management, mergers and integration.

Save as being the chief financial officer of the Company, Mr. Yip is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company (within the meaning of the Listing Rules). As at the Latest Practicable Date, save for the holding of 28,412,000 Options granted to Mr. Yip under the Share Option Scheme, Mr. Yip does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as being the chief financial officer and the director of Kingsun International Trading Limited, a wholly owned subsidiary of the Company, Mr. Yip did not hold any positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange in the three years preceding the date of this circular.

Mr. Yip has entered into a service contract with the Company for his duties as the chief financial officer and will be entitled to an emolument of HK\$720,000 per annum which was determined with reference to his duties and level of responsibilities and prevailing market rates. Mr. Yip will not enter into a service contract with the Company for his position as an executive Director and will not be entitled to any additional emolument. Mr. Yip has no fixed term of service with the Company but his appointment as an executive Director is subject to retirement by rotation at annual general meeting of the Company in accordance with the Bye-laws.

Save as disclosed above, there are no other matters of Mr. Yip which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Li Chun Tak (“Mr. Li”)

Mr. Li, aged 28, an executive Director who graduated from the Hong Kong Polytechnic University with a bachelor degree majoring in information technology and later obtained his graduate diploma in English and Hong Kong Law from the Manchester Metropolitan University. He has substantial experience in the field of information technology and business management. He had managed and supervised research projects in information technology, computer programming and business strategic planning. He is a director of Kan Ta International Project Design Limited, which is principally engaged in the construction business.

Mr. Li is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company (within the meaning of the Listing Rules). As at the Latest Practicable Date, Mr. Li does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as being the chief executive officer of the Company and the director of Grand Eternity Ltd. and Shum Sum Limited, both being wholly owned subsidiaries of the Company, Mr. Li did not hold any positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange in the three years preceding the date of this circular.

Mr. Li has entered into a service contract with the Company with a fixed term of service of three years and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. He will be entitled to a director’s fee of approximately HK\$360,000 per annum which is determined by reference to his duties and responsibilities in the Company.

Save as disclosed above, there are no other matters of Mr. Li which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Wong Hin Shek (“Mr. Wong”)

Mr. Wong, aged 37, an executive Director, has over 13 years of experience in corporate finance transactions, including mergers and acquisitions, initial public offerings and equity syndication. Mr. Wong worked in a number of reputable investment banks and the Listing Division of the Stock Exchange. He is currently a responsible officer of a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Wong holds a master of science (financial management) degree from University of London in United Kingdom and a bachelor of commerce degree from University of Toronto in Canada.

Mr. Wong is currently the executive director of Golden Resorts Group Limited (stock code 1031, formerly known as Medtech Group Limited) and Climax International Company Limited (stock code 439), both being companies listed on the main board of the Stock Exchange. He was also an executive director of Hong Kong Health Check and Laboratory Holdings Company Limited (stock code 397, formerly known as Starbow Holdings Limited), a company listed on the main board of the Stock Exchange, from March 2005 to March 2006.

There is no service contract entered into between Mr. Wong and the Company in relation to his appointment as executive Director. He is entitled to terminate his appointment at any time by giving the Company notice in writing. As at the Latest Practicable Date, Mr. Wong was not entitled to any emolument. The emolument in connected with Mr. Wong’s position as an executive Director will be determined by the Board when the Board considers necessary, with reference to his duties and level of responsibilities, the remuneration policy of the Company and the prevailing market conditions. Mr. Wong has no fixed terms of service with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws. Mr. Wong does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company.

Save as disclosed, Mr. Wong did not hold any other position in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the Latest Practicable Date. Mr. Wong does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Wong has not been involved in any of the matters mentioned under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Save as disclosed, Mr. Wong and the Company are not aware of any matters that need to be brought to the attention of the Shareholders.

