

LINGKARAN TRANS KOTA HOLDINGS BERHAD

(335382-V)

(Incorporated in Malaysia)

Minutes of the 24th Annual General Meeting (AGM) of the Company held at Permai Room, Kota Permai Golf & Country Club, No. 1 Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, on Wednesday, 28 August 2019 at 2.00 p.m.

PRESENT : Directors

Tan Sri Dato' Setia Haji Ambrin bin Buang (*Chairman*)
 Ir Haji Yusoff bin Daud
 Dato' Haji Azmi bin Mat Nor
 Datin Lee Choi Chew
 Puan Nazli binti Mohd Khir Johari

: Shareholders, Proxies and Corporate Representatives (Collectively "Members") Based on Appointment Holding 438,664,846 Ordinary Shares Representing 82.61% of the Total Number of Issued Shares of the Company as at 21 August 2019

185 Members
 116 Proxies
 2 Corporate Representatives

BY INVITATION

En Sazally bin Saidi (*Chief Executive Officer*)
 Mr Stephen Low Chee Weng (*Chief Financial Officer*)
 Mr Terence Tan (*Ernst & Young*)
 Mr Jerry Ang (*Ernst & Young*)
 Ms Shernice Heng (*Ernst & Young*)
 Ms Wendy Teh (*Hong Leong Investment Bank Berhad*)
 Mr William Ngo (*Hong Leong Investment Bank Berhad*)
 Mr Vincent Low (*Hong Leong Investment Bank Berhad*)
 Mr Teo Wai Sum (*Tay & Partners*)
 Ms Tan Lai Hong (*Boardroom Corporate Services Sdn Bhd*)
 Ms Goh Xin Yee (*Boardroom Corporate Services Sdn Bhd*)
 Ms Leou Zia Zia (*Insurban Corporate Services Sdn Bhd*)
 Mr Yap Yoong Fatt (*Insurban Corporate Services Sdn Bhd*)

SECRETARIES : Ms Lim Soo Lye
 Ms Chiew Teng Juan

QUORUM : There being a quorum, the 24th AGM was dully convened.

NOTICE : The notice convening the 24th AGM (the "Notice") having been circulated in accordance with the statutory period was taken as read.

WELCOME ADDRESS

The Chairman welcomed the Members to Lingkaran Trans Kota Holdings Berhad's 24th AGM. He introduced the Board of Directors, the Senior Management and the Company Secretary to the Members.

PRELIMINARY

Poll Voting

The Chairman went on to explain that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting on all resolutions set out in the Notice shall be conducted by poll.

He informed the Members that Tricor Investor and Issuing House Services Sdn Bhd (Tricor) shall be the Poll Administrator whilst the Independent Scrutineer shall be Coopers Professional Scrutineers Sdn Bhd (Coopers).

He further informed the Members that the polling shall be by way of e-voting and that the Poll Administrator will explain to the Members later the voting process after the Members finish deliberating all the items on the meeting agenda before the polling starts.

The Chairman went on to take the Members through the agenda of the meeting.

1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The Chairman informed the Members that Agenda 1 pertains to the receipt of the Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors as set out in the 2019 Annual Report.

The Chairman informed the Members that the Board has received enquiries from the Minority Shareholders Watch Group ("MSWG") and requested Mr Stephen Low Chee Weng, the Chief Financial Officer of the Company to read out the Company's responses to the Members as requested by MSWG as per Appendix 1 attached.

The meeting continued with the Chairman inviting questions from the floor in connection with the Company's Audited Financial Statements for financial year ended 31 March 2019.

After much discussion, the Audited Financial Statements for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon were received by the Members.

The details of the pertinent questions raised and the Company's responses are set out in Appendix 2.

2.0 RE-ELECTION OF DIRECTORS UNDER ARTICLE 81 OF THE COMPANY'S CONSTITUTION

The Chairman informed the Members that Agenda 2 pertains to the re-election of Ir Haji Yusoff bin Daud and Dato' Haji Azmi bin Mat Nor under Resolution 1 and Resolution 2 respectively. Both Ir Haji Yusoff and Dato' Haji Azmi will be retiring upon the conclusion of the Company's 24th AGM in accordance with Article 81 of the Company's Constitution and being eligible had offered themselves for re-election.

The Chairman invited questions from the floor in connection with the aforesaid Resolutions. As there was no question or clarification sought, the Chairman informed the Members that voting on Resolution 1 and Resolution 2 shall be conducted by poll upon the completion of the remaining businesses of the 24th AGM.

