

# Lingkaran Trans Kota Holdings Berhad (335382-V)

## Condensed Consolidated Statements of Financial Position

	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>
	RM'000	RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Highway development expenditure ("HDE")	1,350,828	1,444,521
Plant and equipment	2,238	2,489
Other intangible assets	1,420	1,566
Investment in an associate	174,214	178,511
	<u>1,528,700</u>	<u>1,627,087</u>
<b>Current assets</b>		
Sundry receivables	125,453	93,170
Amount due from an associate	1,349	6,247
Investment securities	25,094	5,595
Cash and bank balances	579,587	547,054
	<u>731,483</u>	<u>652,066</u>
<b>Total assets</b>	<b><u>2,260,183</u></b>	<b><u>2,279,153</u></b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	230,940	222,448
Other reserve	3,573	1,341
Retained earnings	588,404	491,785
<b>Total equity</b>	<u>822,917</u>	<u>715,574</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred revenue	17,832	19,394
Deferred tax liabilities	204,219	215,504
Borrowings	987,599	1,119,713
Retirement benefit obligations	3,984	3,552
Provision for heavy repairs	10,713	-
	<u>1,224,347</u>	<u>1,358,163</u>
<b>Current liabilities</b>		
Provision for heavy repairs	10,397	22,485
Borrowings	140,000	110,000
Sundry payables	48,950	62,637
Income tax payable	13,572	10,294
	<u>212,919</u>	<u>205,416</u>
<b>Total liabilities</b>	<u>1,437,266</u>	<u>1,563,579</u>
<b>Total equity and liabilities</b>	<b><u>2,260,183</u></b>	<b><u>2,279,153</u></b>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

Lingkar Trans Kota Holdings Berhad (335382-V)

Condensed Consolidated Statements of Comprehensive Income

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	RM'000	RM'000	RM'000	RM'000
Revenue	127,872	131,162	523,897	534,235
Employee benefits expense	(6,069)	(7,121)	(27,358)	(27,966)
Maintenance expenses	(7,999)	(10,084)	(25,263)	(30,117)
Depreciation and amortisation	(24,086)	(24,681)	(97,668)	(99,839)
Other expenses	(2,127)	(1,737)	(9,556)	(15,573)
	(40,281)	(43,623)	(159,845)	(173,495)
	87,591	87,539	364,052	360,740
Interest income	5,381	5,142	18,889	16,903
Other income	409	259	2,185	745
Finance costs	(18,310)	(19,858)	(74,380)	(80,566)
Share of results of an associate	(2,348)	(7,549)	(4,297)	(5,386)
<b>Profit before tax</b>	72,723	65,533	306,449	292,436
Income tax expense	(19,903)	(15,854)	(77,895)	(71,402)
<b>Profit for the year</b>	<b>52,820</b>	<b>49,679</b>	<b>228,554</b>	<b>221,034</b>
<b>Other comprehensive loss</b>				
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:				
Re-measurement loss on defined benefit plan	-	-	-	(869)
Income tax effect	-	-	-	229
Share of other comprehensive loss of an associate	-	-	-	(126)
<b>Other comprehensive loss for the year, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(766)</b>
<b>Total comprehensive income for the year</b>	<b>52,820</b>	<b>49,679</b>	<b>228,554</b>	<b>220,268</b>
Basic earnings per share attributable to equity holders of the Company (sen per share)	10.01	9.44	43.34	42.11
Diluted earnings per share attributable to equity holders of the Company (sen per share)	10.00	9.43	43.29	42.07

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

Lingkaran Trans Kota Holdings Berhad (335382-V)

