

Lingkaran Trans Kota Holdings Berhad
Registration No. 199501006186 (335382-V)

Condensed Consolidated Statements of Financial Position
As at 31 March 2022

	As at 31-Mar-22 RM'000	As at 31-Mar-21 RM'000
Assets		
Non-current assets		
Highway development expenditure ("HDE")	994,222	1,089,518
Plant and equipment	1,278	1,393
Other intangible assets	695	847
Investment in an associate	213,928	216,555
	<u>1,210,123</u>	<u>1,308,313</u>
Current assets		
Sundry receivables	97,417	81,713
Amount due from an associate	1,170	-
Tax recoverable	8	920
Investment securities	2,078	4,672
Cash and bank balances	538,437	621,119
	<u>639,110</u>	<u>708,424</u>
Total assets	<u>1,849,233</u>	<u>2,016,737</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	253,661	252,695
Other reserve	9,576	7,940
Retained earnings	950,009	920,410
Total equity	<u>1,213,246</u>	<u>1,181,045</u>
Liabilities		
Non-current liabilities		
Deferred revenue	10,022	11,584
Deferred tax liabilities	169,479	178,653
Sukuk Musyarakah Medium Term Notes ("IMTNs")	188,349	385,254
Retirement benefit obligations	6,361	5,790
Provision for heavy repairs	22,476	20,307
	<u>396,687</u>	<u>601,588</u>
Current liabilities		
Deferred revenue	1,562	1,562
Amount due to an associate	-	93
Provision for heavy repairs	1,923	4,624
Sukuk Musyarakah Medium Term Notes ("IMTNs")	200,000	200,000
Sundry payables	21,431	27,825
Tax payable	14,384	-
	<u>239,300</u>	<u>234,104</u>
Total liabilities	<u>635,987</u>	<u>835,692</u>
Total equity and liabilities	<u>1,849,233</u>	<u>2,016,737</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Comprehensive Income
for the year ended 31 March 2022

	Individual Period		Cumulative Period	
	Current Year Quarter 31-Mar-22 RM'000	Preceding Year Corresponding Quarter 31-Mar-21 RM'000	Current Year To Date 31-Mar-22 RM'000	Preceding Year Corresponding Period 31-Mar-21 RM'000
Revenue	115,763	99,312	400,932	392,827
Employee benefits expenses	(4,885)	(5,837)	(22,292)	(22,917)
Maintenance expenses	(4,745)	(5,243)	(12,692)	(14,251)
Depreciation and amortisation	(40,657)	(18,943)	(96,068)	(74,462)
Other expenses	(3,042)	(3,025)	(8,649)	(8,672)
	(53,329)	(33,048)	(139,701)	(120,302)
	62,434	66,264	261,231	272,525
Interest income	2,857	2,981	9,611	10,125
Other income	765	1,340	913	1,626
Finance costs	(6,520)	(9,735)	(26,849)	(39,856)
Share of result of an associate	(12,968)	(2,989)	(2,627)	22,660
Profit before tax	46,568	57,861	242,279	267,080
Income tax expense	(23,945)	(15,160)	(79,431)	(61,304)
Profit for the year, representing total comprehensive income for the year	22,623	42,701	162,848	205,776
Earnings Per Share (EPS)				
Basic EPS				
attributable to equity holders of the Company (sen per share)	4.24	8.01	30.56	38.66
Diluted EPS				
attributable to equity holders of the Company (sen per share)	4.24	8.01	30.54	38.63

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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 2022				
<u>12 months ended 31 March 2022</u>				
At 1 April 2021	252,695	7,940	920,410	1,181,045
Total comprehensive income	-	-	162,848	162,848
Transactions with owners				
Issuance of ordinary shares pursuant to ESOS	843	-	-	843
Share options granted under ESOS	-	1,759	-	1,759
Share options exercised	123	(123)	-	-
Dividends	-	-	(133,249)	(133,249)
Total transactions with owners	966	1,636	(133,249)	(130,647)
At 31 March 2022	253,661	9,576	950,009	1,213,246
FY 2021				
<u>12 months ended 31 March 2021</u>				
At 1 April 2020	246,555	6,554	821,195	1,074,304
Total comprehensive income	-	-	205,776	205,776
Transactions with owners				
Issuance of ordinary shares pursuant to ESOS	5,332	-	-	5,332
Share options granted under ESOS	-	2,194	-	2,194
Share options exercised	808	(808)	-	-
Dividends	-	-	(106,561)	(106,561)
Total transactions with owners	6,140	1,386	(106,561)	(99,035)
At 31 March 2021	252,695	7,940	920,410	1,181,045