3.0 PAYMENT OF DIRECTORS' FEES

The Chairman informed the Members that Agenda 3 or Resolution 3 was to seek the Members' approval for payment of Directors' fees of RM455,178 for the financial year ended 31 March 2019.

He informed the Members that the proposed payment for financial year ended 31 March 2019 comprises the following:

| Fees | RM |
|----------------------|----------------|
| Director Fees | 373,096 |
| Audit Committee Fees | 82,082 |
| TOTAL | 455,178 |

The Chairman invited questions from the floor in connection with the aforesaid Resolution. The details of the pertinent questions raised and the Company's responses are set out in Appendix 2.

The Chairman informed the Members that voting on Resolution 3 shall be conducted by poll upon the completion of the remaining businesses of the 24th AGM.

4.0 PAYMENT OF DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEES)

The Chairman informed the Members that Agenda 4 or Resolution 4 was to seek the Members' approval for payment of Directors' benefits (excluding Directors' fees) comprising RM106,000 meeting allowances to Non-Executive Directors for the period from 28 August 2019 until the next AGM of the Company to be held in 2020.

The Chairman explained that the aforesaid estimated meeting allowances was based on the number of scheduled meetings and other factors which may call for additional meetings of the Board and Board Committees as well as the number of Non-Executive Directors involved in the meetings.

In the event that the payment of meeting allowances during the aforesaid period exceeded the estimated amount sought, shareholders' approval will be sought at the next annual general meeting.

On this note, the actual meeting allowances incurred for the period from 1 April 2018 up to the 2019 AGM or the Company's 24th AGM sought last year at the 23rd AGM was RM120,000 as compared to the RM174,000 approved.

The Chairman invited questions from the floor in connection with the aforesaid Resolution. The details of the pertinent questions raised and the Company's responses are set out in Appendix 2.

The Chairman informed the Members that voting on Resolution 4 shall be conducted by poll upon the completion of the remaining businesses of the 24th AGM.

5.0 RE-APPOINTMENT OF AUDITORS

The Chairman informed the Members that Agenda 5 or Resolution 5 pertains to the re-appointment of Messrs Ernst & Young as auditors of the Company and to authorise the Directors to fix their remuneration.

The Chairman invited questions from the floor in connection with the aforesaid Resolution. Messrs Ernst & Young's response to the question from the floor is set out in Appendix 2.

The Chairman informed the Members that voting on Resolution 5 shall be conducted by poll upon the completion of the remaining businesses of the 24th AGM.

6.0 SPECIAL BUSINESS

The Chairman informed the Members that Agenda 6 or Resolution 6 is a Special Resolution pertaining to the proposed adoption of a new Constitution in place of the Company's existing Constitution in compliance with Bursa Malaysia Listing Requirements requiring all listed companies to amend and update their respective Constitutions by 31 December 2019 following the implementation of the Companies Act 2016 on 31 January 2017.

The Proposed Adoption is primarily to streamline the new Constitution with the Companies Act 2016 and to ensure it is aligned to the provisions of the updated Listing Requirements and the prevailing statutory and regulatory requirements applicable to the Company. It is also to provide clarity and consistency throughout the new Constitution of the Company.

The Board has proposed the adoption of a new Constitution as the amendments required to be made to the existing Constitution are substantial.

The Chairman highlighted to the Members that Resolution 6 is a Special Resolution requiring approval of members representing not less than 75% of the total voting rights of members who are entitled to vote and do vote in person or by proxy on the resolution.

The Chairman invited questions from the floor in connection with the aforesaid Resolution. The details of the pertinent question raised and the Company's response is set out in Appendix 2.

7.0 ANY OTHER BUSINESS

As no notice has been received to transact any other business, the Chairman declared that the meeting shall continue with poll voting on the aforesaid resolutions.

8.0 POLL VOTING

The Chairman invited the Poll Administrator, Ms Lilian Low of Tricor and the Independent Scrutineer, Mr Chuah Poo Sian of Coopers to introduce themselves to the Members.

On the Chairman's request, the Poll Administrator briefed the Members on the polling process.

Ms Lilian Low, the Poll Administrator, explained to the Members the polling procedures for the conduct of electronic poll voting (e-Voting) using Tricor e-Vote App. She informed the Members that they may vote using their own mobile devices by downloading Tricor e-Vote App and connect to the Wi-Fi network provided by Tricor. Thereafter, they can activate their voting profiles by scanning the passcode on their respective wristbands issued to them when they registered themselves at the registration room they were in earlier. She said alternatively, they may proceed to the voting kiosks set up in the registration room and Tricor's staff will assist them to vote using the Tricor e-Vote App. She informed the Members that the time allocated for Members to cast their votes is 8 minutes.

