

Lingkaran Trans Kota Holdings Berhad (335382-V)

**Condensed Consolidated Statements of Financial Position
As at 31 March 2020**

	As at 31-Mar-20 RM'000	As at 31-Mar-19 RM'000
Assets		
Non-current assets		
Highway development expenditure ("HDE")	1,162,988	1,256,102
Plant and equipment	1,458	2,024
Other intangible assets	1,047	1,256
Investment in an associate	193,895	175,665
	1,359,388	1,435,047
Current assets		
Sundry receivables	121,890	125,328
Amount due from an associate	453	1,189
Tax recoverable	2	9
Investment securities	14,930	14,435
Cash and bank balances	626,796	641,490
	764,071	782,451
Total assets	2,123,459	2,217,498
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	246,555	231,269
Other reserve	6,554	6,215
Retained earnings	821,195	692,521
Total equity	1,074,304	930,005
Liabilities		
Non-current liabilities		
Deferred revenue	14,708	16,270
Deferred tax liabilities	182,821	191,466
Sukuk Musyarakah Medium Term Notes ("IMTNs")	580,741	774,809
Retirement benefit obligations	5,224	4,454
Provision for heavy repairs	19,003	20,209
	802,497	1,007,208
Current liabilities		
Provision for heavy repairs	6,709	8,369
Sukuk Musyarakah Medium Term Notes ("IMTNs")	200,000	220,000
Sundry payables	34,333	38,661
Tax payable	5,616	13,255
	246,658	280,285
Total liabilities	1,049,155	1,287,493
Total equity and liabilities	2,123,459	2,217,498

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

Lingkar Trans Kota Holdings Berhad (335382-V)

**Condensed Consolidated Statements of Comprehensive Income
for the year ended 31 March 2020**

	Individual Period		Cumulative Period	
	Current Year Quarter 31-Mar-20 RM'000	Preceding Year Corresponding Quarter 31-Mar-19 RM'000	Current Year To Date 31-Mar-20 RM'000	Preceding Year Corresponding Period 31-Mar-19 RM'000
Revenue	111,486	126,450	503,844	516,034
Employee benefits expenses	(6,431)	(5,791)	(27,183)	(27,065)
Maintenance expenses	(5,301)	(9,047)	(14,987)	(26,107)
Depreciation and amortisation	(21,273)	(23,808)	(94,134)	(96,110)
Other expenses	(3,187)	(2,876)	(10,913)	(10,285)
	(36,192)	(41,522)	(147,217)	(159,567)
	75,294	84,928	356,627	356,467
Interest income	5,219	6,380	18,934	21,254
Other income	416	316	1,608	1,561
Finance costs	(12,996)	(16,260)	(52,722)	(66,143)
Share of result of an associate	3,049	2,703	18,436	1,451
Profit before tax	70,982	78,067	342,883	314,590
Income tax expense	(16,432)	(18,937)	(80,967)	(78,480)
Profit for the year	54,550	59,130	261,916	236,110
Other comprehensive loss				
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:				
Re-measurement loss on defined benefit plan	(321)	-	(321)	-
Income tax effect	74	-	74	-
Share of other comprehensive loss of an associate	(206)	-	(206)	-
Other comprehensive loss for the year, net of tax	(453)	-	(453)	-
Total comprehensive income for the year	54,097	59,130	261,463	236,110
Earnings Per Share (EPS)				
Basic EPS				
attributable to equity holders of the Company (sen per share)	10.27	11.20	49.39	44.72
Diluted EPS				
attributable to equity holders of the Company (sen per share)	10.26	11.20	49.37	44.72

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 2019 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	Other reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
FY 2020				
<u>12 months ended 31 March 2020</u>				
At 1 April 2019	231,269	6,215	692,521	930,005
Total comprehensive income	-	-	261,463	261,463
Transactions with owners				
Issuance of ordinary shares pursuant to ESOS	13,251	-	-	13,251
Share options granted under ESOS	-	2,374	-	2,374
Share options exercised	2,035	(2,035)	-	-
Dividends	-	-	(132,789)	(132,789)
Total transactions with owners	15,286	339	(132,789)	(117,164)
At 31 March 2020	246,555	6,554	821,195	1,074,304
FY 2019				
<u>12 months ended 31 March 2019</u>				
At 1 April 2018	230,940	3,573	588,404	822,917
Total comprehensive income	-	-	236,110	236,110
Transactions with owners				
Issuance of ordinary shares pursuant to ESOS	290	-	-	290
Share options granted under ESOS	-	2,681	-	2,681
Share options exercised	39	(39)	-	-
Dividends	-	-	(131,993)	(131,993)
Total transactions with owners	329	2,642	(131,993)	(129,022)
At 31 March 2019	231,269	6,215	692,521	930,005

