

TO: BURSA MALAYSIA SECURITIES BERHAD  
FR: SUNWAY INFRASTRUCTURE BERHAD (405897V)

FAX NO: 03-2026 3670  
FAX NO: 03-5639 9507

26 May 2008

## 1. Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2007. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since financial year ended 30 June 2007.

## 2. Change in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2007 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for the financial period beginning 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 6	Exploration for and Evaluation of Mineral Resources
Amendment to FRS 119 <sup>2004</sup>	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members’ Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities Arising from Participation in a Specific Market – Waste Electrical and Electronical Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 <sup>2004</sup> – Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2
FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRS does not have significant financial impact on the Group.

TO: BURSA MALAYSIA SECURITIES BERHAD  
FR: SUNWAY INFRASTRUCTURE BERHAD (405897V)

FAX NO: 03-2026 3670  
FAX NO: 03-5639 9507

26 May 2008

**3. Qualification of Financial Statements**

The preceding annual financial statements were not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The Group's operations are not materially affected by any seasonal or cyclical fluctuations.

**5. Nature and Amount of Unusual Items**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial year-to-date.

**6. Nature and Amount of Changes in Estimates**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year and in the prior financial year that have material effect in the current quarter.

**7. Issuances and Repayment of Debt and Equity Securities**

There is no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial year to-date.

**8. Dividend**

No dividend has been proposed or paid for in the financial period under review and in the preceding financial period.

**9. Segment Reporting**

	<b>Toll Operations <u>RM'000</u></b>	<b>Investment Holding <u>RM'000</u></b>	<b>Intersegment Eliminations <u>RM'000</u></b>	<b>Consolidated <u>RM'000</u></b>
<b>Segment revenue</b>	24,128	5	-	24,133
<b>Segment results</b>	248,828	(333)	-	248,495
<b>Finance cost</b>	(60,599)	(300)	-	(60,899)
<b>Profit from ordinary activities before taxation</b>	188,229	(633)	-	<b>187,596</b>
<b>Taxation</b>				(11)
<b>Profit after Taxation</b>				<b>187,585</b>

TO: BURSA MALAYSIA SECURITIES BERHAD  
FR: SUNWAY INFRASTRUCTURE BERHAD (405897V)

FAX NO: 03-2026 3670  
FAX NO: 03-5639 9507

26 May 2008

**10. Valuation of Property, Plant and Equipment**

There is no valuation of property, plant and equipment brought forward from the previous audited financial statements, as the Group does not adopt a revaluation policy on property, plant and equipment.

**11. Material Events Subsequent to the End of the Period Under Review**

There was no material events subsequent to period ended 31 March 2008.

**12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**13. Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets during the quarter under review.

**14. Review of Performance**

The Group recorded an increase in revenue from RM6,948,000 and RM8,210,000 recorded in the preceding year corresponding quarter and immediate preceding quarter respectively to RM8,280,000 for the quarter under review. The profit before taxation for the current quarter ended 31 March 2008 amounted to RM227,917,000 as compared to loss before taxation of RM19,113,000 in the preceding year corresponding quarter and RM19,150,000 in the immediate preceding quarter. The significant profit recorded in the current quarter was due to one-time write-back of the Al-Bai Bithaman Ajil Islamic Debts Securities ("BaIDS") outstanding arising from the successful refinancing of the BaIDS issued by its wholly owned subsidiary company, Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd ("SILK") in January 2008 (net of refinancing cost) amounting to RM183,178,000 and payment from Sunway Holdings Berhad (formerly known as Sunway Holdings Incorporated Berhad) of RM50 million. The BaIDS were refinanced, partly by the proceeds from the issuance of the Sukuk Mudharabah amounted to RM752,236,660 by Manfaat Tetap Sdn. Bhd., a special purpose vehicle and a wholly-owned subsidiary company of SILK.

**15. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

The Group recorded a profit before taxation of RM227,917,000 for the quarter under review as compared to a loss before taxation of RM19,150,000 in the preceding quarter. The loss before other income from the successful refinancing of BaIDS (net of refinancing cost) and after interest and taxation amounted to RM5,265,000. The loss was mainly due to provision of interest cost in relation to the Sukuk Mudharabah.

