
12.0 FINANCIAL INFORMATION (Cont'd)

12.4.4 Reporting Accountants' Report on Projections of Results After Taxation

(Prepared for inclusion in the Prospectus to be dated 13 November 2003 for domestic distribution in Malaysia only)



AF: 0039

■ **Chartered Accountants**

Level 23A, Menara Milenium
Jalan Damansara
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

Mail Address:
P.O. Box 11040
50734 Kuala Lumpur, Malaysia

■ Phone : (03) 2087-7000

Fax : (03) 2095-5332

(General Line)

(03) 2095-9076

(03) 2095-9078

www.ey.com/my

Reporting Accountants' Report on Projections of Results After Taxation

(Prepared for inclusion in the Prospectus to be dated 13 November 2003 for domestic distribution in Malaysia only)

Our ref. : AABS/SKD/LFN/NBH

10 November 2003

The Board of Directors
Sunway Infrastructure Berhad
Level 16, Menara Sunway
Jalan Lagoon Timur
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

SUNWAY INFRASTRUCTURE BERHAD PROJECTIONS OF CONSOLIDATED RESULTS AFTER TAXATION FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2005 TO 31 DECEMBER 2037

We have reviewed the projections of consolidated results after taxation of Sunway Infrastructure Berhad ("SIB" or the "Company") and its subsidiaries (collectively known as "SIB Group") for the financial years ending 31 December 2005 to 31 December 2012, and the respective financial periods ending thereafter to 31 December 2037 as set out in Section 12.4.3 of the Prospectus to be dated 13 November 2003, in accordance with the professional standard in Malaysia applicable to the review of projections, AI 810. The projections have been prepared in connection with the listing and quotation of the entire ordinary share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange.

Our review has been undertaken to enable us to form an opinion as to whether the projections, in all material respects, are properly prepared on the basis of the assumptions made by the directors as set out in Section 12.4.3 of the Prospectus and are presented on a basis consistent with the accounting policies adopted and disclosed by SIB Group in its audited financial statements for the financial period ended 30 June 2003. The directors of SIB are solely responsible for the preparation and presentation of the projections and the assumptions on which the projections are based.

12.0 FINANCIAL INFORMATION (Cont'd)



AF: 0039

A projection, in this context, means prospective financial information prepared on the basis of assumptions that include hypothetical assumptions as to future events and management's actions that are not necessarily expected to occur. As such, readers are cautioned that these projections may not be appropriate for other purposes. Even if the events anticipated under the hypothetical assumptions occur, actual results are likely to be different from the projections since other anticipated events frequently do not occur as expected and the variations could be material.

Subject to the matters stated in the preceding paragraphs:-

- (a) nothing has come to our attention which causes us to believe that the assumptions made by the directors, as set out in Section 12.4.3 of the Prospectus, do not provide a reasonable basis for the preparation of the projections of consolidated results after taxation; and
- (b) in our opinion, the projections of consolidated results after taxation, so far as the calculations are concerned, have been properly prepared on the basis of the assumptions made by the directors and have been presented on a basis consistent with the accounting policies adopted and disclosed by the Group in its audited financial statements for the financial period ended 30 June 2003.

The accompanying projections and this letter have been prepared solely for the purposes stated above, in connection with the listing and quotation of the entire ordinary share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

ERNST & YOUNG
AF:0039
Chartered Accountants

Sukanta Kumar Dutt
1556/08/04(J)
Partner
Kuala Lumpur, Malaysia

12.0 FINANCIAL INFORMATION (Cont'd)**12.4.5 Forecasts of Consolidated Cash Flow for the Financial Years Ending 31 December 2003 and 31 December 2004**

The Directors of SIB forecast that, the consolidated cash flow of SIB Group for the financial years ending 31 December 2003 and 31 December 2004 will be as follows:

	<u>2003</u> RM' million	<u>2004</u> RM' million
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from toll operation	-	29.70
Payment for operating expenses	(5.16)	(14.53)
	<hr/>	<hr/>
Cash (used in)/generated from operations	(5.16)	15.17
Interest received	16.00	3.81
Taxation	(1.43)	(1.07)
	<hr/>	<hr/>
Net cash generated from operating activities	9.41	17.91
CASH FLOW FROM INVESTING ACTIVITY		
Payment of development expenditure	(640.17)	(52.92)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	87.60	-
Proceeds from issuance of Redeemable Preference Shares	20.00	-
Proceeds from Government Grant	241.94	11.05
Payment of expenses incurred for the Restructuring and Listing Exercise	(5.50)	-
	<hr/>	<hr/>
Net cash generated from financing activities	344.04	11.05
NET DECREASE IN CASH AND CASH EQUIVALENTS	(286.72)	(23.96)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	413.67	126.95
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	126.95	102.99
	<hr/>	<hr/>

12.0 FINANCIAL INFORMATION (Cont'd)


General Assumptions applied in the preparation of the Forecast of Consolidated Cash Flow

