

12. ACCOUNTANTS' REPORT



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ACCOUNTANTS' REPORT

(Prepared for inclusion in the Prospectus to be dated 10 June 2002)

The Board of Directors
PLUS Expressways Berhad
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Gentlemen

1. INTRODUCTION

This Report has been prepared by Ernst & Young as an approved company auditor, for inclusion in the Prospectus of PLUS Expressways Berhad ("PLUS Expressways" or "The Company") to be dated 10 June 2002 in connection with the proposed listing and quotation ("Flotation Scheme") of the entire issued and paid up ordinary share capital of PLUS Expressways on the Main Board of the Kuala Lumpur Stock Exchange.

PLUS Expressways was incorporated on 29 January 2002 and identified as the listing vehicle for Projek Lebuhraya Utara-Selatan Berhad ("PLUS"). The completion on 31 May 2002 of PLUS' Debt Restructuring has resulted in a business combination between PLUS Expressways and PLUS through an exchange of shares. As the combination meets the relevant criteria set out in Malaysian Accounting Standards Board (MASB) Standard 21 "Business Combinations", the consolidated financial statements of PLUS Expressways Group thereafter will account for and present the combination by using the merger method. The merger method will be applied with retrospective effects such that comparative consolidated financial statements of PLUS Expressways Group in respect of all relevant prior financial periods will also be presented in a manner depicting the combination of these entities as if they had been in combination for the entire period.

The latest audited financial statements presented in this Report are based on the audited financial statements for the three month period ended 31 March 2002. Therefore, the consolidated income statements and balance sheets of PLUS Expressways Group to 31 March 2002 together with relevant notes thereon have been presented on a proforma basis in such manner as to depict the merger between PLUS and PLUS Expressways (as described above) assuming it was completed on 31 March 2002. The proforma consolidated income statements and balance sheets of PLUS Expressways Group in respect of the prior periods have been presented in a manner that accounts for the combination with retrospective effects.

The historical financial information to 31 March 2002 included in this Report does not incorporate any effects of the Debt Restructuring. However, its completion has had significant effects on the financial position of PLUS and accordingly the PLUS Expressways Group and on their debt and equity structures. Details of the Debt Restructuring and Flotation Scheme are more fully described in Section 9 of this Prospectus – Debt Restructuring and Flotation Scheme.

12. ACCOUNTANTS' REPORT

**2. GENERAL INFORMATION****2.1 Incorporation of PLUS Expressways Berhad (“PLUS Expressways” or “The Company”)**

PLUS Expressways was incorporated in Malaysia on 29 January 2002, as a public limited company under the Companies Act, 1965 with an authorised share capital of RM100,000 comprising 400,000 ordinary shares of RM0.25 each and an issued and paid up capital of RM0.50 comprising 2 ordinary shares of RM0.25 each. Upon completion of PLUS' Debt Restructuring, PLUS Expressways has become the holding company of PLUS. Besides being the holding company of PLUS, PLUS Expressways does not carry on any other activities.

2.2 Incorporation of Projek Lebuhraya Utara-Selatan Berhad (“PLUS”)

PLUS was incorporated in Malaysia on 27 June 1986, as a public limited company under the Companies Act, 1965, in the name of Highway Concessionaires Berhad. It changed its name to Projek Lebuhraya Utara-Selatan Berhad on 13 May 1988.

Information on the changes in share capital of PLUS is presented in Section 2.5 of this Report.

2.3 The Concession

On 18 March 1988, the Government of Malaysia (“Government”) entered into a Concession Agreement with United Engineers (Malaysia) Berhad (“UEM”) in connection with the North-South Expressway, the New Klang Valley Expressway, and the Federal Highway Route 2 projects. On 20 July 1988, UEM and PLUS entered into a Novation Agreement with the Government whereby, with the approval of the Government, UEM assigned its rights and transferred its liabilities and obligations under the Concession Agreement to PLUS.

Under the terms of the Concession, PLUS completed in 1994 the construction of 462.2 kilometres of the North-South Expressway, 35 kilometres of the New Klang Valley Expressway, and undertook improvements to 16 kilometres of the Federal Highway Route 2 between Subang and Klang, in the state of Selangor Darul Ehsan, Malaysia. As required by the terms of the Concession, PLUS financed the construction of these works.

In accordance with the terms of the Concession, PLUS designs, constructs, finances, operates and maintains the tolled Expressways and provides related facilities. The initial concession period granted under the Concession Agreement was 30 years, which was to expire on 31 May 2018. On 8 July 1999, PLUS entered into a Supplemental Concession Agreement with the Government for a revision in toll rate structures and an extension of the concession period from 31 May 2018 to 31 May 2030. Additionally, toll revenue sharing arrangements were established between the parties.

12. ACCOUNTANTS' REPORT



2.3 The Concession (Cont'd.)

Pursuant to the Supplemental Concession Agreement, PLUS was entitled to increase the toll rate for Class 1 Vehicles from 11.24 sen/ km to 15.01 sen/ km with effect from 1 January 2002 for a period up to 31 December 2005, and thereafter to effect periodic increases subject to a maximum toll rate of 30.02 sen/ km for Class 1 Vehicles from 2016 up to the expiry of the Concession Period. Under the terms of the Supplemental Concession Agreement, if the Government imposes Toll for any class of vehicle for a Concession Year which is lower than the Agreed Toll Rate for that class of vehicle for that Concession Year, the Government shall compensate PLUS in respect of each such relevant Concession Year for the difference between the Agreed Toll Rate and the imposed actual toll rate applicable for Class 1 vehicles, an amount to be determined by multiplying the traffic volume expressed in pcu/ kilometre.

On 11 May 2002, PLUS entered into a Second Supplemental Concession Agreement with the Government whereby toll rate structures were revised for the remaining period of the Concession Agreement and toll compensation and set-off arrangements were established between the parties. The new toll rate structures are as follows: -

- i) increase of Class 1 toll rate by 10% from 11.24 sen/ km to 12.36 sen/ km, which will be in force from 1 January 2002 until 31 December 2004; and
- (ii) scheduled increases of Class 1 toll rate by 10% every 3 years thereafter. Toll rates for other classes of vehicles are determined based on pre-set factors by reference to rates applicable to Class 1 vehicles.

Details of the compensation and set-off arrangement and other relevant matters in relation to PLUS agreeing to the lower toll structures are set out in Note 2.4 of this Report.

