



LINGKARAN TRANS KOTA HOLDINGS BERHAD  
(335382-V)

An aerial photograph of a city at sunset. A multi-lane highway with a flyover bridge is filled with cars. To the left of the highway is a dense residential area with many houses. In the background, several high-rise apartment buildings are visible, some with lights on. The sky is a mix of orange, yellow, and blue.

# ANNUAL REPORT 2022



## Catalysing Connectivity, Empowering Communities



Our cover design features an all-encompassing shot of an urban city roadscape, one of many under LITRAK's highway operations. The bustling, yet free-flowing traffic present on the roads below perfectly highlights LITRAK's integral role as a vital, masterfully designed link that provides instant connectivity to many townships, businesses and residents across Klang Valley, empowering all of the area's users on a daily basis through the construction of efficient, easy routes.



# INSIDE THIS REPORT

<b>2</b>	Corporate Information	<b>45</b>	Statement on Risk Management and Internal Control
<b>3</b>	Board of Directors' Profile	<b>47</b>	Audit and Risk Management Committee Report
<b>8</b>	Group Key Senior Management's Profile	<b>49</b>	Additional Compliance Information
<b>10</b>	Management Team of LITRAK Group	<b>51</b>	Financial Statements
<b>11</b>	5 Years Financial Highlights	<b>122</b>	Analysis of Shareholdings
<b>12</b>	Chairman's Statement	<b>124</b>	Notice of Annual General Meeting
<b>15</b>	Management Discussion and Analysis	<b>127</b>	Administrative Guide
<b>21</b>	Sustainability Statement		Proxy Form
<b>38</b>	Corporate Governance Overview Statement		

# 27<sup>TH</sup>

## ANNUAL GENERAL MEETING

Date : **28 SEPTEMBER 2022,**  
**WEDNESDAY**

Time : **11.00 A.M.**

fully virtual meeting through  
Online Meeting Platform via TIIH  
Online website at <https://tiih.online>  
or <https://tiih.com.my>



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **TAN SRI DATO' SETIA HAJI AMBRIN BIN BUANG**

Independent Non-Executive Chairman

### **IR HAJI YUSOFF BIN DAUD**

Non-Independent Executive Director

### **DATO' HAJI AZMI BIN MAT NOR**

Non-Independent Non-Executive Director

### **DATIN LEE CHOI CHEW**

Independent Non-Executive Director

### **PUAN NAZLI BINTI MOHD KHIR JOHARI**

Independent Non-Executive Director

## AUDIT AND RISK MANAGEMENT COMMITTEE

Datin Lee Choi Chew

*(Chairperson)*

Tan Sri Dato' Setia Haji Ambrin bin Buang

Puan Nazli binti Mohd Khir Johari

## REMUNERATION COMMITTEE

Tan Sri Dato' Setia Haji Ambrin bin Buang

*(Chairman)*

Dato' Haji Azmi bin Mat Nor

Puan Nazli binti Mohd Khir Johari

## NOMINATION COMMITTEE

Tan Sri Dato' Setia Haji Ambrin bin Buang  
*(Chairman)*

Dato' Haji Azmi bin Mat Nor

Puan Nazli binti Mohd Khir Johari

## SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Datin Lee Choi Chew

Email: datinleechoichew@litrak.com.my

## COMPANY SECRETARIES

Ms Lim Soo Lye

Ms Chiew Teng Juan

## REGISTERED OFFICE

2<sup>nd</sup> Floor, Kompleks Operasi LITRAK  
KM19 Lebuhraya Damansara-Puchong  
Bandar Sunway, PJS 9  
47500 Subang Jaya  
Selangor Darul Ehsan  
Malaysia  
Tel : +603-7494 7000  
Fax: +603-7494 7022

## AUDITORS

Ernst & Young PLT  
(Chartered Accountants)

## SHARE REGISTRAR

Insurban Corporate Services Sdn Bhd  
149 Jalan Aminuddin Baki  
Taman Tun Dr Ismail  
60000 Kuala Lumpur  
Tel : +603-7729 5529  
Fax: +603-7728 5948

## BANKERS

Malayan Banking Berhad  
Maybank Investment Bank Berhad

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad Main Market

## WEBSITE

[www.litrak.com.my](http://www.litrak.com.my)



# BOARD OF DIRECTORS' PROFILE

## TAN SRI DATO' SETIA HAJI AMBRIN BIN BUANG

Independent Non-Executive Director



Malaysian • Age 73 • Male

### Date Appointed to the Board

6 September 2017

### No. of Board Meetings Attended During the Financial Year Ended 31 March 2022

4/4

### Board Committee Membership

- Chairman of Remuneration Committee
- Chairman of Nomination Committee
- Member of Audit and Risk Management Committee

### Directorships in Other Public Companies

- Gamuda Berhad

Tan Sri Dato' Setia Haji Ambrin holds a Degree in Economics from the University of Malaya and a Masters in International Business from the University of South Carolina, USA.

He was appointed the Auditor General of Malaysia on 22 February 2006 upon his retirement after having served the Government (Malaysian Civil Service) for over 35 years. He completed his tenure as Auditor General of Malaysia on 22 February 2017.

His working career includes experience in the Ministry of Trade and Industry from 1971 to 1982 and was appointed as Deputy Director, Small Scale Industries Division in 1981. He has also served in the Malaysian Timber Industry Board from 1982 to 1987 and the National Institute of Public Administration from July 1987 to 1991.

Tan Sri Dato' Setia Haji Ambrin was also attached to the Malaysian Embassy in Tokyo, Japan from 1992 to March 1995 as Minister for Economic Affairs and Deputy Head of Mission. He was a Senior General Manager for the Kuala Lumpur International Airport Berhad from April 1995 to February 1999. He was the State Secretary of the Selangor State Government from March 1999 to September 2001 and Secretary General of the Ministry of Education till his appointment as Auditor General of Malaysia.

On 16 May 2016, Tan Sri Dato' Setia Haji Ambrin was conferred an Honorary Doctorate Award which carries the title Prof. (Dr.) by IIC University of Technology, Cambodia. In 2017, he was awarded an Honorary Doctorate in Accounting by Universiti Kebangsaan Malaysia and appointed Professor Ajung by Universiti Utara Malaysia. He is currently a member of Dewan DiRaja Selangor. Formerly, he was a Board Member of the Malaysian Institute of Integrity.