**SUNWAY INFRASTRUCTURE BERHAD
FORECASTS OF CONSOLIDATED CASH FLOW FOR THE FINANCIAL YEARS
ENDING 31 DECEMBER 2003 AND 31 DECEMBER 2004**

General Assumptions applied in the preparation of the Forecasts of Consolidated Cash Flow

The principal bases and assumptions upon which the forecasts of consolidated cash flow have been prepared are as follows:-

1. The forecasts of consolidated cash flow have been prepared based on the assumptions accompanying the forecasts of consolidated results after taxation for the financial years ending 31 December 2003 and 31 December 2004.
2. All progress billings certified will be fully settled within the same forecast years they are issued.
3. The draw down/repayment of the BAIDS and CN-RPS will be in accordance with the respective facility agreements.
4. All costs of property, plant and equipment will be fully paid upon acquisition.
5. All operating, general and administration expenses will be paid as incurred.
6. All payments to contractors in respect of Government Funded Stretches will be reimbursed by the Government within the same year. However, the development expenditure already incurred and paid on the GFS 2 in 2002 are assumed to be reimbursed to SILK by the Government in 2003.
7. There will be no significant changes in credit periods granted by suppliers.

 **EY** **ERNST & YOUNG**
Chartered Accountants Kuala Lumpur
For identification purposes only

10 NOV 2003

12.0 FINANCIAL INFORMATION (Cont'd)

12.4.6 Reporting Accountants' Report on Forecasts of Cash Flow

(Prepared for inclusion in the Prospectus to be dated 13 November 2003 for domestic distribution in Malaysia only)



AF: 0039

■ **Chartered Accountants**
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

■ Phone : (03) 2087-7000
Fax : (03) 2097-5332
(General Line)
(03) 2095-9076
(03) 2095 9078
www.ey.com/my

Mail Address:
P.O. Box 11040
50734 Kuala Lumpur, Malaysia

Reporting Accountants' Report on Forecasts of Cash Flow

(Prepared for inclusion in the Prospectus to be dated 13 November 2003 for domestic distribution in Malaysia only)

Our ref. : AABS/SKD/LFN/NBH

10 November 2003

The Board of Directors
Sunway Infrastructure Berhad
Level 16, Menara Sunway
Jalan Lagoon Timur
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

SUNWAY INFRASTRUCTURE BERHAD FORECASTS OF CONSOLIDATED CASH FLOW FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2003 AND 31 DECEMBER 2004

We have reviewed the forecasts of consolidated cash flow of Sunway Infrastructure Berhad ("SIB" or the "Company") and its subsidiaries (collectively known as "SIB Group") for the financial years ending 31 December 2003 and 31 December 2004 as set out in Section 12.4.5 of the Prospectus to be dated 13 November 2003, in accordance with the professional standard in Malaysia applicable to the review of forecasts, AI 810. The forecasts have been prepared in connection with the listing and quotation of the entire ordinary share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange.

Our review has been undertaken to enable us to form an opinion as to whether the forecasts, in all material respects, are properly prepared on the basis of the assumptions made by the directors as set out in Section 12.4.5 of the Prospectus and are presented on a basis consistent with the accounting policies adopted and disclosed by SIB Group in its audited financial statements for the financial period ended 30 June 2003. The directors of SIB are solely responsible for the preparation and presentation of the forecasts and the assumptions on which the forecasts are based.

12.0 FINANCIAL INFORMATION (Cont'd)



AF: 0039

A forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the forecasts are based, such information is generally future oriented and therefore uncertain. Thus, actual cash flows are likely to be different from the forecasts since anticipated events frequently do not occur as expected and the variations could be material.

Subject to the matters stated in the preceding paragraphs:-

- a) nothing has come to our attention which causes us to believe that the assumptions made by the directors, as set out in Section 12.4.5 of the Prospectus, do not provide a reasonable basis for the preparation of the forecasts of consolidated cash flow; and
- b) in our opinion, the forecasts of consolidated cash flow, so far as the calculations are concerned, have been properly prepared on the basis of the assumptions made by the directors.

The accompanying forecasts and this letter have been prepared solely for the purposes stated above, in connection with the listing and quotation of the entire ordinary share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ernst & Young', written in a cursive style.

ERNST & YOUNG
AF:0039
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Sukanta Kumar Dutt', written in a cursive style.