2.4 Significant Events - Toll Rate Structure, Compensation and Related Matters

(a) Revised Toll Rate Structure

In consideration of PLUS agreeing to the toll rate structures as referred to in Note 2.3 above, the Government has agreed to the following: -

- (i) to address the manner in which the Government discharges its liability in respect of the amount of compensation due that would arise in each of the remaining Concession Years (the "Agreed Compensation") as the new toll rates with effect from 1 January 2002 are and will be lower than the toll rates contemplated in the Supplemental Concession Agreement. This has been done through the Second Supplemental Concession Agreement referred to in Note 2.3 above and in the manner described in (c) below, 'Toll Compensation Arrangements';
- (ii) to waive PLUS' obligation to pay the interest accrued to 1 January 2002 amounting to RM1,729.22 million on the Government Support Loan; and
- (iii) to waive PLUS' obligation to pay interest on the remaining principal amount of RM750 million on the Government Support Loan, after (ii) above.

PLUS has entered into a Third Supplemental Support Loan Agreement with the Government on 23 May 2002 in respect of being waived from the payment of interest on the Government Support Loan, as described in (ii) and (iii) above.

12. ACCOUNTANTS' REPORT



AF: 0039

2.4 Significant Events - Toll Rate Structure, Compensation and Related Matters (Cont'd.)

(b) Tax Exempt Status

Additionally, and in conjunction with the Flotation Scheme, referred to Section 9 of this Prospectus - Debt Restructuring and Flotation Scheme, the Government has agreed in writing to grant PLUS tax exempt status for the period of five consecutive years from 2002 to 2006. The exemption is to apply to PLUS' 'Adjusted Income' from all sources. PLUS expects to receive in due course, the Ministerial Order to formalise the exemption. In the meanwhile, PLUS has sought and received legal advice that the Government's agreement to grant tax exempt status is legal, valid, binding and enforceable, and pending the required Ministerial Order, PLUS would have a legal and valid defence against any income tax that may be assessed upon it for income in respect of the tax exempt period.

(c) Toll Compensation Arrangements

Under the compensation arrangements pursuant to the Second Supplemental Concession Agreement, the Agreed Compensation shall be adjusted for the following: -

- (i) deduction for the notional tax on dividends that PLUS will declare and pay (if any) from the tax exempt profits earned during the five year tax exempt from 2002 to 2006 referred to in (b) above;
- (ii) deduction for all interest payable to the Government on the Government Support Loan, had the Government not waived PLUS from its obligation to pay such interest;
- (iii) set-off of PLUS' income tax liabilities against such compensation due to PLUS after the deductions referred to in (i) and (ii); and
- (iv) set-off of any Toll Sharing Amount due to the Government against the resultant from (iii) above.

The toll compensation amount to be recognised as revenue in the income statement for any given period represents the Agreed Compensation net of (i) and (ii) above. However, the recognition of toll compensation as revenue in this manner is only to the extent it can be set-off against income tax and Toll Sharing liabilities.

Under the Second Supplemental Concession Agreement, in any Concession Year after the tax exempt period, if there is any tax amount owing by PLUS to the Government after taking into consideration the adjustments referred to in (i), (ii) and (iii) above, PLUS shall pay such tax amount owed by it to the Government in cash on the due date.

The Second Supplemental Concession Agreement provides that the payment of such tax amount shall not include any toll sharing to be paid to the Government (if applicable), which shall continue to be carried forward for utilization against future toll compensation amounts. However, upon expiry of the Concession Period, any amounts of tax payable and toll sharing amounts which have not been utilized under the compensation arrangements referred to above are to be paid by PLUS to the Government. However, if there are any amounts due from the Government upon expiry of the Concession Period, such amounts are to be unconditionally waived by PLUS.

In the event that the Government imposes a toll rate which is lower than the Agreed Toll Rate referred in Note 2.3 for any Concession Year, the Second Supplemental Concession Agreement provides that the amount of further compensation arising will be paid in full. Notwithstanding such further compensation, the other toll compensation arrangement pursuant to the Second Supplemental Concession Agreement will remain in effect.

12. ACCOUNTANTS' REPORT



AF: 0039

2.5 Share Capital

PLUS Expressways was incorporated in Malaysia as a public limited company on 29 January 2002 with an authorised share capital of RM100,000 and an issued and paid up capital of RM0.50 made up of 2 shares of RM0.25 each. Its authorised share capital was subsequently increased to RM2,500 million on 17 May 2002. Upon completion of the Debt Restructuring of PLUS on 31 May 2002, the issued and paid up share capital of PLUS Expressways was increased to RM1,250 million upon the issue of 4,999,999,998 additional shares of RM0.25 each credited as fully paid at par for its acquisition of PLUS.

The authorised, and issued and paid up share capital of PLUS as at 31 December for each of the years 1997 to 2001, and as at 31 March 2001 and 2002 respectively are as follows:

	As at 31 December				As at 31 March	
	1997	1998	1999	2000	2001	2002
	RM'000				RM'000	USD'000*
Authorised Share Capital						
- Ordinary Shares of RM1.00 each, inclusive of 1 Special Share of RM1.00	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	276,316
- 0.0001% NCCPS** of RM1.00 each	450,000	450,000	450,000	450,000	450,000	118,421
- 'A' RCCPS*** of RM0.10 each	5,000	5,000	5,000	5,000	5,000	1,316
- 'B' RCCPS*** of RM0.10 each	5,000	5,000	5,000	5,000	5,000	1,316
	1,510,000	1,510,000	1,510,000	1,510,000	1,510,000	397,369
Issued and Paid-up Share Capital						
- Ordinary Shares of RM1.00 each, inclusive of 1 Special Share of RM1.00	650,000	650,000	650,000	650,000	650,000	171,052
- 0.0001% NCCPS** of RM1.00 each	368,553	368,553	368,553	368,553	368,553	96,988
- 'A' RCCPS*** of RM0.10 each	5,000	5,000	-	-	-	-
- 'B' RCCPS*** of RM0.10 each	5,000	5,000	-	-	-	-
	1,028,553	1,028,553	1,018,553	1,018,553	1,018,553	268,040

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

** Non-Cumulative Convertible Preference Shares

*** Redeemable Convertible Cumulative Preference Shares

12. ACCOUNTANTS' REPORT**2.5 Share Capital (Cont'd.)**

Details of the changes in the authorised share capital of PLUS since incorporation are as follows: -

i) Ordinary Shares of RM1.00 each

Date of creation	No. of shares	Cumulative total RM
27 June 1986	25,000	25,000
25 February 1987	49,975,000*	50,000,000
14 November 1991	600,000,000	650,000,000
21 May 1993	400,000,000	1,050,000,000
21 May 2002	990,000,000	2,040,000,000

**Inclusive of 1 Special Share of RM1.00 (See below)*

ii) 0.0001% Non-Cumulative Convertible Preference Shares ("NCCPS") of RM1.00 each

Date of creation	No. of shares	Cumulative total RM
25 February 1987	450,000,000	450,000,000

iii) Redeemable Convertible Cumulative Preference Shares ("RCCPS") of RM0.10 each