Tan Sri Dato' Setia Haji Ambrin was appointed as Chairman of the Special Investigation Committee on Governance, Procurement and Finance by the Malaysian Government from 2018 to July 2021. In 2018, he was appointed as a member of the Board of Trustees of Yayasan Pelaburan Bumiputra. On 1 January 2021, he was appointed as the Deputy Chairman of the Board of Trustees for Lembaga Zakat Selangor.

For the past 15 years, he has been a frequent speaker presenting his views and perspective on public sector auditing, good governance and integrity at many seminars and conferences organised domestically and internationally.

Tan Sri Dato' Setia Haji Ambrin is an Independent Non-Executive Director and a shareholder of Gamuda Berhad, a major shareholder of the Company. He has no conflict of interest with the Company.

# BOARD OF DIRECTORS' PROFILE

## IR HAJI YUSOFF BIN DAUD

Non-Independent Executive Director



Ir Haji Yusoff graduated from the University of Brighton with a Bachelor of Science (Honours) Degree in Electrical Engineering in 1968. He joined National Electricity Board (LLN), Kota Bharu immediately after his graduation and in 1970 he was posted to Kedah as Assistant Engineer Consumers. In 1974, he was promoted to District Engineer where he was responsible for the planning and implementation of electricity supply for northern Kedah and Perlis. In 1977, he became the Senior District Manager, Kuala Terengganu, where he was responsible for the overall management and operations of electricity supply in Terengganu. From 1979 to 1980, he was attached to Petronas in the Special Projects Department as its Deputy Head responsible for the planning of the Peninsular Gas Utilisation Project.

In 1981, he was appointed a Director of Zaidun-Leeng Sdn Bhd and was subsequently made the Managing Director in 1994; a position which he held until 2002 when he was appointed as the Chairman until today. He has over 54 years of management and professional experience in the consulting engineering industry. Zaidun-Leeng Sdn Bhd specialises in the planning and design of infrastructure projects including mechanical, electrical and structural engineering services for both government and private sectors.

Ir Haji Yusoff does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.

Malaysian • Age 77 • Male

### Date Appointed to the Board

14 September 1995

### No. of Board Meetings Attended During the Financial Year Ended 31 March 2022

4/4

### Board Committee Membership

- Chairman of Executive Committee
- Chairman of ESOS Committee

### Directorships in Other Public Companies

- Toyo Ink Group Berhad

# BOARD OF DIRECTORS' PROFILE

## DATO' HAJI AZMI BIN MAT NOR

Non-Independent Non-Executive Director



Malaysian • Age 64 • Male

### Date Appointed to the Board

3 January 2001

### No. of Board Meetings Attended During the Financial Year Ended 31 March 2022

4/4

### Board Committee Membership

- Member of Executive Committee
- Member of Nomination Committee
- Member of Remuneration Committee

### Directorships in Other Public Companies

- Kesas Holdings Berhad
- Syarikat Pengeluar Air Selangor Holdings Berhad

Dato' Haji Azmi graduated from the University of Strathclyde, Glasgow, Scotland, United Kingdom with a Bachelor of Science Degree in Civil Engineering in 1983 and a Master of Science Degree in Highway Engineering from the same university in 1995.

He was a Resident Engineer for Public Works Department (JKR), Pahang from 1983 to 1984 and Resident Engineer of JKR, Selangor from 1984 to 1986. As the Resident Engineer, he was responsible for supervising the construction of army complex, civil work and air force building.

In 1987, he was posted to JKR Kuala Lumpur (Road Branch) as a Design Engineer responsible for road design and the management and coordination of consultants' works. His last position with JKR Kuala Lumpur was as Assistant Director of the Central Zone Design Unit. He left in 1997 to join Gamuda Berhad as a General Manager in Design and Technical.

Dato' Haji Azmi has extensive knowledge of developing and managing the implementation of complex infrastructure concession projects in Malaysia as well as overseeing the operations of infrastructure concessions, namely expressways, water-related and others. He is also heavily involved in the implementation of the Klang Valley MRT Project (MRT 1 and MRT 2).

Dato' Haji Azmi is a Group Executive Director and a shareholder of Gamuda Berhad, a major shareholder of the Company. He has no conflict of interest with the Company.

# BOARD OF DIRECTORS' PROFILE

## DATIN LEE CHOI CHEW

Independent Non-Executive Director



Datin Lee holds a Bachelor Degree in Accounting (Honours) from the University of Malaya. She is a member of the Malaysian Institute of Accountants.

Datin Lee started her career in Messrs Othman, Hew & Co (Audit & Tax) in 1983 and in 1984 she joined the Malaysian Highway Authority (MHA) as an accountant and later rose to be its Director of Finance. She spent close to 16 years in MHA and it was during this time that major toll expressways were constructed and the privatisation of expressways were implemented in Malaysia. She has vast experience in the costing, budget-control and finance of highway projects, including toll management and operations. She was involved in the financial evaluation of proposals, negotiation, implementation and management of highway projects under the privatisation scheme.

After optional retirement from MHA in 2000, she worked in finance and accounting with a professional service firm before her appointment as an Executive Director of a property investment company, chiefly in charge of its financial affairs.

She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company.

Malaysian • Age 63 • Female

### Date Appointed to the Board

27 November 2014

### No. of Board Meetings Attended During the Financial Year Ended 31 March 2022

4/4

### Board Committee Membership

- Chairperson of Audit and Risk Management Committee

### Directorships in Other Public Companies

- OpenSys (M) Berhad



# BOARD OF DIRECTORS' PROFILE

## PUAN NAZLI BINTI MOHD KHIR JOHARI

Independent Non-Executive Director



Malaysian • Age 68 • Female

### Date Appointed to the Board

2 January 2018

### No. of Board Meetings Attended During the Financial Year Ended 31 March 2022

4/4

### Board Committee Membership

- Member of Audit and Risk Management Committee
- Member of Nomination Committee
- Member of Remuneration Committee

### Directorships in Other Public Companies

- Gamuda Berhad

Puan Nazli holds a Bachelor of Science in Business Administration from The George Washington University, Washington D.C., USA and a Master of Business Administration from Syracuse University, Syracuse, New York, USA.

After completing her tertiary education, Puan Nazli joined Aseambankers Malaysia Berhad [now known as Maybank Investment Bank Berhad (ASEAM)] from September 1981 to January 1996, holding various positions. Her last position before she left ASEAM was Head of Project Development.