Sukanta Kumar Dutt
1556/08/04(J)
Partner
Kuala Lumpur, Malaysia

12.0 FINANCIAL INFORMATION (Cont'd)

12.4.7 Projections of Consolidated Cash Flow for the Financial Years Ending 31 December 2005 to 31 December 2037

The Directors of SIB project, based on the accompanying hypothetical assumptions, the consolidated cash flow of SIB Group for the respective financial years and periods, as follows:

	2005	2006	2007	2008	2009	2010	2011	2012	2013 - 2017	2018 - 2022	2023 - 2027	2028 - 2032	2033 - 2037
	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'
	million	million	million	million	million	million	million	million	million	million	million	million	million
CASH FLOWS FROM OPERATING ACTIVITIES													
Collection from toll operation	94.59	110.00	125.40	140.80	191.88	210.80	229.72	248.64	1,802.89	2,902.02	3,630.40	4,113.65	3,854.26
Payment for operating expenses	(11.73)	(12.20)	(12.69)	(21.23)	(13.72)	(14.26)	(14.84)	(15.44)	(96.75)	(117.79)	(143.28)	(174.44)	(195.13)
Cash generated from operations	82.86	97.80	112.71	119.57	178.16	196.54	214.88	233.20	1,706.14	2,784.23	3,487.12	3,939.21	3,659.13
Interest received	3.09	5.64	8.70	7.77	6.89	6.98	8.08	10.85	55.44	40.43	26.54	26.45	26.24
Taxation	(0.87)	(1.58)	(2.44)	(2.18)	(1.93)	(1.95)	(9.96)	(46.95)	(340.47)	(647.10)	(984.00)	(1,110.55)	(1,032.18)
Net cash generated from operating activities	85.08	101.86	118.97	125.16	183.12	201.57	213.00	197.10	1,421.11	2,177.56	2,529.66	2,855.11	2,653.59

12.0 FINANCIAL INFORMATION (Cont'd)

12.4.7 Projections of Consolidated Cash Flow for the Financial Years Ending 31 December 2005 to 31 December 2037 (Cont'd)

	2005	2006	2007	2008	2009	2010	2011	2012	2013 - 2017	2018 - 2022	2023 - 2027	2028 - 2032	2033 - 2037
	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'	RM'
	million	million	million	million	million	million	million	million	million	million	million	million	million
CASH FLOWS FROM FINANCING ACTIVITIES													
Redemption of Redeemable Preference Share	-	-	-	-	-	-	-	-	(20.00)	-	-	-	-
Repayment of Islamic Financing Facility	-	-	(150.00)	(150.00)	(155.00)	(160.00)	(95.00)	(65.00)	(555.00)	(680.00)	-	-	-
Dividends paid to:-													
Ordinary Shareholders	-	-	-	-	(2.32)	(24.76)	(4.63)	(25.20)	(806.56)	(1,397.31)	(2,445.35)	(2,812.13)	(3,208.26)
Redeemable Preference Shareholders	-	-	-	(2.07)	(0.40)	(0.40)	(0.40)	(0.40)	(0.33)	-	-	-	-
Transfer of funds to debts reserve account	-	(75.00)	-	(2.50)	(2.50)	32.50	15.00	(5.00)	(47.50)	85.00	-	-	-
Net cash used in financing activities	-	(75.00)	(150.00)	(154.57)	(160.22)	(152.66)	(85.03)	(95.60)	(1,429.39)	(1,992.31)	(2,445.35)	(2,812.13)	(3,208.26)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	85.08	26.86	(31.05)	(29.41)	22.90	48.91	127.97	101.50	(8.28)	185.25	84.31	42.98	(554.67)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	102.99	188.07	214.93	183.90	154.49	177.39	226.30	354.27	455.77	447.49	632.74	717.05	760.03
CASH AND CASH EQUIVALENTS CARRIED FORWARD	188.07	214.93	183.90	154.49	177.39	226.30	354.27	455.77	447.49	632.74	717.05	760.03	205.36

12.0 FINANCIAL INFORMATION (Cont'd)


General Assumptions applied in the preparation of the Projections of Consolidated Cash Flow

**SUNWAY INFRASTRUCTURE BERHAD
PROJECTIONS OF CONSOLIDATED CASH FLOW
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2005 TO 31 DECEMBER
2037**

General Assumptions applied in the preparation of the Projections of Consolidated Cash Flow

The principal bases and assumptions upon which the projections of consolidated cash flow have been prepared are as follows:-

1. The projections of consolidated cash flow have been prepared based on the assumptions accompanying the projections of consolidated results after taxation for the financial years ending 31 December 2005 to 31 December 2037.
2. The draw down/repayment of the BAIDS and CN-RPS will be in accordance with the respective facility agreements.
3. All costs of property, plant and equipment will be fully paid upon acquisition.
4. All operating, general and administration expenses will be paid as incurred.
5. There will be no significant changes in credit periods granted by suppliers.

