

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

Condensed Consolidated Statements of Financial Position
As at 31 December 2022

	As at 31-Dec-22 RM'000	As at 31-Mar-22 RM'000
Assets		
Cash and bank balances	204,052	538,437
Investment securities	2,115	2,078
Sundry receivables	75,506	97,417
Amount due from an associate	-	1,170
Tax recoverable	-	8
Investment in an associate	-	213,928
Assets held for distribution	-	-
Plant and equipment	5	1,278
Highway development expenditure ("HDE")	-	994,222
Other intangible assets	-	695
Total assets	281,678	1,849,233
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	285,007	253,661
Other reserve	9,576	9,576
(Accumulated losses)/Retained earnings	(15,829)	950,009
Total equity	278,754	1,213,246
Liabilities		
Sukuk Musyarakah Medium Term Notes ("IMTNs")	-	388,349
Sundry payables	566	21,431
Provision for heavy repairs	-	24,399
Retirement benefit obligations	529	6,361
Tax payable	1,829	14,384
Deferred revenue	-	11,584
Deferred tax liabilities	-	169,479
Total liabilities	2,924	635,987
Total equity and liabilities	281,678	1,849,233

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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

Condensed Consolidated Statements of Comprehensive Income
for the period ended 31 December 2022

	Individual Period		Cumulative Period	
	Current Year Quarter 31-Dec-22 RM'000	Preceding Year Corresponding Quarter 31-Dec-21 RM'000	Current Year To Date 31-Dec-22 RM'000	Preceding Year Corresponding Period 31-Dec-21 RM'000
Revenue	126,221	120,574	378,961	285,169
Employee benefits expenses	(1,287)	(4,924)	(12,842)	(17,407)
Maintenance expenses	(469)	(3,271)	(6,151)	(7,947)
Depreciation and amortisation	(99)	(23,636)	(39,641)	(55,411)
Other expenses	(571)	(1,993)	(6,823)	(5,607)
	(2,426)	(33,824)	(65,457)	(86,372)
	123,795	86,750	313,504	198,797
Interest income	7,794	2,232	11,971	6,754
Other income	80	53	687	148
Gain on disposal of a subsidiary company (Note 1)	1,135,570	-	1,135,570	-
Reversal of share of losses upon redemption of preference shares in an associate	114,999	-	114,999	-
Finance costs	(429)	(6,648)	(7,446)	(20,329)
Share of result of an associate	-	11,976	(6,927)	10,341
Profit before tax	1,381,809	94,363	1,562,358	195,711
Income tax expense	(10,566)	(29,543)	(52,999)	(55,486)
Profit for the period, representing total comprehensive income for the period	1,371,243	64,820	1,509,359	140,225
Earnings Per Share (EPS)				
Basic EPS				
attributable to equity holders of the Company (sen per share)	253.33	12.16	279.63	26.32
Diluted EPS				
attributable to equity holders of the Company (sen per share)	253.33	12.15	279.63	26.30

Note 1:

The gain on disposal of a subsidiary company relates to the disposal of LITRAK and is arrived at after deducting from the disposal consideration the net assets of LITRAK as of 12 October 2022.

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Changes in Equity

	← Non-distributable →		Distributable	
	Share capital RM'000	Other reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	Total equity RM'000
FY 2023				
<u>9 months ended 31 December 2022</u>				
At 1 April 2022	253,661	9,576	950,009	1,213,246
Total comprehensive income	-	-	1,509,359	1,509,359
Transactions with owners				
Issuance of ordinary shares pursuant to ESOS	31,346	-	-	31,346
Dividends	-	-	(2,475,197)	(2,475,197)
Total transactions with owners	31,346	-	(2,475,197)	(2,443,851)
At 31 December 2022	285,007	9,576	(15,829)	278,754
FY 2022				
<u>9 months ended 31 December 2021</u>				
At 1 April 2021	252,695	7,940	920,410	1,181,045
Total comprehensive income	-	-	140,225	140,225
Transactions with owners				
Issuance of ordinary shares pursuant to ESOS	88	-	-	88
Share options granted under ESOS	-	1,895	-	1,895
Dividends	-	-	(53,287)	(53,287)
Total transactions with owners	88	1,895	(53,287)	(51,304)
At 31 December 2021	252,783	9,835	1,007,348	1,269,966