Tranche	Date of creation	No. of shares	Cumulative total RM
A	21 May 1993	50,000,000	
B	21 May 1993	50,000,000	10,000,000

12. ACCOUNTANTS' REPORT



AF: 0039

2.5 Share Capital (Cont'd.)

Details of the changes in the issued and paid up capital of PLUS since incorporation are as follows: -

i) Ordinary shares of RM1.00 each

Date of allotment	No. of shares allotted	Consideration	Cumulative total RM
27 June 1986	2	Subscribers' shares	2
25 May 1988	25,000,000	Other than Cash	25,000,002
10 October 1988	24,999,997	Other than Cash	49,999,999
10 November 1988	1*	Other than Cash	50,000,000
29 August 1992	200,000,000	Cash	250,000,000
12 December 1992	200,000,000	Cash	450,000,000
1 July 1993	200,000,000	Cash	650,000,000
31 May 2002	316,250,000	Cash	966,250,000
31 May 2002	214,031,403	Conversion of Debt	1,180,281,403
31 May 2002	368,552,941	Conversion of NCCPS	1,548,834,344

*Special Share of RM1.00

- The Special Share was issued subject to terms that it would be held only by UEM or any wholly owned subsidiary of UEM. The Special Share carried a special right, as previously provided by the PLUS' Articles of Association, to the effect that no resolution put to vote at any General Meeting, whether on a show of hands or on a poll, would be carried unless the special shareholder either voted in favour of that resolution or abstained from casting its vote on that resolution; and
- Under the Articles and Association, directors nominated by UEM had the majority votes in the proceedings of the Board, and UEM being the Special Shareholder, was entitled under the Articles of Association, to appoint up to five Directors or up to that number of Directors nearest to, but in excess of, half the maximum number of Directors.

The rights attaching to the Special Share referred to above were extinguished upon the Debt Restructuring of PLUS and in conjunction with the Flotation Scheme as described in Section 9 of this Prospectus – Debt Restructuring and Flotation Scheme.

12. ACCOUNTANTS' REPORT**2.5 Share Capital (Cont'd.)****ii) 0.0001% NCCPS of RM1.00 each**

Details of the allotments since incorporation are as follows: -

Year of allotment	No. of shares allotted	Cumulative total RM
1989	6,385,932	6,385,932
1990	36,993,473	43,379,405
1991	80,105,192	123,484,597
1992	128,336,830	251,821,427
1993	77,040,814	328,862,241
1994	13,775,479	342,637,720
1995	3,607,273	346,244,993
1996	21,806,633	368,051,626
1997	501,315	368,552,941
*31 May 2002	*368,552,941	-

* Conversion to ordinary shares of RM1 each

These preference shares which were originally issued pursuant to Subscription and Option Agreements between PLUS, UEM and certain construction contractors severally, as part-settlement of amounts payable on construction contracts were entirely transferred to UEM. The holders of the NCCPS had the option to convert each NCCPS of RM1.00 to 1 fully paid ordinary share of RM1.00, as follows: -

- Upon the flotation of the PLUS' shares on the Kuala Lumpur Stock Exchange;
- 60 days after the appointment of a substituted entity to operate the Concession during the Concession Period; or
- 60 days after the termination date, should the Concession be terminated either by the Government, PLUS or upon the expiry of the Concession Agreement.

The holders of the NCCPS had also had the option to similarly convert the NCCPS to fully paid ordinary shares during a period commencing 120 days after the issue of the final certificate for the Construction Works for all sections, and ending 90 days thereafter. However, none of the options were exercised.

The NCCPS ranked in priority to the Ordinary Shares in respect of payment: -

- (i) of any dividend; and
- (ii) on a winding up or other return of capital.

The NCCPS were subsequently converted to ordinary shares in conjunction with the Debt Restructuring, as referred to in Section 9 of this Prospectus - Debt Restructuring and Flotation Scheme.

12. ACCOUNTANTS' REPORT



AF: 0039

2.5 Share Capital (Cont'd.)

(iii) RCCPS of RM0.10 each

The RCCPS of RM0.10 each issued in 1993 at an issue price of RM10.00 for cash comprised two tranches, 'A' and 'B' shares. The RCCPS were to mature in 2005 and would have been redeemable on that date at RM34.29 and RM32.72 for each Tranche A and Tranche B share respectively. The premium arising upon the issue of the RCCPS, amounting to RM990,000,000, had been taken to the Share Premium account.

Pursuant to a previous debt restructuring undertaken by PLUS in 1999, the RCCPS were redeemed as follows: -

- 45 million 'A' RCCPS redeemed for a consideration satisfied by the issue of Redeemable Secured Bonds ("PLUS Bonds") of RM1,072.80 million (in present day value on the issue date of the PLUS Bonds); and
- 5 million 'A' RCCPS and 50 million 'B' RCCPS redeemed for respective considerations of RM132.50 million and RM1,256.50 million satisfied by the issue of Redeemable Convertible Secured Bonds ("RCBs") in the aggregate of RM1,389.00 million (in present day value on the issue date of the RCBs).

The premium upon redemption of 'A' and 'B' RCCPS was met from the Share Premium account, and an amount of RM1,461,800,000 from the Revenue Reserves of PLUS. A further RM10,000,000 being the aggregate nominal amount of RCCPS redeemed, was transferred from Revenue Reserves to the Capital Redemption Reserve account upon the redemption (see Section 5.28 of this Report).

2.6 Investment in Renong Debt Management Sdn. Bhd.

In 1999, PLUS acquired 1 Special Share in Renong Debt Management Sdn. Bhd. ("RDMSB") for a consideration of RM1.00.

According to the Articles of Association of RDMSB, the one Special Share was to be issued to and held only by PLUS. The Special Share confers upon PLUS the ability to control the composition of the Board of Directors of RDMSB. The Articles also specify that no resolution put to vote at any general meeting of RDMSB, whether on a show of hands or on a poll, shall be carried unless the special shareholder either votes in favour of that resolution or abstains from casting its vote on that resolution.

As PLUS had the ability to control the composition of the Board of Directors of RDMSB through the one Special Ordinary Share, RDMSB was considered a subsidiary of PLUS. However, by virtue of the exemption provided in Section 5(9) of the Ninth Schedule of the Malaysian Companies Act, 1965, PLUS need not prepare consolidated financial statements to include the financial statements of RDMSB.

In conjunction with the Debt Restructuring, the Special Share was transferred to UEM in conjunction with the disposal of the Renong SPV Bonds by PLUS (refer Section 5.15 of this Report).

12. ACCOUNTANTS' REPORT



3. FINANCIAL STATEMENTS AND AUDITORS

The financial statements included in this Report, which are the responsibility of the Directors of PLUS, have been prepared in accordance with applicable approved accounting standards in Malaysia.

