

Lingkaran Trans Kota Holdings Berhad (335382-V)

Condensed Consolidated Statements of Financial Position

	As at 30-Jun-18	As at 31-Mar-18
	RM'000	RM'000
Assets		
Non-current assets		
Highway development expenditure ("HDE")	1,327,509	1,350,828
Plant and equipment	2,063	2,238
Other intangible assets	1,359	1,420
Investment in an associate	173,144	174,214
	<u>1,504,075</u>	<u>1,528,700</u>
Current assets		
Sundry receivables	167,488	125,453
Amount due from an associate	1,534	1,349
Investment securities	25,315	25,094
Cash and bank balances	460,004	579,587
	<u>654,341</u>	<u>731,483</u>
Total assets	<u>2,158,416</u>	<u>2,260,183</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	231,062	230,940
Other reserve	5,568	3,573
Retained earnings	643,640	588,404
Total equity	<u>880,270</u>	<u>822,917</u>
Liabilities		
Non-current liabilities		
Deferred revenue	17,442	17,832
Deferred tax liabilities	202,796	204,219
Borrowings	769,401	987,599
Retirement benefit obligations	4,102	3,984
Provision for heavy repairs	11,867	10,713
	<u>1,005,608</u>	<u>1,224,347</u>
Current liabilities		
Provision for heavy repairs	10,397	10,397
Borrowings	220,000	140,000
Sundry payables	27,870	48,950
Income tax payable	14,271	13,572
	<u>272,538</u>	<u>212,919</u>
Total liabilities	<u>1,278,146</u>	<u>1,437,266</u>
Total equity and liabilities	<u>2,158,416</u>	<u>2,260,183</u>

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 2018 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
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
	RM'000	RM'000	RM'000	RM'000
Revenue	126,217	128,974	126,217	128,974
Employee benefits expense	(7,851)	(8,557)	(7,851)	(8,557)
Maintenance expenses	(5,190)	(4,726)	(5,190)	(4,726)
Depreciation and amortisation	(23,568)	(23,914)	(23,568)	(23,914)
Other expenses	(2,284)	(3,060)	(2,284)	(3,060)
	(38,893)	(40,257)	(38,893)	(40,257)
	87,324	88,717	87,324	88,717
Interest income	4,154	3,986	4,154	3,986
Other income	408	206	408	206
Finance costs	(16,721)	(18,725)	(16,721)	(18,725)
Share of results of an associate	(1,070)	(854)	(1,070)	(854)
Profit before tax	74,095	73,330	74,095	73,330
Income tax expense	(18,859)	(18,188)	(18,859)	(18,188)
Profit for the period, representing total comprehensive income	55,236	55,142	55,236	55,142
Basic earnings per share attributable to equity holders of the Company (sen per share)	10.46	10.47	10.46	10.47
Diluted earnings per share attributable to equity holders of the Company (sen per share)	10.46	10.45	10.46	10.45

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 2018 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	Total equity RM'000
	Share capital RM'000	Other reserve RM'000	Retained earnings RM'000	
3 months ended 30 June 2018				
At 1 April 2018	230,940	3,573	588,404	822,917
Total comprehensive income	-	-	55,236	55,236
Transactions with owners				
Issuance of ordinary shares pursuant to ESOS	122	-	-	122
Share options granted under ESOS	-	1,995	-	1,995
Total transactions with owners	122	1,995	-	2,117
At 30 June 2018	231,062	5,568	643,640	880,270
3 months ended 30 June 2017				
At 1 April 2017	222,448	1,341	491,785	715,574
Total comprehensive income	-	-	55,142	55,142
Transactions with owners				
Issuance of ordinary shares pursuant to ESOS	1,607	-	-	1,607
Share options granted under ESOS	-	2,972	-	2,972
Total transactions with owners	1,607	2,972	-	4,579
At 30 June 2017	224,055	4,313	546,927	775,295

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

Lingkaran Trans Kota Holdings Berhad (335382-V)

Condensed Consolidated Statements of Cash Flows

	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-18	30-Jun-17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	74,095	73,330
Adjustments for:		
Amortisation of HDE	23,319	23,654
Amortisation of other intangible assets	60	59
Depreciation of plant and equipment	189	201
Other intangible assets written off	1	-
Gain on disposal of plant and equipment	(3)	-
Share of results of an associate	1,070	854
Deferred revenue recognised	(390)	(390)
Interest income	(1,699)	(2,357)
Distribution from investment securities	(221)	(48)
Profit element and fees on financing activities	14,919	16,753
Unwinding of discount on IMTNs	1,802	1,972
Profit sharing on Islamic investment	(2,455)	(1,629)
Provision for retirement benefits	118	107
Share options granted under ESOS	1,539	2,315
Provision for heavy repairs	2,746	2,491
Operating profit before working capital changes	<u>115,090</u>	<u>117,312</u>
Changes in sundry receivables	(41,152)	(39,648)
Changes in sundry payables	(2,129)	(1,342)
Changes in amount due from an associate	271	2,578
Cash generated from operations	<u>72,080</u>	<u>78,900</u>
Income tax paid	(19,583)	(20,790)
Net cash generated from operating activities	<u>52,497</u>	<u>58,110</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for HDE	(758)	(2,795)
Purchase of plant and equipment	(14)	(4)
Payment for heavy repairs	(1,592)	(1,431)
Purchase of investment securities	(221)	(48)
Interest received	1,538	1,650
Profit sharing on Islamic investment received	1,733	2,520
Distribution received from investment securities	221	48
Proceeds from disposal of plant and equipment	3	-
Net cash generated from/(used in) investing activities	<u>910</u>	<u>(60)</u>