 **ERNST & YOUNG**
Chartered Accountants Kuala Lumpur
For identification purposes only

10 NOV 2003

12.0 FINANCIAL INFORMATION (*Cont'd*)

12.4.8 Reporting Accountants' Report on Projections of Cash Flow

(Prepared for inclusion in the Prospectus to be dated 13 November 2003 for domestic distribution in Malaysia only)



AF: 0039

■ Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

■ Phone : (03) 2087-7000
Fax : (03) 2095-5332
: General Line
(03) 2095-9076
(03) 2095-9078
www.ey.com/my

Mail Address:
P.O. Box 11040
50734 Kuala Lumpur, Malaysia

Reporting Accountants' Report on Projections of Cash Flow

(Prepared for inclusion in the Prospectus to be dated 13 November 2003 for domestic distribution in Malaysia only)

Our ref. : AABS/SKD/LFN/NBH

10 November 2003

The Board of Directors
Sunway Infrastructure Berhad
Level 16, Menara Sunway
Jalan Lagoon Timur
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

SUNWAY INFRASTRUCTURE BERHAD PROJECTIONS OF CONSOLIDATED CASH FLOW FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2005 TO 31 DECEMBER 2037

We have reviewed the projections of consolidated cash flow of Sunway Infrastructure Berhad ("SIB" or the "Company") and its subsidiaries (collectively known as "SIB Group") for the financial years ending 31 December 2005 to 31 December 2012, and the respective financial periods ending thereafter to 31 December 2037 as set out in Section 12.4.7 of the Prospectus to be dated 13 November 2003, in accordance with the professional standard in Malaysia applicable to the review of projections, AI 810. The projections have been prepared in connection with the listing and quotation of the entire ordinary share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange.

Our review has been undertaken to enable us to form an opinion as to whether the projections, in all material respects, are properly prepared on the basis of the assumptions made by the directors as set out in Section 12.4.7 of the Prospectus. The directors of SIB are solely responsible for the preparation and presentation of the projections and the assumptions on which the projections are based.

A projection, in this context, means prospective financial information prepared on the basis of assumptions that include hypothetical assumptions as to future events and management's actions that are not necessarily expected to occur. As such, readers are cautioned that these projections may not be appropriate for other purposes. Even if the events anticipated under the hypothetical assumptions occur, actual cash flows are likely to be different from the projections since other anticipated events frequently do not occur as expected and the variations could be material.

12.0 FINANCIAL INFORMATION (Cont'd)



AF: 0039

Subject to the matters stated in the preceding paragraphs:-

- (a) nothing has come to our attention which causes us to believe that the assumptions made by the directors, as set out in Section 12.4.7 of the Prospectus, do not provide a reasonable basis for the preparation of the projections of consolidated cash flow; and
- (b) in our opinion, the projections of consolidated cash flow, so far as the calculations are concerned, have been properly prepared on the basis of the assumptions made by the directors.

The accompanying projections and this letter have been prepared solely for the purposes stated above, in connection with the listing and quotation of the entire ordinary share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

A handwritten signature in cursive script that reads 'Ernst & Young'.

ERNST & YOUNG
AF:0039
Chartered Accountants

A handwritten signature in cursive script that reads 'Sukanta Kumar Dutt'.

Sukanta Kumar Dutt
1556/08/04(J)
Partner
Kuala Lumpur, Malaysia

12.0 FINANCIAL INFORMATION (Cont'd)

12.4.9 Directors' Analysis and Commentary on the Consolidated Financial Forecast and Projections for the Financial Years Ending 31 December 2003 to 2037

The Board of SIB confirms that the consolidated financial forecast and projections for the financial years ending 31 December 2003 to 2037 and the underlying bases and assumptions set out in Sections 12.4.1, 12.4.3, 12.4.5 and 12.4.7 of this Prospectus have been reviewed by the Board of SIB and after due and careful enquiry, and having taken into account, inter-alia, the factors that will determine the revenue base of SILK, the business model employed and strategies of the SIB Group and its expected level of gearing, liquidity and working capital requirements, are of the opinion that the financial forecast and projections are achievable under the prevailing business and economic environment.

Nevertheless, the bases and assumptions used in preparing the financial forecast and projections of the SIB Group are subject to uncertainties and contingencies while some are judgmental in nature. Because of the subjective judgements and inherent uncertainties of the financial forecasts and projections, especially over a prolonged period, and because events and circumstances may not occur as expected, actual future results may differ from those forecasts and projections and these differences may be material.

The major components of the financial forecast and projections are discussed below. The discussion below should be read together with the bases and assumptions set out in Section 12.4.1, 12.4.3, 12.4.5 and 12.4.7 of this Prospectus.

- *Turnover*

The turnover of the SIB Group will be derived solely from tolling which is expected to commence in August 2004 and end in July 2037.

The turnover projections are prepared, based on, inter-alia, the following assumptions:

- level of existing demand, and the extent that would transfer to the Ring Road - that a total of 80,600 vehicles per day would pass through the toll plazas, assuming the Ring Road is in place in year 2000 based on a hypothetical scenario; and
- forecasted growth in travel demand - the growth rates for the respective toll plazas are as follows:

	2004-2009	2010-2014	2015-2019	2020-2024	2025-2029	2030-2034
Sungai Long	19%	4%	3%	4%	3%	0%
Saujana Impian	15%	3%	3%	1%	0%	0%
Reko East	15%	4%	3%	4%	3%	0%
Reko West	15%	3%	2%	4%	3%	0%
Total	15%	4%	3%	3%	2%	0%

The traffic volume for the seven months of year 2037 is a proportion of year 2036 as the projections for that year reflect traffic at maximum capacity.