We have acted as auditors of PLUS for the entire period under review and the financial statements have been reported on by us without any qualification. In forming our opinion on the financial statements of PLUS for the three month period ended 31 March 2002, we have considered the adequacy of the disclosures set out in Section 5, Notes 5.1(a), 5.1(b) and 5.1(i), and Section 6, concerning:

- (i) the Directors having considered legal, valid, binding and enforceable the Government's agreement on PLUS' tax-exempt status pending the required Ministerial Order, that PLUS would have a legal and valid defence against any income tax that may assessed upon it for income in respect of the tax-exempt period; and
- (ii) the changes in accounting policies of PLUS and the presentation of these financial statements on a restated basis incorporating these changes.

In view of their significance, we believe these disclosures should be brought to your attention. Our opinion is not qualified in these respects.

We are the first auditors of PLUS Expressways. The first financial statements which are prepared in respect of PLUS Expressways were as of 31 March 2002. These financial statements which are the responsibility of the Directors of PLUS Expressways, were prepared in accordance with applicable approved accounting standards in Malaysia, and have been reported on by us without qualification.

12. ACCOUNTANTS' REPORT



4. FINANCIAL STATEMENTS

PLUS Expressways was incorporated on 29 January 2002. On a proforma basis, the consolidated income statements and balance sheets of PLUS Expressways Group for the years ended 31 December 1997 to 31 December 2001 and for the three month periods ended 31 March 2001 and 31 March 2002 have been presented in this Report in a manner depicting the merger between PLUS and PLUS Expressways (as described in Section 1 of this Report and in Section 9 of this Prospectus – Debt Restructuring and Flotation Scheme) as having been completed on 31 March 2002 with retrospective effects. The proforma consolidated income statements and balance sheets of PLUS Expressways are primarily in respect of PLUS and are presented together with notes thereon in Sections 4.1 to 4.3 of this Report. In Sections 4.4 to 6.2 of this Report are presented the detailed financial statements of PLUS.

PLUS has adopted the requirements of MASB Standard 27, “Borrowing Costs” with effect from the financial year 2002 with the first financial statements incorporating the new Standard drawn up to 31 March 2002. The most significant impact of this adoption is the write-off of “post-construction interest”. Post-construction interest refers to interest charges incurred after completion of construction of the Expressways on the borrowing facilities obtained for their construction. Such post-construction interest had previously been capitalised in an “Interest Equalisation” Account, and amortised to the Income Statement in each period by the ‘unit of production’ method. MASB 27 disallows such capitalisation and amortisation. The write-off of unamortised Interest Equalisation, and as a consequence, adjustments to Deferred Taxation, have been effected as a change in accounting policy with retrospective effects, and has resulted in the restatement of PLUS’ historical financial statements.

In addition, PLUS has changed its accounting policy on Deferred Income to reflect more appropriately the measurement and recognition of the economic benefits to be derived from the three components previously classified as Deferred Income which were license fees, advances from third parties and reimbursements from the Government for Additional Works. This change has been in response to the MASB’s proposed framework of accounting, and has been effected as a change in accounting policy with retrospective effects incorporating restatement of PLUS’ historical financial statements.

The financial statements presented in Sections 4.4 to 6.2 of this Report are the audited restated financial statements of PLUS incorporating the effects of the changes in accounting policies mentioned above. However, as the changes in accounting policies referred to above have had no cash flow effects, the reported cash flows of PLUS as included in its past audited financial statements have not been restated other than for consequential changes in respect of the reconciling items, and presentation changes.

Section 6 of this Report provides reconciliations on significant items between the historical and restated financial statements of PLUS, arising from the effects of the changes in accounting policies.

12. ACCOUNTANTS' REPORT



AF: 0039

4.1 Proforma PLUS Expressways Group - Income Statements

	Year ended 31 December			Period ended 31 March		
	1997	1998	2000	2001	2002	
	RM'000	RM'000	RM'000	RM'000	RM'000	USD'000*
Revenue	1,076,373	946,593	1,153,006	1,220,000	398,633	104,903
Cost of operations	(320,131)	(353,742)	(327,509)	(415,529)	(98,463)	(25,911)
Gross profit	756,242	592,851	825,497	804,471	300,170	78,992
Other operating income	46,940	30,999	15,581	24,999	6,326	1,665
General and administration expenses	(42,220)	(46,139)	(51,367)	(43,990)	(15,749)	(4,144)
Profit from operations	760,962	577,711	804,026	785,480	290,747	76,513
Net interest expense	(589,245)	(616,602)	(749,132)	(757,537)	(138,314)	(36,398)
Profit/ (Loss) before exceptional item	171,717	(38,891)	54,894	27,943	152,433	40,115
Exceptional item	-	-	-	-	1,729,223	455,059
Profit/ (Loss) before taxation	171,717	(38,891)	54,894	27,943	1,881,656	495,174
Provision for deferred tax	(76,340)	(11,726)	(47,411)	(11,443)	4,288	-
Income tax expense	-	(3,300)	(1,457)	(1,454)	(362)	-
	(76,340)	(11,726)	(48,868)	(12,897)	3,926	-
Net profit/ (loss) after tax	95,377	(50,617)	52,984	15,046	(10,685)	495,174
Dividends on RCCPS	(45,365)	(61,670)	-	-	-	-
Unavailable tax credit on dividends	(17,642)	(23,983)	-	-	-	-
Profit/ (Loss) attributable to ordinary shareholders	32,370	(136,270)	52,984	15,046	1,881,656	495,174
No. of ordinary shares of RM0.25 each in issue ('000)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Basic earnings/ (loss) per share (sen/cents)	0.65	(2.73)	1.06	0.30	(0.21)	9.90
Earnings Before Interest, Taxation Depreciation and Amortisation (EBITDA)	918,217	728,306	865,276	955,410	325,294	85,603

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

Note: There were no extraordinary items during the periods under review.

EBITDA is not a measure of operating performance, and should not be considered a substitute for operating profit, cash flows from operating activities or other income statement or cash flow statement data prepared in accordance with the applicable approved accounting standards in Malaysia, or a measure of profitability or liquidity. EBITDA may not be indicative of the historical operating results of PLUS; nor is EBITDA meant to be a forecast or projection of results of future periods. Because not all enterprises calculate EBITDA identically, the presentation of EBITDA contained in this Report may not be comparable to EBITDA as computed by other enterprises.

As the Proforma Income Statements of PLUS Expressways Group are primarily in respect of PLUS, see Section 4.4 of this Report for PLUS Income Statements and for references to notes thereto.

