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SUNWAY INTERNATIONAL HOLDINGS LIMITED
新威國際控股有限公司*

(incorporated in Bermuda with limited liability)
HKEX stock code: 58

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2008

HIGHLIGHTS

- Consolidated revenue was HK$1,091,120,000, compared to HK$1,088,876,000 last year, representing an increase of 0.2%
- Loss attributable to equity holders of the parent was HK$95,162,000, compared to profit attributable to equity holders of the parent of HK$13,578,000 last year, representing a decrease of 801%
- Loss per share amounted to 9.4 Hong Kong cents, compared to earnings per share of 1.3 Hong Kong cents last year, representing a decrease of 823%
- Proposed final dividend per share: 0.5 Hong Kong cent (2007: 1 Hong Kong cent)

* *For identification purposes only*

The Board of Directors (the "Directors") of Sunway International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 September 2008, together with the comparative figures for 2007, as follows:

Condensed Consolidated Income Statement

		Year ended 30 September	
		2008	2007
	Note	***HK$'000***	*HK$'000*
REVENUE	*2*	**1,091,120**	1,088,876
Cost of sales		**(1,091,968)**	(1,011,077)
Gross (loss)/profit		**(848)**	77,799
Other income and gain		**19,665**	16,347
Selling and distribution costs		**(14,295)**	(7,188)
Administrative expenses		**(67,907)**	(58,175)
Other operating expenses		**(17,730)**	(7,004)
Finance costs	*3*	**(10,632)**	(4,536)
Share of (loss)/profit of a jointly-controlled entity		**(417)**	1,100
(LOSS)/PROFIT BEFORE TAX	*4*	**(92,164)**	18,343
Tax	*5*	**(2,998)**	(4,765)
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**(95,162)**	13,578
DIVIDENDS	*6*	**5,080**	10,160
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*7*		
Basic		**(9.4 cents)**	1.3 cents
Diluted		**N/A**	N/A

Condensed Consolidated Balance Sheet

	Note	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**460,198**	421,712
Investment properties		**45,080**	39,270
Prepaid land lease payments		**68,228**	66,858
Interest in a jointly-controlled entity		**14,386**	15,336
Deferred tax assets		**–**	2,004
Deposits paid for acquisition of prepaid land lease payments and property, plant and equipment		**5,743**	6,155
Total non-current assets		**593,635**	551,335
CURRENT ASSETS			
Inventories		**394,489**	332,208
Trade receivables		**225,274**	234,012
Prepayments, deposits and other receivables		**34,079**	70,136
Derivative financial instruments		**7,610**	7,547
Due from a related company		**–**	6,311
Due from a jointly-controlled entity		**27**	6,090
Tax recoverable		**–**	80
Pledged time deposits		**140,074**	3,265
Cash and cash equivalents		**97,020**	74,642
Total current assets		**898,573**	734,291
CURRENT LIABILITIES			
Trade payables		**145,649**	87,827
Accrued liabilities and other payables		**47,285**	28,733
Due to a director		**2,377**	–
Interest-bearing bank borrowings		**251,238**	132,621
Tax payable		**33,957**	34,196
Total current liabilities		**480,506**	283,377
NET CURRENT ASSETS		**418,067**	450,914
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,011,702**	1,002,249
NON-CURRENT LIABILITIES			
Interest – bearing bank borrowings		**11,601**	–
Deferred tax liabilities		**10,572**	6,428
Provision for long service payment		**788**	–
Net assets		**988,741**	995,821
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		**101,600**	101,600
Reserves		**882,061**	884,061
Proposed final dividends	*6*	**5,080**	10,160
Total equity		**988,741**	995,821

Notes:

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements also comply with the applicable disclosure provisions of the Rule Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost convention, except for investment properties, certain property, plant and equipment and derivative financial instruments, which have been measured at fair value.

Compliance with Rule 220(2) of The Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual

Pursuant to Rule 220(2) of the SGX-ST Listing Manual, the financial statements of the Group, which have been prepared in accordance with HKFRSs and accounting principles generally accepted in Hong Kong, need to be reconciled to the International Accounting Standards ("IAS"). The Company has applied to the SGX-ST for, and the SGX-ST has on 7 January 2009 granted, a waiver to the Company from complying with the requirements of Rule 220(2) of the SGX-ST Listing Manual in respect of the financial statements of the Group for the year ended 30 September 2008. A reconciliation statement has not been prepared as the company is of the view that the application of the IAS would not have a material effect on the measurement and determination of the amounts of the Group's consolidated net assets at 30 September 2008 or its loss for the year and cash flows for the year ended 30 September 2008.