Condensed Consolidated Statements of Changes in Equity

	← Non-distributable →			Distributable	
	Share capital	Share premium	Other reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended 31 March 2018</b>					
<b>At 1 April 2017</b>	222,448	-	1,341	491,785	715,574
Total comprehensive income	-	-	-	228,554	228,554
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS	7,510	-	-	-	7,510
Share options granted under ESOS	-	-	3,214	-	3,214
Share options exercised	982	-	(982)	-	-
Dividends	-	-	-	(131,935)	(131,935)
<b>Total transactions with owners</b>	<b>8,492</b>	<b>-</b>	<b>2,232</b>	<b>(131,935)</b>	<b>(121,211)</b>
<b>At 31 March 2018</b>	<b>230,940</b>	<b>-</b>	<b>3,573</b>	<b>588,404</b>	<b>822,917</b>
<b>12 months ended 31 March 2017</b>					
<b>At 1 April 2016</b>	104,538	99,329	476	403,005	607,348
Transfer to no par value regime	99,329	(99,329)	-	-	-
Total comprehensive income	-	-	-	220,268	220,268
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS	16,373	-	-	-	16,373
Share options granted under ESOS	-	-	3,073	-	3,073
Share options exercised	2,208	-	(2,208)	-	-
Dividends	-	-	-	(131,488)	(131,488)
<b>Total transactions with owners</b>	<b>18,581</b>	<b>-</b>	<b>865</b>	<b>(131,488)</b>	<b>(112,042)</b>
<b>At 31 March 2017</b>	<b>222,448</b>	<b>-</b>	<b>1,341</b>	<b>491,785</b>	<b>715,574</b>

Note

Effective from 31 January 2017, pursuant to the new Companies Act 2016, the share premium account became part of the share capital.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

**Condensed Consolidated Statements of Cash Flows**

	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	306,449	292,436
Adjustments for:		
Amortisation of HDE	96,475	98,664
Amortisation of other intangible assets	244	241
Depreciation of plant and equipment	949	934
Plant and equipment written off	25	10
Other intangible assets written off	-	47
Gain on disposal of plant and equipment	(26)	(34)
Share of results of an associate	4,297	5,386
Deferred revenue recognised	(1,562)	(1,562)
Interest income	(10,675)	(7,663)
Distribution from investment securities	(499)	(194)
Profit element and fees on financing activities	66,494	72,239
Unwinding of discount on IMTNs	7,886	8,327
Profit sharing on Islamic investment	(8,214)	(9,240)
Provision for short term accumulating compensated absences	2	53
Provision for retirement benefits	432	399
Provision for doubtful debts	-	1,314
Share options granted under ESOS	2,496	2,383
Provision for heavy repairs	9,961	9,485
Operating profit before working capital changes	<u>474,734</u>	<u>473,225</u>
Changes in sundry receivables	(33,308)	(11,854)
Changes in sundry payables	(7,166)	4,906
Changes in amount due from an associate	5,616	2,045
Cash generated from operations	<u>439,876</u>	<u>468,322</u>
Income tax paid	(85,902)	(85,221)
Net cash generated from operating activities	<u>353,974</u>	<u>383,101</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for HDE	(6,614)	(2,026)
Purchase of plant and equipment	(723)	(1,243)
Purchase of other intangible assets	(98)	(701)
Payment for heavy repairs	(11,336)	(9,122)
Purchase of investment securities	(19,499)	(194)
Interest received	10,614	7,691
Profit sharing on Islamic investment received	9,300	9,274
Distribution received from investment securities	499	194
Proceeds from disposal of plant and equipment	26	34
Net cash (used in)/generated from investing activities	<u>(17,831)</u>	<u>3,907</u>

Lingkaran Trans Kota Holdings Berhad (335382-V)

Condensed Consolidated Statements of Cash Flows

	Current Year To Date	Preceding Year Corresponding Period
	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	RM'000	RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares via exercise of ESOS	7,510	16,373
Profit element and fees on financing activities paid	(69,185)	(73,890)
Dividends paid	(131,935)	(131,488)
Repayment of IMTN I	(110,000)	(70,000)
Net cash used in financing activities	<u>(303,610)</u>	<u>(259,005)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>32,533</b>	<b>128,003</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>547,054</b>	<b>419,051</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b><u>579,587</u></b>	<b><u>547,054</u></b>

Cash and cash equivalents at the end of the financial year comprise the following:

	As at <b>31-Mar-18</b>	As at <b>31-Mar-17</b>
	RM'000	RM'000
Deposits with licensed financial institutions	576,149	544,533
Cash on hand and at banks	3,438	2,521
Cash and cash equivalents at <b>31 March</b>	<b><u>579,587</u></b>	<b><u>547,054</u></b>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

### Explanatory Notes to the Interim Financial Statements For The Year Ended 31 March 2018

(The figures have not been audited)

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#### 1. Basis of preparation

These condensed consolidated interim financial statements is unaudited and has been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2017. 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 2017.

