



Sunway International Holdings Limited

(Incorporated in Bermuda with limited liability)

INTERIM REPORT
2002/2003

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board") of Sunway International Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 March 2003 (the "Period"), together with the comparative figures for the previous corresponding period as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		(UNAUDITED)	
		Six months ended	
		31 March	
	<i>Notes</i>	2003 HK\$'000	2002 <i>HK\$'000</i>
Turnover	2	306,045	348,012
Cost of sales		(265,826)	(295,383)
		<hr/>	<hr/>
Gross profit		40,219	52,629
Other revenue		6,508	1,866
Selling and distribution costs		(2,275)	(2,215)
Administrative expenses		(18,829)	(22,844)
Other operating expenses		(6,331)	(482)
		<hr/>	<hr/>
Profit from operating activities	3	19,292	28,954
Finance costs	4	(3,896)	(10,059)
Share of loss of an associate		(18)	(558)
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Profit before tax		15,378	18,337
Tax	5	(1,648)	(2,794)
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Net profit from ordinary activities attributable to shareholders		13,730	15,543
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Interim dividend	6	Nil	Nil
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Earnings per share	7		
– Basic		1.35 cents	1.54 cents
		<hr/>	<hr/>
– Diluted		N/A	N/A
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CONDENSED CONSOLIDATED BALANCE SHEET

		(UNAUDITED) 31 March 2003 HK\$'000	(AUDITED) 30 September 2002 HK\$'000
NON-CURRENT ASSETS			
Fixed assets	8	455,864	467,266
Interest in an associate		11,864	11,882
Long term investments		11,625	11,625
		479,353	490,773
CURRENT ASSETS			
Inventories		247,632	239,457
Short term investments		7,808	–
Accounts receivable	9	189,053	213,473
Prepayments, deposits and other receivables		51,942	31,996
Due from a related company		2,244	2,396
Pledged deposits with banks		18,051	8,080
Time deposits		20,000	23,400
Cash and bank balances		88,593	103,577
		625,323	622,379
CURRENT LIABILITIES			
Accounts payable	10	50,604	56,061
Accrued liabilities and other payables		28,688	30,612
Interest-bearing bank borrowings		141,090	145,397
Current portion of finance lease payable		108	102
Dividend payable		10,160	–
Tax payable		9,404	8,963
		240,054	241,135
NET CURRENT ASSETS		385,269	381,244
TOTAL ASSETS LESS CURRENT LIABILITIES		864,622	872,017
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		–	10,909
Non-current portion of finance lease payable		38	94
		38	11,003
		864,584	861,014
CAPITAL AND RESERVES			
Issued share capital	11	101,600	101,600
Reserves		762,984	749,254
Proposed final dividend		–	10,160
		864,584	861,014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY-UNAUDITED

	Share premium account <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Revaluation reserve <i>HK\$'000</i>	Exchange fluctuation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 October 2001	175,861	56,471	23	33,789	(6,049)	445,573	705,668
Arising on conversion of convertible bonds	2,242	-	-	-	-	-	2,242
Arising on repurchase of shares	(778)	-	486	-	-	(486)	(778)
Surplus on revaluation of fixed assets	-	-	-	22,665	-	-	22,665
Exchange adjustment on translation of the financial statements of a foreign subsidiary	-	-	-	-	(602)	-	(602)
Net profit for the year	-	-	-	-	-	30,219	30,219
Proposed final dividend	-	-	-	-	-	(10,160)	(10,160)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2002 and 1 October 2002	177,325	56,471	509	56,454	(6,651)	465,146	749,254
Net profit for the period	-	-	-	-	-	13,730	13,730
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	<u>177,325</u>	<u>56,471</u>	<u>509</u>	<u>56,454</u>	<u>(6,651)</u>	<u>478,876</u>	<u>762,984</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(UNAUDITED)

Six months ended

31 March

	2003	2002
	<i>HK\$'000</i>	(Revised) <i>HK\$'000</i>
Net cash from operating activities	18,070	37,020
Net cash used in investing activities	(13,322)	(1,813)
Net cash used in financing activities	(17,938)	(22,967)
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(Decrease)/Increase in cash and cash equivalents	(13,190)	12,240
Cash and cash equivalents at beginning of period	133,714	66,131
	<hr/>	<hr/>
Cash and cash equivalents at end of period	120,524	78,371
	<hr/> <u>120,524</u>	<hr/> <u>78,371</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	88,593	89,817
Non-pledged time deposits with original maturity of less than three months when acquired	20,000	-
Pledged time deposits with original maturity of less than three months when acquired	18,051	-
Bank overdrafts, secured	-	(2,145)
Trust receipt loans with original maturity of less than three months, secured	(6,120)	(9,301)
	<hr/>	<hr/>
	120,524	78,371
	<hr/> <u>120,524</u>	<hr/> <u>78,371</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Principal accounting policies and basis of preparation