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Cash Flows
for the year ended 31 March 2022

	Current Year To Date 31-Mar-22 RM'000	Preceding Year Corresponding Period 31-Mar-21 RM'000
Cash Flows From Operating Activities		
Profit before tax	242,279	267,080
Adjustments for:		
Amortisation of HDE	95,400	73,665
Amortisation of other intangible assets	202	197
Depreciation of plant and equipment	466	600
Plant and equipment written off	2	3
Other intangible assets written off	-	3
Gain on disposal of plant and equipment	(31)	(92)
Share of result of an associate	2,627	(22,660)
Deferred revenue recognised	(1,562)	(1,562)
Interest income from fixed deposits	(4,063)	(3,074)
Distribution from investment securities	(61)	(282)
Profit element and other charges on IMTNs	23,754	35,343
Unwinding of discount on IMTNs	3,095	4,513
Profit on Islamic investment	(5,548)	(7,051)
Reversal of provision for doubtful debts	-	(260)
(Decrease)/increase in provision for short term accumulating compensated absences	(41)	198
Provision for retirement benefits	649	598
Share options granted under ESOS	1,329	1,645
Operating profit before working capital changes	358,497	348,864
Changes in receivables	(16,358)	41,142
Changes in payables	(998)	(1,407)
Changes in amount due from/(to) an associate	(833)	1,095
Cash generated from operations	340,308	389,694
Income tax paid	(73,309)	(72,006)
Retirement benefits paid	(78)	(32)
Net cash generated from operating activities	266,921	317,656
Cash Flows From Investing Activities		
Payments for HDE	(104)	(226)
Purchase of plant and equipment	(353)	(538)
Purchase of other intangible assets	(50)	-
Payments for heavy repairs	(532)	(781)
Interest income received from fixed deposits	4,086	2,482
Profit received from Islamic investment	6,179	6,938
Distribution received from investment securities	61	282
Proceeds from disposal of plant and equipment	31	92
Net proceeds from disposal of investment securities	2,594	10,258
Net cash generated from investing activities	11,912	18,507

**Condensed Consolidated Statements of Cash Flows
 for the year ended 31 March 2022**

	Current Year To Date 31-Mar-22 RM'000	Preceding Year Corresponding Period 31-Mar-21 RM'000
Cash Flows From Financing Activities		
Proceeds from issuance of ordinary shares via exercise of ESOS	843	5,332
Profit element and fees paid on IMTNs	(29,109)	(40,611)
Dividends paid	(133,249)	(106,561)
Repayment of IMTNs	(200,000)	(200,000)
Net cash used in financing activities	(361,515)	(341,840)
Net decrease in cash and cash equivalents	(82,682)	(5,677)
Cash and cash equivalents at beginning of the year	621,119	626,796
Cash and cash equivalents at end of the year	538,437	621,119

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

Deposits with licensed financial institutions	367,618	467,748
Cash on hand and at banks	170,819	153,371
Cash and cash equivalents at end of the year	538,437	621,119

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly Report On Consolidated Results
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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 (“MMLR”) 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 2021, 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 2021.

On 2 April 2022, the Company received a conditional letter of offer from Amanat Lebuhraya Rakyat Berhad (“ALR”) in respect of the ALR’s offer to acquire all the securities of LITRAK, a wholly-owned subsidiary of the Company (“LITRAK Offer”).

On the same date, Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. (“SPRINT Holdings”), the Company’s 50% associated company, received a conditional letter of offer from ALR in respect of ALR’s offer to acquire all the securities of SPRINT, a wholly-owned subsidiary of SPRINT Holdings (“SPRINT Offer”).

The details of the corporate proposal are as disclosed in Note 17.

In the event that all conditions for the LITRAK Offer and SPRINT Offer are fully met and the Proposed Disposals are successfully completed, the Group may not have core business other than being an investment holding company (unless a new business is acquired before targeted completion date) and accordingly may become a Cash Company, as defined under Practice Note 16 of the Main Market Listing Requirements. In such circumstances, the Company has a period of 12 months from the date it receives the notice from Bursa Malaysia to regularise its condition.