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

Lingkaran Trans Kota Holdings Berhad
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Condensed Consolidated Statements of Cash Flows
for the period ended 31 December 2022

Current Year To Date 31-Dec-22	Preceding Year Corresponding Period 31-Dec-21
RM'000	RM'000

Cash Flows From Operating Activities

Profit before tax	1,562,358	195,711
Adjustments for:		
Amortisation of HDE	39,420	54,934
Amortisation of other intangible assets	80	148
Depreciation of plant and equipment	141	329
Plant and equipment written off	-	2
Gain on disposal of plant and equipment	-	(29)
Share of result of an associate	6,927	(10,341)
Deferred revenue recognised	(831)	(1,171)
Interest income from fixed deposits	(2,397)	(2,751)
Distribution from investment securities	(37)	(52)
Profit element and other charges on IMTNs	6,601	18,008
Unwinding of discount on IMTNs	845	2,321
Profit on Islamic investment	(9,574)	(4,003)
Provision for retirement benefits	356	487
Dividend income from an associate	(109,500)	-
Gain on disposal of a subsidiary company	(1,135,570)	-
Reversal of share of losses upon redemption of preference shares in an associate	(114,999)	-
Share options granted under ESOS	-	1,426
Operating profit before working capital changes	<u>243,820</u>	<u>255,019</u>
Changes in receivables	37,998	(88,938)
Changes in payables	(5,513)	(2,327)
Changes in amount due from an associate	374	(795)
Cash generated from operations	<u>276,679</u>	<u>162,959</u>
Income tax paid	(48,083)	(39,321)
Retirement benefits paid	-	(78)
Net cash generated from operating activities	<u>228,596</u>	<u>123,560</u>

Cash Flows From Investing Activities

Payments for HDE	-	(79)
Purchase of plant and equipment	(264)	(247)
Purchase of other intangible assets	(13)	-
Interest income received from fixed deposits	3,146	1,810
Profit received from Islamic investment	9,363	4,025
Distribution received from investment securities	37	52
Proceeds from disposal of plant and equipment	-	29
(Purchase)/net proceeds from disposal of investment securities	(37)	2,604
Proceeds from disposal of a subsidiary company	1,654,449	-
Redemption of preference shares in an associate	322,000	-
Dividend received from an associate	109,500	-
Net cash generated from investing activities	<u>2,098,181</u>	<u>8,194</u>

**Condensed Consolidated Statements of Cash Flows
 for the period ended 31 December 2022**

Current Year To Date 31-Dec-22	Preceding Year Corresponding Period 31-Dec-21
RM'000	RM'000

Cash Flows From Financing Activities

Proceeds from issuance of ordinary shares via exercise of ESOS	31,346	88
Profit element and fees paid on IMTNs	(17,311)	(29,083)
Dividends paid	(2,475,197)	(53,287)
Repayment of IMTNs	(200,000)	(200,000)
Net cash used in financing activities	(2,661,162)	(282,282)
Net decrease in cash and cash equivalents	(334,385)	(150,528)
Cash and cash equivalents at beginning of the year	538,437	621,119
Cash and cash equivalents at end of the period	204,052	470,591

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

Deposits with licensed banks and financial institutions (Note 1)	203,432	335,576
Cash on hand and at banks	620	135,015
Cash and cash equivalents at end of the period	204,052	470,591

Note 1: Included in the deposits with licensed banks and financial institutions, is an amount of RM187.4 million, representing 92% of its cash and cash equivalents (including existing cash balance and the consideration arising from the disposal) with a financial institution licensed by Bank Negara Malaysia and operated by MTrustee Berhad in compliance with Paragraph 8.03(4) of the Main Market Listing Requirements.

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly Report On Consolidated Results
For The Period Ended 31 December 2022

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 2022, 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 2022.

On 2 April 2022, the Company received a Conditional Letter of Offer (“CLOO”) from Amanat Lebuhraya Rakyat Berhad (“ALR”) in respect of the ALR’s offer to acquire all the securities of Lingkar Trans Kota Sdn Bhd (“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 CLOO from ALR in respect of ALR’s offer to acquire all the securities of Sistem Penyuraian Trafik KL Barat Sdn Bhd (“SPRINT”), a wholly-owned subsidiary of SPRINT Holdings (“SPRINT Offer”).

