

# Lingkar Trans Kota Holdings Berhad (335382-V)

## Notes To The Interim Financial Statements For The Period Ended 30 June 2009

### 1. Basis of preparation

The interim financial statements have been prepared in compliance with 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 of the Group for the year ended 31 March 2009. 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 2009.

### 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 2009.

At the date of authorisation of these interim financial statements, the following new FRSs, Amendment to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

<b>FRSs, Amendment to FRSs and Interpretations</b>		<b>Effective for financial periods beginning on or after</b>
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

**2. Changes in accounting policies (Cont'd)**

The above new FRSs, Amendment to FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application.

The Group is exempted from disclosing the possible impact to the financial statements upon the initial application of FRS 7 and FRS 139.

**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 2009.

**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**

There 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 for the issuance of 1,114,000 new ordinary shares of RM0.20 each for cash pursuant to the Company's ESOS at exercise price ranging between RM1.34 and RM1.85 per ordinary share.

**8. Dividends paid**

There was no dividend paid during the current quarter and financial year-to-date.

## 9. Segment information

Segment information by business segments for current financial year-to-date is 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	76,417	-	-	76,417
Inter-segment revenue	-	343	(343)	-
Total Revenue	76,417	343	(343)	76,417
<b>Result</b>				
Segment results	58,880	(32)	16	58,864
Finance costs	(22,419)	-	-	(22,419)
Interest income	1,653	153	-	1,806
Share of losses of jointly controlled entities	(4,572)	-	-	(4,572)
Income tax expense	(10,291)	(29)	-	(10,320)
Profit for the year				23,359

## 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 30 June 2009.

## 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 capital expenditure not provided for in the interim financial statements as at 30 June 2009 are as follows:

	RM'000
Capital expenditure	
Approved and contracted for:	
Highway development expenditure	80,453
Heavy repair expenditure	18,943
System development expenditure	582
Approved but not contracted for:	
Highway development expenditure	312,000
Share of capital commitments of jointly controlled entities	617
Total	412,595

#### 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	442	442
Deferred tax	9,878	9,878
Total	10,320	10,320

As for the current quarter and financial year-to-date, the effective tax rate is slightly higher than the statutory tax rate 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 30 June 2009 are as follows:

	RM'000
Secured: Long Term Borrowings	1,455,428
Total	1,455,428

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 RM33.7 million is higher than the Group's profit before taxation of RM28.0 million achieved in the immediate preceding quarter. This is mainly due to the higher revenue recorded in the current quarter and lower share of losses in investments in jointly controlled entities, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Group"). The lower share of losses in SPRINT Group is mainly attributable to higher revenue achieved by SPRINT in the current quarter, as compared to the immediate preceding quarter.

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

For the current quarter, the Group registered a higher revenue of RM76.4 million as compared to RM73.5 million recorded in the immediate preceding quarter, and RM74.4 million of the preceding year corresponding quarter. This is mainly due to higher traffic volume recorded on the Lebu Raya Damansara-Puchong ("LDP") in the current quarter as compared to the immediate preceding quarter and preceding year corresponding quarter.

The Group's profit before tax of RM33.7 million recorded in the current quarter is, however, lower as compared to RM47.8 million registered in the preceding year corresponding quarter. This is mainly due to the higher finance cost and lower interest income recorded in the current quarter.

## 24. Current year's prospects

The Government has announced that it will come out with a long term solution to the recurring public pressure it faces with respect to toll increases and has instructed the Economic Planning Unit to come out with recommendations which should be ready in the near future. Based on our past negotiations with the Government, the Group is, however, optimistic that terms of the Concession Agreement will be observed by all parties concerned.

Barring any unforeseen circumstances, particularly significant increase in fuel prices, the Board of Directors is optimistic that a low but gradual increase in revenue will be generated from the projected growth in traffic plying LDP.

## 25. Profit forecast or profit guarantees

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

## 26. Dividend

On 27 August 2009, the Board of Directors has approved a single tier interim dividend of 10 sen per share for the financial year ending 31 March 2010.

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.

The Board of Directors had approved a single tier interim dividend of 5 sen per share for the financial year ending 31 March 2009 in the previous year corresponding quarter ended 30 June 2008.

## 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 RM23.359 million and weighted average number of ordinary shares in issue during the period of 497.791 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 RM23.359 million and weighted average number of ordinary shares including dilutive potential shares, of 498.198 million calculated as follows:

	Million shares
Weighted average number of ordinary shares	497.791
Effect of Employees Share Option Scheme	0.407
Weighted average number of ordinary shares (diluted)	498.198

**28. Comparative figures**

The presentation and classification of items in the current quarter interim financial statements have been consistent with the previous quarters except for certain comparative amounts which have been reclassified to conform with current quarter's presentation.