An e-Voting tutorial video was also played to guide the Members on the voting process prior to the commencement of e-Voting.

The Chairman adjourned the meeting for about 30 minutes at 3.15 p.m. for poll voting and to enable the Poll Administrator to conduct the e-polling and collate the poll results for verification and validation by the Scrutineer.

At 3.23 p.m., the Poll Administrator announced that the voting session for the 24th AGM has ended. The poll results were handed over to the Scrutineers for validation.

9.0 ANNOUNCEMENT OF POLL RESULTS

The Chairman called the meeting to order at 3.31 p.m. for the announcement of the poll results. He informed the Members that he had received the poll results which have been verified and validated by the Independent Scrutineer. Mr Chuah Poo Sian, the Independent Scrutineer, was invited to announce the poll results as set out below:

| RESOLUTION | | FOR | | AGAINST | | TOTAL VOTES |
|------------|--|---------------|--------|---------------|-------|---------------|
| | | No. of Shares | % | No. of Shares | % | No. of Shares |
| 1. | Re-election of Ir Haji Yusoff bin Daud in accordance with Article 81 of the Company's Constitution | 435,708,662 | 99.951 | 215,200 | 0.049 | 435,923,862 |
| 2. | Re-election of Dato' Haji Azmi bin Mat Nor in accordance with Article 81 of the Company's Constitution | 324,155,412 | 99.882 | 383,400 | 0.118 | 324,538,812 |
| 3. | Approval of Directors' fees | 435,898,062 | 99.999 | 5,800 | 0.001 | 435,903,862 |
| 4. | Approval of Directors' benefits (excluding Directors' fees) | 435,898,062 | 99.999 | 5,800 | 0.001 | 435,903,862 |
| 5. | Re-appointment of Messrs Ernst & Young as Auditors | 435,920,862 | 99.999 | 3,000 | 0.001 | 435,923,862 |
| 6. | Special Resolution: Adoption of New Constitution of the Company | 435,920,562 | 99,999 | 3,300 | 0.001 | 435,923,862 |

Based on the aforesaid results, the Chairman declared that Resolutions 1 to 6 were carried as follows:

RESOLUTION 1

Re-Election of Ir Haji Yusoff bin Daud in Accordance with Article 81 of the Company's Constitution

It was **RESOLVED**:

“THAT Ir Haji Yusoff bin Daud, who is retiring by rotation in accordance with Article 81 of the Company's Constitution, be hereby re-elected as a Director of the Company.”

RESOLUTION 2

Re-Election of Dato' Haji Azmi bin Mat Nor in Accordance with Article 81 of the Company's Constitution

It was **RESOLVED**:

“THAT Dato' Haji Azmi bin Mat Nor, who is retiring in accordance with Article 81 of the Company's Constitution, be hereby re-elected as a Director of the Company.”

RESOLUTION 3
Approval of Directors' Fees

It was **RESOLVED**:

“THAT the payment of Directors' fees of RM455,178 for the financial year ended 31 March 2019 be hereby approved.”

RESOLUTION 4
Approval of Directors' Benefits (Excluding Directors' Fees)

It was **RESOLVED**:

“THAT the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM106,000 for the period from 28 August 2019 until the next Annual General Meeting of the Company to be held in 2020 be hereby approved.”

RESOLUTION 5
Re-Appointment of Messrs Ernst & Young as Auditors

It was **RESOLVED**:

“THAT Messrs Ernst & Young be hereby re-appointed as Auditors of the Company and that the Directors be authorised to fix their remuneration for the ensuing year.”

RESOLUTION 6
Special Resolution
Proposed Adoption of New Constitution of the Company

It was **RESOLVED**:

“THAT the existing Constitution of the Company be replaced in its entirety with a new Constitution as set out in Appendix A of the Circular to Shareholders dated 31 July 2019 with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by the relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Adoption.”

10.0 CLOSE OF MEETING

There being no other business, the Chairman declared the 24th AGM of Lingkaran Trans Kota Holdings Berhad closed at 3.35 p.m. On behalf of the Board of Directors, the Chairman thanked the Members for their attendance.

CONFIRMED

CHAIRMAN

Reply to Minority Shareholder Watch Group (“MSWG”)’s Enquiries Dated 20 August 2019

Strategy & Financial Matters

Q1. We note on page 20 of the Annual Report that Group’s revenue was declining marginally over the last 3 financial years. However, profit after tax has been increasing consistently over the last 5 financial years.