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

All the conditions prior to the execution of Finalised SSPAs as set out in the respective CLOOs has been fulfilled on 5 August 2022. Accordingly, on the even date, the Company and SPRINT Holdings had entered into the respective Finalised SSPAs with ALR for the Proposed Disposals. The Proposed disposals were completed on 13 October 2022.

As of 31 July 2022, the disposal group was available for immediate sale in its present condition through the acceptance of ALR’s offer by the Board of Directors of the Company on 18 April 2022. The Company had announced the disposal of LITRAK and had obtained approvals from its shareholders on 5 August 2022 and had expected to complete the disposal within 12 months from 31 July 2022. As the disposal meets the criteria set out in MFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the assets and liabilities directly associated with LITRAK and SPRINT Holdings shall be classified as held for sale/ distribution and measured at lower of its carrying amount or fair value less cost to sell in the Company’s consolidated financial statements. Upon the completion of the disposal on 13 October 2022, LITRAK ceased to be a subsidiary of the Company, and the Group shall derecognise the assets and liabilities of LITRAK in the Group’s consolidated financial statements.

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1. Basis of Preparation (Cont'd)

As a result, the Company does not have any core business other than being an investment holding company and accordingly the Company has become a Cash Company, as defined under Practice Note 16 of the MMLR. In such circumstances, the Company has a period of 12 months from the date it received the notice from Bursa Malaysia to regularise its condition. However, it is not the intention of the Company to maintain its listing status and the Company has no intention to regularise the Company's financial condition pursuant to Paragraphs 8.03 and/or 8.03A of the MMLR. Accordingly the Board intends to distribute the disposal proceeds to the shareholders of the Company by way of special cash dividend and/or capital repayment. If the proposed distribution by way of capital repayment is not approved or carried out, the Board will consider other available options to return the disposal proceeds to the shareholders of the Company through a proposal to voluntarily wind up the Company. If the proposed distribution by way of capital repayment is approved and carried out, the Board will apply to Bursa Securities for the voluntary withdrawal of the Company from the Main Market of Bursa Securities after the completion of the proposed distribution. The Company will make the appropriate announcements on any material developments on the proposed distribution pursuant to the MMLR and obtain shareholders' approval at an Extraordinary General Meeting, where applicable.

Accordingly, the quarterly report on the consolidated results for the period ended 31 December 2022 have been prepared on a basis other than going concern. Where appropriate, the carrying values of the assets are written down to their realisable values and liabilities are recorded to the extent that such costs were committed at the end of the reporting period. All assets and liabilities have been classified as current and are expected to be realised within 12 months except for tax payable.

Further details of the corporate proposal are disclosed in Note 17.

The Group presents their consolidated statement of financial position in the order of liquidity and voluntarily presents for comparative amounts.

The financial statements are presented in Ringgit Malaysia ("RM") and all values rounded to the nearest thousand (RM'000) except when otherwise indicated.

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 2022.

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2. Changes in Accounting Policies (Cont'd)

On 1 April 2022, the Group adopted the following amended standards mandatory for annual periods beginning on or after 1 January 2022:

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

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

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:

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 for annual periods beginning on or after 1 January 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

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2. Changes in Accounting Policies (Cont'd)

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 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 2022.

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

Other than the disposal of LITRAK and SPRINT, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current quarter and financial period 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 period to date.

7. Debt and Equity Securities

During the financial period to date, the Company increased its issued and paid-up share capital from 533,083,618 ordinary shares as at 31 March 2022 to 541,618,618 ordinary shares as at 31 December 2022 by way of issuance of 8,535,000 new ordinary shares pursuant to the exercise of the Employee Share Option Scheme ("ESOS") at exercise prices ranging from RM3.33 to RM4.68 per ordinary share.

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

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8. Dividend

During the financial period ended 31 December 2022, on 25 October 2022, the Board of Directors has approved a single-tier (exempt from tax) special dividend of RM4.57 per ordinary share for the financial year ending 31 March 2023.