12. ACCOUNTANTS' REPORT



AF: 0039

4.2 Proforma PLUS Expressways Group - Balance Sheets

Note	As at 31 December		As at 31 March	
	1997	1998	2001	2002
	RM'000		RM'000	USD'000*
ASSETS EMPLOYED:				
PROPERTY, PLANT AND EQUIPMENT	22,739	28,146	19,069	26,630
EXPRESSWAY DEVELOPMENT EXPENDITURE	8,344,484	8,375,085	8,306,097	8,315,217
HEAVY REPAIRS	98,819	154,449	227,857	238,388
SYSTEMS DEVELOPMENT EXPENDITURE	3,538	2,641	-	-
INVESTMENTS	-	7,432,691	8,337,582	7,677,987
AMOUNT OWING BY HOLDING COMPANY - LOAN	-	35,000	40,186	44,052
FUTURE INCOME TAX BENEFIT	199,451	129,176	86,053	70,322
CURRENT ASSETS				
Stock of consumables	803	712	-	-
Toll Compensation recoverable from the Government of Malaysia	116,421	-	-	17,936
Sundry debtors, deposits and prepayments	8,748	14,497	11,477	68,156
Advances to contractors	3,992	41	-	7,658
Amount due from holding company - trade transactions	98,059	5	-	-
Amounts due from related companies - trade transactions	4,658	7,472	17,661	28,698
Short term deposits with licensed banks	319,168	307,441	559,598	581,661
Cash and bank balances	4,691	3,918	12,231	15,093
	556,540	334,081	600,967	701,266
CURRENT LIABILITIES				
Trade creditors	25,233	22,303	14,183	17,209
Sundry creditors and accruals	45,750	55,231	71,575	66,605
Amount payable to the Government of Malaysia	-	-	612	-
Amounts due to holding company - trade transactions	8,569	17,532	17,770	43,810
Amounts due to related companies - trade transactions	256,903	4,991	17,541	59,033
Borrowings	82,601	477,504	626,768	759,667
Taxation	419,056	106,583	9,328	9,207
	684,144	684,144	757,777	955,531
NET CURRENT (LIABILITIES)/ ASSETS				
	137,484	(350,063)	(156,810)	(254,265)
	8,806,515	8,397,983	16,860,034	16,118,331
				4,241,667

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

12. ACCOUNTANTS' REPORT



AF: 0039

4.2 Proforma PLUS Expressways Group - Balance Sheets (Cont'd.)

Note	As at 31 December				As at 31 March	
	1997	1998	1999	2000	2001	2002
	RM 000	RM 000	RM 000	RM 000	RM 000	USD 000*
FINANCED BY :						
SHARE CAPITAL	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	328,947
MERGER RESERVES	(231,447)	(231,447)	(231,447)	(231,447)	(231,447)	(60,907)
CAPITAL RESERVES	1,005,194	1,009,201	10,000	10,000	10,000	2,632
REVENUE RESERVES/(ACCUMULATED LOSSES)	621,761	481,484	(928,131)	(922,105)	(932,790)	256,474
	2,645,508	2,509,238	100,422	106,448	95,763	527,146
DEFERRED LIABILITIES	22,921	21,670	23,279	27,145	26,747	8,639
BORROWINGS	6,126,184	5,852,532	15,722,837	16,473,063	16,722,396	3,701,420
LONG TERM LIABILITIES						
Amount owing to holding company	6,885	6,885	6,885	6,885	6,885	1,812
Retirement benefits	5,017	7,658	6,908	8,150	8,243	2,650
	8,806,515	8,397,983	15,860,331	16,621,691	16,860,034	4,241,667
Net Tangible Asset (NTA)/(Net Liabilities) (NL) **	2,442,519	2,318,872	(33,736)	19,355	9,710	508,640
NTA/(NL) per Ordinary Share (RM:USD)	0.49	0.46	(0.01)	-	-	0.10

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

** Based on 5,000,000,000 ordinary shares of PLUS Expressways of RM0.25 each

As the Proforma Balance Sheets of PLUS Expressways Group are primarily in respect of PLUS as regards to assets and liabilities, see Section 4.5 of this Report for PLUS Balance Sheets and for references to notes thereto. However, for notes to Equity items in the Proforma Balance Sheets of PLUS Expressways Group, see Notes 4.3.1 to 4.3.4.

12. ACCOUNTANTS' REPORT

**4.3 Basis of Preparation of Financial Information on the Proforma PLUS Expressways Group**

The financial information presented in Notes 4.1 and 4.2 of this Report represents the consolidated income statements and balance sheets of PLUS Expressways Group prepared on a proforma basis, using similar accounting policies adopted by PLUS, as set out in Section 5 of this Report, to account for the business combination between PLUS and PLUS Expressways on 31 March 2002, using the merger method. The proforma consolidated income statements and consolidated balance sheets of the PLUS Expressways Group have been prepared using the merger method as the combination meets the relevant criteria set out in Malaysian Accounting Standards Board (MASB) Standard 21 "Business Combinations", thus depicting the combination of these entities as if they had been in combination for the entire period.

The following key matters have been accounted for and dealt with in arriving at the proforma PLUS Expressways Group consolidated income statements and consolidated balance sheets for the purposes of this Report: -

- (a) PLUS Expressways acquisition of the entire issued and paid up capital of PLUS as at 31 March 2002 of RM1,018.6 million, and in exchange issuing 4,999.99 million shares of RM0.25 each in PLUS Expressways; and
- (b) Upon consolidation, on a proforma basis, the merger has resulted in inter alia, capital and merger reserves arising in each respective period presented, taking into account actual movements in reserves of PLUS during the respective periods.

As referred to in Section 1 of this Report, PLUS Expressways is a newly incorporated company with no historical financial information. Other than the matters accounted for and dealt with as described in (a) and (b) above, upon consolidation, the components of the consolidated income statements and balance sheets of the PLUS Expressways Group is in respect of PLUS. Accordingly, Notes 4.1 to 4.3 in respect of the financial information on the proforma PLUS Expressways Group should be read in conjunction with the financial statements of PLUS presented in Notes 4.4 to 4.6 and Sections 5 and 6 of this Report. Relevant notes pertaining to the proforma PLUS Expressways Group is set out in Notes 4.3.1 to 4.3.4.