In February 1996, Puan Nazli joined Percon Corporation Sdn Bhd (Percon), a wholly-owned subsidiary of Permodalan Nasional Berhad as the General Manager (Corporate Services). At Percon, she was responsible for putting in place a financial and corporate restructuring scheme for the company. The job involved enhancing, strengthening and developing Percon's competitive position in the field of engineering and construction and at the same time, developing the corporate direction for Percon. At group level, Puan Nazli represented Percon's interests in various subsidiaries and associate companies ranging from road concession to property development, both locally and abroad. She left Percon in July 2002.

She is an Independent Non-Executive Director of Gamuda Berhad, a major shareholder of the Company. She has no conflict of interest with the Company.

*All the Directors maintain a clean record with regard to convictions for offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

# GROUP KEY SENIOR MANAGEMENT'S PROFILE

## ENCIK SAZALLY BIN SAIDI

Chief Executive Officer



Malaysian • Age 58 • Male

### Directorships in Other Public Companies

• Kesas Holdings Berhad

En Sazally graduated from the University of Aberdeen, Scotland, United Kingdom with a Bachelor of Science (Honours) Degree in Civil Engineering in 1989. He joined Mott MacDonald Consulting Engineering Group in London immediately after his graduation as a Civil and Structural Engineer. Trained under the programme with the Institution of Civil Engineers (United Kingdom) and was involved as part of the design engineer team for several major projects in London including the Waterloo International Terminal Station and the connection of fast rail network between England and France under the Channel Connection (Euro Tunnel) project.

Upon returning to Malaysia in 1992, he joined Ranhill Holdings Berhad as Assistant Engineer and thereafter Resident Engineer. He was fully responsible for managing and supervising works on major construction and development sites such as the construction of the PLUS Highway in the Northern Peninsular, Malaysia's first satellite station MEASAT and Rebak Marina Resort in Langkawi, Kedah Darul Aman as well as the largest cement plant project in Pahang Darul Makmur.

En Sazally joined Lingkaran Trans Kota Sdn Bhd as an engineer in 1997 and later rose to become its Chief Executive Officer on 1 July 2005, responsible for the management and operation of Lebuhraya Damansara-Puchong (LDP) and Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT Highway).

He was appointed as the President of the Association of Highway Concessionaires Malaysia (PSKLM) in March 2017 after being the Vice President since its establishment in February 2011, representing 31 tolled highway concessionaires nationwide. PSKLM serves as an intermediary between highway concessionaires across the country with the Government of Malaysia, the Ministry of Works, the Malaysian Highway Authority, the Royal Malaysia Police, government agencies, local authorities and other relevant bodies locally and internationally, involving the development, management and operation of highway industry as a part of the local and national economic catalysts.

En Sazally received the Certificate of Appreciation (Public Individual) from the Petaling District Police in 2005, the Chief Police of Selangor's Certificate of Appreciation (Public Individual) during the Malaysia Police Day 2017 and similar Certificate of Appreciation (Public Individual) from the Serdang District Police in 2019.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company.

# GROUP KEY SENIOR MANAGEMENT'S PROFILE

## MR STEPHEN LOW CHEE WENG

Chief Financial Officer



Chartered Accountant, Mr Low has been with the Group since October 2006. Having served as the Head of Corporate and Finance for more than 10 years in the Group, Mr Low was promoted to Chief Financial Officer of the Group effective from 1 January 2018.

Mr Low is responsible for the Group's budgetary control, treasury, tax and corporate finance functions. He has extensive working experience in accounting, finance and corporate matters gained while he was attached to a Big 4 auditing firm in Malaysia. He has also worked in various other companies involved in information technology, life insurance and education industries prior to joining the Group.

Mr Low is a member of the Malaysian Institute of Accountants and a Fellow member of CPA Australia.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company.

Malaysian • Age 51 • Male

### Directorships in Other Public Companies

• None

*All the key senior management maintain a clean record with regard to convictions for offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*



## MANAGEMENT TEAM OF LITRAK GROUP



**EN SAZALLY BIN SAIDI**  
Chief Executive Officer



**MR STEPHEN LOW CHEE WENG**  
Chief Financial Officer



**MR FRANCISCO  
ANTHONY DOSS**  
Head of Department  
Engineering



**MR YAU TI SIN**  
Head of Department  
Highway Maintenance



**MS JANE KHOO AI LENG**  
Head of Department  
Corporate & Finance LITRAK



**MS CHIEW TENG JUAN**  
Company Secretary



**EN SYAH RIZAL  
BIN SAHARI**  
Head of Department  
Toll Operations



**MR CHUAH LEAN PIN**  
Head of Department  
Information Technology



**EN MOHAMMAD NIZAM  
BIN HAMZAH**  
Head of Department  
Facilities Maintenance



**EN SHAH RIZAL  
BIN MOHAMED FAWZI**  
Head of Department  
Communications



**PN NORAZILAH BINTI ISMAIL**  
Head of Department  
Human Resource & Administration



**MR LAM CHUNG HON**  
Head of Department  
Corporate & Finance SPRINT



**EN ZAINUDIN BIN  
MOHAMED NOAH**  
Head of Department  
Traffic Safety

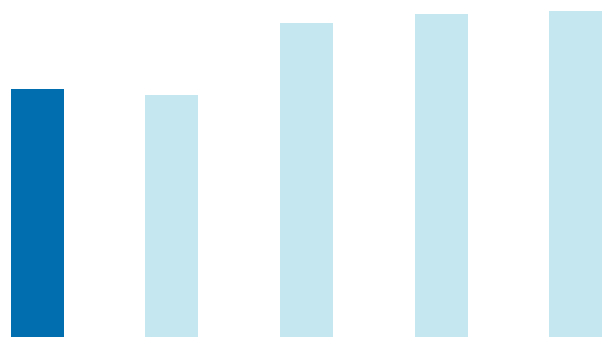
## 5 YEARS FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March	2022	2021	2020	2019	2018
Revenue (RM Million)	400.9	392.8	503.8	516.0	523.9
Profit Before Tax (RM Million)	242.3	267.1	342.9	314.6	306.4
Profit For The Year (RM Million)	162.8	205.8	261.9	236.1	228.6
Basic Earnings Per Share (sen per share)	30.6	38.7	49.4	44.7	43.3
Total Assets (RM Million)	1,849.2	2,016.7	2,123.5	2,217.5	2,260.2
Total Equity (RM Million)	1,213.2	1,181.0	1,074.3	930.0	822.9
Net Assets Per Share (RM)	2.28	2.22	2.02	1.76	1.56
Issued and Fully Paid-up Capital (RM Million)	253.7	252.7	246.6	231.3	230.9
Market Capitalisation (RM Million)	2,084.4	2,067.4	1,966.0	2,222.8	3,003.8

