

Lingkar Trans Kota Holdings Berhad (335382-V)

Notes To The Interim Financial Statements For The Period Ended 30 September 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:

FRSs, Amendment to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements	1 January 2010
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
Amendment to FRS 132	Financial Instruments : Presentation	1 January 2010
Amendment to FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010

2. Changes in accounting policies (Cont'd)

FRSs, Amendment to FRSs and Interpretations		Effective for financial periods beginning on or after
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

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 1,816,000 new ordinary shares of RM0.20 each for cash pursuant to the Company's ESOS at exercise price ranging between RM1.34 and RM2.50 per ordinary share.

8. Dividends paid

During the year, the Group paid a single tier interim dividend of 10 sen per share in respect of ordinary shares for financial year ending 31 March 2010 amounting to RM49,881,761.80 on 29 September 2009.

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
Revenue				
Revenue - external	152,454	-	-	152,454
Inter-segment revenue	-	50,690	(50,690)	-
Total Revenue	152,454	50,690	(50,690)	152,454
Result				
Segment results	117,807	49,864	(49,968)	117,703
Finance costs	(45,047)	-	-	(45,047)
Interest income	3,591	345	-	3,936
Share of losses of jointly controlled entities	(9,977)	-	-	(9,977)
Income tax expense	(20,610)	(52)	-	(20,662)
Profit for the year				45,953

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 September 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 September 2009 are as follows:

	RM'000
Capital expenditure	
Approved and contracted for:	
Highway development expenditure	184,396
Heavy repair expenditure	15,959
System development expenditure	203
Approved but not contracted for:	
Highway development expenditure	204,000
Share of capital commitments of jointly controlled entities	232
Total	404,790

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	508	950
Deferred tax	9,834	19,712
Total	10,342	20,662

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 September 2009 are as follows:

	RM'000
Secured: Long Term Borrowings	1,457,620
Total	1,457,620

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 RM32.9 million is slightly lower than the Group's profit before taxation of RM33.7 million achieved in the immediate preceding quarter. This is mainly due to higher share of losses in investments in jointly controlled entities, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Group"). The higher share of losses in SPRINT Group is mainly attributable to higher finance cost recorded 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 achieved a fairly consistent revenue of RM76.0 million as compared to RM76.4 million recorded in the immediate preceding quarter and achieved a higher revenue as compared to the preceding year corresponding quarter of RM74.6 million. This is mainly due to higher traffic volume recorded on the Lebuhraya Damansara-Puchong ("LDP") in the current quarter as compared to the preceding year corresponding quarter.

The Group's profit before tax of RM32.9 million recorded in the current quarter is, however, lower as compared to RM35.4 million registered in the preceding year corresponding quarter. This is mainly due to lower interest income earned 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. 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

No dividend is recommended for the current quarter. For the current financial year-to-date, the Board of Directors had declared a single tier interim dividend of 10 sen per share which was paid on 29 September 2009.

No dividend was declared in the previous year corresponding quarter ended 30 September 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 RM45.953 million and weighted average number of ordinary shares in issue during the period of 498.139 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 RM45.953 million and weighted average number of ordinary shares including dilutive potential shares, of 498.382 million calculated as follows:

	Million shares
Weighted average number of ordinary shares	498.139
Effect of Employees Share Option Scheme	0.243
Weighted average number of ordinary shares (diluted)	498.382

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.