- (a) What were the reasons for the continuous decline in revenue for the last 3 financial years and what would be the outlook in FY2020 and going forward?**
- (b) Please explain why profit after tax has been consistently increasing despite decreasing revenue especially over the last 3 financial years and will the increase be sustainable?**

A1. (a) Revenue for FYE 2019 and FYE 2018 recorded drops of 1.5% and 1.9% respectively after registering a Group record revenue of RM534 million in FYE 2017.

Since 1 January 2016, toll rates for LDP have reached the maximum rate of RM3.10 (for Class 1) in accordance with the Concession Agreement. The drop in tollable traffic volume in FYE2017 was mainly due to the increase in toll rate chargeable to users from RM1.60 to RM2.10 (for Class 1) as approved by the Government effective October 2015.

Migration to public transportation (e.g. the construction and opening of LRT Extension Line in June 2016 and MRT Sungai Buloh-Kajang Line 1 in December 2016 respectively) and the opening of alternative road alignments (e.g. DUKE 2 in November 2017) also continued to weigh on the tollable traffic volume for the last three financial years.

- (b) Despite the lower revenue mentioned above, Profit After Tax for the past three years registered slight growth mainly attributable to the following:
 - (i) the continued reduction in Finance Costs due to scheduled repayments of principal amounts of Sukuk Borrowings of RM110 million in FYE2018 and RM140 million in FYE2019. These repayments are scheduled on a yearly basis with the last payment falling on 15 April 2023. Thus, the reduction in Finance Costs are expected to persist and moving forward, this would help to support the Group’s earnings;
 - (ii) the reductions in Maintenance Expenses and Other Expenses of which certain items of such expenses were once-off or ad-hoc in nature with regard to those years registering higher Maintenance and/or Other Expenses. As such, these reductions may not recur in the future.

Reply to Minority Shareholder Watch Group (“MSWG”)’s Enquiries Dated 20 August 2019

Q2. On page 21 of the Annual Report (Chairman’s Perspective), it is stated that the Minister of Finance Incorporated (MOF Inc) had on 21 June 2019, offered to acquire all interests in both highways operated by the Group namely Lebuhraya Damansara-Puchong (LDP) and Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT Highway). The Board of the Company and the Board of Directors of its associate, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd (SPRINT Holdings) had on 3 July 2019, deliberated on and accepted the respective offers.

- (a) Please enlighten shareholders on the main reasons for disposing all interests in both highways and the general basis and major criteria in accepting the price offered?**
- (b) Has the Board firmed up its options if the disposal is successful and if the Company is deemed a Practice Note 16 (PN16) Cash Company?**

A2. (a) MOF had served the offers on 21 June 2019. The Board has appointed the following key advisers to assist in advising the Board and/or shareholders on these disposal transactions:

- (i) Hong Leong Investment Bank Berhad as the Principal or Main Adviser (appointed on 28 March 2019), and
- (ii) Affin Hwang Investment Bank Berhad as Independent Adviser (appointed on 3 July 2019).

In assessing the offers from MOF, the Board of Directors (“Board”) of LITRAK Holdings and SPRINT Holdings (save for Dato’ Haji Azmi Bin Mat Nor who abstained from deliberation and voting), has taken into consideration of the following key factors:

- (i) the valuation analysis of the respective highways (LDP & SPRINT);
- (ii) the preliminary views from the Independent Adviser; and
- (iii) other relevant aspects of MOF’s Offer.

Given the increasingly challenging business environment and in view that the offers are fair and reasonable, the Proposed Offers provide an opportunity to dispose all interests in both highways (LDP and SPRINT) and to realise the Company’s value of investment in LDP and SPRINT.

- (b) At this juncture, the Board has not firmed up the options as yet. Appropriate disclosures on the Company’s future plans (including proposed utilisation of disposal proceeds) will be disclosed in the announcement accordingly upon finalisation or execution of the definitive agreements at a later date.

Reply to Minority Shareholder Watch Group (“MSWG”)’s Enquiries Dated 20 August 2019

The Proposed Disposals are still subject to, amongst others:

- satisfactory due diligence findings by MOF;
- the approval of the Cabinet of Malaysia;
- the execution of definitive agreement(s) based on terms to be mutually agreed;
- the approval or consent from the creditors; and
- shareholders’ approvals.