### REVENUE

RM Million

400.9      392.8      503.8      516.0      523.9

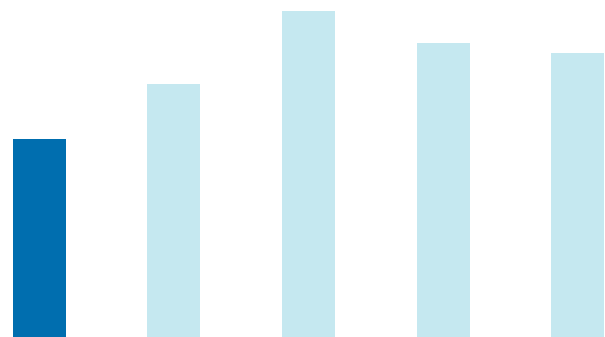


2022      2021      2020      2019      2018

### PROFIT FOR THE YEAR

RM Million

162.8      205.8      261.9      236.1      228.6

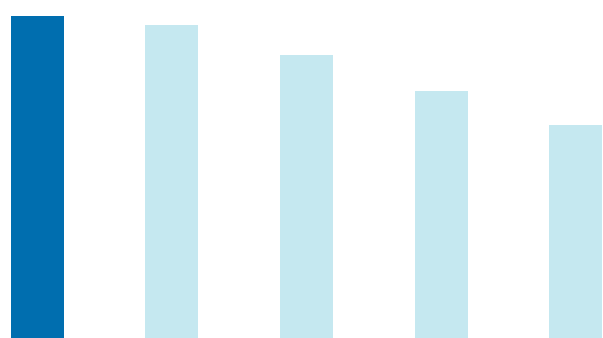


2022      2021      2020      2019      2018

### TOTAL EQUITY

RM Million

1,213.2      1,181.0      1,074.3      930.0      822.9

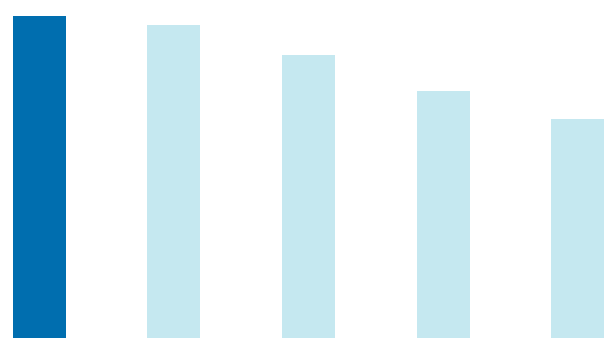


2022      2021      2020      2019      2018

### NET ASSETS PER SHARE

RM

2.28      2.22      2.02      1.76      1.56



2022      2021      2020      2019      2018

## CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS OF LINGKARAN TRANS KOTA HOLDINGS BERHAD, I AM PLEASED ONCE AGAIN TO PRESENT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022.

**Tan Sri Dato' Setia Haji Ambrin Bin Buang**  
Independent Non-Executive Chairman





## CHAIRMAN'S STATEMENT

AS MALAYSIA EMERGES FROM THE EFFECTS OF THE PANDEMIC AND LOCKDOWNS, THE GOVERNMENT IS FACING MONUMENTAL TASKS OF REVIVING THE BATTERED DOMESTIC ECONOMY AND EMPLOYMENT SECTOR WHILE SIMULTANEOUSLY CONTAINING INFLATIONARY PRESSURES AND RISING COSTS OF LIVING. EXTERNAL HEADWINDS SUCH AS RISING GLOBAL OIL PRICES AND INFLATIONARY PRESSURES BROUGHT ON BY CURRENT GLOBAL SUPPLY CHAIN DISRUPTIONS AND THE ONGOING RUSSIA-UKRAINE WAR, WILL CONTINUE TO WEIGH ON THE SPEED AND TRAJECTORY OF THIS RECOVERY. GIVEN THE ABOVE, THE MALAYSIAN ECONOMY IS EXPECTED TO SEE A GRADUAL UNEVEN RECOVERY PATH MOVING FORWARD.



Revenue  
**+2.1%**



Total Yearly Profit  
**RM162.8**  
million



Dividends of  
**25 sen**  
per share

Our financial year began with the continued imposition of the Movement Control Order (MCO) 2.0 by the Government, which was further tightened to MCO 3.0 from 12 May 2021, followed by Full MCO (FMCO) from 1 June 2021 and Enhanced MCO (EMCO) from 3 July 2021 up to 16 July 2021 in response to record high numbers of daily Covid-19 infection cases. With the introduction of the National Recovery Plan (NRP) from July 2021 onwards, the Government had gradually allowed the reopening of various economic sectors/activities as well as interstate travel for fully-vaccinated individuals. Tollable traffic volume for LDP and SPRINT Highway have rebounded due to such easings and improved further with the reopening of schools in November 2021 and reopening of all economic sectors in Phase 4 of the NRP.

As a result of the above, our Group's Revenue has only improved slightly by 2.1% at RM400.9 million this year as compared to RM392.8 million achieved last year. On the other hand, Profit for the Year dropped by 20.9% at RM162.8 million compared to RM205.8 million registered

in the previous year mainly due to ad-hoc items such as higher Depreciation and Amortisation Costs, arising from the adoption of a new independent traffic consultant's report in the final quarter of the financial year, as well as higher Income Tax Expenses due to imposition of a one-off *Cukai Makmur* by the Government on LITRAK, a wholly own subsidiary of the Company. In spite of the challenging macroeconomic environment during the year, the Group has still managed to declare dividends of 25 sen per share for the current financial year to all our shareholders.

Effective from 1 April 2022, the Government has announced Malaysia's transition to endemicity phase. The Group expects that such further relaxation of Covid-19 rules would result in further normalisation of traffic and the return to pre-pandemic levels in the near term. The gradual reopening of international borders particularly with Singapore and Thailand is expected to spur domestic economic activities and growth.

