

Lingkaran Trans Kota Holdings Berhad (335382-V)

Notes To The Interim Financial Report For The Period Ended 30 September 2005

1. Basis of preparation

The interim financial report has been prepared in compliance with FRS 134, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 March 2005.

2. Audit report of preceding annual financial statements

There was no qualification in the audit report of the financial statements of the Group for the year ended 31 March 2005.

3. Seasonality and cyclicalness of operations

There was no significant fluctuation in the seasonality or cyclicalness of operations affecting the Group.

4. Unusual items

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

5. Changes in estimates

There were no changes in estimates of amounts reported previously that having a material effect in the current quarter.

6. Issuance and repayment of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial year-to-date.

7. Dividend paid

During the year, the Group paid a final dividend of 5% less income tax in respect of ordinary shares for financial year ended 31 March 2005 amounting to RM17,383,702 on 09 September 2005.

8. Segment information

Segment information by business segments for current financial year-to-date are as follows:

	Tolling operations and highway maintenance RM'000	Investment holding and others RM'000	Elimination RM'000	Total RM'000
Revenue				
Revenue - external	121,716	174		121,890
Inter-segment revenue	-	2,995	(2,995)	-
Total Revenue	121,716	3,169	(2,995)	121,890
Result				
Segment results	93,872	2,464	(2,253)	94,083
Interest income	18	16,934	(16,249)	703
Profit from operations	93,890	19,398	(18,502)	94,786
Finance costs	(49,550)	-	16,249	(33,301)
Gain on disposal of quoted investment		5,275		5,275
Share of loss from joint venture company	(9,312)	-	-	(9,312)
Taxation	(13,820)	(5,093)	334	(18,579)
Net profit for the year				38,869

9. Valuation of property, plant and equipment

All property, plant and equipment of the Group are carried at cost less accumulated depreciation and impairment losses.

10. Material events subsequent to the balance sheet date

There were no material events subsequent to the balance sheet date.

11. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 September 2005.

12. Contingent liabilities

There were no material changes in contingent liabilities since the last annual balance sheet date.

13. Taxation

Breakdown of tax charge for the current quarter and financial year-to-date are as follows:

	Current quarter RM'000	Financial year- to-date RM'000
Corporate tax	2,774	5,512
Deferred tax	6,818	13,065
Share of tax of joint venture companies	1	2
Total	9,593	18,579

The effective tax rate is higher than the statutory tax rate for the financial year-to-date due to certain expenditure not being allowed as a deduction for tax purposes.

14. Profit/(Loss) on sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

15. Purchase and disposal of quoted securities

(a) There was no purchase of quoted securities during the current quarter and financial year-to-date. For the financial year-to-date, the Group realised a gain on disposal of quoted shares amounting to RM5.275 million with total sales proceeds of RM7.728 million.

(b) Particulars of investments in quoted securities as at 30 September 2005 are as follows:

	RM'000
Total investments at cost	2,577
Total investments at book value	2,577
Total investments at market value	5,156

16. Status of corporate proposals

There were no corporate proposals announced and uncompleted at a date not earlier than 7 days from the date of issue of this report.

17. Group borrowings

Group borrowings as at 30 September 2005 are as follows :

	RM'000
Secured:	
Long Term Borrowings	793,344
Short Term Borrowings	39,400
	832,744
Unsecured:	
Long Term Borrowings	150,000
Total	982,744

The Group borrowings are Ringgit denominated

18. Off balance sheet financial instruments

There were no off balance sheet financial instruments entered into by the Group at a date not earlier than 7 days from the date of issue of this report.

19. Material litigations

There were no pending material litigations since the last annual balance sheet date to a date not earlier than 7 days from the date of issue of this report.

20. Comparison of profit before taxation with the immediate preceding quarter

The Group's profit before taxation for the current quarter of RM27.3 million is 9% lower than the Group's profit before taxation of RM30.1 million achieved in the previous quarter. The lower result is mainly attributable to the gain on disposal of quoted investment of RM5.1 million recorded in the previous quarter compared to only RM0.2 million recorded in the current quarter. If the gains on disposal of quoted investment are excluded from the Group's profit before taxation, then there is an 8% increase in the profit of the Group's core business. This increase is mainly attributable to higher revenue achieved as a result of the increase in traffic volume on the Lebu Raya Damansara-Puchong ("LDP").

21. Review of performance for the current quarter

For the current quarter, the Group achieved a 10% growth in revenue as compared to the preceding year corresponding quarter.

The Group's profit before tax recorded a growth of 8% from RM25.3 million registered in the preceding year corresponding quarter to RM27.3 million in the current quarter. This is mainly due to higher revenue achieved resulting from the traffic growth plying the LDP and lower share of losses incurred by a joint venture company, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd for the current quarter.

22. Current year's prospects

Barring any unforeseen circumstances, the Board of Directors expects better revenue to be generated from the continuous growth in the traffic plying the LDP.

23. Profit forecast or profit guarantee

- (a) There is no profit forecast applicable for comparison.
- (b) There is no profit guarantee by the Group.

24. Dividend

An interim dividend has been recommended as follows: -

- (i) 5 Sen per share (before taxation of 28%);
- (ii) 5 Sen per share (before taxation of 28%) was declared in the quarter ended 31 December 2004 in the previous financial year;
- (iii) The interim dividend shall be paid at a date to be determined and in respect of deposited securities, entitlement to dividend will be determined on the basis of the record of depositors at the book closure date.

25. Earnings per share

The basic earnings per share is calculated based on the Group profit after taxation of RM38.869 million and weighted average number of ordinary shares in issue during the period of 482.873 million.

The diluted earnings per share is calculated based on the Group profit after taxation of RM38.869 million and weighted average number of ordinary shares including dilutive potential shares, of 483.394 million calculated as follows:

	Million shares
Weighted average number of ordinary shares	482.873
Effect of Employees Share Option Scheme	0.521
Weighted average number of ordinary shares (diluted)	483.394