1.2 Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 October 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

However, the adoption of HKFRS 7 and HKAS 1 (Amendment) resulted in much extensive disclosures in respect of financial instruments and an additional disclosure on capital management policy respectively.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKFRS (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Eligible Hedge Items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate[2]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[3]
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 12	Service Concession Arrangements[4]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[3]

[1] Effective for annual periods beginning on or after 1 January 2009, except the amendments to HKFRS 5 which are effective for annual periods beginning on or after 1 July 2009

[2] Effective for annual periods beginning on or after 1 January 2009

[3] Effective for annual periods beginning on or after 1 July 2009

[4] Effective for annual periods beginning on or after 1 January 2008

[5] Effective for annual periods beginning on or after 1 July 2008

[6] Effective for annual periods beginning on or after 1 October 2008

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application.

2. **Revenue and segment information**

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

(a) Business segments

The following table presents revenue, profit and expenditure information for the Group's business segments for the years ended 30 September 2008 and 2007.

	Electronic components and parts		Consumer electronic products		Trading of integrated circuits and computer components and accessories		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**168,032**	283,260	**922,675**	804,249	**413**	1,367	**1,091,120**	1,088,876
Other income and gain	**674**	1,005	**2,934**	5,494	**–**	6	**3,608**	6,505
Total	**168,706**	284,265	**925,609**	809,743	**413**	1,373	**1,094,728**	1,095,381
Segment results	**(17,338)**	2,220	**(58,571)**	10,948	**(12)**	55	**(75,921)**	13,223
Interest and unallocated other income and gain							**16,057**	9,842
Unallocated expenses							**(21,251)**	(1,286)
Finance costs							**(10,632)**	(4,536)
Share of (loss)/profit of a jointly-controlled entity							**(417)**	1,100
(Loss)/profit before tax							**(92,164)**	18,343
Tax							**(2,998)**	(4,765)
(Loss)/profit for the year attributable to equity holders of the parent							**(95,162)**	13,578

(b) Geographical segments

The following table presents revenue information for the Group's geographical segments for the years ended 30 September 2008 and 2007.

	Hong Kong		Mainland China		Other Asian countries+		American countries++		European countries+++		African countries++++		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:														
Sales to external customers	**105,442**	219,053	**208,050**	186,156	**163,926**	135,293	**293,601**	252,481	**221,348**	193,907	**98,753**	101,986	**1,091,120**	1,088,876

\+ Other Asian countries principally included Indonesia, Japan, Korea and Taiwan, etc.
++ American countries principally included Chile, Peru, Argentina, Mexico and Brazil, etc.
+++ European countries principally included Poland, Spain, France, Germany and England, etc.
++++ African countries principally included Lagos, Nigeria, Kenya, Pakistan and Egypt, etc.

3. Finance costs

	Group 2008 HK$'000	Group 2007 HK$'000
Interest on bank loans wholly repayable within five years	**10,632**	4,536

4. (Loss)/profit before tax

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	2008 *HK$'000*	2007 *HK$'000*
(a) Employee benefits expense (excluding directors' remuneration):		
Pension scheme contributions (defined contribution schemes)*	**7,065**	7,039
Provision for long service payment	**509**	–
Wages, salaries and allowances	**251,857**	213,806
	259,431	220,845
(b) Other items:		
Cost of inventories sold	**1,091,968**	1,011,077
Depreciation	**54,209**	45,470
Recognition of prepaid land lease payments	**1,356**	933
Research and development costs	**–**	133
Minimum lease payments under operating lease in respect of land and buildings	**1,586**	1,322
Auditor's remuneration	**850**	850
Rental income	**(2,197)**	(2,203)
Allowance for inventories	**32,839**	110
Allowance for doubtful debts	**15,654**	3,604
Foreign exchange differences, net	**(5,338)**	3,227
Gain on disposal of derivative financial instruments	**(12)**	(269)
Loss on disposal of items of property, plant and equipment	**203**	7
Changes in fair value of derivative financial instruments	**729**	251
Changes in fair value of investment properties	**(2,056)**	(5,950)
Surplus on revaluation of property, plant and equipment	**(1,663)**	–

The cost of inventories sold includes allowance for inventories of approximately HK$32,839,000 (2007: HK$110,000) and aggregate employee benefits expense, depreciation and recognition of prepaid land lease payments of approximately HK$285,198,000 (2007: HK$241,817,000), which are also included in the respective total amounts disclosed above for each of these types of expenses.