Q3. As stated on page 24 (MD&A), there was an improved Share of Results of Associates, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd and its subsidiary SPRINT (SPRINT Group), of RM5.8 million i.e. from a share of loss of RM4.3 million in the previous financial year to a share of profit of RM1.5 million mainly due to higher revenue, lower finance costs and lower amortisation expenses.

However, on page 25, it was reported that average weekday tollable traffic on SPRINT Highway decreased from 221,000 vehicles in the previous financial year to 210,000 vehicles in the current financial year, a reduction of 4.9%.

Please explain the higher revenue from the Associates and what is the outlook in FY2020 and going forward?

A3. The traffic volume for SPRINT Highway was lower due to the opening of DUKE 2 in November 2017 which had negatively affected tollable traffic at Penchala Link of SPRINT Highway. However, higher revenue from SPRINT was registered due to the scheduled toll rates increase for Penchala Link from 1 January 2019 onwards in accordance with the Concession Agreement.

Moving forward, barring the Proposed Disposals discussed in Question 2 above, tollable traffic volume from all 3 links of SPRINT Highway is expected to grow only marginally. Apart from tollable traffic volume growth, the final scheduled toll rates increases for Damansara and Kerinchi Links in 2022 as per Concession Agreement are expected to contribute positively to revenue growth for SPRINT.

Q4. As stated in the Chairman’s Perspective (page 22), the Group has been able to maintain a total dividend pay-out of 25 sen per ordinary share for the current financial year, similar to the pay-out in the previous financial year. The Group’s closing cash balance remains strong and resilient-growing from RM579.6 million to RM641.5 million as at the end of this financial year. Cash flows from operating activities were also very strong increasing from RM354 million in FY2018 to RM372.1 million in FY2019.

In view of the strong cash position, did the Board consider either to increase its dividend pay-out or reduce more significantly its borrowings or both?

Please explain.

Reply to Minority Shareholder Watch Group (“MSWG”)’s Enquiries Dated 20 August 2019

- A4. As at 31 March 2019, the Group’s total Sukuk Borrowings stood at RM994.8 million and the Group will continue to pare down these borrowings on a yearly basis by approximately RM200 million on the 15th of April of each year (i.e. 15 days after the close of each financial year) up until 15 April 2023 in accordance with the scheduled Sukuk borrowings maturity periods.

The cash position of RM641.5 million as at end of the financial year was predominantly reserved for:

- (i) scheduled repayment of Sukuk Musyarakah Borrowings due on 15 April 2019 for RM220 million; and
- (ii) maintenance of FSCR of at least 2.0 times in compliance with Trust Deeds covenants for the Sukuk Musyarakah Borrowings

,apart from the operational and capital expenditures requirements of the Group.

- Q5. As reported on page 112, pursuant to the Concession Agreement for LDP, the next and final toll hike was scheduled to increase effective 1 January 2016, The Government has decided to defer the increase until further notice.**

It was stated that the Government shall compensate LITRAK in accordance with the provisions of the Concession Agreement.

Please enlighten shareholders on the basis of the compensation and the estimated amount?

- A5. For LDP, the final scheduled toll rates increase was from RM2.10 to RM3.10 (for Class 1) from 1 January 2016 up until the end of concession period. Up until today, this scheduled toll rates increase have not taken place. In accordance with the Concession Agreement, the Government is required to compensate LDP in the event the Government does not allow for such toll rate increase.

Generally, the compensation is computed based on the difference in scheduled toll rates and the actual toll rates charged to users, multiplied by the actual number of tollable traffic passing through the toll plazas during the year.

Based on the current tollable traffic volume and the toll rates differentiation mentioned above, the Government’s compensation due for LDP is estimated to be approximately RM160 million annually.

Reply to Minority Shareholder Watch Group (“MSWG”)’s Enquiries Dated 20 August 2019

Corporate Governance Matters

Q1. Practice 12.3 – Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate-

- **Including voting in absentia; and**
- **Remote shareholders participation at General Meetings.**

LITRAK’s response: Applied

MSWG’s comment

Practice 12.3 refers to facilitating or providing platform for shareholders to vote remotely without being physically present at the Company’s AGM. Based on the Company’s explanation given on the application of Practice 12.3, we wish to highlight that the Company has not applied the Practice correctly.

A1. We take note of MSWG’s comment. Practice 12.3 recommended for listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate voting in absentia and remote shareholders’ participation at General Meetings.

The Company has a relatively small shareholders’ base of slightly above 3,000 shareholders and our Company’s AGMs have always been held in the Klang Valley which are very accessible to shareholders. Moreover, the Company AGMs are normally held in the afternoon thereby giving shareholders time to make arrangement to attend the Company’s AGM.

