

# Lingkar Trans Kota Holdings Berhad (335382-V)

## Notes To The Interim Financial Statements For The Period Ended 31 December 2007

### 1. Basis of preparation

The interim financial statements have been prepared in compliance with FRS 134<sub>2004</sub>, 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 of the Group for the year ended 31 March 2007. These 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 the year ended 31 March 2007.

### 2. Changes in accounting policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 March 2007 except for the adoption of the revised or amendment to the following revised Financial Reporting Standards (“FRSs”) effective 1 April 2007 as disclosed below:

FRS 117	:	Leases
FRS 124	:	Related party Disclosures
Amendment to FRS 119 <sub>2004</sub>	:	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

The adoptions of the new and revised FRSs above do not have any significant impact on the financial statements of the Group.

### 3. 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 2007.

### 4. Seasonality and cyclicity of operations

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

### 5. Unusual items due to their nature, size or incidence

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

**6. Changes in estimates**

They were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter and financial year-to-date.

**7. Debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date except the issuance of 3,024,000 new ordinary shares of RM1 each for cash pursuant to the Company's ESOS at exercise price ranging between RM1.79 and RM3.34 per ordinary share.

**8. Dividends 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 2007 paid on 10 September 2007	18,125
Interim dividend of 5% less tax for financial year ending 31 March 2008 paid on 12 December 2007	18,195
<b>Total</b>	<b>36,320</b>

**9. 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	220,964	-	-	220,964
Inter-segment revenue	-	990	(990)	-
<b>Total Revenue</b>	<b>220,964</b>	<b>990</b>	<b>(990)</b>	<b>220,964</b>
<b>Result</b>				
Segment results	170,715	(503)	46	170,258
Finance costs	(79,196)	-	30,440	(48,756)
Interest income	5,945	31,919	(30,440)	7,424
Share of loss of jointly controlled entities	(17,956)	-	-	(17,956)
Income tax expense	(27,289)	(8,006)	-	(35,295)
<b>Profit for the period</b>				<b>75,675</b>

**10. Valuation of plant and equipment**

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

**11. Material events subsequent to the balance sheet date**

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

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

There were no changes in the composition of the Group for the current quarter ended 31 December 2007.

**13. Contingent liabilities and contingent assets**

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

**14. Capital Commitments**

The amount of commitments for the purchase of capital expenditure not provided for in the interim financial statements as at 31 December 2007 are as follows:

	RM'000
Capital expenditure	
Approved and contracted for:	
Highway development expenditure	74,651
Heavy repair expenditure	20,915
Share of capital commitments of jointly controlled entities	194
Total	95,760

**15. Income tax expense**

Breakdowns 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	3,083	9,551
Deferred tax	8,380	25,744
Total	11,463	35,295

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

**16. Sale of unquoted investments and / or properties**

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

**17. Purchase and disposal of quoted securities**

There was no purchase or disposal of quoted securities during the current quarter and financial year-to-date.

**18. 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 announcement.

**19. Group borrowings**

Group borrowings as at 31 December 2007 are as follows:

	RM'000
Secured:	
Long Term Borrowings	598,919
Short Term Borrowings	70,400
	669,319
Unsecured:	
Long Term Borrowings	150,000
Total	819,319

The Group borrowings are denominated in Ringgit Malaysia.

**20. 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 announcement.

**21. 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 announcement.

**22. Comparison of profit before taxation with the immediate preceding quarter**

The Group's profit before taxation for the current quarter of RM35.8 million is lower than the Group's profit before taxation of RM38.3 million achieved in the immediate preceding quarter. This is mainly due to lower revenue recorded in the current quarter, and higher depreciation and amortisation expense as a result of higher derecognition of highway development expenditure arising from pavement rehabilitation exercise.

**23. Review of performance for the current quarter**

For the current quarter, the Group registered a higher revenue of RM73.7 million as compared to RM62.4 million recorded in the preceding year corresponding quarter. This was mainly due to the combined effect of changes in traffic volume and the toll revision exercise since 1 January 2007. However, the Group's current quarter revenue is slightly lower as compared to the immediate preceding quarter of RM74.8 million due to lower traffic volume recorded during the festive period at the year end.

The Group's profit before tax recorded an increase from RM27.3 million registered in the preceding year corresponding quarter to RM35.8 million in the current quarter due to the higher revenue as mentioned above although the quarter carried higher depreciation and amortisation expense as a result of the derecognition of highway development expenditure arising from pavement rehabilitation exercise.

**24. Current year's prospects**

Barring any unforeseen circumstances, the Board of Directors expects higher revenue to be generated from the growth in the traffic plying the Lebuhraya Damansara-Puchong ("LDP") as well as from the effect of the toll revision exercise on 1 January 2007.

**25. Profit forecast or profit guarantee**

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

**26. Dividend**

For the financial year-to-date, an interim dividend of 5 sen per share (before taxation of 26%) has been declared and paid on 12 December 2007.

For the preceding corresponding period, an interim dividend of 5 sen per share (before taxation of 28%) has been declared and paid on 22 December 2006.

**27. Earnings per share**

The basic earnings per share is calculated based on the Group's profit for the period attributable to equity holders of the Company of RM75.675 million and weighted average number of ordinary shares in issue during the year of 490.178 million.

The diluted earnings per share is calculated based on the Group's profit for the period attributable to equity holders of the Company of RM75.675 million and weighted average number of ordinary shares including dilutive potential shares, of 492.231 million calculated as follows:

	Million shares
Weighted average number of ordinary shares	490.178
Effect of Employees Share Option Scheme	2.053
Weighted average number of ordinary shares (diluted)	492.231