# CHAIRMAN'S STATEMENT



## AWARDS & ACCOLADES:

- HIGHEST RETURN ON EQUITY OVER THREE YEARS  
TRANSPORTATION AND LOGISTICS SECTOR  
THE EDGE BILLION RINGGIT CLUB AWARD 2021
- HIGHWAY HERO AWARD 2021 PRESENTED  
TO LDP'S AUXILIARY POLICE PERSONNEL  
AT THE HIGHWAY INDUSTRY AWARDS CEREMONY 2021

The Board is immensely proud to note that the Group continues to receive recognitions and accolades which are attributable to Management and staff steadfast pursuit of operational and financial excellence during the financial year as follows:

- Highest Return on Equity Over Three Years for Transportation and Logistics Sector 2021 from The Edge Billion Ringgit Club Award 2021 held at Shangri-La Hotel on 13 December 2021.
- Highway Hero Award 2021 presented by Senior Works Minister Datuk Seri Fadillah Yusof to LDP's auxiliary police personnel, Sergeant Mohd Nizam Salleh at Highway Industry Awards Ceremony 2021 held at the Marriot Hotel on 2 December 2021.

Subsequent to the financial year end, the Group had received separate offers from Amanat Lebuhraya Rakyat Berhad (ALR) to acquire all interests in both highway concession companies operated by our Group on 2 April 2022, along with 2 other tolled highways owned by Gamuda Berhad. On 18 April 2022, the Board of Directors of the Company and the board of directors of its associate company, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd (SPRINT Holdings) had separately deliberated on and accepted the respective offers from ALR mentioned above and the Company has made appropriate announcements to Bursa Malaysia Securities Berhad (Bursa Malaysia) on the same. Details of these offers are explained further in Note 39 in the Financial Statements of this Annual Report as well as other corporate announcements made by the Company to Bursa Malaysia.

The Board has called for an Extraordinary General Meeting (EGM) to seek shareholders' approval on the same. Should the proposed disposals materialise, the Group will then have disposed its entire interests in both Lingkaran Trans Kota Sdn Bhd and Sistem Penyuraian Trafik KL Barat Sdn Bhd, the concession owners of LDP and SPRINT Highway respectively. Consequently, the Company will be deemed a Practice Note 16 (PN 16) Cash Company according to Bursa Malaysia's Main Market Listing Requirements (MMLR). On 14 June 2022, in lieu of the ongoing proposed disposals exercise, the Board has also deliberated and decided not to continue with the listing status of the Company upon full completion of the proposed disposals in the event of our shareholders vote in favour of both proposed disposals at the coming EGM.

Last but not least, I would like to extend the Board's deepest appreciation to the Management and staff for their immense loyalty, support and dedication to the Group's aspirations, business and operations since the inception of the Company and Group. On a similar note, the Board would also like to record its sincere gratitude to all related government agencies, local authorities, business associates for their guidance and support afforded in all our business dealings as well as to our suppliers and contractors who also contributed in their respective ways throughout all these years and to the continued smooth running of the Group.

This Statement is dated 18 July 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Overview

The Group's core business is the management and operations of 2 major tolled highway concession business in the Klang Valley through the Group's investments in companies involved in the design, construction, operation and maintenance of Lebuhraya Damansara-Puchong (LDP) and Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT Highway) together with the management of their toll operations.

Both LDP and SPRINT Highway are strategically located to provide crucial inter-urban connectivity to commuters within the Klang Valley. LDP forms an integral part of the western link of the Middle Ring Road 2 (MRR2) and provides critical north-south corridor interconnectivity from Damansara in the north to Puchong/Serdang/Putrajaya in the south with a short east-west spur road from Puchong to Shah Alam. On the other hand, SPRINT Highway provides vital connections between MRR2 and Inner Ring Road for communities located in Petaling Jaya and western part of Kuala Lumpur and beyond.



- Concession holder for 40.0 km LDP
- 34 years concession period from 1996 to 2030
- Commencement of tolling on 25 January 1999
- 4 toll plazas as follows:
  - (a) Penchala Toll Plaza
  - (b) Petaling Jaya Toll Plaza
  - (c) Puchong Barat Toll Plaza
  - (d) Puchong Selatan Toll Plaza
- Concession holder for 26.5 km SPRINT Highway comprising 3 links with their respective toll plazas as follows:
  - (a) Damansara Link – Damansara Toll Plaza
  - (b) Kerinchi Link – Pantai Toll Plaza
  - (c) Penchala Link – Bukit Kiara Toll Plaza
- 36 years concession period from 1998 to 2034 for Damansara Link and Kerinchi Link
- 33 years concession period from 1998 to 2031 for Penchala Link
- Commencement of tolling on 9 September 2001 for Damansara and Pantai Toll Plazas and on 22 March 2004 for Bukit Kiara Toll Plaza

## Group Strategy

The Group envisions to be a sustainable, reputable and leading highway service provider. In support of this, the Group's mission is focused on enriching lives and connecting communities through the provision of highway service and operational excellence in our drive to achieving total customer satisfaction. The Group is committed and focused on being a responsible steward of safe and efficient highways and contributing to overall economic growth of our stakeholders and well-being of the communities in which the highways operate.

Sustainability are the fundamental pillars employed by the Group in driving key performance measures in managing and implementing the Management's operating strategies, action plans, controls and processes. In order to achieve the Group's overall Vision and Mission, the Group has adopted 3 Core Business Approach which are Building Resilience and Value, Operational Excellence and Agility and Upholding Governance and Sustainability Aspects.

To this end, the Group will continue prioritising the digitalisation strategy in upgrading our quality standards and systems and service delivery to our customers. The Group will also continue to pursue efforts in revitalising our top and bottom line through effective management and enhancement of revenue generation and the management and control of our costs. Guided by the quality policy adopted by the Group and our commitment to excellence, the Group seeks for total customer satisfaction by being efficient and to listen, understand and meet our customers' requirements and expectations, managing and mitigating traffic congestions on our highways and effectively integrate sustainability aspects into every facet of our business and operations.