(a) The unaudited consolidated interim financial statements of the Group have been prepared in compliance with Hong Kong Statements of Standard Accounting Practice ("SSAP") No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants ("HKSA"). The accounting policies and basis of preparation are the same as those adopted in the Group's annual financial statements for the year ended 30 September 2002, except that the following new and revised SSAPs issued by the HKSA have been adopted for the first time in the preparation of the current period's consolidated financial statements.

- SSAP 1 (Revised) "Presentation of Financial Statements"
- SSAP 11 (Revised) "Foreign Currency Translation"
- SSAP 15 (Revised) "Cash Flow Statements"
- SSAP 34 "Employee Benefits"

The adoption of these SSAPs has resulted a change in the format of presentation of the cash flow statement and the statement of changes in equity, but it had no significant effect on the results for the current or prior accounting periods.

- (b) Having complied with SSAP, no Generally Accepted Accounting Principles adjustment or reconciliation between SSAP and International Accounting Standards is necessary for the financial statements concerned.
- (c) Certain comparative figures have been reclassified to conform with the current period's presentation.

2. Segment information

The Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

The Group is principally engaged in the manufacture and sale of (i) electronics and related components and parts, (ii) consumer electronic products and (iii) in the trading of electronics and related components and parts, particularly, Russian-made integrated circuits. These businesses are the basis on which the Group reports its primary segment information.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

(a) *Business segments*

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments.

Group (HK\$'000)

	Electronic components and parts		Consumer electronic products		Integrated circuits		Consolidated	
	Six months ended 31 March		Six months ended 31 March		Six months ended 31 March		Six months ended 31 March	
	2003	2002	2003	2002	2003	2002	2003	2002
Segment revenue:								
Sales to external customers	69,262	82,448	212,903	233,797	23,880	31,767	306,045	348,012
Other revenue	938	415	5,003	1,167	105	15	6,046	1,597
Total	70,200	82,863	217,906	234,964	23,985	31,782	312,091	349,609
Segment results	10,149	6,301	9,320	21,254	(47)	1,147	19,422	28,702
Interest, dividend income and unallocated gains							462	269
Unallocated expenses							(592)	(17)
Profit from operating activities							19,292	28,954
Finance costs							(3,896)	(10,059)
Share of loss of an associate							(18)	(558)
Profit before tax							15,378	18,337
Tax							(1,648)	(2,794)
Net profit from ordinary activities attributable to shareholders							13,730	15,543

Group (HK\$'000)

	Electronic components and parts		Consumer electronic products		Integrated circuits		Consolidated	
	31	30	31	30	31	30	31	30
	March 2003	September 2002	March 2003	September 2002	March 2003	September 2002	March 2003	September 2002
Segment assets	357,078	391,121	450,767	439,530	48,261	63,542	856,106	894,193
Interest in an associate							11,864	11,882
Unallocated assets							236,706	207,077
Total assets							1,104,676	1,113,152
Segment liabilities	18,772	27,729	34,860	48,569	17,394	3,516	71,026	79,814
Unallocated liabilities							169,066	172,324
Total liabilities							240,092	252,138

Other segment information:

	Electronic components and parts		Consumer electronic products		Integrated circuits		Consolidated	
	Six months ended 31 March		Six months ended 31 March		Six months ended 31 March		Six months ended 31 March	
	2003	2002	2003	2002	2003	2002	2003	2002
Depreciation	13,304	5,395	10,684	9,794	-	-	23,988	15,189
Unallocated							715	500
							24,703	15,689
Capital expenditure	283	-	3,479	3,429	-	-	3,762	3,429
Unallocated							9,985	127
							13,747	3,556

(b) *Geographical segments*

The following tables present revenue, results and certain expenditure information for the Group's geographical segments.