The special dividend was paid on 17 November 2022 and in respect of deposited securities, entitlement to dividend was determined on the basis of the record of depositors at the book closure date.

In the previous year corresponding quarter, the Board of Directors had approved a second single-tier (exempt from tax) interim dividend of 15 sen per ordinary share.

The total dividend per ordinary share for the current financial year to date ending 31 March 2023 is RM4.57. For the preceding year corresponding period, a total single-tier (exempt from tax) dividend of 10 sen per ordinary share was declared.

9. Dividends paid

	9 months ended 31-Dec-22 RM'000	9 months ended 31-Dec-21 RM'000
<u>Interim Dividends</u>		
Single-tier (exempt from tax) special dividend of RM4.57 per ordinary share for the financial year ending 31 March 2023 was paid on 17 November 2022	2,475,197	-
Interim single-tier (exempt from tax) dividend of 10 sen per ordinary share for the financial year ended 31 March 2022 was paid on 24 September 2021	-	53,287
	2,475,197	53,287

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10. Segment Analysis

	Highway RM'000	Others RM'000	Inter-segment Eliminations RM'000	Total RM'000
9 months ended 31 December 2022				
Revenue				
Revenue from external customers	269,461	-	-	269,461
Inter-segment revenue	-	503,755	(394,255)	109,500
Total revenue	<u>269,461</u>	<u>503,755</u>	<u>(394,255)</u>	<u>378,961</u>
Results				
Segment results	208,222	2,293,812	(937,274)	1,564,760
Interest/profit income	4,036	7,935	-	11,971
Profit from operations	<u>212,258</u>	<u>2,301,747</u>	<u>(937,274)</u>	<u>1,576,731</u>
Finance costs	(7,446)	-	-	(7,446)
Share of result of an associate	<u>(6,927)</u>	<u>-</u>	<u>-</u>	<u>(6,927)</u>
Profit before tax	197,885	2,301,747	(937,274)	1,562,358
Income tax expense	<u>(50,998)</u>	<u>(2,001)</u>	<u>-</u>	<u>(52,999)</u>
Profit for the period, representing total comprehensive income for the period	<u>146,887</u>	<u>2,299,746</u>	<u>(937,274)</u>	<u>1,509,359</u>
9 months ended 31 December 2021				
Revenue				
Revenue from external customers	285,169	-	-	285,169
Inter-segment revenue	-	54,795	(54,795)	-
Total revenue	<u>285,169</u>	<u>54,795</u>	<u>(54,795)</u>	<u>285,169</u>
Results				
Segment results	199,967	52,854	(53,876)	198,945
Interest/profit income	6,681	73	-	6,754
Profit from operations	<u>206,648</u>	<u>52,927</u>	<u>(53,876)</u>	<u>205,699</u>
Finance costs	(20,329)	-	-	(20,329)
Share of result of an associate	<u>10,341</u>	<u>-</u>	<u>-</u>	<u>10,341</u>
Profit before tax	196,660	52,927	(53,876)	195,711
Income tax expense	<u>(55,287)</u>	<u>(199)</u>	<u>-</u>	<u>(55,486)</u>
Profit for the period, representing total comprehensive income for the period	<u>141,373</u>	<u>52,728</u>	<u>(53,876)</u>	<u>140,225</u>

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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-Dec-22	31-Mar-22	31-Dec-22	31-Mar-22	31-Dec-22	31-Mar-22	31-Dec-22	31-Mar-22
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets and liabilities								
Segment assets	-	1,627,284	282,203	60,095	(525)	(52,074)	281,678	1,635,305
Investment in an associate	-	213,928	-	-	-	-	-	213,928
Consolidated total assets	-	1,841,212	282,203	60,095	(525)	(52,074)	281,678	1,849,233
Segment liabilities	-	634,729	3,056	1,519	(132)	(261)	2,924	635,987

The major operating segment of the Group has been the highway business. Explanatory comment on the performance of the Group's operations 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 as disclosed in Note 14 and 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 Proposed Disposals which has been completed as disclosed in Note 17.

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14. Changes in Contingent Liabilities or Contingent Assets

There were no significant contingent liabilities or contingent assets other than pursuant to the disposal of LITRAK, the Company is liable for any breach of Vendor's warranties for a period of 13 months from 31 December 2021 to 31 January 2023. On 31 January 2023, the Company has agreed to grant ALR up to 28 February 2023 for ALR to finalise and submit their claims (if any) against Vendor's Warranties.