Mr. Wong Kam Fat Tony (“Mr. Tony Wong”)

Mr. Tony Wong, aged 45, a non-executive Director and chairman of the Board, is the vice-chairman of the board of directors and the chairman of human resources and administration committee of Sik Sik Yuen. He is also the supervisor of Ho Yu College and Primary School. He has profound management experience in the charity and education industry and over 15 years’ management experience in the printing industry. He is a director of Hip Lik Design and Printing Company Limited, which is principally engaged in the printing business.

As at the Latest Practicable Date, save for the holding of a total of 28,412,000 Options granted to Mr. Tony Wong under the Share Option Scheme, Mr. Tony Wong does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Tony Wong has entered into a service contract with the Company with a fixed term of three years, but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. He will be entitled to a director’s fee of approximately HK\$360,000 per annum which is determined by reference to his duties and responsibilities in the Company.

Save as being the non-executive Director and chairman of the Board, Mr. Tony Wong is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company (within the meaning of the Listing Rules).

Save as being the non-executive Director and chairman of the Board, Mr. Tony Wong did not hold any other positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the Latest Practicable Date.

Save as disclosed above, there are no other matters of Mr. Tony Wong which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Au Tin Fun (“Mr. Au”)

Mr. Au, aged 50, an independent non-executive Director a member of the audit committee and remuneration committee of the Company, graduated from the business management department of the Hong Kong Baptist University. He holds a master degree in business administration from the Upper Iowa University, the United States of America. He has worked for Wong’s Kong King International (Holdings) Limited as the corporate assistant general manager and the director general of Shenzhen Dengcheng Realities Development Company Limited. He is currently the director and general manager of Initiative Consultant Limited and Pioneer Product Marketing Limited in Hong Kong. Mr. Au was an independent non-executive director of China Conservational Power Holdings Limited (stock code 290), a company listed on the main board of the Stock Exchange, from 23 December 2005 to 10 May 2006.

Save as disclosed above, Mr. Au has not previously held any position with the Company or any of its subsidiaries and has not been a director in any other listed company in the past three years.

Mr. Au has entered into a service contract with the Company with no fixed term of service, but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. He will be entitled to a director’s fee of approximately HK\$96,000 per annum which is determined by reference to his duties and responsibilities in the Company. Mr. Au does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company.

Save as disclosed, Mr. Au did not hold any other position in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the Latest Practicable Date. As at the Latest Practicable Date, save for the 2,840,000 Options granted to Mr. Au under the Share Option Scheme, Mr. Au does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Au has not been involved in any of the matters mentioned under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Save as disclosed, Mr. Au and the Company are not aware of any matters that need to be brought to the attention of the Shareholders.

Chan Chun Wai (“Mr. Chan”)

Mr. Chan, aged 37, an independent non-executive Director and a member of the audit committee and the remuneration committee of the Company, graduated from University of Central Oklahoma with a bachelor degree in computer sciences and mathematics. He has over 15 years of experience in the field of information technology in Hong Kong and the United States of America. Mr. Chan was an independent non-executive director of Garico Holdings Limited (stock code 729), a company formerly known as Gorient (Holdings) Limited and listed on the main board of the Stock Exchange, from 22 March 2005 to 29 May 2007.

Save as disclosed above, Mr. Chan has not previously held any position with the Company or any of its subsidiaries and has not been a director in any other listed company in the past three years.

Mr. Chan has entered into a service contract with the Company with no fixed term of service, but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. He will be entitled to a director’s fee of approximately HK\$96,000 per annum which is determined by reference to his duties and responsibilities in the Company.

Mr. Chan does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company. Save as disclosed, Mr. Chan did not hold any other position in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the Latest Practicable Date. As at the Latest Practicable Date, save for the 2,840,000 Options granted to Mr. Chan under the Share Option Scheme, Mr. Chan does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Chan has not been involved in any of the matters mentioned under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Save as disclosed, Mr. Chan and the Company are not aware of any matters that need to be brought to the attention of the Shareholders.

So Wai Yee, Betty (“Ms. So”)

Ms. So, aged 26, an independent non-executive Director and a member of the audit committee and remuneration committee of the Company, graduated from the University of Hong Kong with a Bachelor degree in Business Administration. She has several years working experience in one of the major international accounting firms in Hong Kong.