Lingkaran Trans Kota Holdings Berhad (335382-V)

Condensed Consolidated Statements of Cash Flows

	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-18	30-Jun-17
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares via exercise of ESOS	122	1,607
Profit element and fees on financing activities paid	(33,112)	(36,027)
Repayment of IMTN I	(140,000)	(110,000)
Net cash used in financing activities	<u>(172,990)</u>	<u>(144,420)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(119,583)	(86,370)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	579,587	547,054
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>460,004</u>	<u>460,684</u>

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

	As at 30-Jun-18	As at 30-Jun-17
	RM'000	RM'000
Deposits with licensed financial institutions	456,665	458,680
Cash on hand and at banks	3,339	2,004
Cash and cash equivalents at 30 June	<u>460,004</u>	<u>460,684</u>

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 2018 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 Period Ended 30 June 2018

(The figures have not been audited)

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 2018. 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 2018.

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 2018.

On 1 April 2018, the Group and the Company adopted the following Malaysian Financial Reporting Standards (“MFRSs”), Amendments to MFRSs and IC Interpretation mandatory for annual periods beginning on or after 1 January 2018:

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

The adoption of the above 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 Interpretation 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 Interpretation 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 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.

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 2018.

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 27,000 new ordinary shares for cash pursuant to the Company's Employee Share Option Scheme ("ESOS") at exercise prices of RM3.45 and RM4.68 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 are as follows:

3 months ended 30 June 2018

	<u>Highway</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Revenue from external customers	126,217	-	-	126,217
Inter-segment revenue	-	268	(268)	-
Total revenue	<u>126,217</u>	<u>268</u>	<u>(268)</u>	<u>126,217</u>
Result				
Segment results	88,098	(409)	43	87,732
Interest income	3,616	538	-	4,154
Profit from operations	<u>91,714</u>	<u>129</u>	<u>43</u>	<u>91,886</u>
Finance costs	(16,721)	-	-	(16,721)
Share of results of an associate	(1,070)	-	-	(1,070)
Profit before tax	<u>73,923</u>	<u>129</u>	<u>43</u>	<u>74,095</u>
Income tax expense	(18,673)	(186)	-	(18,859)
Profit/(loss) for the period, representing total comprehensive income	<u>55,250</u>	<u>(57)</u>	<u>43</u>	<u>55,236</u>

9. Segment information (Cont'd)

Segment information by business segments are as follows:

3 months ended 30 June 2017

	<u>Highway</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Revenue from external customers	128,974	-	-	128,974
Inter-segment revenue	-	233	(233)	-
Total revenue	<u>128,974</u>	<u>233</u>	<u>(233)</u>	<u>128,974</u>
Result				
Segment results	89,636	(753)	40	88,923
Interest income	2,664	1,322	-	3,986
Profit from operations	92,300	569	40	92,909
Finance costs	(18,725)	-	-	(18,725)
Share of results of an associate	(854)	-	-	(854)
Profit before tax	72,721	569	40	73,330
Income tax expense	(18,025)	(163)	-	(18,188)
Profit for the period, representing total comprehensive income	<u>54,696</u>	<u>406</u>	<u>40</u>	<u>55,142</u>

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

	Highway		Others		Eliminations		Total	
	30-Jun-18	31-Mar-18	30-Jun-18	31-Mar-18	30-Jun-18	31-Mar-18	30-Jun-18	31-Mar-18
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets and liabilities								
Segment assets	1,900,394	2,002,174	139,097	136,948	(54,219)	(53,153)	1,985,272	2,085,969
Investment in an associate	173,144	174,214	-	-	-	-	173,144	174,214
Consolidated total assets	<u>2,073,538</u>	<u>2,176,388</u>	<u>139,097</u>	<u>136,948</u>	<u>(54,219)</u>	<u>(53,153)</u>	<u>2,158,416</u>	<u>2,260,183</u>
Segment liabilities	1,278,246	1,436,347	1,832	1,742	(1,932)	(823)	1,278,146	1,437,266

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

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 2018.

