

Lingkaran Trans Kota Holdings Berhad (335382-V)

Notes To The Interim Financial Report For The Year Ended 31 March 2006

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
Revenue				
Revenue - external	242,695	271	-	242,966
Inter-segment revenue	-	7,769	(7,769)	-
Total Revenue	242,695	8,040	(7,769)	242,966
Result				
Segment results	188,374	6,538	(6,618)	188,294
Interest income	20	33,713	(32,410)	1,323
Profit from operations	188,394	40,251	(39,028)	189,617
Finance costs	(97,786)	-	32,410	(65,376)
Gain on disposal of quoted investment		5,289		5,289
Share of loss in an associated company	(6)	-	-	(6)
Share of loss from joint venture company	(13,446)	-	-	(13,446)
Taxation	(27,385)	(10,519)	1,564	(36,340)
Net profit for the year				79,738

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 March 2006.

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	2,330	10,599
Deferred tax	6,140	25,764
Share of tax of joint venture companies	(26)	(23)
Total	8,444	36,340

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 March 2006 are as follows:

	RM'000
Total investments at cost	2,577
Total investments at book value	2,577
Total investments at market value	4,017

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 totalling up to RM124.1 million (“Proposed Distribution”).

On 28 April 2006, the High Court of Malaya has confirmed the Proposed Distribution and subsequently the book closure date was fixed on 25 May 2006 and the payment will be made on 31 May 2006.

17. Group borrowings

Group borrowings as at 31 March 2006 are as follows:

	RM'000
Secured:	
Long Term Borrowings	759,617
Short Term Borrowings	76,800
	836,417
Unsecured:	
Long Term Borrowings	150,000
Total	986,417

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 RM29.9 million is 4% higher than the Group's profit before taxation of RM28.7 million achieved in the immediate preceding quarter. The higher result is mainly attributable to lower expenses and lower share of loss of a joint venture company, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("Sprint") due to lower finance cost.

21. Review of performance for the current quarter

For the current quarter, the Group achieved a 4% growth in revenue as compared to the preceding year corresponding quarter. However, the current quarter's revenue recorded a decrease of 5% as compared to the immediate preceding quarter due to the closure of elevated section at section 1.7 to section 3.6 of the Middle Ring Road 2 ("MRR2"), to cater for repair works undertaken by the Public Works Department since February 2006.

The Group's profit before tax recorded a growth of 18% from RM25.3 million registered in the preceding year corresponding quarter to RM29.9 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. Next 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 Lebu Raya Damansara-Puchong undertaken by its wholly owned subsidiary company. However the partial closure of the MRR2 as mentioned above since February 2006 has had a negative impact to the traffic volume at the Penchala Toll Plaza but it will not significantly affect the overall results of the Group for the upcoming financial year. The closed sections of the MRR2 is expected to be re-opened sometime in the third quarter of the calendar year 2006.

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

Final dividend has been recommended at 5 Sen per share (before taxation of 28%). Dividend for the current financial period and the preceding corresponding period are as follows: -

	2006	2005
Interim	5 Sen per share (before taxation of 28%)	5 Sen per share (before taxation of 28%)
Final	*5 Sen per share (before taxation of 28%)	5 Sen per share (before taxation of 28%)
Total	10 Sen per share (before taxation of 28%)	10 Sen per share (before taxation of 28%)

*Note:

The final dividend for the current financial year is subject to shareholders' approval at the forthcoming Annual General Meeting. Final 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 as at the book closure date.

25. Earnings per share

The basic earnings per share is calculated based on the Group profit after taxation of RM79.738 million and weighted average number of ordinary shares in issue during the period of 483.395 million.

The diluted earnings per share is calculated based on the Group profit after taxation of RM79.738 million and weighted average number of ordinary shares including dilutive potential shares, of 484.757 million calculated as follows:

	Million shares
Weighted average number of ordinary shares	483.395
Effect of Employees Share Option Scheme	1.362
Weighted average number of ordinary shares (diluted)	484.757