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

Lingkaran Trans Kota Holdings Berhad (335382-V)

**Condensed Consolidated Statements of Cash Flows
for the year ended 31 March 2020**

	<div> <div>Current Year To Date 31-Mar-20</div> <div>RM'000</div> </div>	<div> <div>Preceding Year Corresponding Period 31-Mar-19</div> <div>RM'000</div> </div>
Cash Flows From Operating Activities		
Profit before tax	342,883	314,590
Adjustments for:		
Amortisation of HDE	93,227	94,978
Amortisation of other intangible assets	203	250
Depreciation of plant and equipment	704	882
Plant and equipment written off	7	4
Other intangible assets written off	6	1
Gain on disposal of plant and equipment	(8)	(4)
Share of result of an associate	(18,436)	(1,451)
Deferred revenue recognised	(1,562)	(1,562)
Interest income from fixed deposits	(7,068)	(8,712)
Distribution from investment securities	(495)	(768)
Profit element and fees on IMTNs	46,790	58,933
Unwinding of discount on IMTNs	5,932	7,210
Profit on Islamic investment	(11,866)	(12,542)
Increase/(decrease) in provision for short term accumulating compensated absences	9	(33)
Provision for retirement benefits	547	470
Share options granted under ESOS	1,779	2,068
Provision for heavy repairs	-	10,982
Operating profit before working capital changes	452,652	465,296
Changes in receivables	2,501	1,015
Changes in payables	1,343	(3,416)
Changes in amount due from an associate	1,331	773
Cash generated from operations	457,827	463,668
Income tax paid	(97,170)	(91,559)
Retirement benefits paid	(98)	-
Net cash generated from operating activities	360,559	372,109
Cash Flows From Investing Activities		
Payments for HDE	(111)	(3,569)
Purchase of plant and equipment	(145)	(682)
Purchase of other intangible assets	-	(87)
Payments for heavy repairs	(2,866)	(3,514)
Interest received	7,508	8,515
Profit received from Islamic investment	12,363	11,849
Distribution received from investment securities	495	768
Proceeds from disposal of plant and equipment	8	14
(Purchase)/net proceeds from disposal of investment securities	(495)	10,659
Net cash generated from investing activities	16,757	23,953

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**Condensed Consolidated Statements of Cash Flows
for the year ended 31 March 2020**

	<div> <div>Current Year To Date 31-Mar-20</div> <div>RM'000</div> </div>	<div> <div>Preceding Year Corresponding Period 31-Mar-19</div> <div>RM'000</div> </div>
Cash Flows From Financing Activities		
Proceeds from issuance of ordinary shares via exercise of ESOS	13,251	290
Profit element and fees paid on IMTNs	(52,472)	(62,456)
Dividends paid	(132,789)	(131,993)
Repayment of IMTN I	(220,000)	(140,000)
Net cash used in financing activities	(392,010)	(334,159)
Net changes in cash and cash equivalents	(14,694)	61,903
Cash and cash equivalents at beginning of the year	641,490	579,587
Cash and cash equivalents at end of the year	626,796	641,490

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

Deposits with licensed financial institutions	540,069	637,628
Cash on hand and at banks	86,727	3,862
Cash and cash equivalents at end of the year	626,796	641,490

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

1. Basis of Preparation

The interim financial report 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.

The interim financial report is unaudited and should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2019, which have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and the Companies Act 2016. 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 2019.

2. Changes in Accounting Policies

The accounting policies and presentation adopted for the condensed consolidated interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 March 2019.

On 1 April 2019, the Group and the Company adopted the following standard, amended standards and interpretation mandatory for annual periods beginning on or after 1 January 2019:

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

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

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

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Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

2. Changes in Accounting Policies (Cont'd)

Standards issued but not yet effective

At the date of authorisation of these condensed consolidated interim financial statements, the following new and amended standards 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 2020:

Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3	Business Combinations - Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform

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

MFRS 17	Insurance Contracts
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Effective for annual periods beginning on or after 1 January 2022:

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
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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 new and amended 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 2019.