#### 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 2017.

On 1 April 2017, the Group and the Company adopted the following amended Malaysian Financial Reporting Standards (MFRSs) mandatory for annual periods beginning on or after 1 January 2017:

##### **Effective for annual periods beginning on or after 1 January 2017:**

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014 – 2016 Cycle

The adoption of the amended standards did not have any material impact on the financial statements of the Group and of the Company.

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

### **MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective**

At the date of authorisation of these condensed consolidated interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

#### **Effective for annual periods beginning on or after 1 January 2018:**

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRSs	Annual Improvements to MFRS Standards 2014 – 2016 Cycle
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

#### **Effective for annual periods beginning on or after 1 January 2019:**

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRSs	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement

#### **Effective for annual periods beginning on or after 1 January 2021:**

MFRS 17	Insurance Contracts
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#### **Effective date deferred indefinitely:**

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The adoption of the above standards will not have material impact on the financial statements of the Group and of the Company in the period of initial application except as discussed below.

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

### **MFRS 9 Financial Instruments**

MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

During the financial year ended 31 March 2018, the Group has performed a detailed impact assessment of all three aspects of MFRS 9. The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in the financial year ending 31 March 2019 when the Group adopts MFRS 9.

Based on the analysis of the Group's financial assets and liabilities as at 31 March 2018 on the basis of facts and circumstances that exist at that date, the directors of the Group have assessed the impact of MFRS 9 to the financial statements as follows:

#### **(i) Classification and measurement**

The Group does not expect a significant impact on its financial position or equity on applying the classification and measurement requirements of MFRS 9.

The Group and the Company expects to continue to measure the investment securities at fair value through profit and loss. Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

#### **(ii) Impairment**

MFRS 9 requires the Group to record expected credit losses on all of its loans and receivables, on a 12 months basis. The Group will apply the simplified approach and record expected losses on all trade receivables. Based on readily available information as at the date of this report, the Group does not expect any significant increase in allowance for doubtful debts.

#### **(iii) Hedge accounting**

The Group does not engage in hedging activities.



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

### **MFRS 15 Revenue from Contracts with Customers**

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual period beginning on or after 1 January 2018 with early adoption permitted.

The initial application of MFRS 15 is not expected to have any material 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 2017.

## **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 had 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 1,569,000 new ordinary shares for cash pursuant to the Company's Employee Share Option Scheme (ESOS) at exercise price ranging between RM3.44 and RM5.32 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
First interim single tier (exempt from tax) dividend of 15 sen per ordinary share for the financial year ended 31 March 2018 paid on 28 September 2017	79,146
Second interim single tier (exempt from tax) dividend of 10 sen per ordinary share for the financial year ended 31 March 2018 paid on 28 March 2018	52,789
<b>Total</b>	<b><u>131,935</u></b>

## 9. Segment information

Segment information by business segments are as follows:

### 12 months ended 31 March 2018

	<u>Highway</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Revenue from external customers	523,897	-	-	523,897
Inter-segment revenue	-	51,004	(51,004)	-
Total revenue	<u>523,897</u>	<u>51,004</u>	<u>(51,004)</u>	<u>523,897</u>
<b>Result</b>				
Segment results	367,511	48,551	(49,825)	366,237
Interest income	14,163	4,726	-	18,889
Profit from operations	<u>381,674</u>	<u>53,277</u>	<u>(49,825)</u>	<u>385,126</u>
Finance costs	(74,380)	-	-	(74,380)
Share of results of an associate	(4,297)	-	-	(4,297)
Profit before tax	<u>302,997</u>	<u>53,277</u>	<u>(49,825)</u>	<u>306,449</u>
Income tax expense	(76,569)	(1,326)	-	(77,895)
<b>Total comprehensive income for the year</b>	<b><u>226,428</u></b>	<b><u>51,951</u></b>	<b><u>(49,825)</u></b>	<b><u>228,554</u></b>

## 9. Segment information (Cont'd)

Segment information by business segments are as follows:

### 12 months ended 31 March 2017

	<u>Highway</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Revenue from external customers	534,235	-	-	534,235
Inter-segment revenue	-	225,953	(225,953)	-
Total revenue	534,235	225,953	(225,953)	<u>534,235</u>
<b>Result</b>				
Segment results	362,889	223,427	(224,831)	361,485
Interest income	15,293	1,610	-	16,903
Profit from operations	378,182	225,037	(224,831)	378,388
Finance costs	(80,566)	-	-	(80,566)
Share of results of an associate	(5,386)	-	-	(5,386)
Profit before tax	292,230	225,037	(224,831)	292,436
Income tax expense	(70,792)	(610)	-	(71,402)
<b>Profit for the year</b>	221,438	224,427	(224,831)	221,034
<b>Other comprehensive (loss)/income</b>				
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement (loss)/gain on defined benefit plan	(956)	87	-	(869)
Income tax effect	229	-	-	229
Share of other comprehensive loss of an associate	(126)	-	-	(126)
<b>Other comprehensive (loss)/income for the year, net of tax</b>	(853)	87	-	(766)
<b>Total comprehensive income for the year</b>	<u>220,585</u>	<u>224,514</u>	<u>(224,831)</u>	<u>220,268</u>

## 9. Segment information (Cont'd)

The segment assets and segment liabilities of the Group are as follows:

	Highway		Others		Eliminations		Total	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets and liabilities</b>								
Segment assets	2,002,174	1,947,846	136,948	205,563	(53,153)	(52,767)	2,085,969	2,100,642
Investment in an associate	174,214	178,511	-	-	-	-	174,214	178,511
Consolidated total assets	<u>2,176,388</u>	<u>2,126,357</u>	<u>136,948</u>	<u>205,563</u>	<u>(53,153)</u>	<u>(52,767)</u>	<u>2,260,183</u>	<u>2,279,153</u>
Segment liabilities	<u>1,436,347</u>	<u>1,562,743</u>	<u>1,742</u>	<u>1,098</u>	<u>(823)</u>	<u>(262)</u>	<u>1,437,266</u>	<u>1,563,579</u>

The major operating segment of the Group is highway business. Explanatory comment on the performance of the highway business is provided in Note 21 and Note 22.

## 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 end of the current quarter

Apart as disclosed in Note 23, there were no material events subsequent to the end of the current quarter.

## 12. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year to date.

## 13. Contingent liabilities and contingent assets

There were no material changes in other contingent liabilities or contingent assets since 31 March 2017.

#### 14. Capital commitments

The amount of commitments for capital expenditure not provided for in the interim financial statements are as follows:

	<b>As at 31-Mar-18</b>
	RM'000
Capital expenditure	
Approved and contracted for:	
Highway development expenditure	22
<b>Total</b>	<b>22</b>

#### 15. Income tax expense

Breakdowns of tax charge for the current quarter and financial year to date are as follows:

	<b>Current Quarter 31-Mar-18</b>	<b>Current Year To Date 31-Mar-18</b>
	RM'000	RM'000
Income tax	25,192	89,180
Deferred tax	<u>(5,289)</u>	<u>(11,285)</u>
<b>Total</b>	<b><u>19,903</u></b>	<b><u>77,895</u></b>

For the current quarter and financial year to date, the Group's effective tax rate (excluding the results of an associate which is equity accounted net of tax) is higher than the statutory tax rate due to certain expenditure not being allowed as a deduction for tax purposes.

#### 16. Status of corporate proposals

There were no corporate proposals announced but not completed at a date not earlier than 7 days from the date of issue of this announcement.

## 17. Group borrowings and debt securities

The details of the Group's borrowings as at the end of the period are as follows:

	<u>As at 31-Mar-18</u> RM000	<u>As at 31-Mar-17</u> RM000
<b>Secured:</b>		
<b><u>Long Term Borrowings</u></b>		
Sukuk Musyarakah Medium Term Notes - IMTN I and IMTN II	987,599	1,119,713
<b><u>Short Term Borrowings</u></b>		
Sukuk Musyarakah Medium Term Notes - IMTN I	140,000	110,000
<b>Total Borrowings</b>	<b><u>1,127,599</u></b>	<b><u>1,229,713</u></b>

Sukuk Musyarakah Medium Term Notes - IMTN I and IMTN II were issued in 10 series and 3 series respectively, with maturities from April 2013 to April 2023. The interest rate/profit element is fixed ranges from 4.6% to 6.0% per annum.