TO: BURSA MALAYSIA SECURITIES BERHAD  
FR: SUNWAY INFRASTRUCTURE BERHAD (405897V)

FAX NO: 03-2026 3670  
FAX NO: 03-5639 9507

26 May 2008

**16. Current Year Prospects**

Barring unforeseen circumstances, the Board of Directors expect the traffic plying the Expressway to grow consistently in the short term. The structure of the Sukuk Mudharabah has features for better matching between the cash flow generating capability of the Highway and its repayment obligations.

**17. Variance of Actual Profit from Profit Forecast**

The company did not issue any quarterly profit forecast during the period.

**18. Income Tax**

Income tax comprises:

	<b>Individual Quarter 31-March -2008 <u>RM'000</u></b>	<b>Cumulative Quarter 31-March -2008 <u>RM'000</u></b>
Current taxation	4	11
	<u>4</u>	<u>11</u>

The unabsorbed tax losses and unutilised capital allowances on RM596 million and RM249 million respectively as at 30 June 2007 are available indefinitely for offset against future taxable profit of the subsidiary company. Such deferred tax assets has not been recognized as it is not probable that taxable profit will be available in the foreseeable future against which the tax credit can be utilized.

**19. Profit/(Loss) on Sale of Unquoted Investments and/or Properties**

There were no profit/(loss) on sale of unquoted investments and/or properties for the current quarter.

**20. Quoted Securities**

- (a) There is no purchases or disposals of quoted securities for the current quarter and financial period to date.
- (b) There is no investment in quoted securities as at the reporting period.

**21. Status of Corporate Proposals Announced**

There are no corporate proposals announced and still pending completion.

TO: BURSA MALAYSIA SECURITIES BERHAD  
FR: SUNWAY INFRASTRUCTURE BERHAD (405897V)

FAX NO: 03-2026 3670  
FAX NO: 03-5639 9507

26 May 2008

## 22. Group Borrowings and Debt Securities

Group borrowings and debt securities as at the end of the reporting year are as follows:

	<u>Current RM'000</u>	<u>Non Current RM'000</u>	<u>Total RM'000</u>
<u>Borrowings</u>			
Secured	-	783,119	783,119

## 23. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risks as at the date of issue of the report.

## 24. Material Litigation

As a result of land being acquired by the Government for construction of the Highway which is undertaken by SILK pursuant to the Concession Agreement, some land owners [whose land have been acquired] have filed their objection in Court against the Land Administrator's award of compensation. In the SILK funded stretch alone, there are 227 cases comprising 127 cases with claims amounting to RM373.71 million while the land owners' claim for 16 cases are yet to be determined. Out of the 227 cases, 84 cases have been settled out of court while the other cases are still pending Court hearing.

The amount paid by SILK for the land use payments (including expenses and charges incurred for the acquisition of land and for removal or resettling of squatters or other occupants on the Ring Road) was contracted to Sunway Construction Sdn. Bhd. ("SunCon") under the Turnkey Contract at a lump sum of RM215.0 million. Consequent thereto, there will not be further liabilities to SILK should there be any amounts that may be awarded by the courts in relation to the above claims.

## 25. Earnings Per Share

<b>Basic earnings per share</b>	<b>Individual Quarter <u>31-March-2008</u></b>	<b>Cumulative Quarter <u>31-March-2008</u></b>
Net profit for the period (RM'000)	227,913	187,585
Number of ordinary shares issue ('000)	180,000	180,000
Earnings per share (sen)	126.62	104.21

The assumed exercise of the warrants during the period is anti-dilutive.

**TO: BURSA MALAYSIA SECURITIES BERHAD**  
**FR: SUNWAY INFRASTRUCTURE BERHAD (405897V)**

**FAX NO: 03-2026 3670**  
**FAX NO: 03-5639 9507**

26 May 2008

**26. Commitments**

There were no capital commitments that have not been provided for in the financial statements as at 31 March 2008.

**By order of the Board**  
**Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng**  
**Tan Kim Aun**  
**Lee Suan Choo**  
**Secretaries**