12. ACCOUNTANTS' REPORT



AF: 0039

4.3.1 Share Capital

	Year ended 31 December			Period ended 31 March	
	1997	1998	1999	2001	2002
Proforma PLUS Expressways Group					
	←	→	→	→	→
		RM'000	2000	2001	USD'000*
Proforma Issued and Paid-up Share Capital - 5,000,000,000 ordinary shares of RM0.25 each	1,250,000	1,250,000	1,250,000	1,250,000	328,947
				1,250,000	328,947

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

4.3.2 Merger Reserves

	Year ended 31 December			Period ended 31 March	
	1997	1998	1999	2001	2002
Proforma PLUS Expressways Group					
	←	→	→	→	→
		RM'000	2000	2001	USD'000*
Balance at end of the year/ period arising from the merger with PLUS	(231,447)	(231,447)	(231,447)	(231,447)	(60,907)
				(231,447)	(60,907)

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

4.3.3 Capital Reserves

	Year ended 31 December			Period ended 31 March	
	1997	1998	1999	2001	2002
Proforma PLUS Expressways Group					
	←	→	→	→	→
		RM'000	2000	2001	USD'000*
Balance at end of the year/ period arising from the merger with PLUS	1,005,194	1,009,201	10,000	10,000	2,632
				10,000	2,632

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

4.3.4 Revenue Reserves/ (Accumulated Losses)

	Year ended 31 December			Period ended 31 March	
	1997	1998	1999	2001	2002
Proforma PLUS Expressways Group					
	←	→	→	→	→
		RM'000	2000	2001	USD'000*
Balance at end of the year/ period arising from the merger with PLUS	621,761	481,484	(928,131)	(907,059)	256,474
			(922,105)	974,597	256,474

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

12. ACCOUNTANTS' REPORT



AF: 0039

4.4 PLUS Income Statements - As restated

	Year ended 31 December				2001		Period ended 31 March 2002		
	1997	1998	1999	2000	RM'000	USD'000*	2001 RM'000	2002 RM'000	USD'000*
Revenue	1,076,373	946,593	1,105,660	1,153,006	1,220,000	321,053	286,825	398,633	104,903
Cost of operations	(320,131)	(353,742)	(325,674)	(327,509)	(415,529)	(109,349)	(112,840)	(98,463)	(25,911)
Gross profit	756,242	592,851	779,986	825,497	804,471	211,704	173,985	300,170	78,992
Other operating income	46,940	30,999	15,581	25,832	24,999	6,578	7,280	6,326	1,665
General and administration expenses	(42,220)	(46,139)	(51,367)	(47,303)	(43,990)	(11,576)	(8,826)	(15,749)	(4,144)
Profit from operations	760,962	577,711	744,200	804,026	785,480	206,706	172,439	290,747	76,513
Net interest expense	(589,245)	(616,602)	(629,367)	(749,132)	(757,537)	(199,352)	(187,050)	(138,314)	(36,398)
Profit/ (Loss) before exceptional item	171,717	(38,891)	114,833	54,894	27,943	7,354	(14,611)	152,433	40,115
Exceptional item	-	-	-	-	-	-	-	1,729,223	455,059
Profit/ (Loss) before taxation	171,717	(38,891)	114,833	54,894	27,943	7,354	(14,611)	1,881,656	495,174
Provision for deferred tax	(76,340)	(11,726)	(58,549)	(47,411)	(11,443)	(3,011)	4,288	-	-
Income tax expense	-	-	(3,300)	(1,457)	(1,454)	(383)	(362)	-	-
	(76,340)	(11,726)	(61,849)	(48,868)	(12,897)	(3,394)	3,926	-	-
Net profit/ (loss) after tax	95,377	(50,617)	52,984	6,026	15,046	3,960	(10,685)	1,881,656	495,174
Dividends on RCCPS	(45,365)	(61,670)	-	-	-	-	-	-	-
Unavailable tax credit on dividends	(17,642)	(23,983)	-	-	-	-	-	-	-
Profit/ (Loss) attributable to ordinary shareholders	32,370	(136,270)	52,984	6,026	15,046	3,960	(10,685)	1,881,656	495,174
No. of ordinary shares of RM1.00 each in issue ('000)	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Basic earnings/ (loss) per share (sen:cents)	4.98	(20.96)	8.15	0.93	2.31	0.61	(1.64)	289.49	76.18
Earning Before Interest, Taxation Depreciation and Amortisation (EBITDA)	918,217	728,306	865,276	925,431	955,410	251,424	232,035	325,294	85,603

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

Note: There were no extraordinary items during the periods under review.

EBITDA is not a measure of operating performance, and should not be considered a substitute for operating profit, cash flows from operating activities or other income statement or cash flow statement data prepared in accordance with the applicable approved accounting standards in Malaysia, or a measure of profitability or liquidity. EBITDA may not be indicative of the historical operating results of PLUS; nor is EBITDA meant to be a forecast or projection of results of future periods. Because not all enterprises calculate EBITDA identically, the presentation of EBITDA contain in this Report may not be comparable to EBITDA as computed by other enterprises.

12. ACCOUNTANTS' REPORT



AF: 0039

4.5 PLUS Balance Sheets - As Restated

	As at 31 December		As at 31 March	
	1997	1998	1999	2000
	RM 000		RM 000	
	USD 000*		USD 000*	
ASSETS EMPLOYED :				
PROPERTY, PLANT AND EQUIPMENT	22,739	28,146	26,700	20,561
EXPRESSWAY DEVELOPMENT EXPENDITURE	8,344,484	8,375,085	8,352,928	8,330,057
HEAVY REPAIRS	98,819	154,449	230,738	220,596
SYSTEMS DEVELOPMENT EXPENDITURE	3,538	2,641	4,982	5,328
INVESTMENTS	-	-	7,432,691	8,147,783
AMOUNT OWING BY HOLDING COMPANY - LOAN	-	-	35,000	39,296
FUTURE INCOME TAX BENEFIT	199,451	187,725	129,176	81,765
CURRENT ASSETS				
Stock of consumables	803	712	-	-
Toll Compensation recoverable from the Government of Malaysia	116,421	-	-	-
Sundry debtors, deposits and prepayments	8,748	14,497	11,423	8,718
Advances to contractors	3,992	41	5	5
Amount due from holding company - trade transactions	98,059	-	-	-
Amounts due from related companies - trade transactions	4,658	7,472	7,041	28,700
Short term deposits with licensed banks	319,168	307,441	265,356	333,917
Cash and bank balances	4,691	3,918	10,635	42,795
	556,540	334,081	294,460	414,135
CURRENT LIABILITIES				
Trade creditors	25,233	22,303	13,996	14,086
Sundry creditors and accruals	45,750	55,231	53,506	57,841
Amount payable to the Government of Malaysia	-	-	-	-
Amount due to holding company - trade transactions	-	17,532	60,411	7,614
Amounts due to related companies - trade transactions	8,569	4,991	15,128	12,314
Borrowings	256,903	477,504	434,144	536,768
Taxation	82,601	106,583	69,159	9,207
	419,056	684,144	646,344	637,830
NET CURRENT (LIABILITIES)/ ASSETS				
	137,484	(350,063)	(351,884)	(223,695)
	8,806,515	8,397,983	15,860,331	16,621,691
				(338,354)
				(89,038)
				15,850,972
				4,172,890
				(66,912)
				4,241,667
	14,183	17,209	17,528	4,529
	71,575	66,605	17,528	17,528
	612	-	-	-
	17,770	43,810	11,529	11,529
	17,541	59,033	15,535	15,535
	626,768	759,667	199,912	199,912
	9,328	9,207	2,423	2,423
	757,777	955,531	251,456	251,456
	(156,810)	(254,265)	(66,912)	(66,912)
	16,860,034	16,118,331	4,241,667	4,241,667

