

Additional Compliance Information

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad:-

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal to raise proceeds during the financial period ended 30 June 2006.

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

The details on the exercise of options over ordinary shares during the financial period ended 30 June 2006 pursuant to the Company's Employees' Share Option Scheme ("ESOS") are disclosed in Note 28 (iii) of the Notes to the Financial Statements. There was no exercise of warrants and the Company did not issue any convertible securities during the financial period.

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

The Company did not sponsor any ADR or GDR programme during the financial period ended 30 June 2006.

4. SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial period ended 30 June 2006.

5. NON-AUDIT FEES

The non-audit fees paid/payable to the external auditors of the Company and its subsidiaries for the financial period ended 30 June 2006 amounted to RM5,500.

6. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial period ended 30 June 2006.

7. VARIATION IN RESULTS

There was a deviation of more than 10% between the Company's unaudited results announced on 30 August 2006 and the audited results for the financial period ended 30 June 2006.

In the unaudited results, the Company had announced a loss after tax and minority interest of RM23.31 million for the financial period ended 30 June 2006. However, based on the audited results for the financial period ended 30 June 2006, the consolidated loss after tax and minority interest has decreased to RM11.27 million, representing a deviation of 51.65%.

The primary reason for the said deviation is due to over provision of taxation for the financial period ended 30 June 2006. The specific reasons and reconciliation of the deviation are as follows:-

| Consolidated loss after tax and minority interest: | RM million |
|---|----------------|
| Unaudited results as announced on 30 August 2006 | (23.31) |
| Audited results | (11.27) |
| Deviation | <u>12.04</u> |
| Percentage of deviation | -51.65% |
| Reconciliation of deviation: | |
| 1. Recognition of tax recoverable under Section 110 set off at SunInc arising from dividends received from subsidiary | (10.02) |
| 2. Over provision of taxation and deferred taxation for subsidiaries | (1.78) |
| 3. Miscellaneous audit adjustments | (0.24) |
| | <u>(12.04)</u> |

The Company did not release any profit estimate, forecast or projection for the financial period.

8. 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 the Company and/or its subsidiaries involving directors' and major shareholders' interests during the financial period ended 30 June 2006 were as follows:-

Additional Compliance Information (Cont'd)

- (a) Sale and Purchase of Shares Agreement dated 1 December 2005 between Reptolink Sdn Bhd, Timah Sini-Sana Sdn Bhd and Active Builder Sdn Bhd for the acquisition of the entire equity interest in Sunway Enterprise (1988) Sdn Bhd for a total cash consideration of RM6.81 million.
- (b) Sale and Purchase of Shares Agreement dated 1 December 2005 between Reptolink Sdn Bhd, Active Builder Sdn Bhd, Aneka Lengkap Sdn Bhd and Datuk Razman M Hashim for the acquisition of the entire equity interest in Sunway Hydraulic Industries Sdn Bhd for a total cash consideration of RM2.35 million.
- (c) Shareholders' Agreement dated 5 June 2006 between SunInc, Sunway Global Limited, Goldman Sachs Strategic Investments (Asia) L.L.C. and Key Employees for the purpose of setting out the rights of the respective shareholders and the management of Sunway Global Limited.
- (d) "A" Loan Agreement (Redeemable Convertible Loan) dated 5 June 2006 between Sunway Global Limited and Goldman Sachs Strategic Investments (Asia) L.L.C. for the amount of HK\$ equivalent of RMB23.85 million (approximately RM11.925 million). This loan is convertible into shares in the capital of Sunway Global Limited before 31 December 2011 or repayable on 31 December 2011.
- (e) "B" Loan Agreement dated 5 June 2006 between Sunway Global Limited and Goldman Sachs Strategic Investments (Asia) L.L.C. for the amount of HK\$ equivalent of RMB26.15 million (approximately RM13.075 million) which is repayable on 31 December 2011.
- (f) "C" Loan Agreement dated 5 June 2006 between SunInc and Sunway Global Limited for the amount of HK\$ equivalent of RMB26.15 million (approximately RM13.075 million) which is repayable on 31 December 2011.

Relationship of Related Party for item (a) above

Tan Sri Dato' Seri (Dr) Cheah Fook Ling is a Director of Active Builder Sdn Bhd, and he has direct and deemed interests in Active Builder Sdn Bhd and Timah Sini-Sana Sdn Bhd respectively.

Relationship of Related Party for item (b) above

Tan Sri Dato' Seri (Dr) Cheah Fook Ling is a Director and Major Shareholder of Active Builder Sdn Bhd.

Relationship of Related Parties for items (c) to (f) above

Dato' Chew Chee Kin, Yau Kok Seng and Mark Victor Rozario are Directors and shareholders of SunInc. They are also Directors and shareholders of Sunway Global Limited, a 60% owned subsidiary of SunInc.

9. REVALUATION POLICY ON LANDED PROPERTIES

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

10. STATEMENT BY AUDIT COMMITTEE IN RELATION TO THE ALLOCATION OF OPTIONS OVER ORDINARY SHARES PURSUANT TO THE ESOS

In accordance with Bylaw 4.6 of the ESOS Bylaws, the Company had appointed the Group Internal Audit to verify the allocation of options over ordinary shares to the Group's eligible employees in compliance with the criteria set out in the ESOS Bylaws, as part of the Company's annual audit.

With the assistance of Group Internal Audit's audit verification, the Audit Committee is satisfied that the allocation of options over ordinary shares pursuant to the Company's ESOS during the financial period ended 30 June 2006, has complied with the criteria set out in the ESOS Bylaws.

11. SHARE BUY-BACK

During the financial period ended 30 June 2006, the Company purchased 100,000 ordinary shares of RM1.00 each from the open market and these shares were retained as treasury shares. None of these treasury shares were resold or cancelled during the financial period.

| Monthly Breakdown | No. of Shares Purchased and Retained as Treasury Shares | Purchase Price Per Share RM | | Average Cost Per Share RM | Total Cost RM |
|-------------------|---|-----------------------------|---------|---------------------------|---------------|
| | | Lowest | Highest | | |
| August 2005 | 100,000 | 0.53 | 0.55 | 0.54 | 54,501 |