Reply to Enquiries Raised at the 24th AGM of Lingkaran Trans Kota Holdings Berhad Held on 28 August 2019

Q1. The Company's revenue in respect of financial year 31 March 2019 was RM516 million and has a cash balance of RM641 million. Its current borrowing stood at RM775 million as at 31 March 2019. Cash flow from operating activities were also very strong and as such, there should not be any cash flow issue. Why is the Company reserving such high cash balance instead of utilising it to pay down its borrowing and save on interest cost?

A1. As mentioned in our reply to MSWG's enquiry earlier, the Group's total Sukuk Borrowings stood at RM994.8 million as at 31 March 2019. We will continue to pare down these borrowings on a yearly basis by approximately RM200 million on the 15th of April of each year up until 15 April 2023 in accordance with the scheduled Sukuk borrowings maturity periods.

Apart from the operational and capital expenditures requirements of the Group, the cash position of RM641.5 million as at end of the financial year was predominantly reserved for:

- a) scheduled repayment of Sukuk Musyarakah Borrowings due on 15 April 2019 amounting to RM200 million; and
- b) maintenance of FSCR (Finance Service Cover Ratio) of at least 2.0 times in compliance with Trust Deeds covenants for the Sukuk Musyarakah Borrowings and it has to be maintained at all time.

Q2. The toll rate for Damansara Toll Plaza at Section 17 has increased from RM1.50 to RM2.00 (in respect of Class 1 vehicles). Probably the lower revenue could be due to the toll charged becoming too expensive for some users who may have chosen to use alternative routes and it could also be due to the toll plaza has become very congested with long queue before the toll plaza. Why don't SPRINT negotiate with the Government to extend the concession period with no more toll rate increase in the future?

A2. Damansara Toll Plaza's traffic volume is affected by the toll-free road parallel to Damansara Link at Section 17. 5,000 traffic have migrated to the toll-free road since the toll hike in 2015. Moreover, Damansara Link is connected directly to NKVE, as such, any incidents on NKVE will have a spill-over effect on Damansara Link resulting in congestion tailing back all the way to Damansara Toll Plaza.

The Management is exploring the idea of negotiating with the Government to either maintain the toll rate or reduce toll rate with an option to extend the concession period. Moreover, with the Proposed Takeover by the Minister of Finance Inc (MOF Inc), the Government is also looking at similar options. Nevertheless, whatever option adopted must strike a balance to ensure a healthy cash flow for business sustainability.

Reply to Enquiries Raised at the 24th AGM of Lingkaran Trans Kota Holdings Berhad Held on 28 August 2019

Q3. Since FSCR is 2 times and the Company has such high cash balance, why don't repay half of the borrowings now? Then the FSCR's requirement would be less and the Company would not have to reserve so much cash.

A3. The Sukuk Musyarakah Borrowings were raised in 2008 where different tranches of bonds were issued with different maturity dates. Repayment is based on a fixed repayment schedule over 15 years where the repayment amount is heavy/more at the back end. Early repayment of borrowings or redemption of bonds will incur high penalty cost. Currently, about half of the borrowings has been repaid.

Q4. Why don't the Company consider changing the repayment schedule of the Borrowings?

A4. Any change in repayment schedule require prior approval of the Government. Nevertheless, the Management will consider and look into the viability of early repayment against the high penalty cost.

Q5. What is the value for both LITRAK and SPRINT if the Government decides to acquire both the concession companies by way of expropriation?

A5. As regards the expropriation value, the Board and the Management were of the view that this is now "water under the bridge". MOF Inc has made a market driven offer for the 4 concession companies.

Q6. What is the future toll rate increase?

A6. Future toll rates in respect of Class 1 vehicles for Lebuhraya Damansara-Puchong and SPRINT Highway under the Scheduled Toll Rate per the respective concession agreements are as follows:

| Highway | Current Toll Rate Paid by Users (RM) | Scheduled Toll Rate per Concession Agreement | |
|------------------------------|--------------------------------------|--|--|
| | | Toll Rate (RM) | Effective Date |
| Lebuhraya Damansara-Puchong | 2.10 | 3.10 | 1/1/2016 – End of Concession Period |
| SPRINT Highway | | | |
| a) Damansara Toll Plaza | 2.00 - | 2.00 2.50 | <ul style="list-style-type: none"> ▪ 1/1/2015 – 31/12/2021 ▪ 1/1/2022 – End of Concession Period |
| b) Pantai Toll Plaza | 2.50 - | 3.50 4.50 | <ul style="list-style-type: none"> ▪ 1/1/2015 – 31/12/2021 ▪ 1/1/2022 – End of Concession Period |
| c) Bukit Penchala Toll Plaza | 3.00 | 5.00 | 1/1/2019 – End of Concession Period |

Reply to Enquiries Raised at the 24th AGM of Lingkaran Trans Kota Holdings Berhad Held on 28 August 2019

Q7. What is the expiry date for MOF Inc's Proposed Takeover?