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

12. ACCOUNTANTS' REPORT



AF: 0039

4.5 PLUS Balance Sheets - As Restated (Cont'd.)

Note	As at 31 December				As at 31 March	
	1997	1998	1999	2000	2001	2002
	←	RM 000	→	RM 000	RM 000	USD 000*
FINANCED BY :						
SHARE CAPITAL	1,028,553	1,028,553	1,018,553	1,018,553	1,018,553	268,040
CAPITAL REDEMPTION RESERVE	-	-	10,000	10,000	10,000	2,632
SHARE PREMIUM	990,000	990,000	-	-	-	-
REVENUE RESERVES/(ACCUMULATED LOSSES)	621,761	481,484	(928,131)	(922,105)	(932,790)	256,474
GENERAL RESERVE	5,194	9,201	-	-	-	-
	<u>2,645,508</u>	<u>2,509,238</u>	<u>100,422</u>	<u>106,448</u>	<u>95,763</u>	<u>527,146</u>
DEFERRED LIABILITIES	22,921	21,670	23,279	27,145	26,747	8,639
BORROWINGS	6,126,184	5,852,532	15,722,837	16,473,063	16,722,396	3,701,420
LONG TERM LIABILITIES						
Amount owing to holding company	6,885	6,885	6,885	6,885	6,885	1,812
Retirement benefits	5,017	7,658	6,908	8,150	8,243	2,650
	<u>8,806,515</u>	<u>8,397,983</u>	<u>15,860,331</u>	<u>16,621,691</u>	<u>16,860,034</u>	<u>4,241,667</u>
Net Tangible Asset (NTA)/(Net Liabilities) (NL)	2,442,519	2,318,872	(33,736)	19,355	9,710	508,640
NTA/(NL) per Ordinary Share (RM;USD)	3.76	3.57	(0.05)	0.03	0.01	0.78

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

12. ACCOUNTANTS' REPORT



AF: 0039

4.6 PLUS Statements of Changes in Equity

	Share Capital Note 2.5	Capital Redemption Reserve Note 5.28	Share Premium Note 5.29	Revenue Reserves/ (Accumulated Losses) Note 5.30	General Reserve Note 5.31	Total
	RM'000					
At 1 January 1997 - as previously reported	1,028,553	-	990,000	1,298,608	5,150	3,322,311
Prior period adjustments	-	-	-	(709,173)	-	(709,173)
At 1 January 1997 - as restated	1,028,553	-	990,000	589,435	5,150	2,613,138
Profit attributable to ordinary shareholders - Note 4.4	-	-	-	32,370	-	32,370
Transfer of reserves	-	-	-	(44)	44	-
At 31 December 1997 - as restated - Note 4.5	1,028,553	-	990,000	621,761	5,194	2,645,508
At 1 January 1998 - as previously reported	1,028,553	-	990,000	1,672,728	5,194	3,696,475
Prior period adjustments	-	-	-	(1,050,967)	-	(1,050,967)
At 1 January 1998 - as restated	1,028,553	-	990,000	621,761	5,194	2,645,508
Loss attributable to ordinary shareholders - Note 4.4	-	-	-	(136,270)	-	(136,270)
Transfer of reserves	-	-	-	(4,007)	4,007	-
At 31 December 1998 - as restated - Note 4.5	1,028,553	-	990,000	481,484	9,201	2,509,238
At 1 January 1999 - as previously reported	1,028,553	-	990,000	1,927,869	9,201	3,955,623
Prior period adjustments	-	-	-	(1,446,385)	-	(1,446,385)
At 1 January 1999 - as restated	1,028,553	-	990,000	481,484	9,201	2,509,238
Redemption of RCCPS	(10,000)	-	-	-	-	(10,000)
- Shares redeemed	-	10,000	-	(10,000)	-	-
- Transfer to capital redemption reserve	-	-	(990,000)	-	-	(990,000)
- Utilisation of share premium	-	-	-	9,201	(9,201)	-
- Transfer from general reserves	-	-	-	(1,461,800)	-	(1,461,800)
- Utilisation of revenue reserves	-	-	-	-	-	-
Profit attributable to ordinary shareholders - Note 4.4	-	-	-	52,984	-	52,984
At 31 December 1999 - as restated - Note 4.5	1,018,553	10,000	-	(928,131)	-	100,422

12. ACCOUNTANTS' REPORT



AF: 0039

4.6 PLUS Statements of Changes in Equity (Cont'd.)

	Share Capital Note 2.5	Capital Redemption Reserve Note 5.28	Share Premium Note 5.29	Revenue Reserves/ (Accumulated Losses) Note 5.30	General Reserve Note 5.31	Total
	RM'000					
At 1 January 2000 - as previously reported	1,018,553	10,000	-	893,909	-	1,922,462
Prior period adjustments	-	-	-	(1,822,040)	-	(1,822,040)
At 1 January 2000 - as restated	1,018,553	10,000	-	(928,131)	-	100,422
Profit attributable to ordinary shareholders - Note 4.4	-	-	-	6,026	-	6,026
At 31 December 2000 - as restated - Note 4.5	1,018,553	10,000	-	(922,105)	-	106,448
At 1 January 2001 - as previously reported	1,018,553	10,000	-	1,373,414	-	2,401,967
Prior period adjustments	-	-	-	(2,295,519)	-	(2,295,519)
At 1 January 2001 - as restated	1,018,553	10,000	-	(922,105)	-	106,448
Loss attributable to ordinary shareholders - Note 4.4	-	-	-	(10,685)**	-	(10,685)
At 31 March 2001 - Note 4.5	1,018,553	10,000	-	(932,790)	-	95,763
Profit attributable to ordinary shareholders - Note 4.4	-	-	-	25,731**	-	25,731
At 31 December 2001 - as restated - Note 4.5	1,018,553	10,000	-	(907,059)	-	121,494
At 31 December 2001 - as restated (USD'000)* - Note 4.5	268,040	2,632	-	(238,697)	-	31,975
At 1 January 2002 - as previously reported	1,018,553	10,000	-	1,822,960	-	2,851,513
Prior period adjustments	-	-	-	(2,730,019)	-	(2,730,019)
At 1 January 2002 - as restated	1,018,553	10,000	-	(907,059)	-	121,494
Profit attributable to ordinary shareholders - Note 4.4	-	-	-	1,881,656	-	1,881,656
At 31 March 2002 - Note 4.5	1,018,553	10,000	-	974,597	-	2,003,150
At 31 March 2002 (USD'000)* - Note 4.5	268,040	2,632	-	256,474	-	527,146

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

** The aggregate represents the profit attributable to ordinary shareholders for the year ended 31 December 2001 of RM15,046 million.