The Ring Road is planned to have four toll plazas, and vehicles will be required to pay toll upon passing each plaza. The proposed toll rates to be charged at each of the four toll plazas is as set out under the bases and assumptions in Section 12.4.1 of this Prospectus.

As the collection of toll revenue is expected to commence in August 2004, the turnover in the projection year 2004 is lower as compared to the subsequent years.

12.0 FINANCIAL INFORMATION (Cont'd)

- *Interest income*

The cash balances and debt service reserve account is projected to earn interest of 3% per annum throughout the projection years.

- *Borrowing cost*

The borrowing cost relates to the annual repayment of the face amount/selling price of the BAIDS of RM2,010,000,000. The borrowing cost net of interest income during the construction period will be capitalised and depreciated upon commencement of tolling operations in August 2004 until the end of the concession period. The Group projects that all amortisation of borrowing cost of the BAIDS will be fully expensed off in August 2021.

The actual cash settlement of the selling price by installments of the BAIDS shall be over a period of 20 years commencing 2007 and end in 2021.

- *LBT/PBT*

The forecast year 2003 is expected to register LBT which are purely attributable to operational expenditure. The LBT in the projections years 2004 and 2005 are primarily due to amortisation on borrowing cost of the BAIDS.

The Group is projected to generate sufficient revenue from the year 2006 to absorb the main expense of amortisation of the borrowing cost of the BAIDS.

The fluctuations in the turnover, loss/profits before taxation and after taxation on a five-year cycle is set out below:

	2003-2007 vs 2008-2012	2008-2012 vs. 2013-2017	2013-2017 vs. 2018-2022	2018-2022 vs. 2023-2027	2023-2027 vs. 2028-2032	2028-2032 vs. 2033-2037
Turnover	184.09%	76.44%	60.97%	25.10%	13.31%	(6.31%)
(LBT) / PBT	N/A	155.09%	95.57%	30.61%	12.84%	(7.10%)
(LAT) / PAT	N/A	155.53%	95.61%	30.61%	12.84%	(7.10%)

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12.0 FINANCIAL INFORMATION (Cont'd)

12.5 Pro forma Consolidated Balance Sheets

	Audited as at 30 June 2003 RM'000	Adjustment I		Pro Forma I		Adjustment II		Pro Forma II		Adjustment III		Pro Forma III		Adjustment IV		Pro Forma IV		Adjustment V		Pro Forma V	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PROPERTY, PLANT AND EQUIPMENT	1,207		1,207		1,207		1,207		1,207		1,207		1,207		1,207		1,207				1,207
EXPRESSWAY DEVELOPMENT EXPENDITURE	592,180		592,180		592,180		592,180		592,180		592,180		592,180		592,180		592,180				592,180
DEFERRED TAXATION BENEFIT	1,680		1,680		1,680		1,680		1,680		1,680		1,680		1,680		1,680				1,680
CURRENT ASSETS	300,194	20,000	320,194		320,194	9,600	329,794	60,000	389,794	11,210	401,004	45,000	446,004								
CURRENT LIABILITIES	(79,977)		(79,977)		(79,977)		(79,977)		(79,977)	(1,290)	(78,687)		(78,687)								
NET CURRENT ASSETS	220,217		240,217		249,817		309,817		309,817		322,317		367,317								
	815,284		835,284		844,884		844,884		904,884		917,384		962,384								

12.0 FINANCIAL INFORMATION (Cont'd)

12.5 Pro forma Consolidated Balance Sheets (Cont'd)

	Audited as at		Pro Forma		Adjustment		Pro Forma		Adjustment		Pro Forma	
	30 June 2003	Adjustment	I	II	III	IV	III	IV	V	IV	V	V
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
FINANCED BY:-												
SHARE CAPITAL	60,000		60,000	4,000	64,000	20,000	84,000	6,000	90,000	15,000	105,000	
SHARE PREMIUM	-		-	5,600	5,600	40,000	45,600	7,757	53,357	30,000	83,357	
MERGER RESERVE	60,000		60,000		60,000		60,000		60,000		60,000	
ACCUMULATED LOSS	(5,516)		(5,516)		(5,516)		(5,516)	(1,257)	(6,773)		(6,773)	
SHAREHOLDERS' FUND	114,484		114,484		124,084		184,084		196,584		241,584	
LONG TERM LIABILITIES	700,800	20,000	720,800		720,800		720,800		720,800		720,800	
	815,284		835,284		844,884		904,884		917,384		962,384	
NET TANGIBLE ASSETS PER ORDINARY SHARE OF 50 SEN (RM)	0.94		0.94		0.96		1.09		1.08		1.14	