On 24 February 2023, ALR notified the Company of the Warranty Claims for a sum of RM10.1 million. Accordingly, the aggregate liability of the Company as the Vendor shall in no event exceed the Warranty Claim of RM10.1 million.

15. Capital Commitments

There were no capital commitments in the current quarter and financial year to date.

16. Income Tax Expense

	Current Quarter 31-Dec-22 RM'000	Current Period To Date 31-Dec-22 RM'000
Current income tax	12,066	61,733
Deferred tax	(1,500)	(8,734)
Total	10,566	52,999

For the current quarter and financial period to date, the Group's effective tax rate (excluding the results of an associate which is equity accounted net of tax) is lower than the statutory tax rate. The Group recorded a lower income tax expense for the current quarter and financial period to date as a result of the completion of disposal of LITRAK as the gain on disposal is non-taxable.

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Explanatory Notes to the Interim Financial Statements
(The figures have not been audited)

17. Status of Corporate Proposals

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”) (“Disposals”)

On 3 October 2022, the Company, SPRINT Holdings and ALR had mutually agreed to extend the Long Stop Date up until 31 October 2022 for the remaining conditions precedent to be satisfied, being the successful fund-raise by ALR to make all payments required to be made to the Company and SPRINT Holdings.

On 13 October 2022, the respective Finalised SSPA's has become unconditional following the fulfilment of the conditions precedent and the Disposals were completed on the even date. The completion amount has been received by the Company for all securities in LITRAK.

In relation to the disposal of LITRAK, a retention sum of RM17.2 million has been retained by ALR as the purchaser and will be retained until the end of the warranty period on 31 January 2023. The Company had on 31 January 2023 granted ALR an extension until 28 February 2023 to finalise and submit claims (if any) against Vendor's Warranties. On 24 February 2023, ALR notified the Company of the Warranty Claims for a sum of RM10.1 million. Pending the resolution of the Warranty Claims in accordance with the Finalised SSPA, ALR has paid the Company the Net Retention Sum of RM7.3 million (inclusive of interest) on 28 February 2023.

In addition, an amount of RM57.8 million remains outstanding from the Government of Malaysia for imposition of toll rates lower than scheduled toll rates in the Concession Agreement.

Pursuant to the completion of the Disposals on 13 October 2022, LITRAK has ceased to be a subsidiary of the Company and SPRINT has ceased to be a subsidiary of SPRINT Holdings and an indirect associate company of the Company. The Group recognised a gain on disposal of LITRAK of RM1,136 million.

Upon the completion of the disposal of SPRINT, an indirect associate of the Company, the board of SPRINT Holdings intends to distribute the disposal proceeds to its shareholders. As the carrying amount of the investment in an associate, SPRINT Holdings, will be recovered principally through distributions rather than through continuing use, this meets the criteria set out in MFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the investment in an associate shall be classified as an asset held for distribution and measured at lower of its carrying amount or fair value less cost to sell in the Company's consolidated financial statements.

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(The figures have not been audited)

17. Status of Corporate Proposals (Cont'd)

Following the disposal of SPRINT by SPRINT Holdings, SPRINT Holdings carried out a full redemption of its preference shares of which the Company has been paid for its share amounting to RM322 million and subsequently the Company recognised a reversal of share of losses upon redemption of preference shares in SPRINT Holdings. The Company has also received a dividend income of RM109.5 million from SPRINT Holdings. Further details of the investment in an associate, SPRINT Holdings are disclosed in Note 29.

The Company has been classified as a Cash Company pursuant to Paragraph 8.03(1) of the MMLR upon the completion of the Disposals.

The Company had on 25 October 2022 announced a Special Dividend of RM4.57 per ordinary share which was paid on 17 November 2022. Subsequently, the Company will distribute the remaining cash in the Company via a capital repayment exercise. The capital repayment exercise will be subject to, amongst others, the approval of our shareholders and the order by the High Court of Malaya confirming the capital repayment exercise being obtained. The capital repayment exercise is expected to be completed within twelve (12) months from 13 October 2022 (completion date of the Disposals).