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Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

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

During the financial period to date, the Company increased its issued and paid up share capital (excluding share premium) from 527,975,618 as at 31 March 2019 to 531,341,618 as at 31 March 2020 by way of issuance of 3,366,000 new ordinary shares pursuant to the exercise of the Employee Share Option Scheme ("ESOS") at exercise prices ranging between RM3.44 and RM4.18 per ordinary share.

There were no cancellations, repurchases, resale of equity securities for the current period to date.

8. Dividend

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

2020	2019
(i) First interim dividend of 10 sen per share (single-tier dividend)	(i) First interim dividend of 10 sen per share (single-tier dividend)
(ii) Second interim dividend of 15 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)

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Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

9. Dividends Paid

	12 months ended 31-Mar-20 RM'000	12 months ended 31-Mar-19 RM'000
<u>First Interim Dividend</u>		
First interim single-tier (exempt from tax) dividend of 10 sen per ordinary share for the financial year ended 31 March 2020 paid on 27 September 2019	53,088	-
(First interim single-tier (exempt from tax) dividend of 10 sen per ordinary share for the financial year ended 31 March 2019 paid on 28 September 2018)	-	52,797
<u>Second Interim Dividend</u>		
Second interim single-tier (exempt from tax) dividend of 15 sen per ordinary share for the financial year ended 31 March 2020 paid on 26 March 2020	79,701	-
(Second interim single-tier (exempt from tax) dividend of 15 sen per ordinary share for the financial year ended 31 March 2019 paid on 28 March 2019)	-	79,196
	<u>132,789</u>	<u>131,993</u>

10. Segment Analysis

	Highway RM'000	Others RM'000	Inter-segment Eliminations RM'000	Total RM'000
12 months ended 31 March 2020				
Revenue				
Revenue from external customers	503,844	-	-	503,844
Inter-segment revenue	-	126,091	(126,091)	-
Total revenue	<u>503,844</u>	<u>126,091</u>	<u>(126,091)</u>	<u>503,844</u>
Results				
Segment results	359,791	123,257	(124,813)	358,235
Interest/profit income	18,079	855	-	18,934
Profit from operations	<u>377,870</u>	<u>124,112</u>	<u>(124,813)</u>	<u>377,169</u>
Finance costs	(52,722)	-	-	(52,722)
Share of result of an associate	18,436	-	-	18,436
Profit before tax	<u>343,584</u>	<u>124,112</u>	<u>(124,813)</u>	<u>342,883</u>
Income tax expense	(80,508)	(459)	-	(80,967)
Profit for the year	<u>263,076</u>	<u>123,653</u>	<u>(124,813)</u>	<u>261,916</u>

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Quarterly Report On Consolidated Results For The Year Ended 31 March 2020

Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

10. Segment Analysis (Cont'd)

	Highway RM'000	Others RM'000	Inter-segment Eliminations RM'000	Total RM'000
12 months ended 31 March 2020 (Cont'd)				
Other comprehensive loss				
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:				
Re-measurement loss on defined benefit plan	(307)	(14)	-	(321)
Income tax effect	74	-	-	74
Share of other comprehensive loss of an associate	(206)	-	-	(206)
Other comprehensive loss for the year, net of tax	(439)	(14)	-	(453)
Total comprehensive income for the year	262,637	123,639	(124,813)	261,463

12 months ended 31 March 2019

Revenue

Revenue from external customers	516,034	-	-	516,034
Inter-segment revenue	-	76,051	(76,051)	-
Total revenue	516,034	76,051	(76,051)	516,034

Results

Segment results	359,047	74,028	(75,047)	358,028
Interest/profit income	19,875	1,379	-	21,254
Profit from operations	378,922	75,407	(75,047)	379,282
Finance costs	(66,143)	-	-	(66,143)
Share of result of an associate	1,451	-	-	1,451
Profit before tax	314,230	75,407	(75,047)	314,590
Income tax expense	(77,913)	(567)	-	(78,480)
Profit for the year, representing total comprehensive income for the year	236,317	74,840	(75,047)	236,110

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(The figures have not been audited)

10. Segment Analysis (Cont'd)

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

	Highway		Others		Inter-segment Eliminations		Total	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets and liabilities								
Segment assets	1,893,185	2,012,346	88,725	82,238	(52,346)	(52,751)	1,929,564	2,041,833
Investment in an associate	193,895	175,665	-	-	-	-	193,895	175,665
Consolidated total assets	2,087,080	2,188,011	88,725	82,238	(52,346)	(52,751)	2,123,459	2,217,498
Segment liabilities	1,048,083	1,286,652	1,228	1,215	(156)	(374)	1,049,155	1,287,493

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.