* As at 30 September 2008, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2007: HK$Nil).

5. Tax

	Group	
	2008	2007
	HK$'000	*HK$'000*
Current tax – Mainland China		
Charge for the year	**2,104**	4,765
Over-provision in respect of previous years	**(2,360)**	–
Deferred tax	**3,254**	–
	2,998	4,765

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2007: HK$Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China, based on existing legislation, interpretations and practices in respect thereof.

On 14 April 2003, 4 April 2004, 28 March 2005 and 10 July 2006 and 19 October 2007, tax concessions have been granted by the local municipal tax bureau, under which the effective income tax rate applicable to Xinwei Electronic Industrial Co., Ltd., Fujian ("Fujian Xinwei"), a wholly-owned subsidiary of the Company, has remained at 10% for the periods from 1 January 2003 to 31 December 2007. As a result, for the years ended 30 September 2007, a provision for income tax has been made at a tax rate of 10% for the entire assessable profit attributable to Fujian Xinwei.

The 5th Session of the 10th National People's Congress approved the Corporate Income Tax Law of the PRC (the "New Corporate Income Tax Law") on 16 March 2007 and the State Council has announced the Detailed Implementation Regulations on 7 December 2007, which has been effective from 1 January 2008. According to the New Corporate Income Tax Law, the income tax rates for both domestic and foreign investment enterprises have been unified at 25% effective from 1 January 2008. Foreign enterprises which are entitled to special incentives will be given concessions throughout a 5-year transition period and progressively increased to 25%. The Group's subsidiaries located in Mainland China were subject to corporate income tax at a rate of 18% commenced on 1 January 2008 and would progressively increase to 25%.

A reconciliation of the tax expense applicable to (loss)/profit before tax using the statutory rates for the region in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, is as follows:

Group

	2008	2007
	HK$'000	*HK$'000*
(Loss)/profit before tax	**(92,164)**	18,343
Tax at statutory tax rate	**(21,244)**	8,065
Lower tax rate for specific province or local authority	**5,104**	(7,194)
Profits and losses attributable to jointly-controlled entity	**(47)**	(171)
Income not subject to tax	**(2,637)**	(1,318)
Expenses not deductible for tax	**18,125**	3,142
Over-provision in respect of previous years	**(2,360)**	–
Tax losses not recognised	**3,060**	2,241
Effect of change in tax rates	**790**	–
Others	**2,207**	–
Tax charge for the year	**2,998**	4,765

The share of tax attributable to the jointly-controlled entity amounting to HK$47,000 (2007: HK$171,000) is included in "Share of (loss)/profit of a jointly-controlled entity" on the face of the consolidated income statement.

6. Dividends

	2008	2007
	HK$'000	*HK$'000*
Proposed final dividends 0.5 HK cent (2007: 1 HK cent) per ordinary share	**5,080**	10,160

The proposed final dividends for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

7. (Loss)/earnings per share attributable to ordinary equity holders of the parent

The calculation of basic (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent of (HK$95,162,000) (2007: HK$13,578,000) and 1,016,001,301 (2007: 1,016,001,301) ordinary shares in issue during the year.

Diluted (loss)/earnings per share amounts for the years ended 30 September 2008 and 2007 have not been disclosed, as the share options outstanding during these years do not have dilutive effect on the basic (loss)/earnings per share for these years.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results and Operation

Turnover of the Group for the year ended 30 September 2008 rose slightly by 0.2% to HK$1,091,120,000, compared to HK$1,088,876,000 reported last year. Gross loss for the year was HK$848,000 compared to a gross profit of HK$77,799,000 last year. The Group recorded a gross loss because of the substantial provision made for the obsolescent stock. Manufacturing cost also increased due to the increase in labour costs and utility costs. The Group reported a net loss of HK$95,162,000 for the year ended 30 September 2008. This compared to a net profit of HK$13,578,000 last year. Due to the surge in crude oil price during the year, transportation cost increased, resulted in the increase in our selling expenses. Tax paid on land in PRC also increased substantially.

Turnover of electronic calculators was HK$469,167,000, representing an increase by 2.6% year-on-year. Sales of electronic calculators contributed 43% of the Group's turnover for the year and remained to be the largest business segment of the Group. The growth in sales was contributed by the launching of a wide range of high-end electronic calculators in the market. The Group produced its own brand high-end calculators as well as OEM ones. We expected that the demand of these high-end calculators products will continue to grow in the coming years.