However, it is the intention of the Board of Directors to distribute the corresponding net proceeds of the Proposed Disposals to the shareholders of the Company.

As at the date of this report, in view that the Proposed Disposals are still ongoing at this juncture and subject to fulfilment of the remaining conditions precedent, the Directors believe that going concern basis of accounting is appropriate.

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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 2021.

On 1 April 2021, the Group and the Company adopted the following amended standards mandatory for annual periods beginning on or after 1 June 2020, 1 January 2021 and 1 April 2021:

Effective for annual periods beginning on or after 1 June 2020:

Amendment to MFRS 16	Covid-19-Related Rent Concessions
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Effective for annual periods beginning on or after 1 January 2021:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
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Effective for annual periods beginning on or after 1 April 2021:

Amendment to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
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The adoption of the above amended standards did not have any material impact on the financial statements of the Group and of the Company.

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 2022:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020

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2. Changes in Accounting Policies (Cont'd)

Standards issued but not yet effective (cont'd)

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: (cont'd)

Effective for annual periods beginning on or after 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 2021.

4. Seasonality and Cyclicity of Operations

There was no significant fluctuation in the seasonality or cyclicity of operations affecting the Group.

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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 532,843,618 as at 31 March 2021 to 533,083,618 as at 31 March 2022 by way of issuance of 240,000 new ordinary shares pursuant to the exercise of the Employee Share Option Scheme (“ESOS”) at exercise prices of RM3.51 and RM3.55 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: -

2022	2021
(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 10 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 20 sen per share (single-tier (exempt from tax) dividend)

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9. Dividends paid

	12 months ended 31-Mar-22 RM'000	12 months ended 31-Mar-21 RM000
<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 2022 paid on 24 September 2021	53,287	-
(First interim single-tier (exempt from tax) dividend of 10 sen per ordinary share for the financial year ended 31 March 2021 paid on 29 September 2020)	-	53,277
<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 2022 paid on 30 March 2022	79,962	-
(Second interim single-tier (exempt from tax) dividend of 10 sen per ordinary share for the financial year ended 31 March 2021 paid on 30 March 2021)	-	53,284
	133,249	106,561

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10. Segment Analysis

	Highway RM'000	Others RM'000	Inter-segment Eliminations RM'000	Total RM'000
12 months ended				
31 March 2022				
Revenue				
Revenue from external customers	400,932	-	-	400,932
Inter-segment revenue	-	135,191	(135,191)	-
Total revenue	400,932	135,191	(135,191)	400,932
Results				
Segment results	263,507	132,422	(133,785)	262,144
Interest/profit income	9,462	149	-	9,611
Profit from operations	272,969	132,571	(133,785)	271,755
Finance costs	(26,849)	-	-	(26,849)
Share of result of an associate	(2,627)	-	-	(2,627)
Profit before tax	243,493	132,571	(133,785)	242,279
Income tax expense	(79,117)	(314)	-	(79,431)
Profit for the year, representing total comprehensive income for the year	164,376	132,257	(133,785)	162,848
12 months ended				
31 March 2021				
Revenue				
Revenue from external customers	392,827	-	-	392,827
Inter-segment revenue	-	70,900	(70,900)	-
Total revenue	392,827	70,900	(70,900)	392,827
Results				
Segment results	275,592	68,398	(69,839)	274,151
Interest/profit income	9,709	416	-	10,125
Profit from operations	285,301	68,814	(69,839)	284,276
Finance costs	(39,856)	-	-	(39,856)
Share of result of an associate	22,660	-	-	22,660
Profit before tax	268,105	68,814	(69,839)	267,080
Income tax expense	(60,995)	(309)	-	(61,304)
Profit for the year, representing total comprehensive income for the year	207,110	68,505	(69,839)	205,776

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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-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets and liabilities								
Segment assets	1,627,284	1,793,738	60,095	58,980	(52,074)	(52,536)	1,635,305	1,800,182
Investment in an associate	213,928	216,555	-	-	-	-	213,928	216,555
Consolidated total assets	1,841,212	2,010,293	60,095	58,980	(52,074)	(52,536)	1,849,233	2,016,737
Segment liabilities	634,729	834,187	1,519	2,013	(261)	(508)	635,987	835,692

The major operating segment of the Group is the 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.

14. Changes in Contingent Liabilities or Contingent Assets

There were no significant contingent liabilities or contingent assets.