The Group borrowings are denominated in Ringgit Malaysia.

The repayment during the period are as follows:

	<b>12 months ended</b>	
	<u>31-Mar-18</u> RM000	<u>31-Mar-17</u> RM000
<b>Repayment during the period</b>	<b><u>110,000</u></b>	<b><u>70,000</u></b>

## 18. Disclosure of derivatives

There were no derivatives at the date of issue of this announcement.

## 19. Disclosure of amount of gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities at the end of the quarter. The financial liabilities of the Group are not designated at fair value through profit or loss.

The above disclosure was prepared in accordance with paragraph 19 of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

## 20. Material litigations

There were no pending material litigations. There has been no change in the situation since 31 March 2017 to a date not earlier than 7 days from the date of issue of this announcement.

## 21. Comparison of profit before taxation with the immediate preceding quarter

	<b>Current Quarter 31-Mar-18</b>	<b>Immediate Preceding Quarter 31-Dec-17</b>	<b>Changes</b>
	RM'000	RM'000	%
Revenue	127,872	132,298	-3.3%
Profit Before Tax	72,723	80,119	-9.2%
Profit After Tax	52,820	60,515	-12.7%

### (a) Revenue

The Group recorded lower revenue of RM127.872 million in the current quarter as compared to RM132.298 million recorded in the immediate preceding quarter was mainly due to the decrease in toll revenue as a result of lower traffic volume recorded during the festive period in the current quarter.

### (b) Profit before tax

The Group recorded lower profit before tax of RM72.723 million in the current quarter as compared to RM80.119 million recorded in the immediate preceding quarter. The decrease in profit before tax in the current quarter is primarily arising from the following:

- (i) Lower toll revenue as mentioned above;
- (ii) Slightly higher maintenance expenses recorded in the current quarter; and
- (iii) Higher share of loss in an associate, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Group") in the current quarter mainly due to lower revenue recorded in the current quarter.

### (c) Profit after tax

The Group achieved profit after tax of RM52.820 million in the current quarter as compared to RM60.515 million in the immediate preceding quarter mainly due to the reasons as mentioned above.

## 22. Review of performance for the current quarter and financial year to date

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year To Date	Preceding Year Corresponding Period	Changes
	31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	127,872	131,162	-2.5%	523,897	534,235	-1.9%
Profit Before Tax	72,723	65,533	11.0%	306,449	292,436	4.8%
Profit After Tax	52,820	49,679	6.3%	228,554	221,034	3.4%

### (a) Revenue

#### (i) Current quarter

For the current quarter, the Group recorded revenue of RM127.872 million as compared to RM131.162 million recorded in the preceding year corresponding quarter mainly due to lower toll revenue as a result of lower traffic volume plying the Lebuhraya Damansara Puchong (LDP).

#### (ii) Current year to date

Similarly, the Group recorded lower revenue for the current year to date of RM523.897 million against RM534.235 million in the preceding year corresponding period mainly due to lower toll revenue as a result of lower traffic volume plying the LDP.

### (b) Profit before tax

#### (i) Current quarter

The Group recorded higher profit before tax of RM72.723 million in the current quarter as compared to RM65.533 million recorded in the preceding year corresponding quarter mainly due to:

- Lower maintenance cost in the current quarter; and
- Lower share of loss in an associate, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Group") in the current quarter. The higher share of loss in SPRINT Group in the preceding year corresponding quarter is mainly due to higher amortisation of highway development expenditure (HDE) charge based on latest traffic forecast prepared by an independent consultant.

However, the increase in the Group's profit before tax in the current quarter was lowered by lower revenue registered by the Group.



## **22. Review of performance for the current quarter and financial year to date (Cont'd)**

### **(b) Profit before tax (Cont'd)**

#### **(ii) Current year to date**

As for the current year to date, the Group recorded higher profit before tax of RM306.449 million as compared to RM292.436 million in the preceding year corresponding period. This is mainly attributable to the following:

- Lower maintenance expenses in the current year.
- Lower other expenses in the current year mainly due to receipt of one-off reimbursement of Touch n' Go commission. In the preceding year, the Group settled a one-off licence fees imposed by Malaysia Highway Authority for advertising structures along LDP.
- Lower finance cost pursuant to repayment of borrowings during the year.

