

## **Lingkaran Trans Kota Holdings Berhad (335382-V)**

### **Notes To The Interim Financial Report For The Period Ended 31 December 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 cyclicity of operations**

There was no significant fluctuation in the seasonality or cyclicity 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

The Group has paid the following dividend in respect of ordinary shares for the current quarter and the financial year-to-date:

	RM'000
Final dividend of 5% less tax for financial year ended 31 March 2005 paid on 9 September 2005	17,383
Interim dividend of 5% less tax for financial year ending 31 March 2006 paid on 23 December 2005	17,400
Total	34,783

## 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
<b>Revenue</b>				
Revenue - external	183,633	192		183,825
Inter-segment revenue	-	7,742	(7,742)	-
Total Revenue	183,633	7,934	(7,742)	183,825
<b>Result</b>				
Segment results	141,345	6,671	(6,630)	141,386
Interest income	19	25,407	(24,418)	1,008
Profit from operations	141,364	32,078	(31,048)	142,394
Finance costs	(73,949)	-	24,418	(49,531)
Gain on disposal of quoted investment		5,289		5,289
Share of loss from joint venture company	(11,981)	-	-	(11,981)
Taxation	(20,860)	(8,600)	1,564	(27,896)
Net profit for the year				58,275

## 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 31 December 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	2,757	8,269
Deferred tax	6,559	19,624
Share of tax of joint venture companies	1	3
Total	9,317	27,896

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 RM5.289 million with total sales proceeds of RM7.742 million.

(b) Particulars of investments in quoted securities as at 31 December 2005 are as follows:

	RM'000
Total investments at cost	2,577
Total investments at book value	2,577
Total investments at market value	3,227

**16. Status of corporate proposals**

On 24 November 2005, Lingkar Trans Kota Holdings Berhad ("Littrak Holdings") has announced to distribute cash of RM0.25 per ordinary share of RM1.00 each to its shareholders as at an entitlement date to be determined, totalling up to RM124.1 million ("Proposed Distribution").

The Proposed Distribution has been approved by the shareholders at the Extraordinary General Meeting held on 25 January 2006 and is now pending application to the High Court of Malaya.

## 17. Group borrowings

Group borrowings as at 31 December 2005 are as follows:

	RM'000
Secured:	
Long Term Borrowings	809,431
Short Term Borrowings	44,400
	853,831
Unsecured:	
Long Term Borrowings	150,000
Total	1,003,831

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 RM28.7 million is 5% higher than the Group's profit before taxation of RM27.3 million achieved in the previous quarter. The higher result is mainly attributable to lower share of loss of a joint venture company, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("Sprint") of RM2.7 mil recorded in the current quarter compared to RM4.4 million recorded in the previous quarter due to lower finance cost.

## 21. Review of performance for the current quarter

For the current quarter, the Group achieved a 9% growth in revenue as compared to the preceding year corresponding quarter.

The Group's profit before tax recorded a growth of 10% from RM26.2 million registered in the preceding year corresponding quarter to RM28.7 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 Sprint 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**

For the financial year-to-date, an interim dividend of 5 sen per share (before taxation of 28%) has been declared and paid on 23 December 2005.

For the preceding corresponding period, an interim dividend of 5 sen per share (before taxation of 28%) has been declared and paid on 24 December 2004.

**25. Earnings per share**

The basic earnings per share is calculated based on the Group profit after taxation of RM58.275 million and weighted average number of ordinary shares in issue during the period of 482.956 million.

The diluted earnings per share is calculated based on the Group profit after taxation of RM58.275 million and weighted average number of ordinary shares including dilutive potential shares, of 484.019 million calculated as follows:

	Million shares
Weighted average number of ordinary shares	482.956
Effect of Employees Share Option Scheme	1.063
Weighted average number of ordinary shares (diluted)	484.019