# MANAGEMENT DISCUSSION AND ANALYSIS

Group Strategic Plans	Sustainability Priorities		
	Economic	Environment	Social
1. Digitalisation, Upgrade Quality Standards and Systems	✓	✓	✓
2. Managing and Enhancing Revenue Generation	✓		
3. Managing and Mitigating Traffic Congestion	✓	✓	✓
4. Striving for Total Customer Satisfaction	✓	✓	✓
5. Managing and Controlling Costs	✓		
6. Effective Management of Environment and Social Aspects		✓	✓
7. Governance & Compliance to Standards and Regulations			✓

The impact from the pandemic and various permutations of Movement Control Orders (MCOs) since March 2020 continued to weigh in on the Group's current year performance. Compared to previous financial year, tollable traffic volumes on both LDP and SPRINT Highway recorded only marginal uptrend. The Group's profitability was adversely affected by large ad-hoc items such as higher amortisation charge for both LITRAK and SPRINT, resulting from the adoption of a revised independent traffic consultant's report; and higher tax impact for LITRAK due to the imposition of *Cukai Makmur* by the Government.

## Financial Review

	Financial Year 2022	Financial Year 2021	Change
Revenue	RM400.9 million	RM392.8 million	+2.1%
Profit for the Year	RM162.8 million	RM205.8 million	-20.9%

The continued imposition of various permutations of the MCO during the financial year had resulted in average weekday tollable traffic on LDP to increase only marginally i.e. from 353,000 vehicles achieved in the previous financial year to 356,000 vehicles recorded this year. As such, Group's Revenue improved slightly by 2.1% from RM392.8 million achieved in previous financial year to RM400.9 million this year. On the other hand, Profit for the Year dropped by 20.9% to RM162.8 million compared to RM205.8 million registered in the previous year due to the following ad-hoc expense items:

- Higher Depreciation and Amortisation Costs of RM21.6 million i.e. from RM74.5 million recorded previously to RM96.1 million in the current financial year due to the adoption by the Group a new independent traffic consultant's report in final quarter of financial year which is an ad-hoc item;
- Higher Income Tax Expenses of RM18.1 million i.e. from RM61.3 million recorded previously to RM79.4 million in the current financial year due to imposition of a once-off *Cukai Makmur* by the Government on taxable entities with chargeable income exceeding RM100 million, whereby in addition to the corporate tax of 24%, chargeable income in excess of RM100 million will be taxed at 33% for year of assessment 2022; and
- Reduction in Share of Result in SPRINT Group of RM25.3 million i.e. from share of profits of RM22.7 million recorded previously to share of loss of RM2.6 million in the current financial year due to similar reasons on traffic volumes and higher depreciation and amortisation costs as per LITRAK, as well as the lower recognition of government compensation based on compensation formula as set out in the Concession Agreement; offset by
- Reduced Finance Costs of RM13.0 million i.e. from RM39.8 million recorded previously to RM26.8 million in the current financial year due to the reduction of the Group's borrowings via a scheduled repayment of bonds.

# MANAGEMENT DISCUSSION AND ANALYSIS

Since 1 January 2016, the Government has deferred the third and final scheduled toll rate increase for LDP as provided for in the Concession Agreement. Similarly for SPRINT, scheduled toll rates increases continued to be deferred by the Government. Accordingly, the Group compensation to be made by the Government for the difference in toll rates between the rates paid by users against the rates as set out in the respective highways' Concession Agreements.

The Group continues its prudent approach to capital management. Total borrowings outstanding (which relates to the outstanding Sukuk Musyarakah Islamic Securities (Sukuk) borrowings undertaken by LITRAK on LDP) was pared down further from RM585.3 million in the previous financial year end to RM388.3 million this year due to the scheduled repayment of the principal amount of Sukuk borrowings. As a result, the Group's liquidity and cash position as at the end of the financial year remains strong and resilient. During the financial year, RAM Ratings has continued to reaffirm LITRAK's Sukuk borrowings at AA2 level.

## Operational Review

As a result of the implementation of the various permutations of the MCO throughout the year, average weekday tollable traffic on LDP improved slightly from 353,000 vehicles, achieved in the previous financial year to 356,000 vehicles this year. SPRINT Highway, on the other hand saw a slight drop from 126,000 vehicles achieved in the previous financial year to 124,000 vehicles this year.

Traffic congestion management continues to be one of the most significant challenges in managing the expectations of our highway users. Ongoing congestion management plans implemented and being pursued by the Group to mitigate or contain the congestions include the Major Contra Flow Management Scheme between KM 21 and KM 18 Northbound of LDP, specialised use of emergency lane between KM 1 to KM 2 Northbound of LDP during PM peak hours and the proposed Signalised Junctions Enhancement Programmes at Taman Megah and Bandar Utama Interchanges.

Monitoring and managing major projects being implemented or proposed to be carried out along our highways through active and close collaboration with project owners, contractors and local authorities are essential to ensure safety and operating procedures are adhered to at all times and with minimal interruptions to our highway users and eliminate the risk of flooding on the highways particularly during unusually high torrential rainfall. Major ongoing development projects along our highways which are being closely managed and monitored by the Group are as follows:

1. Construction of Damansara-Shah Alam Expressway (DASH) at Penchala Interchange integrating onto both LDP and SPRINT Highway.
2. New ingress and egress connections from LDP and SPRINT Highway to Empire Damansara Development at Penchala Interchange.
3. Construction of Setiawangsa-Pantai Expressway (SPE) at Kerinchi Interchange integrating onto Kerinchi Link of SPRINT Highway.
4. Construction of MRT Line 2 Sungai Buloh Serdang-Putrajaya (MRT Line 2 SSP) crossing LDP at Serdang Interchange.
5. Construction of Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia in Klang at Kayu Ara Interchange on Damansara Link of SPRINT Highway.
6. Construction of the proposed Elevated Highway by DBKL next to the proposed redevelopment of Pusat Bandar Damansara.
7. Mixed developments along LDP and SPRINT Highway such as Empire Damansara project, Icon City project, KL Eco City project and Damansara Pavilion project.