Section 6 of this Report provides further details of the effects of the prior period adjustments on the historical financial statements of PLUS.

12. ACCOUNTANTS' REPORT



AF: 0039

4.7 PLUS Cash Flow Statements

	Year ended 31 December					Period ended 31 March	
	1997	1998	1999	2000	2001	2002	
		RM '000	RM '000	RM '000	RM '000	RM '000	USD '000*
Cash flows From Operating Activities :							
Profit/(Loss) before taxation	171,717	(38,891)	114,833	54,894	(14,611)	1,881,656	495,174
Adjustment for :							
Provision/(Writeback of provision) for retirement benefits	870	2,682	(750)	1,254	93	400	105
Depreciation of Property, Plant and Equipment	6,166	7,967	8,993	8,138	1,932	2,117	557
Property, Plant and Equipment written off	39	212	15	60	1	1	-
Amortisation of Expressway Development Expenditure	130,138	112,246	71,534	67,362	39,251	18,600	4,895
Amortisation of Heavy Repairs	19,204	28,563	38,999	44,027	11,925	13,831	3,640
Amortisation of Systems Development Expenditure	1,747	1,819	1,552	1,876	-	-	-
Systems Development Expenditure written off	-	-	-	-	6,487	-	-
(Gain)/ Loss on disposal of Property, Plant and Equipment	(484)	1	(2)	(79)	-	(668)	(176)
Interest income from UEM Bonds and Renong SPV Bonds	-	-	(171,941)	(715,092)	(189,799)	(174,889)	(46,023)
Interest income from Loan to Holding Company	-	-	-	(4,296)	(890)	(976)	(257)
Interest income from Short Term Deposits	(29,936)	(36,361)	(12,260)	(9,561)	(3,293)	(3,977)	(1,047)
Interest expense on Borrowings and Bonds	619,131	652,811	813,428	1,473,795	380,882	317,956	83,673
Provision for doubtful debts	-	-	-	-	-	2,038	536
Exceptional Item	-	-	-	-	-	(1,729,223)	(455,059)
Toll recoverable from government	-	-	-	-	-	(68,156)	(17,936)
License Fees	(30,555)	(13,641)	-	-	-	-	-
Operating profit before working capital changes	888,037	717,408	864,401	922,378	231,978	258,710	68,082
Changes in working capital :							
Stock of consumables	(352)	91	712	-	-	-	-
Debtors	(18,420)	114,611	3,111	2,706	(2,622)	(661)	(174)
Creditors	12,144	(28,462)	(14,232)	4,764	(5,943)	(5,200)	(1,368)
Holding company balance	(2,220)	115,591	7,878	(52,797)	10,156	21,997	5,789
Related companies balances	(6,084)	(6,392)	10,568	(24,473)	16,266	9,112	2,398
	873,105	912,847	872,438	852,578	249,835	283,958	74,727
Future Maintenance expenditure, reimbursement of construction cost and licence fees received	30,878	14,122	82,988	5,460	-	-	-
Taxation paid	-	-	(40,724)	(61,408)	(241)	(121)	(32)
Retirement benefits paid	-	(41)	-	(12)	-	-	-
Net cash generated from operating activities	903,983	926,928	914,702	796,618	249,594	283,837	74,695

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.

12. ACCOUNTANTS' REPORT



AF: 0039

4.7 PLUS Cash Flow Statements (Cont'd.)

	Year ended 31 December				Period ended 31 March	
	1997	1998	1999	2000	2001	2002
		RM'000	RM'000	RM'000	RM'000	USD'000*
Net cash generated from operating activities	903,983	926,928	914,702	796,618	249,594	74,695
Cash flows From Investing Activities :						
Interest received	29,338	35,772	13,706	9,474	3,161	1,046
Proceeds from disposal of Property, Plant and Equipment	388	15	14	117	-	177
Proceeds from redemption of Renong SPV Bonds	-	-	-	-	-	1,282
Purchase of Property, Plant and Equipment	(13,929)	(13,590)	(7,574)	(2,097)	(441)	(488)
Payments for Expressway Development Expenditure	(200,283)	(143,106)	(129,190)	(44,491)	(15,291)	(4,862)
Payments for Heavy Repairs	(50,533)	(84,194)	(115,288)	(33,885)	(19,186)	(5,394)
Payments for Systems Development Expenditure	(139)	(922)	(3,893)	(2,222)	(1,159)	-
Subscription of UEM Bonds	-	-	(2,951,177)	-	-	-
Subscription of Renong SPV Bonds	-	-	(3,936,553)	-	-	-
Net cash (used in)/ generated from investing activities	(235,158)	(206,025)	(7,129,955)	(73,104)	(32,916)	(8,239)
Net cash flows after investing activities	668,825	720,903	(6,215,253)	723,514	216,678	66,456
Cash flows From Financing Activities :						
Proceeds from borrowings	100,000	1,000,000	60,000	79,000	73,000	-
Repayment of Commercial Loans and Serial Bonds	(182,808)	(1,231,392)	(477,504)	(434,820)	(54,000)	(37,895)
Repayment on redemption of PLUS Bonds	-	-	-	-	-	(4,872)
Interest paid	(436,863)	(414,830)	(318,396)	(253,083)	(40,561)	(10,347)
Dividends paid	(45,365)	(61,670)	-	-	-	-
Proceeds from issuance of PLUS Bonds	-	-	6,922,730	-	-	-
Cash coupon paid on RCBs	-	-	(6,945)	(13,890)	-	-
Net cash (used in)/ generated from financing activities	(565,036)	(707,892)	6,179,885)	(622,793)	(21,561)	(49,524)
Net increase/ (decrease) in cash and cash equivalents	103,789	13,011	(35,368)	100,721	195,117	16,932
Cash and cash equivalents at the beginning of the year	194,559	298,348	311,359	275,991	376,712	140,109
Cash and cash equivalents at the end of the year (see Section 5.1(0))	298,348	311,359	275,991	376,712	571,829	157,041
Cash and cash equivalents						
Short term deposits with licensed banks	319,168	307,441	265,356	333,917	559,598	153,069
Cash and bank balances	4,691	3,918	10,635	42,795	12,231	3,972
Overdraft	(25,511)	-	-	(30,537)	-	-
Cash and cash equivalents	298,348	311,359	275,991	376,712	571,829	157,041

* The USD equivalents are stated for illustrative purposes only, based on a translation rate of RM3.80 per US Dollar.