14. Capital commitments

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

	As at 30-Jun-18
	RM'000
Capital expenditure	
Approved and contracted for:	
Highway development expenditure	22
Approved but not contracted for:	
Highway development expenditure	2,610
Total	2,632

15. Income tax expense

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

	Current Quarter 30-Jun-18	Current Year To Date 30-Jun-18
	RM'000	RM'000
Income tax	20,282	20,282
Deferred tax	(1,423)	(1,423)
Total	18,859	18,859

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:

	As at 30-Jun-18	As at 30-Jun-17
	RM'000	RM'000
Secured:		
<u>Long Term Borrowings</u>		
Sukuk Musyarakah Medium Term Notes - IMTN I and IMTN II	769,401	981,684
<u>Short Term Borrowings</u>		
Sukuk Musyarakah Medium Term Notes - IMTN I	220,000	140,000
Total Borrowings	989,401	1,121,684

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:

	3 months ended	
	30-Jun-18	30-Jun-17
	RM'000	RM'000
Repayment during the period	140,000	110,000

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 2018 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

	Current Quarter 30-Jun-18	Immediate Preceding Quarter 31-Mar-18	Changes
	RM'000	RM'000	%
Revenue	126,217	127,872	-1.3%
Profit Before Tax	74,095	72,723	1.9%
Profit After Tax	55,236	52,820	4.6%

(a) Revenue

The Group recorded lower revenue of RM126.217 million in the current quarter as compared to RM127.872 million recorded in the immediate preceding quarter mainly due to:

- (i) Lower traffic volume plying the Lebuhraya Damansara Puchong ("LDP") as a result of additional public holidays declared in connection to the 14th General Election ("GE14"); and
- (ii) Toll discounts of 10% for Class 1 users on GE14 and festives toll discounts of 50% for all Classes for 2 days before Hari Raya Aidilfitri pursuant to directives from the Government.

(b) Profit before tax

The Group however recorded higher profit before tax of RM74.095 million in the current quarter as compared to RM72.723 million recorded in the immediate preceding quarter. The increase in profit before tax in the current quarter is primarily arising from the following:

- (i) Lower operating expenses recorded in the current quarter; and
- (ii) Lower finance cost pursuant to repayment of borrowings in the current quarter.

(c) Profit after tax

The Group achieved profit after tax of RM55.236 million in the current quarter as compared to RM52.820 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
	30-Jun-18	30-Jun-17		30-Jun-18	30-Jun-17	
	RM000	RM000	%	RM000	RM000	%
Revenue	126,217	128,974	-2.1%	126,217	128,974	-2.1%
Profit Before Tax	74,095	73,330	1.0%	74,095	73,330	1.0%
Profit After Tax	55,236	55,142	0.2%	55,236	55,142	0.2%

(a) Revenue

Current quarter/Current year to date

For the current quarter and financial year to date, the Group recorded revenue of RM126.217 million as compared to RM128.974 million recorded in the preceding year corresponding period mainly due to:

- (i) Lower traffic volume plying the LDP as a result of additional public holidays in connection to the GE14; and
- (ii) Toll discounts of 10% for Class 1 users on GE14 and festives toll discounts of 50% for all Classes for 2 days before Hari Raya Aidilfitri pursuant to directives from the Government.

(b) Profit before tax

Current quarter/Current year to date

The Group however recorded slightly higher profit before tax of RM74.095 million in the current quarter and financial year to date as compared to RM73.330 million recorded in the preceding year corresponding period mainly due to lower finance cost pursuant to repayment of borrowings in the current quarter.

(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. Current 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 (Littrak) 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, Littrak 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 Littrak 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 14th 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

On 29 August 2018, the Board of Directors has approved a single tier (exempt from tax) interim dividend of 10 sen per ordinary share for the financial year ending 31 March 2019.

The interim dividend shall be paid at a date to be determined and in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors at the book closure date.

For the preceding year corresponding period, a single tier (exempt from tax) interim dividend of 15 sen per ordinary share was declared.

26. Earnings per share

The basic earnings per share is calculated by dividing the Group's profit for the period, net of tax, attributable to equity holders of the Company of RM55.236 million by the weighted average number of ordinary shares outstanding during the financial period of 527.925 million.

The diluted earnings per share is calculated by dividing the Group's profit for the period, net of tax, attributable to equity holders of the Company of RM55.236 million by the weighted average number of ordinary shares outstanding during the financial period including dilutive potential ordinary shares, of 528.038 million calculated as follows:

	Million shares
Weighted average number of ordinary shares	527.925
Effect of dilution via exercise of ESOS	0.113
Weighted average number of ordinary shares for diluted earnings per share	<u>528.038</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:

	Current Quarter 30-Jun-18	Current Year To Date 30-Jun-18
	RM'000	RM'000
Interest income	(4,154)	(4,154)
Other income	(408)	(408)
Finance costs	16,721	16,721
Depreciation and amortisation	23,568	23,568
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.