Similarly, the Group have also identified and are actively monitoring the following proposed major development projects and upgrading works planned to be carried out along our highways Right-of-Ways as follows:

1. Proposed Serdang Interchange upgrading on LDP by Lembah Penchala Sdn Bhd,
2. Proposed new access road and widening of existing Puchong Barat Toll Plaza westbound by Hua Yang Development, and
3. Proposed new directional ramp from the new development at Jalan Dato' Abu Bakar to Damansara Toll Plaza A by Trinity Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

Achieving Total Customer Satisfaction and enhancing Governance & Compliance to Standards and Regulations are also key strategic focus areas which the Group constantly seeks to improve. During the year, our highway patrol team has implemented several key initiatives with the objective of continuously improving our frontline patrolling team's service to the road users in line with the Group's digital transformation strategy including:

1. installation of online real-time GPS tracking and video surveillance functions on all our patrolling vehicles for improved monitoring and management of patrolling vehicles and frontliners' assistance afforded to road users' vehicles or incidents occurring on our mainlines; and
2. implementing a new online User Satisfaction Scale System has been developed and deployed to assist road users to assess and provide instantaneous feedback regarding the service quality of our patrolling team on a more real-time and environment-friendly paper-free digital platform.

Other major operational action plans with regards to Total Customer Satisfaction and Effective Management of Environment and Social Aspects being implemented and followed through by the Group include:

1. Enhancing road ridership comfort via close monitoring of pavement conditions and ensuring repair and rehabilitation works are being implemented and extended as a preventive strategy for long-term preservation of the highway pavement assets.
2. Increasing traffic throughputs at our toll plazas through the continued use and promotion of Radio-Frequency Identification (RFID) tag whereby dedicated RFID lanes have been installed at each bound for all toll plazas at both our highways and additional lanes being planned to be installed from time to time as such usage volume increases.
3. Improving the Group's Corporate Social Responsibility (CSR) efforts through the continuation of LDP's Frequent Traveller's Programme (FTP) for our road users by provision of rebates to qualified LDP users.
4. Implementation of and continued monitoring of existing environment friendly projects such as continuous programme of switching building lightings from conventional bulbs to LED type, installation of solar panel at our maintenance depot, rainwater harvesting programme and responsible waste management programmes.

As a responsible corporate citizen, the Group understands its CSR role towards our road users, the surrounding communities and other stakeholders. In line with the easing of social distancing, the Group has been able to undertake more CSR-based activities during the year albeit at smaller scale and in compliance with social distancing SOPs. These include organising festive celebrations with local communities and extending contributions to the religious bodies, underprivileged homes, orphanages and school as follows:

- Contributions were made to Persatuan Al-Fattah Bandar Sunway and Team Misi Amal Malaysia in Bangi in April 2021 which benefitted about 80 underprivileged families, each family received a bag full of groceries.
- Ramadhan charity shopping spree event was held on 24 April 2021 for a total of 40 underprivileged children from Persatuan Al-Munirah, Klang being treated to a shopping spree and cash donations were contributed to the home as well.
- Qurban charity event was held on 20 July 2021 whereby contributions were made to Surau At-Taqwa Kepong, Surau Al-Mustaqim Bukit Jalil and Surau As-Sobirin Putra Perdana, Puchong which are all located along LDP's alignment.
- Contribution of food packages to Masjid Al-Hidayah Kelana Jaya and food baskets to the police and ex-police force in conjunction with National Day celebrations on 31 August 2021.
- Deepavali charity event was held on 13 October 2021 whereby 18 underprivileged children from Persatuan Kebajikan Kesayangan Maha, Jenjarom received goodies bags and "angpow". Cash donation, groceries and other electrical appliances were also made to the home.
- Flood relief contributions i.e. food and beverage packages were made to affected residents of Kampung Tengah, Kampung Sri Aman, Kampung Bukit Lanchong Puchong and Masjid Nurulhuda Kampung Kenangan Puchong located alongside the alignment of LDP in December 2021.
- Christmas charity event was held on 22 December 2021 with Home of Peace in Kuala Lumpur whereby 15 underprivileged children received goodies bags and "angpow".



## MANAGEMENT DISCUSSION AND ANALYSIS

- Road safety programme with 'p-hailing' motor riders and students from Kolej Profesional Baitulmal Kuala Lumpur, totalling 50 participants was held on 26 January 2022 to educate and promote road safety awareness.
- Chinese New Year charity event on 7 February 2022 with senior citizens from Rumah Orang Tua Seri Kembangan, whereby new furniture, electrical appliances and groceries were donated to the home in addition to contributions of food and "angpow".
- Coffee Break SPM with SMK Puchong, Batu 14 on 9 – 10 March 2021. 267 students from SMK Puchong benefitted from this session. They each received breakfast meal and refreshment packs before their SPM examination.

The Group is immensely proud to be recognised for the Company's and staff's continued steadfast pursuit of operational and financial excellence. During the financial year, the following recognitions were received by the Group:

1. Highest Return on Equity Over Three Years for Transportation and Logistics Sector 2021 from The Edge Billion Ringgit Club Award 2021 held at Shangri-La Hotel on 13 December 2021.
2. Highway Hero Award 2021 presented by Senior Works Minister Datuk Seri Fadillah Yusof to LDP's auxiliary police personnel, Sergeant Mohd Nizam Salleh at Highway Industry Awards Ceremony 2021 held at the Marriot Hotel on 2 December 2021. This award is given specifically to recognise the services of individuals or agencies who display courage and efforts to protect lives and rescue accident victims.

On the Group's workplace protection and staff well-being particularly due to the Covid-19 pandemic threat, the Group had continued to ensure compulsory temperature checking at all premises' entrances, constant staff awareness and reminder programmes, compulsory wearing of face masks, regular sanitisation of high touch-points work surfaces, encourage online meetings and discussions, mandatory Covid-19 tests (either RT-PCR or Antibody RTK) for all our staff on a fortnightly basis and mandatory dual vaccination dosage completed for all staff throughout the year under review.

Since the Group's businesses are focused on tolled highway concessions, the risk of disruption to toll revenue generation continues to be the most significant threat faced by the Group. Major risk factors that could disrupt the Group's revenue generation adversely identified previously remain the same as follows:

1. Resurgence of Covid-19 variants or other major pandemic which necessitates the re-imposition of similar strict travel restrictions on travellers or highway users by the Government.
2. Undue and prolonged delay in the receipt of toll compensation from the Government. Timely receipt of such toll compensation due is crucial in managing the Group's financial liquidity position as well as reducing risk of breaching the respective concession companies' loan covenants.
3. Reduction in number of toll-paying vehicles passing through the Group's toll plazas due to various reasons including but not limited to:
  - (a) shift in urban road users' travel pattern due to post pandemic new norms adopted i.e. higher number of businesses prefer work from home;
  - (b) reduce number of patrons at shopping malls due to ease of online shopping etc; and
  - (c) availability and continuation of governmental support and policies in the development of alternative transportation modes, such as LRT, MRT or Bus Rapid Transit (BRT) and the continued subsidisation of fares for such transport modes. For this threat, it will only be relevant in the longer term when the Klang Valley region has a fully comprehensive and integrated end-to-end public transportation system.
4. Occurrence of any major catastrophic events, such as a major landslide or a bridge collapse, which makes it impossible for vehicles to access the toll plazas and toll collections may be halted for an extended period of time. For this risk, the corresponding costs of repairs and loss of revenue has been adequately mitigated by the Group through the various insurance policies undertaken.
5. Risk of disruptions caused by systems and data security, the Group is continuously working on enhancing and upgrading our IT security systems in order to mitigate the occurrence and the impact of such cyber-threats, in addition to the purchase of related insurance coverage for this risk.