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-Dec-22 RM'000	As at 31-Dec-21 RM'000
Secured:		
<u>Long Term Borrowings</u>		
Sukuk Musyarakah Medium Term Notes		
- IMTN I and IMTN II	-	187,575
<u>Short Term Borrowings</u>		
Sukuk Musyarakah Medium Term Notes		
- IMTN I and IMTN II	-	200,000
	-	387,575
Less: Liabilities directly associated with assets classified as held for sale	-	-
Total Borrowings	-	387,575

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.

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

The Group borrowings are denominated in Ringgit Malaysia.

The repayment during the period are as follows:

	9 months ended 31-Dec-22	9 months ended 31-Dec-21
	RM'000	RM'000
Repayment during the period	200,000	200,000

Upon completion of the disposal of LITRAK, the IMTN I and IMTN II have been fully settled on 13 October 2022.

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 2022 to a date not earlier than 7 days from the date of issue of this announcement.

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21. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 31-Dec-22	Immediate Preceding Quarter 30-Sep-22	Changes
	RM'000	RM'000	%
Revenue	126,221	128,114	-1.5%
Profit Before Tax	1,381,809	102,700	1245.5%
Profit After Tax	1,371,243	81,197	1588.8%

(a) Revenue

The Group recorded a lower revenue by RM1.9 million in the current quarter as compared to the last quarter due to the decrease in toll revenue upon the disposal of LITRAK to ALR, offset by dividend income from SPRINT Holdings.

(b) Profit before tax

The Group recorded a significantly higher profit before tax of RM1,381.8 million in the current quarter as compared to RM102.7 million recorded in the last quarter. The increase in profit before tax of RM1,279.1 million is mainly attributable to the following:

- (i) Recognition of gain on disposal of LITRAK upon the completion of the disposal on 13 October 2022;
- (ii) Reversal of share of losses upon redemption of preference shares in SPRINT Holdings; and
- (iii) Dividend income from SPRINT Holdings.

(c) Profit after tax

The Group recorded higher profit after tax of RM1,371.2 million in the current quarter as compared to RM81.2 million in the immediate preceding quarter mainly due to the reasons as mentioned in 21(b) above.

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22. Review of Performance for the Current Quarter and Financial Year to Date

	← Individual Period →			← Cumulative Period →		
	Current Year Quarter 31-Dec-22	Preceding Year Corresponding Quarter 31-Dec-21	Changes	Current Year To Date 31-Dec-22	Preceding Year Corresponding Period 31-Dec-21	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	126,221	120,574	4.7%	378,961	285,169	32.9%
Profit Before Tax	1,381,809	94,363	1364.4%	1,562,358	195,711	698.3%
Profit After Tax	1,371,243	64,820	2015.5%	1,509,359	140,225	976.4%

(a) Revenue: Current Quarter

For the current quarter, the Group recorded a higher revenue of RM126.2 million as compared to RM120.6 million registered in the preceding year corresponding quarter due to the dividend income from SPRINT Holdings, offset by the decrease in toll revenue arising from the disposal of LITRAK to ALR on 13 October 2022.

(b) Revenue: Current Year to Date

For current year to date, the Group recorded revenue of RM379.0 million as compared to RM285.2 million recorded in the corresponding period last year, an increase of RM93.8 million. The increase in revenue in the current year is mainly due to the reason as stated in 22(a) above.

(c) Profit before tax: Current Quarter

The Group registered a higher profit before tax of RM1,381.8 million in the current quarter as compared to RM94.4 million in the same period last year. The increase in profit before tax of RM1,287.4 million in the current quarter is mainly due to the following:

- (i) Recognition of gain on disposal of LITRAK upon the completion of the disposal on 13 October 2022;
- (ii) Reversal of share of losses upon redemption of preference shares in SPRINT Holdings; and
- (iii) Dividend income from SPRINT Holdings.

(d) Profit before tax: Current Year to Date

Similarly, the Group registered a significant increase in profit before tax of RM1,562.4 million in the current year as compared to RM195.7 million in the same period last year. The increase in profit before tax of RM1,366.7 million is mainly due to the reasons mentioned in 22(c) above.

(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.