Group (HK\$'000)

	Hong Kong		Mainland China		Others		Consolidated	
	Six months ended 31 March		Six months ended 31 March		Six months ended 31 March		Six months ended 31 March	
	2003	2002	2003	2002	2003	2002	2003	2002
Segment revenue:								
Sales to external customers	64,366	93,336	223,839	216,375	17,840	38,301	306,045	348,012
Segment results	(231)	3,161	21,725	23,907	(2,072)	1,634	19,422	28,702
Other segment information:								
Capital expenditure	7	-	13,740	3,556	-	-	13,747	3,556

3. Profit from operating activities

The Group's profit from operating activities is arrived at after charging/(crediting):

	Six months ended 31 March	
	2003	2002
	HK\$'000	HK\$'000
Cost of inventories sold	260,826	280,104
Depreciation	24,703	15,689
Provision for inventories	5,000	-
Staff costs (including directors' remuneration)	58,799	57,848
Loss on disposal of fixed assets	21	-
Dividend income from short term investments	(8)	-

4. Finance costs

	Six months ended 31 March	
	2003	2002
	HK\$'000	HK\$'000
Interest on bank loans wholly repayable within five years	3,887	4,509
Interest on convertible bonds	-	5,535
Interest on a finance lease	9	15

5. Tax

Tax in the consolidated profit and loss account represents:

	Six months ended 31 March	
	2003 HK\$'000	2002 HK\$'000
Provision for tax in respect of profit for the period:		
Hong Kong	487	955
Elsewhere	1,161	1,780
Deferred tax	-	59
	1,648	2,794

Hong Kong profits tax has been provided at the rate of 16.0% (2002 : 16.0%) on the estimated assessable profits arising in Hong Kong for the Period. Provisions for tax of profits assessable in The People's Republic of China (the "PRC") have been calculated at the rates of tax prevailing in the PRC, based on existing legislation, interpretations and practices in respect thereof.

No provision for tax has been made for the associate because it did not generate any assessable profits during the Period.

The provision for deferred tax has been made in respect of accelerated capital allowances to the extent that a liability is expected to crystallise in the foreseeable future. There were no significant potential deferred tax liabilities for the Group and the Company for which provision has not been made as at 31 March 2003.

6. Interim dividend

The Board of the Company did not recommend any interim dividend for the six months ended 31 March 2003 (2002 : Nil).

7. Earnings per share

The calculation of the basic earnings per share for the six months ended 31 March 2003 is based on the unaudited consolidated net profit from ordinary activities attributable to shareholders of HK\$13,730,000 (2002 : HK\$15,543,000) and the weighted average number of 1,016,001,301 (2002 : 1,012,079,340) ordinary shares in issue during the Period.

The calculation of diluted earnings per share for the current and last corresponding period has not been presented because any potential ordinary shares of the Group outstanding during these periods in respect of the deemed exercise of all share options and the deemed conversion of all convertible bonds had anti-dilutive effects on the earnings per share for these periods.

8. Additions to fixed assets

During the Period, the Group spent approximately HK\$13,747,000 (2002 : HK\$3,556,000) on additions to fixed assets to upgrade its manufacturing capabilities.

9. Accounts receivable

An aged analysis of accounts receivable, based on invoice date, is as follows:

	31 March 2003 HK\$'000	30 September 2002 HK\$'000
Current to 3 months	151,859	130,533
4 – 6 months	30,180	58,849
7 – 12 months	12,185	21,068
Over 1 year	27,341	29,303
	221,565	239,753
Less: Provision for doubtful debts	(32,512)	(26,280)
	189,053	213,473

Payment terms with customers are mostly on credit, except for new customers, whose payment in advance is normally required. Invoices are normally payable within 90 days of issuance, except for certain well-established customers, whose terms are extended up to six months. Each customer has a maximum credit limit and credit evaluations of customers are reviewed periodically.

An estimate for doubtful debts is made and deducted when collection of the full amount is no longer probable. Bad debts are written off as incurred.

10. Accounts payable

An aged analysis of accounts payable, based on invoice date, is as follows:

	31 March 2003 HK\$'000	30 September 2002 HK\$'000
Current to 3 months	40,020	48,712
4 – 6 months	8,244	5,516
7 – 12 months	549	89
Over 1 year	1,791	1,744
	50,604	56,061

11. Issued share capital

	Number of Shares issued	Par value HK\$'000
As at 30 September 2002 and 31 March 2003	1,016,001,301	101,600

12. Related party transactions

During the Period, the Group had transactions with a company of which the spouse of Ms Wong Choi Kam (a director of the Company) was also a director and controlling shareholder as set out below.

	Six months ended 31 March	
	2003	2002
	HK\$'000	HK\$'000
Sales to a related company	3,674	3,384

The sales to a related company are made according to the published prices and conditions offered to the major customers of the Group.