A7. The expiry date of the Proposed Takeover offer by MOF Inc is subject to a few milestones. The Definitive Agreement is targeted to be signed by 30/8/19 to be followed by securing the approvals of shareholders and bondholders by 29/11/19, then only the Proposed Takeover could be effected by 31/12/19.

Q8. Do we still expect dividend payout of 25 sen per year since borrowings are being paid down and therefore lower interest cost?

A8. As in the reply letter to MSWG, as at 31/3/19, the Group's total Sukuk Musyarakah Borrowings stood at RM994.8 million where the bonds were issued more back-ended. Between now and 2023, the Group will continue to pare down the principal on a yearly basis by approximately RM200 million per annum. As such the FSCR will remain at 2.0 times until 2023 in compliance with Trust Deeds covenants for the Sukuk Musyarakah Borrowings.

Q9. Can the Company still complete the Proposed Takeover by MOF Inc by 31/12/19?

A9. At this juncture, we are still within the timeframe set.

Q10. If the Proposed Takeover by MOF Inc is not successful, why not consider putting it on REIT (Real Estate Investment Trust), it would be the first toll on REIT.

A10. Suggestion noted by the Board.

Q11. Should the Company accept MOF Inc's offer, how much is the net gain or net loss resulting from the Proposed Takeover?

A11. Our Advisor has estimated the disposal gain to be approximately RM1.8 billion

Q12. If the Proposed Takeover by MOF Inc is successful, what will be the amount per share to be returned to shareholders?

A12. The Company has made several announcements pertaining to MOF Inc's offer. We cannot be certain of the exact amount at this juncture as there are two parts to the calculation to arrive at the amount to be returned to shareholders. First is the Enterprise Value as announced and then the Residual Cash at a future date and the Residual Cash is subject to audit. As such, the exact amount to be returned to shareholders could not be ascertained at this juncture.

Reply to Enquiries Raised at the 24th AGM of Lingkaran Trans Kota Holdings Berhad Held on 28 August 2019

Q13. Has the major shareholder of the Company decided whether to return the proceeds from the Proposed Disposal to shareholders and maintain an empty shell company or delist the Company?

A13. At this juncture, the Board has not decided on the utilisation of the proceeds from the Proposed Disposal. However, the Board will need to make an announcement of its decision soon either at the point of signing the Definitive Agreement or issuance of the Circular to Shareholders pertaining to the Proposed Disposal.

Q14. With reference to the balance of share options held by Directors as disclosed on page 120 of the Annual Report, I would like to know whether the Directors are going to exercise those options and what is the exercise price of the options?

A14. The share options offered to the Directors have been approved earlier by shareholders in General Meeting. The exercise prices of the share options for the balance of the unexercised share options are listed on page 59 of the Annual Report 2019 and the balance of options not exercised by the Directors as at 30/6/19 are disclosed on page 120.

Q15. Based on past history and Note 23 on page 102, the Company is able to distribute dividend out of its entire retained earnings as at 31/3/19. If the Proposed Disposal to MOF Inc is successful, I would like to request the Company to return all the proceeds from the disposal to shareholders instead of keeping the cash.

A15. Request noted by the Board.

Q16. Thus far, I only knew about MOF Inc's intention to takeover LITRAK and SPRINT. However, recently I also heard that MAJU is also interested to takeover the Group's concession companies. Can the Board please clarify?

A16. As far as the Company is concerned, we have only received one offer to acquire our highways i.e. from MOF Inc. All the other interests to acquire the Group's concession companies are just reports in the media/newspapers. Nevertheless, to our knowledge, MAJU's focus is on PLUS only.

Q17. I would like to highlight for the Board's attention the incorrect term used in Note 27 of the Financial Statements on page 105. Please take note that the term "Borrowing" is not a correct description of an Islamic Instrument as borrowing attract interest whilst Islamic Instrument does not. The correct description for an Islamic Instrument should be "Financing".

A17. Advice noted. The Management will discuss the matter with the Company's auditors.