Ms. So has entered into a service contract with the Company for a fixed term of three years of service and she is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Ms. So will be entitled to a director’s fee of approximately HK\$96,000 per annum which is determined by reference to her duties and responsibilities in the Company. Ms. So does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company.

Save as disclosed, Ms. So did not hold any other position in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the Latest Practicable Date. Ms. So does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Ms. So has not been involved in any of the matters mentioned under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Save as disclosed, Ms. So and the Company are not aware of any matters that need to be brought to the attention of the shareholders of the Company.

NOTICE OF SGM



SUNNY GLOBAL HOLDINGS LIMITED

新怡環球控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1094)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of the shareholders of Sunny Global Holdings Limited (the “**Company**”) will be held at Plaza 4, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 20 December 2007 at 4:15 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the conditional subscription agreement (the “**Warrant Placing Agreement**”) dated 7 November 2007 and entered into between the Company and Excalibur Securities Limited (a copy of the Warrant Placing Agreement has been produced to the SGM and marked “A” and signed by the chairman of the SGM for the purpose of identification) in relation to the placing (the “**Warrant Placing**”) of up to 636 million non-listed warrants (each a “**Warrant**”) at the issue price of HK\$0.04 per Warrant (subject to adjustments) and the transactions contemplated thereunder, be and is hereby approved, confirmed and ratified;
- (b) the issue of the Warrants in accordance with the terms and conditions of the Warrant Placing Agreement and the transactions contemplated thereunder be and is hereby approved; and
- (c) any one or more of the directors (each a “**Director**”) of the Company be and is/are hereby authorised to take all such acts and things and execute all such documents, including under seal where applicable, as he/she/they consider(s) necessary or expedient in his/her/their opinion to implement and/or give effect to the issue of the Warrants, including, but not limited to, the allotment and issue of the ordinary shares (each a “**Share**”) in the capital of the Company of which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.”

* for identification purpose only

NOTICE OF SGM

2. “**THAT**, to the extent not already exercised, the mandate to allot and issue Shares given to the Directors at the first special general meeting (the “**First SGM**”) of the Company held on 9 July 2007 be and is hereby revoked and replaced by the mandate **THAT**:
- (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-laws**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

NOTICE OF SGM

(d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

3. To consider, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolution no. 2 above, the mandate granted to the Directors at the First SGM to extend the general mandate to allot and issue Shares to Shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 2 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

4. “**THAT**

- (a) the refreshment (the “**Proposed Refreshment**”) of the total number of Shares which may be issued upon the exercise of option to be granted under the share option scheme adopted on 12 June 2002 to up to 10 per cent. of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and

NOTICE OF SGM

- (b) any one or more of the Directors be and is/are hereby authorised to take all such acts and things and execute all such documents, including under seal where applicable, as he/she/they consider(s) necessary or expedient in his/her/their opinion to implement and/or give effect to the Proposed Refreshment.”
5. (a) To re-elect Mr. Yip Kwan, Ben as executive Director;
- (b) To re-elect Mr. Li Chun Tak as executive Director;
- (c) To re-elect Mr. Wong Hin Shek as executive Director;
- (d) To re-elect Mr. Wong Kam Fat Tony as non-executive Director;
- (e) To re-elect Mr. Chan Chun Wai as independent non-executive Director;
- (f) To re-elect Mr. Au Tin Fung as independent non-executive Director;
- (g) To re-elect Ms. So Wai Yee, Betty as independent non-executive Director; and
- (h) To authorise the board of Directors to fix the Directors’ remuneration.

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

Hong Kong, 3 December 2007

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
10B, Lee West Commercial Building
375-379 Hennessy Road
Wanchai
Hong Kong

NOTICE OF SGM

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Bye-laws, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's head office and principal place of business in Hong Kong at 10B, Lee West Commercial Building, 375-379 Hennessy Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. Pursuant to the Listing Rules, the voting on ordinary resolutions 2 and 3 at the SGM will be conducted by way of poll.