11. Valuation of Plant and Equipment

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

12. Material Events Subsequent to the Balance Sheet Date

Except for as disclosed in Note 17, there were no material events subsequent to the end of the quarter under review.

13. 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 except for the struck off of the following wholly-owned inactive subsidiaries of the Company, namely-

- (i) Midawasa Sdn Bhd
- (ii) Penyenggaraan Litrak Sdn Bhd
- (iii) Sukma Sinaran Sdn Bhd

from the register of Companies Commission of Malaysia (CCM) with effect from 11 July 2019.

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Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

14. Changes in Contingent Liabilities or Contingent Assets

There are no significant contingent liabilities or contingent assets.

15. Capital Commitments

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

	As at 31-Mar-20 RM'000
Capital expenditure	
Approved and contracted for:	
Highway development expenditure	265
Plant and equipment	218
Approved but not contracted for:	
Highway development expenditure	6,909
Total	7,392

16. Income Tax Expense

	Current Quarter 31-Mar-20 RM'000	Current Year To Date 31-Mar-20 RM'000
Income tax	19,633	89,538
Deferred tax	(3,201)	(8,571)
Total	16,432	80,967

For the current quarter and financial year to date, the Group's effective tax rate (excluding the result 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.

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Quarterly Report On Consolidated Results For The Year Ended 31 March 2020

Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

17. Status of Corporate Proposals

On 21 June 2019, the Company received a Letter of Offer (“LITRAK Offer”) from Minister of Finance Incorporated (“MOF Inc”) in respect of the MOF Inc’s proposed offer to acquire all the securities of Lingkaran Trans Kota Sdn. Bhd. (“LITRAK”), a wholly-owned subsidiary of the Company with a sum equivalent to RM2,470 million less any outstanding indebtedness as at 31 December 2019.

On the same date, Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. (“SPRINT Holdings”), the Company’s 50% associated company, received a Letter of Offer (“SPRINT Offer”) from MOF Inc in respect of the MOF Inc’s proposed offer to acquire all the securities of Sistem Penyuraian Trafik KL Barat Sdn. Bhd. (“SPRINT”), a wholly-owned subsidiary of SPRINT Holdings, with a sum equivalent to RM1,984 million less any outstanding indebtedness as at 31 December 2019.

The LITRAK Offer and SPRINT Offer were subject to the following conditions:

- (a) Satisfactory due diligence findings;
- (b) The approval of the Cabinet of Malaysia;
- (c) The execution of the definitive agreements in respect of LITRAK Offer and SPRINT Offer and adherence to the terms of these offers;
- (d) The requisite approval from the shareholders of the Company for the disposal of the securities held in LITRAK and SPRINT;
- (e) The requisite approval from the shareholders of SPRINT Holdings for the disposal of the securities held in SPRINT; and
- (f) The approval or consent of the creditors of the Company/SPRINT Holdings and/or LITRAK/SPRINT, where applicable.

MOF Inc simultaneously made similar offers to acquire all the securities of Kesas Sdn. Bhd. and Syarikat Mengurus Air Banjir Dan Terowong Sdn. Bhd. (“KESAS Offer” and “SMART Offer”). The LITRAK Offer, SPRINT Offer, KESAS Offer and SMART Offer were inter-conditional upon each other.

On 3 July 2019, the Board of Directors (“BOD”) of the Company and board of directors of SPRINT Holdings accepted the offers and expected to commence negotiations with MOF Inc to finalise the terms and conditions of the definitive agreements and to execute the definitive agreements by 30 August 2019.

MOF Inc, the Company and SPRINT Holdings had, on 29 August 2019, 31 October 2019 and 19 December 2019, mutually agreed to extend:

- The Cut-Off Date to negotiate and finalise the terms of the definitive agreements from 30 August 2019 to 31 October 2019, 31 December 2019 and 29 February 2020, respectively, in respect of the LITRAK Offer and SPRINT Offer; and

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Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

17. Status of Corporate Proposals (Cont'd)

MOF Inc, the Company and SPRINT Holdings had, on 29 August 2019, 31 October 2019 and 19 December 2019, mutually agreed to extend: (Cont'd)

- The Long Stop Date to satisfy the Conditions Precedent and the date of completion was extended from 29 November 2019 and 31 December 2019 to 29 February 2020 and 31 March 2020, respectively. Subsequently, the Long Stop Date to satisfy the Conditions Precedent and the date of Completion was extended to a date to be mutually agreed between MOF Inc, the Company and SPRINT Holdings.