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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-22 RM'000
Capital expenditure	
Approved but not contracted for:	
Highway development expenditure	7,509
Total	7,509

16. Income Tax Expense

	Current Quarter 31-Mar-22 RM'000	Current Year To Date 31-Mar-22 RM'000
Income tax	28,892	88,605
Deferred tax	(4,947)	(9,174)
Total	23,945	79,431

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, coupled with higher corporate tax expense due to the implementation of Cukai Makmur by the Government, which is a special one-off tax in the Year of Assessment 2022 as disclosed below:

Impact of the Malaysian Government's Budget 2022 from Cukai Makmur

During the tabling of the Malaysian Government's Budget 2022 on 29 October 2021, the Government has introduced Cukai Makmur ("Prosperity Tax") which is a special one-off tax on companies which have chargeable income above RM100 million in the Year of Assessment ("YA") 2022. The first RM100 million chargeable income will continue to be taxed at the current rate of 24% and amounts in excess of RM100 million taxed at 33%. The implementation of Cukai Makmur will have an impact on the Group due to the chargeable income of a wholly-owned subsidiary of the company, Lingkar Trans Kota Sdn Bhd, exceeding RM100 million for YA 2022. Cukai Makmur has been gazetted in the Finance Act 2021, which was published on 31 December 2021. Accordingly, the Group has made the necessary adjustments in the last quarter and current quarter.

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(The figures have not been audited)

17. Status of Corporate Proposals

Proposed disposal of all the securities in Lingkar Trans Kota Sdn Bhd (“LITRAK”) and Sistem Penyuraian Trafik KL Barat Sdn Bhd (“SPRINT”) to Amanat Lebuhraya Rakyat Berhad (“ALR”) (“Proposed Disposals”)

On 2 April 2022, the Company received a conditional letter of offer from ALR in respect of the ALR’s offer to acquire all the securities of LITRAK, a wholly-owned subsidiary of the Company (“LITRAK Offer”).

On the same date, Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. (“SPRINT Holdings”), the Company’s 50% associated company, received a conditional letter of offer from ALR in respect of ALR’s offer to acquire all the securities of SPRINT, a wholly-owned subsidiary of SPRINT Holdings (“SPRINT Offer”).

Each of the LITRAK Offer and SPRINT Offer (“Offers”) has been given by ALR on a standalone basis and is mutually exclusive from each other.

On 18 April 2022, the Board of Directors of the Company has accepted the LITRAK Offer and the Board of Directors of SPRINT Holdings has also separately accepted the SPRINT Offer.

The Proposed Disposals shall be subject to the following conditions being satisfied prior to the execution of the definitive agreement which shall be executed by 31 July 2022 or such other extended date as may be mutually agreed between the Company/SPRINT Holdings and ALR.

- (a) the completion of due diligence exercise on LITRAK and SPRINT, to the satisfaction of ALR;
- (b) approval by the relevant regulatory authority (including the Government of Malaysia (“GoM”)) for each offer to the satisfaction of ALR;
- (c) execution by LITRAK, SPRINT and the GoM of a supplemental concession agreement based on terms and conditions to be approved by ALR;
- (d) approval of an income tax exemption and stamp duty exemption from GoM (or such relevant government authority) for ALR, LITRAK and SPRINT upon completion of each offer, to the satisfaction of ALR; and
- (e) the requisite shareholders’ approval(s) of the Company and SPRINT Holdings for the disposal of LITRAK and SPRINT respectively in accordance with the terms of the agreed format of the definitive agreement.

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17. Status of Corporate Proposals (Cont'd)

Provided that the definitive agreement has been executed, the Offers as finally agreed and reflected in the definitive agreement shall be subject to the following conditions precedent being satisfied within a certain period from the definitive agreement execution date to be agreed between the Company/SPRINT Holdings and ALR in the definitive agreement:

- (a) evidence that approval from existing lenders of LITRAK/SPRINT and/or the Company/SPRINT Holdings (where relevant) for the refinancing of LITRAK's/SPRINT's and/or the Company's/SPRINT Holdings' indebtedness shall have been obtained; and
- (b) a successful fund-raise by ALR to have all the necessary funds to make all payments required to complete the acquisition in accordance with the terms of the definitive agreement.

As at the date of this report, the Company is in the midst of finalising the terms and conditions of the definitive agreement with ALR. The status of fulfilment of the conditions precedent is still ongoing and the Proposed Disposals are yet to complete.

