

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad):-

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

(a) Sale of 100% equity interest in Sunway Asphalt & Readymix (S) Pte Ltd

On 28 April 2003, Sunway Orient Sdn Bhd, a wholly-owned subsidiary of Sunway Holdings Incorporated Berhad ("SunInc") had disposed off its 100% equity interest in Sunway Asphalt & Readymix (S) Pte Ltd (ready-mix concrete business in Singapore) to Jurong Readymix Concrete Pte Ltd for a total cash consideration of S\$1.1 million (equivalent to RM2.4 million). The proceeds were utilised as working capital of the Group.

(b) Sale of 51% equity interest in Sunway Building Technology Berhad

On 7 July 2003, SunInc had completed the disposal of its 51% equity interest in Sunway Building Technology Berhad ("SunTech") for a cash consideration of RM28.5 million as a result of the corporate restructuring exercise of SunTech. The Group had recognised a net gain of RM9.4 million from the disposal after allowances and write-offs of certain debtors, inventories and property, plant and equipment. The proceeds were utilised for repayment of bank borrowings and as working capital of the Group.

(c) Sale of 51% equity interest in Menara Sunway Sdn Bhd

On 8 July 2003, SunInc had completed the disposal of its 51% equity interest in Menara Sunway Sdn Bhd to Sunway City Berhad for a cash consideration of RM27.8 million. As at 31 December 2003, SunInc had received a total cash consideration of RM20 million and the remaining consideration will be paid within 3 years from 8 July 2003. The proceeds were utilised for repayment of bank borrowings and as working capital of the Group.

(d) Asset-Backed Securitisation

On 27 February 2004, SunInc together with its 61% owned subsidiary, Sunway Construction Berhad ("SunCon") had entered into an Asset-Backed Securitisation transaction with Deutsche Bank (Malaysia) Berhad as the Lead Manager and Arranger, and Standard London (Asia) Sdn Bhd as the Adviser. The transaction entailed the disposal of a portfolio of properties owned by SunInc Group and SunCon Group to ABS Land & Properties Berhad, a bankruptcy remote special purpose vehicle.

The disposal value of the properties owned by SunInc Group was RM172.07 million, to be satisfied via the issuance of approximately RM97.34 million Subordinated Class Asset-Backed Securitisation Notes and approximately RM74.73 million cash.

The cash proceeds were/will be utilised for repayment of bank borrowings, payment of expenses in relation to the transaction and for working capital purposes.

(e) Private Placement

On 3 March 2004, SunInc had raised RM65,966,400 through a Private Placement of 41,229,000 new ordinary shares of RM1.00 each in SunInc at an issue price of RM1.60 per share, representing approximately 10% of the issued and paid-up share capital of SunInc. The proceeds were/will be utilised for payment of expenses in relation to the Private Placement and for working capital purposes.

ADDITIONAL COMPLIANCE INFORMATION

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2. SHARE BUY-BACK

SunInc does not have a scheme to buy-back its own shares.

3. OPTIONS OVER ORDINARY SHARES, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

The details on the exercise of options over ordinary shares during the financial year ended 31 December 2003 pursuant to the SunInc's Employees' Share Option Scheme are disclosed in Note 26 of the Notes to the financial statements. There was no exercise of warrants and SunInc did not issue any convertible securities during the financial year.

4. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME

SunInc did not sponsor any ADR or GDR programme during the financial year ended 31 December 2003.

5. SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on SunInc and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2003.

6. NON-AUDIT FEES

The non-audit fees paid and payable to the external auditors for the financial year ended 31 December 2003 amounted to RM143,000.

7. VARIATION IN RESULTS

There was no variance of 10% or more between the audited results for the financial year ended 31 December 2003 and the unaudited results previously announced by SunInc. SunInc did not release any profit estimate, forecast or projection for the financial year.

8. PROFIT GUARANTEE

There was no profit guarantee given by SunInc during the financial year ended 31 December 2003.

9. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The material contracts (not being contracts entered into in the ordinary course of business) entered into by SunInc and/or its subsidiaries involving directors' and major shareholders' interests for the financial year ended 31 December 2003 were as follows:-

- (a) Sale and Purchase Agreement dated 28 January 2003 between SunInc and Sunway City Berhad ("SunCity") for the disposal of 17,075,100 ordinary shares of RM1.00 each in Menara Sunway Sdn Bhd, representing 51% of the total issued and paid-up share capital of Menara Sunway Sdn Bhd to SunCity for a cash consideration of RM27,216,000. The purchase price is subject to adjustment based on the final audited financial statements of Menara Sunway Sdn Bhd as at 31 December 2002.

ADDITIONAL COMPLIANCE INFORMATION

(cont'd)

9. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS (Continued)

- (b) Further Supplemental Restructuring Agreement dated 14 April 2003 between SunInc, Sunway Construction Berhad ("SunCon"), Sunway Building Technology Berhad ("SunTech"), Mr Huang Jen Soong, Mr Lim Beng Keat and Dolomite Berhad as a further supplement to the Restructuring Agreement dated 13 May 2002 and the Supplemental Restructuring Agreement dated 27 June 2002 to extend the period and cut-off date for the fulfillment of the conditions precedents as provided in the Restructuring Agreement (as amended, modified and supplemented by the Supplemental Restructuring Agreement) for a period of 3 months from 12 May 2003 to 12 August 2003.
- (c) Novation Agreement dated 7 July 2003 between SunInc, SunCon, SunTech, Sun-Block PMI Sdn Bhd, Sunway PMI-Pile Construction Sdn Bhd, and RHB Sakura Merchant Bankers Berhad, Overseas Union Bank (Malaysia) Berhad, RHB Bank Berhad and HSBC Bank Malaysia Berhad [collectively known as the Financiers] in relation to the novation of SunTech's rights and obligations to SunCon, a term loan facility of RM62 million from the Financiers.
- (d) Novation Agreement dated 7 July 2003 between SunInc (Creditor), SunCon and SunTech whereby SunInc has agreed to release and discharge the existing outstanding loans, advances and/or debts owing by SunTech to SunInc upon SunCon's undertakings to repay and discharge the same.

Relationship of Related Parties for item (a) above

- (i) Tan Sri Dato' Seri (Dr) Cheah Fook Ling is a Director and Major Shareholder of SunInc and SunCity.

Relationship of Related Parties for items (b), (c) and (d) above

- (i) Tan Sri Dato' Seri (Dr) Cheah Fook Ling is a Director and Major Shareholder of SunInc and SunCon.
- (ii) Dato' Chew Chee Kin and Dato' Tan Kia Loke are Directors and shareholders of SunInc and SunCon.

10. REVALUATION POLICY ON LANDED PROPERTIES

SunInc has not adopted a policy of regular revaluation of its landed properties.

11. STATEMENT BY AUDIT COMMITTEE IN RELATION TO THE EMPLOYEES' SHARE OPTION SCHEME ("ESOS") ALLOCATION

In accordance with Bylaw 4.6 of the ESOS Bylaws, SunInc had appointed a firm of chartered accountants, Messrs Ernst & Young to verify the options over ordinary shares offered to eligible employees as part of SunInc's annual audit.

With the assistance of Messrs Ernst & Young's audit verification, the Audit Committee is satisfied that the allocation of options over ordinary shares pursuant to the SunInc's ESOS during the financial year ended 31 December 2003, has complied with the criteria set out in the ESOS Bylaws.