12.0 FINANCIAL INFORMATION (Cont'd)

NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEETS**SUNWAY INFRASTRUCTURE BERHAD
PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2003****NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEETS**

The pro forma consolidated balance sheets have been prepared for illustrative purposes only to show the effects on the audited consolidated balance sheet as at 30 June 2003 of the Restructuring and Listing Exercise, stated in Notes 1, 2, 3, 4, and 5, had the Restructuring and Listing Exercise been implemented and completed on that date and by application of the accounting policies of SIB as disclosed in its audited financial statements for the financial period ended 30 June 2003. For the purposes of financial statement classification, the subscription amounts in respect of the rights, institutional and retail issues described in Note 2, 3 and 4 have been allocated in their entirety to the shares to be issued, and the respective warrants have as a result not been allocated any amounts.

NOTE 1**ADJUSTMENT I – RIGHTS ISSUE OF CUMULATIVE NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES (“CN-RPS”)**

Adjustment I reflects the Rights Issue of 20,000,000 new Cumulative Non-Convertible Redeemable Preference Share (“CN-RPS”) of RM0.10 each in SIB at an issue price of RM1.00 per CN-RPS, to Sunway Holdings Incorporated Berhad (“SunInc”) and Barisan Minda Sdn Bhd (“Barisan Minda”).

NOTE 2**ADJUSTMENT II – RENOUNCEABLE RIGHTS ISSUE**

Adjustment II reflects the Renounceable Rights Issue to SunInc and Barisan Minda, of an aggregate of 8,000,000 new ordinary shares of RM0.50 each in SIB at the issue price of RM1.20 per ordinary share together with 4,000,000 new warrants to be allotted at no consideration, on the basis of one new warrant for every two new ordinary shares of RM0.50 each subscribed, which have been agreed to be subsequently renounced to the key management.

NOTE 3**ADJUSTMENT III – INSTITUTIONAL ISSUE**

Adjustment III reflects the Institutional Issue of 40,000,000 new ordinary shares of RM0.50 each in SIB at an issue price of RM1.50 per ordinary share together with 20,000,000 new warrants to be allotted at no consideration on the basis of one new warrant for every two new ordinary shares of RM0.50 each subscribed.

12.0 FINANCIAL INFORMATION (Cont'd)

SUNWAY INFRASTRUCTURE BERHAD
PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2003
NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEETS (CONTD.)
NOTE 4
ADJUSTMENT IV – RETAIL ISSUE

Adjustment IV reflects the Retail Issue of 12,000,000 new ordinary shares of RM0.50 each in SIB at an issue price of RM1.50 per ordinary share payable in full on application together with 6,000,000 new warrants to be allotted at no consideration on the basis of one new warrant for every two new ordinary shares of RM0.50 each subscribed, of which 11,000,000 ordinary shares are to be offered to the general public of Malaysian citizens and 1,000,000 ordinary shares to eligible employees of SIB Group under the ESAS.

The proceeds from the Rights Issue of CN-RPS, Renounceable Rights Issue, Institutional Issue and Retail Issue, of an aggregate of RM107.6 million, have been illustrated to be utilised by the Company as follows:-

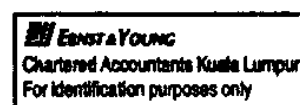
	RM'000
To increase the issued and paid-up share capital of SILK by RM100 million to RM220 million	100,000
Defraying estimated share issue and listing expenses	5,500
Working capital	<u>2,100</u>
	<u>107,600</u>

Estimated share issue expenses of RM4.243 million are illustrated as set-off against the share premium account and estimated listing expenses of RM1.257 million are illustrated as expensed in the income statement.

Further, the amount due to the corporate shareholders of RM1.290 million included in current liabilities as at 30 June 2003 are illustrated as repaid from funds upon the successful implementation of the Listing Exercise.

NOTE 5
ADJUSTMENT V – EXERCISE OF WARRANTS

Adjustment V reflects the assumed exercise of 30,000,000 new warrants at an exercise price of RM1.50 each.



10 NOV 2003

12.0 FINANCIAL INFORMATION (Cont'd)

12.6 Reporting Accountant's Report on Pro Forma Balance Sheets

(Prepared for inclusion in the Prospectus to be dated 13 November 2003 for domestic distribution in Malaysia only)



AF: 0039

■ Chartered Accountants
Level 23A, Menara Milenium
Jalan Damansara
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

■ Phone : (03) 2087-7000
Fax : (03) 2095 5332
(General Line)
(03) 2095-9076
(03) 2095-9078
www.ey.com/my

Mail Address:
P.O. Box 11040
50734 Kuala Lumpur, Malaysia

Reporting Accountants' Report on Pro Forma Balance Sheets

(Prepared for inclusion in the Prospectus to be dated 13 November 2003 for domestic distribution in Malaysia only)

Our ref. : AABS/SKD/LFN/NBH

10 November 2003

The Board of Directors
Sunway Infrastructure Berhad
Level 16, Menara Sunway
Jalan Lagoon Timur
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

SUNWAY INFRASTRUCTURE BERHAD PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2003

We report on the pro forma consolidated balance sheets set out in Section 12.5 of the Prospectus to be dated 13 November 2003, which have been prepared for illustrative purposes only, to provide information about how the consolidated balance sheet of Sunway Infrastructure Berhad ("SIB" or the "Company") and its subsidiaries (collectively known as "SIB Group") as at 30 June 2003 that has been presented would have been affected by the Restructuring and Listing Exercise, as described within the bases stated, had the Restructuring and Listing Exercise been implemented and completed on that date.