13. Contingent liabilities

Contingent liabilities of the Company at the balance sheet date were as follows:

	31 March 2003	30 September 2002
	HK\$'000	HK\$'000
Guarantees executed by the Company in favour of banks for general banking facilities granted to subsidiaries	71,000	71,000

MANAGEMENT DISCUSSION AND ANALYSIS**Review of results and operation**

For the six months ended 31 March 2003, the Group recorded a consolidated turnover of HK\$306,045,000. Profits before tax for the Period and the corresponding previous period were HK\$15,378,000 and HK\$18,337,000, respectively, with gross profit ratios standing at approximately 13.1% and 15.1%, respectively. Basic earnings per share for the Period were 1.35 HK cents.

Due to unfavourable economic environment and price cutting pressure across the electronics industry, turnover has dropped by 12.1%. However, the Group has tried its best to retain its leading market share in electronic calculators by developing new products with distinctive design and better quality such as cyber look calculators. The setup of Shenzhen Representative Office that trades under the brand name "Kenko" has further enhanced the Group's sales and distribution network in China and overseas markets. The brand was particularly popular among areas like India and Pakistan in Asia, Egypt and Morocco in Africa and New York in USA.

The sales of quartz crystals and liquid crystal displays ("LCD") accounted for 12.6% of the Group's total turnover. Currently, the Group is one of the largest manufacturers of quartz crystals and LCD in China. Sales in these sectors declined in the Period, but management anticipates improvements in performance in the coming periods after completion of the factory plants and full installation of production facilities. This will strengthen the Group to become the largest supplier of LCD products and quartz crystals in China.

With the management's effort in cost control, administrative expenses were lowered by 17.6%. Finance costs significantly dropped by approximately 61.3% to HK\$3,896,000, mainly attributed to the convertible bonds which have totally been redeemed during the last financial year.

Accounts receivable has been improved since last financial year, due to the Group's efforts in monitoring and improvement in debt collection. In particular, the outstanding accounts receivable aged from seven to twelve months and due over one year has been lowered by 42.2% and 6.7% respectively over that of 30 September 2002. Although the normal terms of payment were within 90 days of issuance, certain well-established customers were granted a longer settlement period up to six months. Having reviewed their repayment history, the Group was confident that the outstanding debts could be recovered since these customers have had longstanding business relationship with the Group. Based on a careful review of the debtors' repayment ability and subsequent settlement of the total outstanding accounts receivable, the accumulated provision for doubtful debts of HK\$32,512,000 was considered adequate and not excessive.

Liquidity and financial resources

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in both Hong Kong and the PRC. Such facilities were secured by fixed deposits amounted to approximately HK\$18,051,000, certain properties and plant and machinery held by the Group and the corporate guarantees of certain related companies and the Company. The Group maintains a strong financial position. As at 31 March 2003, the total shareholders' equity of the Group was approximately HK\$864,584,000, an increase of about 0.4% over that at 30 September 2002. The Group's cash and bank balances and bank deposits at 31 March 2003 stood at HK\$126,644,000. The interest-bearing bank borrowings of the Group amounted to HK\$141,090,000, a decrement of 9.7% as compared to that at 30 September 2002. The bank loans were denominated in Renminbi and US dollars. The Group's gearing ratio, which was computed by dividing the current liabilities and long term debt by shareholders' equity, has lowered from 29.3% at 30 September 2002 to 27.8% at 31 March 2003. Borrowings are closely monitored by the Group to maintain gearing at a reasonable level.

Capital structure

During the last financial year, the Company's convertible bonds issued in the year 2000 were fully converted or redeemed. Hence, there were no outstanding convertible bonds and no interest expenses for the convertible bonds were incurred during the Period.

No share options were granted or cancelled, or lapsed during the Period.

Pledge of assets

Certain leasehold land and buildings, plant and machinery and certain time deposits of the Group, together with the corporate guarantees of the Company, are used to secure banking facilities of the Group. At 31 March 2003, such facilities were utilised to the extent of approximately HK\$141,090,000.

APPLICATIONS OF PROCEEDS OF SHARE OFFER

A remaining balance of about HK\$137.3 million of the net proceeds raised from the share offer in 1999, is allocated to be applied to the investment in the joint venture, Taiwan Communication (Fujian) Company Ltd. As the progress of the projects implemented by Taiwan Communication (Fujian) Company Ltd proceeded at a slower pace than planned, the Board is considering allocating part of such proceeds to other investment opportunities. If any specific targets are identified, the Board will make announcement in accordance with the applicable rules.