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-22	As at 31-Mar-21
	RM'000	RM'000
Secured:		
<u>Long Term Borrowings</u>		
Sukuk Musyarakah Medium Term Notes - IMTN I and IMTN II	188,349	385,254
<u>Short Term Borrowings</u>		
Sukuk Musyarakah Medium Term Notes - IMTN I and IMTN II	200,000	200,000
Total Borrowings	388,349	585,254

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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 (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-22 RM'000	12 months ended 31-Mar-21 RM'000
Repayment during the period	200,000	200,000

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 2021 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-22 RM'000	Immediate Preceding Quarter 31-Dec-21 RM'000	Changes %
Revenue	115,763	120,574	-4.0%
Profit Before Tax	46,568	94,363	-50.7%
Profit After Tax	22,623	64,820	-65.1%

(a) Revenue

The Group recorded lower revenue of RM115.8 million as compared to RM120.6 million registered in the last quarter mainly due to the decrease in toll revenue arising from lower traffic volume plying the Lebuhraya Damansara Puchong highway ("LDP") during the festive holidays in the current quarter. The surge in COVID-19 cases attributable to new Omicron variant in the current quarter also adversely affected tollable traffic volume plying the LDP.

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

(b) Profit before tax

Similarly, the Group recorded significantly lower profit before tax of RM46.6 million in the current quarter as compared to RM94.4 million recorded in the immediate preceding quarter mainly due to the following:

- (i) Lower revenue as mentioned in (a) above,
- (ii) Higher amortisation of highway development expenditure (HDE) recognised by Lingkar Trans Kota Sdn Bhd, a subsidiary company of the Group based on the latest toll traffic volume projections prepared by an independent traffic consultant; and
- (iii) Share of loss in SPRINT Group amounting to RM13.0 million in the current quarter as compared to share of profit of RM12.0 million recorded in the immediate preceding quarter. SPRINT Group recorded loss in the current quarter mainly due to lower revenue recognised and higher amortisation of HDE recognised based on the latest toll traffic volume projections prepared by an independent traffic consultant in the current quarter.

(c) Profit after tax

The Group recorded lower profit after tax of RM22.6 million in the current quarter as compared to RM64.8 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-22 RM'000	Preceding Year Corresponding Quarter 31-Mar-21 RM000	Changes %	Current Year To Date 31-Mar-22 RM'000	Preceding Year Corresponding Period 31-Mar-21 RM000	Changes %
Revenue	115,763	99,312	16.6%	400,932	392,827	2.1%
Profit Before Tax	46,568	57,861	-19.5%	242,279	267,080	-9.3%
Profit After Tax	22,623	42,701	-47.0%	162,848	205,776	-20.9%

(a) Revenue: Current Quarter

For the current quarter, the Group recorded higher revenue of RM115.8 million as compared to RM99.3 million recorded in the corresponding quarter last year. The Group recorded higher tollable traffic volume in the current quarter due to more relaxed movement restrictions implemented during National Recovery Plan ("NRP") Phase 4. Whereas for the same period last year, the Government imposed Conditional Movement Control Order 2 ("CMCO 2"), CMCO 3 and MCO 2 which had a tighter travel restrictions as compared to NRP Phase 4 in the current quarter.

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

(b) Revenue: Current Year to Date

Various phases of travel restrictions were implemented by the Government in the current year and as well as last year. For the current year to date, the Group recorded higher revenue of RM400.9 million as compared to RM392.8 million recorded in the corresponding period last year.

Higher tollable traffic volume in the current year is due to easing of travel restrictions and interstate travel which is allowed from 11 October 2021 for fully vaccinated individuals. From 18 October 2021, Selangor, Kuala Lumpur and Putrajaya has moved to Phase 4 of the NRP and the whole of Malaysia moved to Phase 4 of the NRP from 3 January 2022 to 31 March 2022.

(c) Profit before tax: Current Quarter

The Group recorded lower profit before tax of RM46.6 million in the current quarter as compared to RM57.9 million in the corresponding quarter last year. The drop in profit before tax in the current quarter mainly due to the following:

- (i) Higher amortisation of HDE as mentioned in Note 21(b)(ii) above; and
- (ii) Higher loss in SPRINT Group of RM10.0 million mainly due to higher amortisation of HDE as mentioned in Note 21(b)(iii) above.