It is the responsibility solely of the directors of SIB to prepare the pro forma consolidated balance sheets in accordance with the requirements of paragraphs 19 to 21, Chapter 13, of the Securities Commission Prospectus Guidelines (Revised 1 April 2003) in respect of Public Offerings ("the Guidelines").

It is our responsibility to form an opinion, as required by paragraph 22, Chapter 13 of the Guidelines, and to report our opinion to you. Our work consisted primarily of comparing the unadjusted financial information presented with their original form, considering the adjustments and discussing the pro forma consolidated balance sheets with responsible officers of SIB. Our work involved no independent examination of any of the underlying financial information beyond having audited the consolidated financial statements of SIB Group to 30 June 2003, which included the consolidated balance sheets presented, and having reported thereon to the members for statutory purposes (the purposes of the Prospectus) as of the date of that report.

12.0 FINANCIAL INFORMATION (Cont'd)

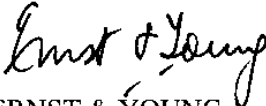



In our opinion:-

- (a) the pro forma consolidated balance sheets have been properly compiled on the bases stated;
and
- (b) within the context of the assumed date of the Restructuring and Listing Exercise:-
 - (i) such bases are consistent with the accounting policies of SIB; and
 - (ii) the adjustments set out are appropriate for the purposes of the pro forma consolidated balance sheets pursuant to the requirements of paragraphs 19 to 21, Chapter 13 of the Guidelines.

The accompanying pro forma consolidated balance sheets and this letter have been prepared solely for the purposes stated above, in connection with the Restructuring and Listing Exercise. This letter is not to be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully


ERNST & YOUNG
AF: 0039
Chartered Accountants


Sukanta Kumar Dutt
1556/08/04(J)
Partner
Kuala Lumpur, Malaysia

12.0 FINANCIAL INFORMATION (Cont'd)

12.7 Dividend Policy

It is the policy of the Board of SIB in recommending dividends to allow shareholders to participate in the profits of the Company as well to leave adequate reserves for its growth. Dividends will be paid subject to availability of Section 108 credits under the Income Tax Act, 1967, and the availability of cash and retained profits. In addition, under the terms of the BAIDS, SILK has pledged that it shall not declare or pay dividends or any other distribution if:

- (i) the first maturity date of the BAIDS has not occurred (on 22 August 2007);
- (ii) the annual debt cover ratio is less than 1.5x after payment of such dividends or distribution during the tenure of the BAIDS;
- (iii) an event of default has occurred, is continuing and has not been waived;
- (iv) the balance in the debt service reserve account is less than 50% of the aggregate of the following after such payment:
 - total notional amount of the BAIDS which the maturity date falls on date closest to such time; and
 - dividends declared but not paid.

The actual dividend policy of SIB will depend on the following:

- (i) assessment by the Board of Directors of the financial conditions prevailing at that point in time;
- (ii) availability of tax credits for franking of dividends pursuant to Section 108 of the Income Tax Act, 1967; and
- (iii) the Company's future investment requirements in employing internally generated funds.

In the absence of unforeseen circumstances, SIB is expected to have sufficient Section 108 credits by the end of financial year ending 31 December 2009 to allow for the distribution of dividends.

Subject to the foregoing, on the basis of the forecast and projections as set out in Section 12.4 of this Prospectus, and in the absence of adverse unforeseen circumstances, the Directors propose a net dividend of approximately 2.6% or 1.29 sen per SIB Share based on the nominal issued and paid-up share capital of SIB for the financial year ending 31 December 2009. Thereafter, it is the present intention of the Directors to continue to propose the payment of cash dividends on an annual basis, subject to future earnings and the financial condition of SIB and other factors, including restrictions imposed by law or under credit facilities on the payment of dividends by members of the SIB Group and the availability of funds.

12.8 Working Capital, Borrowings, Material Litigation, Capital Commitments, Contingent Liabilities, and Adequacy of Funding for the Project**12.8.1 Working Capital**

The Directors of SIB are of the opinion that after taking into account the cash flow forecast and projections, the banking facilities available and the gross proceeds from the Public Issue, the working capital available to the Group will be sufficient for a period of twelve (12) months from 7 November 2003 (being the latest practicable date prior to the issuance of this Prospectus).