Reply to Enquiries Raised at the 24th AGM of Lingkaran Trans Kota Holdings Berhad Held on 28 August 2019

Q18. Why is the Company seeking approval to pay additional benefit to the Directors whilst dividend payment to shareholders remain the same, though the Company has a lot of cash balance?

A18. The Directors' benefit of RM106,000 which we are seeking your approval is not for financial year ended 31/3/19. It is future meeting allowances in respect of the period from 28/8/19 until the next AGM of the Company to be held in 2020 estimated based on the scheduled meetings and the number of Non-Executive Directors. In fact, the actual total meeting allowances incurred from 1/4/18 up to the 28/8/19 or the 2019 AGM is RM120,000.

Q19. I noted the Directors' Remuneration for financial year 2019 is higher than 2018. Was there any increase in Directors' Remuneration as compared to the previous year?

A19. There was no increase in fees for the Non-Executive Directors. The higher remuneration for the Non-Executive Directors was due to the following:

- change in Chairman of the Company;
- certain fees were prorated based on date of appointment;
- reclassification of meeting allowance which was previously treated as reimbursable expenses as benefit when the said allowance was revised from RM1,000 per meeting to RM2,000 per meeting to be on par with the market.

Q20. I noted that there was 30% increase in total Directors' Remuneration and the bulk of it was for the Executive Director. Why is it so when the reason the Company could not pay higher dividend was because it was constrained by the FSCR covenant? I would appreciate if the Board could consider paying higher dividend.

A20. The Remuneration Committee has reviewed the Executive Director's salary and found it to be on the low side when benchmarked against the market whilst the ability of the Company to pay higher dividend is constrained by the Company having to maintain a certain level of cash in compliance with FSCR covenant. Nevertheless, the Board take note of your suggestion for higher dividend payout.

Q21. I noticed that total non-compliance maintenance issues raised by the Malaysian Highway Authority (MHA) has decreased from 367 cases in 2018 to 314 cases in 2019. May I know what is the consequences of these non-compliances?

A21. MHA conducts monthly operational & maintenance audit on all operating highways in Malaysia to ensure that all these highways are being managed and maintained according to MHA's standards. The areas of audit include general maintenance of the highways such as grass cutting, desilting of drainages, safety measures, cleanliness of the highways and etc. For LDP and SPRINT Highway, the non-compliances identified by MHA were mainly minor issues on such general maintenance works which were rectified within a month of them being identified.

Reply to Enquiries Raised at the 24th AGM of Lingkaran Trans Kota Holdings Berhad Held on 28 August 2019

The information disclosed in the Sustainability Statement was the number of cases identified by MHA but LITRAK and SPRINT through our own regular self-auditing, have identified much more cases every month for immediate rectification.

Since the commencement of MHA's monthly operational & maintenance audit in 2011, both LDP and SPRINT Highway have been ranked 1st place out of all the 26 concession companies in operations under the MHA's Highway Maintenance Standard Audit.

Q22. I would like to pose this question to Ernst & Young (EY). I understand that EY was the auditors of 1Malaysia Development Berhad (1MDB). In the light of the issues involving 1MDB, I would like to know whether EY has improved their audit process for the Company?

A22. Response from Mr Terence Tan, a partner in the assurance practice of EY:

EY was appointed as the auditor of Terengganu Investment Authority (TIA) before it changed its name to 1MDB, and assumed the role of auditor for 1MDB after the name changed. However, EY was terminated as the auditor of 1MDB subsequently and EY had never signed-off any of 1MDB's financial statements.

Q23. Can we have a summary of the major changes made to the Company's Constitution?

A23. The Company has made changes to its Constitution to be in line with the new Companies Act 2016 (CA 2016) and Bursa Malaysia Listing Requirements. The key amendments amongst others are-

- a. the provisions to facilitate communication with securities holders via electronic means (Clause 69 of the Constitution);
- b. general meeting via electronic means (Clause 78 of the Constitution);
- c. appointment of proxy via electronic communication (Clause 96 of the Constitution);
- d. the need to obtain shareholders' approval of Directors' fees and benefits payable to Directors (Clause 72 of the Constitution);
- e. circumstances where a Director shall vacate office has been extended to include convictions involving bribery, fraud or dishonesty, whether in or outside Malaysia (Clause 109 of the Constitution);
- f. the payment of dividends wherein the Company must be solvent immediately after the distribution is made (Clause 156 of the Constitution);
- g. cancellation and postponement of meeting (Clause 77 of the Constitution).