However, the impact on profit before tax was mitigated by higher revenue as mentioned in (a) above and lower finance cost pursuant to scheduled repayment of bonds in April 2021.

(d) Profit before tax: Current Year to Date

Similarly, the Group recorded lower profit before tax of RM242.3 million in the current year as compared to RM267.1 million in the same period last year as a result of the higher amortisation of HDE as mentioned in (c) above and share of loss in SPRINT Group amounting to RM2.6 million in the current year as compared to share of profit of RM22.7 million recorded in the last year. However, the impact on profit before tax was mitigated by improved revenue as mentioned in (b) above and lower finance cost pursuant to scheduled repayment of bonds in April 2021.

(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 and higher income tax expense resulting from the impact of Cukai Makmur as mentioned in Note 16 above.

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23. Next Year Prospects

Toll rates increase

On 2 March 2022, the Government had announced that it will continue to freeze toll rates hikes for all highways which were eligible for increase in calendar year 2022. Accordingly, for the Group, toll rates on Lebuhraya Damansara-Puchong highway ("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 further scheduled toll increases until the end of the concession, revenue growth can only be achieved by tollable traffic growth. Similarly for SPRINT Highway, there is no further scheduled toll increase for Penchala Link from 2019 until the end of the concession; and Damansara Link and Kerinchi Link from 1 January 2022 until the end of the concession. Hence, revenue growth can only be achieved from tollable traffic growth.

Impact of COVID-19 pandemic

The Government had implemented Movement Control Order ("MCO") on 18 March 2020, to cope with COVID-19 pandemic. The Government had implemented various phases of Movement Control Order ("MCO") including Conditional MCO ("CMCO") in Selangor from the beginning of the financial year. This was revised to Full MCO ("FMCO") on 1 June 2021 due to resurgence of COVID-19 cases. Following the introduction of National Recovery Plan ("NRP") on 15 June 2021 by the Government and the improvement of capacity of public health system coupled with increase in vaccination rate, the economic activities were gradually re-opened and the relaxing of MCO containment measures had boosted the economic recovery momentum.

The Government has announced Malaysia began its transition to the endemic phase of COVID-19 on 1 April 2022, with all restrictions on business operating hours removed. Interstate travel is allowed for all regardless of their vaccination status. The transition to the endemic phase is an exit strategy that would allow Malaysians to return to near-normal life after nearly two years of battling the pandemic. With the removal of movement restrictions and resumption of economic activities, LDP highway has registered positive recovery of tollable traffic volumes, albeit still slightly below pre-MCO levels.

The Group is of the view that the tollable traffic will return to pre-MCO level with the normalizing of current conditions to the endemic phase.

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23. Next Year Prospects (Cont'd)

Proposed Disposals of LITRAK and SPRINT

As disclosed in Note 17, the Company is in the midst of finalising the terms and conditions of the definitive agreement with ALR. The status of fulfilment of the conditions precedent is still ongoing and the Proposed Disposals are yet to complete.

In the event that all conditions for the LITRAK Offer and SPRINT Offer are fully met and the Proposed Disposals are successfully completed, the Group may not have core business other than being an investment holding company (unless a new business is acquired before targeted completion date) and accordingly may become a Cash Company, as defined under Practice Note 16 of the Main Market Listing Requirements. In such circumstances, the Company has a period of 12 months from the date it receives the notice from Bursa Malaysia to regularise its condition.

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. Earnings Per Share

	Current Quarter 31-Mar-22	Current Year To Date 31-Mar-22
Basic		
Profit attributable to equity holders (RM'000)	22,623	162,848
Weighted average number of ordinary shares in issue ('000)	532,940	532,876
Basic earnings per ordinary share (sen)	4.24	30.56
Diluted		
Profit attributable to equity holders (RM'000)	22,623	162,848
Weighted average number of ordinary shares in issue ('000)	532,940	532,876
Effect of dilution via exercise of ESOS ('000)	482	417
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	533,422	533,293
Diluted earnings per ordinary share (sen)	4.24	30.54

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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.

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 MMLR of Bursa Malaysia Securities Berhad.

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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-22	Current Year To Date 31-Mar-22
	RM'000	RM'000
Interest income	(2,857)	(9,611)
Other income	(765)	(913)
Finance costs	6,520	26,849
Depreciation and amortisation	40,657	96,068
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 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.