12.0 FINANCIAL INFORMATION (Cont'd)

12.8.2 Borrowings

As at 7 November 2003 (being the latest practicable date prior to the issuance of this Prospectus), the total outstanding borrowings of the SIB Group amounted to approximately RM600.0 million. These borrowings which are in the form of the BAIDS and the CN-RPS are analysed as follows:

	Payable within twelve (12) months RM'000	Payable after twelve (12) months RM'000	Total outstanding RM'000
BAIDS	-	580,000	580,000
CN-RPS	-	20,000	20,000
	-	600,000	600,000

The BAIDS comprises a series of non-interest bearing secured bearer promissory notes issued by SILK in accordance with the Syariah principle of Al-Bai Bithaman Ajil, details of which are set out in Section 7.2.2(iii) of this Prospectus.

The CN-RPS is a dividend bearing instrument issued to meet the shortfall in proceeds raised from the Renounceable Rights Issue and the Public Issue as detailed in Section 4.6 of this Prospectus.

As at 7 November 2003 (being the latest practicable date prior to the issuance of this Prospectus), save as disclosed above, the SIB Group does not have any other borrowings.

There have not been any defaults on payment of either interest and/or principal sums in respect of any borrowings throughout the past financial year ended 31 December 2003 and the six (6)-month financial period ended 30 June 2003.

12.8.3 Material Litigation

Save as disclosed in Sections 20.4.2 and 20.4.3 of this Prospectus, as at 7 November 2003 (being the latest practicable date prior to the issuance of this Prospectus), neither the Company nor its subsidiary companies are engaged in any material litigation, either as plaintiff or defendant, or any material claim against the Company or its subsidiary companies, or material arbitration proceeding which has a material effect on the business or financial position of the Company or its subsidiary companies and the Directors do not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially affect the business or financial position of the Company or its subsidiary companies.

The material litigation set out in Section 20.4.6 and 20.4.7 relates to acquisition of lands for the construction of the Ring Road. Under the Turnkey Contract, SILK will pay SunCon up to a sum of RM215,000,000 as land use payments in respect of all costs, expenses or charges incurred by SunCon for the acquisition of land within the SILK Funded Stretch (including any compensation awarded by the courts) and/or for the removal or resettling of squatters or other occupiers on the SILK Funded Stretch and the Government Funded Stretches. Any amount in excess of the sum of RM215,000,000 shall be borne by SunCon (as set out under item I in Section 19.2). Consequent thereto, should the claims made under the litigations below succeed, SILK's liability will not be more than RM215 million in respect of all costs, expenses or charges incurred for the acquisition of the land pursuant to the Turnkey Contract.

12.0 FINANCIAL INFORMATION (Cont'd)

12.8.4 Capital Commitments

As at 7 November 2003 (being the latest practicable date prior to the issuance of this Prospectus), the capital commitments of the SIB Group which have been approved and contracted for amounted to approximately RM270.3 million which relates to the amount of construction cost which has yet to be incurred for the construction of the Ring Road. The details of the cost for the construction of the Ring Road is set out in Section 7.2 of this Prospectus.

12.8.5 Contingent Liabilities

As at 7 November 2003 (being the latest practicable date prior to the issuance of this Prospectus), the Directors are not aware of any contingent liabilities which, upon becoming enforceable, might materially affect the financial position or business of the SIB Group.

12.8.6 Adequacy of Funds for the Project

The total cost of the Project is RM1,250,000,000. The details of the total Project cost and the sources of funding are set out below:

Costs/Sections	SILK Funded Stretch RM'million	Government Funded Stretches RM'million	Total RM'million	Proportion of Total cost %
Land Costs	215.00	85.00	300.00	24.00
Construction Costs	495.00	365.00	860.00	68.80
Supervisory Costs	^b 15.63	-	15.63	1.25
Working capital	74.37	-	74.37	5.95
	<u>800.00</u>	<u>450.00</u>	<u>1,250.00</u>	<u>100.00</u>
Financed by:				
Equity	220.00	-	220.00	17.60
Government Grant	-	450.00	450.00	36.00
BAIDS	580.00	-	580.00	46.40
	<u>800.00</u>	<u>450.00</u>	<u>1,250.00</u>	<u>100.00</u>

Notes:

- a Includes RM30,000,000 value of works which has been awarded to Gadek-Perspec Consortium Sdn Bhd
- b Supervisory costs of RM15.63 million for both SILK Funded Stretch (RM9.00 million) and Government Funded Stretches (RM6.63 million) to be borne by SILK
- c Includes RM100 million to be partially raised through the CN-RPS Rights Issue, the Renounceable Rights Issue and the Public Issue and injected by SIB

Save for the RM100 million to be partially raised through the CN-RPS Rights Issue, the Renounceable Rights Issue and Public Issue, funding for the Project has been fully secured. The Company will not require additional funds for the Project from its shareholders.

Further details on the funding of the Project is set out in Section 7.2 of this Prospectus.