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23. Current Year Prospects

Upon the completion of the Disposals on 13 October 2022, the Company ceased to have any core business other than being an investment holding company and accordingly the Company has been classified as a Cash Company, as defined pursuant to the MMLR. 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.

As it is not the intention of the Company to maintain its listing status, the Company does not intend to undertake any proposal to regularise its condition. Accordingly, the Company plans to return the disposal proceeds to the shareholders.

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-Dec-22	Current Year To Date 31-Dec-22
Basic		
Profit attributable to equity holders (RM'000)	1,371,243	1,509,359
Weighted average number of ordinary shares in issue ('000)	541,294	539,766
Basic earnings per ordinary share (sen)	253.33	279.63
Diluted		
Profit attributable to equity holders (RM'000)	1,371,243	1,509,359
Weighted average number of ordinary shares in issue ('000)	541,294	539,766
Effect of dilution via exercise of ESOS ('000)	-	-
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	541,294	539,766
Diluted earnings per ordinary share (sen)	253.33	279.63

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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-Dec-22	Current Year To Date 31-Dec-22
	RM000	RM000
Interest income	(7,794)	(11,971)
Other income	(80)	(687)
Gain on disposal of a subsidiary company	(1,135,570)	(1,135,570)
Reversal of share of losses upon redemption of preference shares in an associate	(114,999)	(114,999)
Finance costs	429	7,446
Depreciation and amortisation	99	39,641

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.

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29(a) Disposal of a Subsidiary Company

On 13 October 2022, the Company completed the disposal of all its securities in LITRAK for a total consideration of RM2,280 million. As such, LITRAK ceased to be a subsidiary company of the Group and resulted in a gain on disposal of RM1,136 million to the Group. The results and cash flows of LITRAK (including the gain on disposal) up to the date of disposal were shown below:

	Financial period ended 12 October 2022 RM'000
Revenue	269,461
Employee benefits expenses	(10,921)
Maintenance expenses	(6,151)
Depreciation and amortisation	(39,637)
Other expenses	(5,180)
	(61,889)
	207,572
Other income	4,686
Finance costs	(7,446)
Profit before tax	204,812
Income tax expense	(50,998)
Profit for the period, representing	
total comprehensive income for the period	153,814

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29(a) Disposal of a Subsidiary Company (Cont'd)

	As at 12 October 2022 RM'000
Highway development expenditure ("HDE")	954,803
Plant and equipment	1,395
Other intangible assets	628
Sundry receivables	58,440
Amount due from a related company	796
Cash and bank balances	157,303
Deferred revenue	(10,753)
Deferred tax liabilities	(160,745)
Sukuk Musyarakah Medium Term Notes ("IMTNs")	(189,194)
Retirement benefit obligations	(6,188)
Provision for heavy repairs	(21,085)
Sundry payables	(7,957)
Tax payable	(26,196)
	<hr/>
Share of net assets disposed	751,247
Gain on disposal	1,135,570
Total adjusted sales consideration	1,886,817
Less: Receivable from ALR	(75,065)
Less: Cash and bank balances of the subsidiary company disposed	(157,303)
Net cash inflow from disposal	<hr/> 1,654,449
 <u>Reconciliation of sales consideration on disposal of LITRAK:</u>	
Total sales consideration	2,280,519
Less: Pre-completion dividend	(393,702)
Total adjusted sales consideration	1,886,817
Less: Receivable from ALR	(75,065)
Less: Cash and bank balances of the subsidiary company disposed	(157,303)
Net cash inflow from disposal	<hr/> 1,654,449

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29(b) Asset held for distribution - SPRINT Holdings

On 13 October 2022, SPRINT has ceased to be a subsidiary of SPRINT Holdings and an indirect associate company of the Company.

Following the disposal of SPRINT by SPRINT Holdings, SPRINT Holdings carried out a full redemption of its preference shares of which the Company has been paid for its share amounting to RM322 million and subsequently the Company recognised a reversal of share of losses upon redemption of preference shares in SPRINT Holdings.

The details are as follows:

	RM'000
Unquoted ordinary shares at cost	68,428
Share of post-acquisition reserves	<u>(68,428)</u>
Investment in an associate classified as asset held for distribution	<u>-</u>