Nonetheless, the increase in the Group's profit before tax in the current year to date was lowered by lower toll revenue as mentioned in (a)(ii) above.

### **(c) Profit after tax**

The variance in profit after tax recorded in the current quarter and current year to date is mainly due to the reasons as mentioned above.

## **23. Next financial year's prospects**

Pursuant to the Concession Agreement, the final toll increase was scheduled for 1 January 2016. However the Government has decided to defer the increase until further notice and hence will have to compensate Lingkaran Trans Kota Sdn Bhd (Litrak) for the loss in revenue as a result of the deferment.

If the Government decides to continue with the deferment of the toll increase to users, Litrak can expect tollable traffic volume to remain fairly stable and constant in the short term even after taking into account an anticipated marginal drop in traffic as a result of the completion of the Kelana Jaya and Ampang Light Rail Transit (LRT) Extension lines in June 2016 and the opening of the Mass Rapid Transit (MRT) Sungai Buloh-Kajang line in July 2017. The traffic data is being closely monitored as a result of these events.

Should the Government decide to pass on the full final toll increase to road users, then Litrak can expect a significant drop in tollable traffic volume, and correspondingly, revenue, similar to what occurred in October 2015 when toll rates were increased.

The recently concluded Malaysian 14<sup>th</sup> General Election saw a change of Government from the incumbent to a new Pakatan Harapan Government. Up until the date of this report, the Group is waiting for further guidance from the relevant authorities on the above.

## **24. Profit forecast or profit guarantees**

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

## 25. Dividend

No dividend is recommended for the current quarter. Dividend for the current financial year and the preceding year corresponding period are as follows: -

<b>2018</b>	<b>2017</b>
(i) First interim dividend of 15 sen per share (single tier dividend)	(i) First interim dividend of 10 sen per share (single tier dividend)
(ii) Second interim dividend of 10 sen per share (single tier dividend)	(ii) Second interim dividend of 15 sen per share (single tier dividend)
Total dividend declared for the financial year was 25 sen per share (single tier (exempt from tax) dividend)	Total dividend declared for the financial year was 25 sen per share (single tier (exempt from tax) dividend)

## 26. Earnings per share

The basic earnings per share is calculated by dividing the Group's profit for the year, net of tax, attributable to equity holders of the Company of RM228.554 million by the weighted average number of ordinary shares outstanding during the financial year of 527.306 million.

The diluted earnings per share is calculated by dividing the Group's profit for the year, net of tax, attributable to equity holders of the Company of RM228.554 million by the weighted average number of ordinary shares outstanding during the financial year including dilutive potential ordinary shares, of 527.949 million calculated as follows:

	<b>Million shares</b>
Weighted average number of ordinary shares	527.306
Effect of dilution via exercise of Employee Share Option Scheme	0.643
Weighted average number of ordinary shares for diluted earnings per share	<u>527.949</u>

## 27. Fair value hierarchy

The fair value measurement hierarchies used to measure financial assets and financial liabilities carried at fair value in the statements of financial position are as follows:

Level 1 - unadjusted quoted market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted market prices that are observable either directly or indirectly

Level 3 - inputs that are significant to the fair value measurement are unobservable

As at reporting date, the Group's and the Company's fair value for investment securities is measured at Level 1 hierarchy whereas fair values for borrowings are measured at Level 2 hierarchy.

No transfers between any levels of the fair value hierarchy took place during the current financial year and the comparative year. There were also no changes in the purpose of any financial asset and financial liability that subsequently resulted in a different classification of that asset.

## 28. Notes to the Condensed Consolidated Statement of Comprehensive Income

Total comprehensive income for the current quarter and financial year to date is arrived at after charging/(crediting) the following items:

	<b>Current Quarter 31-Mar-18</b>	<b>Current Year To Date 31-Mar-18</b>
	RM'000	RM'000
Interest income	(5,381)	(18,889)
Other income	(409)	(2,185)
Finance costs	18,310	74,380
Depreciation and amortisation	24,086	97,668
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or loss	-	-
Gain or loss on derivatives	-	-
Exceptional items	-	-

The above disclosure was prepared in accordance with paragraph 16 of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.