Subsequent to 29 February 2020, a new Federal Government took office. No extension of the Cut-Off Date and the Long Stop Date has been mutually agreed by MOF Inc, the Company and SPRINT Holdings on both the LITRAK Offer and SPRINT Offer. At this juncture, the offers are considered to have lapsed.

18. Group Borrowings and Debt Securities

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

	As at 31-Mar-20 RM'000	As at 31-Mar-19 RM000
Secured:		
<u>Long Term Borrowings</u>		
Sukuk Musyarakah Medium Term Notes		
- IMTN I and IMTN II	580,741	774,809
<u>Short Term Borrowings</u>		
Sukuk Musyarakah Medium Term Notes		
- IMTN I	200,000	220,000
Total Borrowings	780,741	994,809

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.

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Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

18. Group Borrowings and Debt Securities (Cont'd)

The repayment during the period are as follows:

	12 months ended 31-Mar-20 RM'000	12 months ended 31-Mar-19 RM'000
Repayment during the period	220,000	140,000

19. Disclosure of Derivatives

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

20. Material Litigations

There were no pending material litigations. There has been no change in the situation since 31 March 2019 to a date not earlier than 7 days from the date of issue of this announcement.

21. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 31-Mar-20 RM'000	Immediate Preceding Quarter 31-Dec-19 RM'000	Changes %
Revenue	111,486	132,328	-15.8%
Profit Before Tax	70,982	92,770	-23.5%
Profit After Tax	54,550	70,617	-22.8%

(a) Revenue

The Group registered lower revenue of RM111.5 million in the current quarter as compared to RM132.3 million recorded in the immediate preceding quarter following the Government's implementation of Movement Control Order ("MCO") effective from 18 March 2020 to cope with the COVID-19 pandemic. This had adversely affected traffic volume plying the Lebuhraya Damansara Puchong highway ("LDP").

(b) Profit before tax

Similarly, the Group recorded lower profit before tax of RM71.0 million in the current quarter as compared to RM92.8 million recorded in the immediate preceding quarter mainly due to lower toll revenue as mentioned in (a) above.

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Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

21. Comparison with Immediate Preceding Quarter's Results (Cont'd)

(c) Profit after tax

The Group achieved profit after tax of RM54.6 million in the current quarter as compared to RM70.6 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 31-Mar-20	Preceding Year Corresponding Quarter 31-Mar-19	Changes	Current Year To Date 31-Mar-20	Preceding Year Corresponding Period 31-Mar-19	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	111,486	126,450	-11.8%	503,844	516,034	-2.4%
Profit Before Tax	70,982	78,067	-9.1%	342,883	314,590	9.0%
Profit After Tax	54,550	59,130	-7.7%	261,916	236,110	10.9%

(a) Revenue: Current Quarter

For the current quarter, the Group recorded lower revenue of RM111.5 million as compared to RM126.5 million recorded in the preceding year corresponding quarter due to the impact of MCO as mentioned in Note 21(a) above.

(b) Revenue: Current Year to Date

For the current year to date, the Group recorded lower revenue of RM503.8 million as compared to RM516.0 million recorded in the preceding year corresponding period attributable to lower traffic volume plying the LDP as mentioned in Note 21(a) above.

(c) Profit before tax: Current Quarter

For the current quarter, the Group achieved lower profit before tax of RM71.0 million in the current quarter as compared to RM78.1 million recorded in the preceding year corresponding quarter mainly attributable to lower toll revenue as mentioned in Note 21(a) above. However, the impact on profit before tax is mitigated by lower maintenance expenses and lower finance cost pursuant to scheduled repayment of bonds in April 2019.

Explanatory Notes to the Interim Financial Statements

(The figures have not been audited)

22. Review of Performance for the Current Quarter and Financial Year to Date (Cont'd)

(d) Profit before tax: Current Year to Date

The Group achieved higher profit before tax of RM342.9 million in the current year to date as compared to RM314.6 million recorded in the preceding year corresponding period. Despite the lower revenue in the current year, the Group achieved higher profit before tax mainly attributable to the following:

- (i) Lower maintenance expenses;
- (ii) Lower finance cost as mentioned in (c) above; and
- (iii) Share of higher profit in SPRINT Group amounting to RM18.4 million in the current year to date as compared to RM1.5 million recorded in the preceding year corresponding period. The increase in share of profit in SPRINT Group is mainly due to higher recognition of revenue from accrual of government compensation receivable pursuant to the Concession Agreement's scheduled toll rates increase for Penchala Link commencing on 1 January 2019. For the current financial year, the contribution of the aforesaid toll increase was for the full twelve months whilst for the previous financial year, the contribution was only for the period of three months.