Sales of electronic watches and clocks recorded a growth of 3.5% to HK$152,639,000 compared with HK$147,541,000 last year. It accounted for 14.0% of the Group's total turnover for the year. This segment got steady demand from the market and the Group will continue to launch new models of electronic watches and clocks to expand our market share.

Telephone products recorded a turnover of HK$132,407,000, dropped by 33.5% compared with last year. It represented 12.1% of the Group's turnover for the year. During the year, advanced models of mobile phones have been launched in the market and we obtained favorable response from the market. As consumption of telephone products continues to be strong in areas like Mainland China, South America and South East Asia, we anticipate that the telephone segment will generate growth in revenue in the future.

Sales of digital products amounted to HK$168,462,000. It represented 15.4% of the Group's turnover for the year. The Group has launched digital photo frame, digital toys, MP3 players and camera to the market during the year. We obtained favorable response from the markets such as America and Europe. The Group will continue to innovate high quality and value-added products to meet market needs.

Revenue from liquid crystal displays ("LCD") was HK$80,794,000, dropped 56.1% from last year. It represented 7.4% of the Group's turnover for the year. While manufacturing business of LCD remained rather stable, the decrease in turnover of LCD was due to the drop in the trading volume of TFT-LCD modules during the year.

Finance costs were HK$10,632,000 due to the cost of financing for our operations in China.

In geographical segments, there was balanced growth in sales to Mainland China, other Asian countries, American countries and European countries.

Liquidity and Financial Resources

The Group normally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in both Hong Kong and Mainland China. At 30 September 2008, the total shareholders' equity of the Group was approximately HK$988,741,000, a decrease of 0.7% over last year. The Group's cash and bank balances and time deposits stood at HK$237,094,000. The Group's bank loans were HK$256,003,000 and trust receipt loans were HK$6,836,000 this year. During the year, the Group did not use any financial instruments for any hedging purposes. The gearing ratio, which was computed by dividing the current liabilities and long term liabilities by shareholders' equity, was 50.9%. Gearing ratio increased due to the increase in bank loan. Bank loan at the end of the year was HK$262,839,000 which has corresponding pledged time deposit in the amount of HK$140,074,000 for securities. The Group is dedicated to maintaining a sound financial position and improving the equity return to its shareholders.

Capital Structure

No repurchases of shares were made and no share options were exercised, granted or cancelled except 25,000,000 share options were lapsed during the year.

Pledge of Assets

The Group's investment property, certain leasehold land and buildings of the Group and time deposits of HK$140,074,000 of the Group, together with the corporate guarantees given by the Company are used to secure banking facilities for the Group. At 30 September 2008, such facilities were utilised to the extent of approximately HK$150,598,000.

Applications of Proceeds of Share Offer

The remaining balance of about HK$65.4 million of the net proceeds raised from the share offer in 1999 has been allocated to the investment in the joint venture, Taiwan Communication (Fujian) Company Ltd. As progress of the projects as implemented by Taiwan Communication (Fujian) Company Ltd proceeded at a slower pace than anticipated, the Directors are considering allocating part of such proceeds to other investment opportunities. If any specific targets are identified, the Directors will make announcement in accordance with the applicable rules.

EMPLOYEES AND REMUNERATION POLICIES

The Group has approximately 12,000 full time management, administrative, technical and production staff in Mainland China and Hong Kong. Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practice. The Group's Directors and employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other staff benefit includes share options granted or to be granted under the share option scheme.

FOREIGN EXCHANGE AND CURRENCY RISKS

Since most of the revenue generated from the sale of products and the payment for purchases of materials, components, equipment and salaries are either made in Hong Kong Dollar, Renminbi, or US dollar pegged currencies, financial instruments for hedging purposes is considered not necessary as the exposure to exchange rate fluctuations is minimal.

CONTINGENT LIABILITIES

At 30 September 2008, the Company had contingent liabilities in relation to corporate guarantees executed by the Company in favour of banks for general banking facilities granted to subsidiaries of the Company amounting to HK$172,000,000.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

PROSPECTS

Looking forward, the operating environment remains to be challenging especially a global recession is expected in the coming year. Yet the Group is well prepared to overcome these difficult conditions.

The Group is committed to product innovation and considerable time and resources have been invested in product research and development and in exploring new products. In the coming year, we will reallocate part of our resources to the development of digital products, which have higher profit margin. As the launching of digital products like digital toys, digital photo frame and camera got favorable response from the market, we believe that this segment has great potential to grow and will generate satisfactory revenue to the Group in the years to come.