EMPLOYEES AND REMUNERATION POLICIES

The Group has approximately 15,000 full time management, administrative and production staff in the PRC and in Hong Kong. Their remuneration, promotion and salary review are assessed based on their performance, job responsibility, experiences and the prevailing industry practice. The Group's directors and employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other staff benefits include options granted or to be granted under share option scheme and rent-free quarters.

PROSPECTS

The management foresees stable performance in the second half of the year. We are enjoying a dominant position in major cities in China and we believe additional benefits will come from China's recent accession to the World Trade Organisation together with improvements in living standards in western and northern China.

The Group will continue to pursue active developments in its core business lines, including the design, manufacture and sale of an extensive range of electronic and related components and parts and consumer electronic products.

The Group will actively develop new markets and leverage on its strengths to heighten corporate development. The Group will also strive to maintain a stable profit growth and to consider new synergistic business opportunities in order to maximise returns for its shareholders.

DIRECTORS' INTERESTS IN SECURITIES

At 31 March 2003, the interests of the directors in the share capital of the Company or its associated corporations as recorded in the register maintained pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Directors	Number of ordinary shares held	
	Personal interests	Corporate interests
Wong Choi Kam	0.5 million	100 million (<i>Note 1</i>)
Wong King Ching, Helen	0.2 million	400 million (<i>Note 2</i>)
Wong King Man	–	400 million (<i>Note 2</i>)
Wong Choi Ping	–	100 million (<i>Note 3</i>)
Wong Kim Seong	50 million	–

Notes:

1. These shares were held by Atworth Profits Limited, a company beneficially owned by Ms Wong Choi Kam.
2. These shares were beneficially owned by Farnell Profits Limited, the entire issued share capital of which was previously held by the late Mr Wong Choi Fung ("Mr Wong") and currently forms part of the estate of the late Mr Wong. Ms Wong King Ching, Helen and Ms Wong King Man, directors of the Company, are beneficiaries of the said estate, whose interest in the shares of Farnell Profits Limited is not yet ascertained until completion of the administration of estate of the late Mr Wong.
3. These shares were held by Notchino Investment Inc., a company beneficially owned by Mr Wong Choi Ping.

The interests of the directors in the share options of the Company are separately disclosed in the section "Share Option Scheme" below.

SHARE OPTION SCHEME

At 31 March 2003, the Company had the following outstanding share options granted to directors and employees of the Group under its old share option scheme (the "Old Scheme"):

Name or category of participant	Shares being subject of the outstanding options	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$
Directors				
Wong Choi Kam	6,000,000	25 October 1999	25 October 1999 to 24 October 2009	1.20
Wong King Ching, Helen	1,500,000	25 October 1999	25 October 1999 to 24 October 2009	1.20
Leung Chi Fai	1,050,000	25 October 1999	25 October 1999 to 24 October 2009	1.20
	<u>8,550,000</u>			
Other employees				
In aggregate	31,000,000	25 October 1999	25 October 1999 to 24 October 2009	1.20
	<u>39,550,000</u>			

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the growth and development of the Group. With the approval of the adoption of a new share option scheme (the "New Scheme") at the Annual General Meeting on 25 February 2003, the Company terminated its Old Scheme and no further options may be granted under the Old Scheme. At 31 March 2003, options granted under the Old Scheme, prior to its termination, to subscribe for 39,550,000 remained outstanding and would continue to be exercisable in accordance with their terms of grant.

The maximum number of share options permitted to be granted under the New Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) 80% of the average of the closing price of shares on The Stock Exchange of Hong Kong Ltd (the "Hong Kong Stock Exchange") for the five trading days immediately preceding the date of the offer of grant of the share options; and (ii) the nominal value of the shares of the Company.

No share options were exercised or cancelled, or lapsed during the Period.

Other than disclosed above, at 31 March 2003, none of the directors of the Company had any personal, family, corporate or other interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Other than the share option scheme of the Company as disclosed in the immediately preceding section, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed under the sections headed "Directors' Interests in Securities" and "Share Option Scheme", no person has registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Period.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Group's financial statements for the period ended 31 March 2003 have been reviewed by the audit committee, who are of the opinion that such statements comply with the applicable accounting standards, and the Rules Governing the Listing of Securities (the "Listing Rules") of the Hong Kong Stock Exchange and legal requirements, and that adequate disclosures have been made.

CODE OF BEST PRACTICE

The Board confirms that for the period ended 31 March 2003, the Company had complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's bye-laws.

By Order of the Board
Sunway International Holdings Limited
Wong King Ching, Helen
Chairman

Hong Kong
24 June 2003