(e) 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 Year Prospects

Toll rates increase

The Government had in 2019 announced a freeze in toll rates for all 21 highways which were eligible for an increase in 2019 in order to alleviate the burden of rising living costs of the *Rakyat*. On 9 January 2020, the Government had announced that it will continue to freeze toll rates hikes for all highways which were eligible for increase for calendar year 2020. Accordingly, for the Group, toll rates on LDP and SPRINT Highway will remain unchanged and compensation payable by the Government will be determined in accordance with the provisions of the respective Concession Agreements.

For LDP, as there is no longer any scheduled toll increase until the end of the concession, revenue growth can only be achieved by tollable traffic growth. Similarly for SPRINT Highway-Penchala Link, there is no further scheduled toll increase from 2019 until the end of the concession. However, for SPRINT Highway's Damansara Link and Kerinchi Link, there is still one last scheduled toll rate increase for both toll plazas in 2022. Hence, revenue growth can be expected from both tollable traffic growth and toll rates increases.

23. Next Year Prospects (Cont'd)

Impact of COVID-19 pandemic

On 11 March 2020, the World Health Organisation (WHO) declared COVID-19 a worldwide pandemic. With widespread concerns about the ongoing COVID-19 pandemic, the Government of Malaysia had declared a Movement Control Order ("MCO") from 18 March 2020 to 12 May 2020. The MCO encompasses restriction of movement and assembly nationwide, and closure of all government and private premises except those involved in essential services. The MCO was revised to the Conditional MCO ("CMCO") from 4 May 2020 and was subsequently extended to 9 June 2020 followed by Recovery MCO ("RMCO") up to 31 August 2020.

The Group is allowed to operate its tolled highway operations as an essential services since the commencement of MCO. Up to the date of this report, the Group's revenue has been impacted by the COVID-19 outbreak due to the decrease in traffic volume by approximately 85% during the implementation of MCO but traffic has returned during CMCO and RMCO period, albeit it is still lower than pre MCO levels.

Looking forward, the toll revenue would be affected in the short term as mentioned above offset by lower amortisation of HDE. The Group has sufficient reserves and working capital to meet the debt obligations and operation expenses commitment during this challenging period.

The Group will continue to monitor the development of COVID-19 and have implemented the following measures to mitigate the impact of COVID-19 at the work place:

- Establish Steering Committee and Working Committee to lead and monitor the preventive measures relating to COVID-19
- Compliance with related government agencies' guidelines and standards, for instance, daily body temperature checks, related daily health declaration and monitoring, wearing of facemasks for frontliners, use hand sanitizers, practising new normal of social distancing including flexible work arrangements and conduct virtual meetings, regular disinfections of work place and restrict non-essential travels
- Educate employees on COVID-19 symptoms and personal hygiene awareness and practices

24. Profit Forecast or Profit Guarantees

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

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25. Earnings Per Share

	Current Quarter 31-Mar-20	Current Year To Date 31-Mar-20
Basic		
Profit attributable to equity holders (RM'000)	54,550	261,916
Weighted average number of ordinary shares in issue ('000)	531,321	530,339
Basic earnings per ordinary share (sen)	10.27	49.39
Diluted		
Profit attributable to equity holders (RM'000)	54,550	261,916
Weighted average number of ordinary shares in issue ('000)	531,321	530,339
Effect of dilution via exercise of ESOS ('000)	177	192
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	531,498	530,531
Diluted earnings per ordinary share (sen)	10.26	49.37

26. 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.

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27. 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.

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 31-Mar-20	Current Year To Date 31-Mar-20
	RM'000	RM'000
Interest income	(5,219)	(18,934)
Other income	(416)	(1,608)
Finance costs	12,996	52,722
Depreciation and amortisation	21,273	94,134
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	-	-

The above disclosure was prepared in accordance with paragraph 16 of Appendix 9B of the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad. Except for the above, the rest of the items required for disclosures pursuant to paragraph 16 of MMLR are not applicable to the Group.