The sales of electronic calculators remain relatively stable. We will continue to develop high-end calculator products, and with our aggressive sales teams, we hope that we can stimulate sales from the markets like Europe, Middle East and Korea.

The business of telephone products is under rapid expansion. The Group will continue to innovate high quality, with advanced functions telephone products to the market in order to keep up with the market trend and to attract new customers. With the surging demand of telephone products in emerging markets like China, Brazil, Spain and South East Asia, hopefully, telephone section will become one of our major revenue drivers in the years to come.

Despite the current upheaval in the global economy and in several of our key markets, we remain confident that the Group is well placed to strengthen its market and competitive position over time.

During the year, the Group recorded a remarkable increase in sales to our major markets like American and European countries. In the coming year, we also plan to increase our focus on the rapidly developing countries such as China, Brazil, India and Middle East.

With high quality and wide range of products, effective cost control policies, market diversification and continuous product innovation, we believe that we can improve our competitiveness and sustain business growth and development in the coming year. We remain optimistic about the business prospects and we are confident to overcome the challenges and return to profitability.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 25 February 2009 to Wednesday, 4 March 2009 both dates inclusive, during which period no transfer of shares will be registered.

In order to qualify for the proposed final dividend and for exercising the voting rights of shareholders at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Tricor Tengis Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 24 February 2009.

AUDIT COMMITTEE

The Company's audit committee was established on 6 August 1999 in accordance with the requirements of the Code of Best Practice (the "Code") for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. Members of the audit committee at the date of this announcement comprised Ms. Kan Lai Kuen, Alice, Mr. So Day Wing and Mr. Wong Kun Kim, the three independent non-executive directors of the Company. The Group's financial statements for the year ended 30 September 2008 have been reviewed by the audit committee, who are of the opinion that such statements comply with the applicable accounting standards, the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and legal requirements, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The Remuneration Committee, comprises the three independent non-executive directors of the Company, the Chairman and Mr. Leung Chi Fai, the Finance Director of the Company, is responsible for reviewing and evaluating the remuneration packages of the executive directors and making recommendations to the board of directors from time to time.

NOMINATION COMMITTEE

The Nomination Committee, comprises the three executive directors and the three independent non-executive directors of the Company. It is responsible for the appointment of new directors. To maintain the quality of the Board with a balance of skills and experience, the Committee will identify individuals suitably qualified to become directors when necessary. In evaluating whether an appointee is suitable to act as a director, the Committee will consider the experience, qualification and other relevant factors.

CORPORATE GOVERNANCE

Code On Corporate Governance Practices

The Company has complied with the code provisions as set out in the "Code On Corporate Governance Practices" contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 30 September 2008, except for the following deviations:

Code Provision A.2.1

Under Code Provision A.2.1, the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual.

During the reporting period, Ms. Wong King Ching, Helen holds both positions of the Chairman and the Chief Executive Officer of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Ms. Wong to hold both positions as it helps to maintain the continuity of the Company's policies and the stability of the Company's operations.

Code Provision A.4.1 and A.4.2

Under Code Provision A.4.1, the non-executive directors should be appointed for a specific term, subject to re-election.

The independent non-executive directors of the Company are not appointed for specific terms. According to the Company's Bye-Law 111(A), one third of the directors shall retire from the office by rotation at each annual general meeting and their appointments will be reviewed when they are due for re-election. In the opinion of the Board, this meets the same objectives and is no less exacting than those in the Code.

Under Code Provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company's Bye-Law 111(A) states that the Chairman is not subject to retirement by rotation and shall not be counted in determining the number of directors to retire. In the opinion of the Board, the continuity of leadership role of the Chairman is important for the stability of the Company and is considered beneficial to the growth of the Company. The Board is of the view that the Chairman should not be subject to retirement by rotation at the present time.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, the Company confirms that all directors of the Company have complied with required standard set out in the Model Code throughout the year.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

All information required by paragraphs 45(1) to 45(3) inclusive of Appendix 16 of the Listing Rules will be submitted to the Stock Exchange for publication on its website in due course.

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

Hong Kong, 19 January 2009

As at the date of this announcement, the Board comprises three executive directors, namely Ms. Wong King Ching, Helen, Ms. Wong King Man and Mr. Leung Chi Fai and three independent non-executive directors, namely Ms. Kan Lai Kuen, Alice, Mr. So Day Wing and Mr. Wong Kun Kim and two non-executive directors, namely Ms. Wong Chun Ying and Mr. Wong Kim Seong.