# MANAGEMENT DISCUSSION AND ANALYSIS



WITH THE OPENING OF ALL ECONOMIC SECTORS AND THE GRADUAL RE-OPENING OF BORDERS, THE MALAYSIAN DOMESTIC ECONOMIC RECOVERY IS EXPECTED TO CONTINUE ON AN UNEVEN AND STAGGERED UPWARD TREND IN THE NEAR TERM

## Business Outlook

Malaysia had transitioned into endemic phase on 1 April 2022. With the opening of all economic sectors and the gradual re-opening of borders, the Malaysian domestic economic recovery is expected to continue on an uneven and staggered upward trend in the near term. External headwinds such as rising global oil prices, high inflation rates and global supply chain disruptions caused by sluggish production outputs still recovering from effects of the pandemic and fallout from the ongoing Russia-Ukraine war will also bear down on this recovery trajectory.

The Government has decided to continue freezing toll rates for year 2022. Accordingly, the toll rates on LDP and SPRINT Highway payable by users will remain the same and the Group expects compensation payable by the Government will continue to be determined in accordance with the provisions of the respective highways' concession agreements. Moving forward, tollable traffic volumes from matured brownfield projects such as LDP and SPRINT Highway are expected to grow marginally. Since there are no further scheduled toll rates increases until the end of the respective concession periods, revenue growth can only be achieved exclusively from traffic growth for both our highways. The Group will continue to monitor the recovery rate of tollable traffic volumes on both our highways pending announcement by the Government on implementation of full endemic phase.

In the coming financial year 2023, the Group's future profitability is expected to rebound and remain resilient. Depreciation and Amortisation Expenses is a non-cash item and expected to grow marginally moving forward in line with marginal traffic growth and already accounted for the impact of the latest revised traffic forecast in FYE2022. Finance Costs, on the other hand, is expected to reduce gradually as the Group pares down the Sukuk borrowings based on scheduled repayments. The impact of *Cukai Makmur* has been fully accounted for in FYE2022 and the Government is not expected to extend this one-off tax arrangement into the following year. As for dividends payout to shareholders, the Group envisage to continue maximising dividends by distributing any surplus cash after setting aside funds to meet future loan obligations and operational and capital expenditures.

Subsequent to the financial year end, the Group had received separate offers from Amanat Lebuhraya Rakyat Berhad (ALR) to acquire all interests in both highway concession companies operated by our Group on 2 April 2022, along with 2 other tolled highways owned by Gamuda Berhad. On 18 April 2022, the Board of Directors of the Company and the board of directors of its associate company, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd (SPRINT Holdings) had separately deliberated on and accepted the respective offers from ALR mentioned above and the Company has made appropriate announcements to Bursa Malaysia Securities Berhad (Bursa Malaysia) on the same. Details of these offers are explained further in Note 39 in the Financial Statements of this Annual Report as well as other corporate announcements made by the Company to Bursa Malaysia. Notice of Extraordinary General Meeting has been issued on 14 July 2022 to seek shareholders' approval of the same.

This Statement is dated 18 July 2022.

# SUSTAINABILITY STATEMENT

## Introduction

As the operators of two major urban highways, LITRAK works to create long-term value for our stakeholders through thoughtful and disciplined management and sustainable business practices. Our focus is firmly rooted in providing our road users a safe and efficient journey, while ensuring the interest of all other stakeholders are met. As we grow together with our stakeholders, we continue to remain steadfast in our vision of being a sustainable, reputable and leading highway service provider.

With the Board actively ensuring all sustainability initiatives are aligned with the Group's business objectives and strategic direction, we are committed to advancing our path towards sustainability. We intend on doing this by focusing on building value and resilience, ensuring operational excellence and agility, while upholding good governance and sustainable practices.

## About this Statement

This Statement covers LITRAK as a Group, including our associate company, SPRINT (together "LITRAK Group" or "the Group") for the period from 1 April 2021 to 31 March 2022. This Statement serves the purpose of reporting the strategies, initiatives, performance and achievements in relation to the Group's sustainability journey in the financial year 2022 including policies, practices and procedures implemented.

## Reporting Scope and Framework

Our Sustainability Statement for financial year 2022 is prepared in accordance with the Bursa Malaysia Securities Berhad's Main Market Listing Requirements and Bursa Sustainability Reporting Guidelines (2<sup>nd</sup> Edition).

The scope and boundary of this report is limited to the sustainability progress and impact to the business operations and initiatives of LITRAK Group. The scope is consistent with the Annual Report unless otherwise specified.

We strive to continuously improve the integrity and accuracy of the data and analysis contained in this Statement, to give our stakeholders better insights into how we monitor, collect, analyse and report the sustainability performance of the Group.

## Independent Assurance

We have not sought any external assurance for this Statement. As our reporting matures, we will consider seeking assurance for key sustainability indicators.

## Feedback



We value our stakeholders' feedback on this Statement. Please contact us with any questions you have about this Statement or its contents via:

**Corporate website** : <http://www.litrak.com.my>

**Facebook** : <https://www.facebook.com/litrakgroup>

**Twitter** : <https://twitter.com/LDPtrafik>  
: <https://twitter.com/SPRINTtrafik>

## The Year in Brief

### Total Value Generated



**RM387 million**

### Value Distributed to Government



**RM89 million**

### Spending on Road Maintenance



**RM9 million**  
LDP

**RM7 million**  
SPRINT Highway

### User Satisfaction Scale System



**99%**

Satisfied  
Road Users

### % of Women in LITRAK Group



**40%**

The Board

**48%**

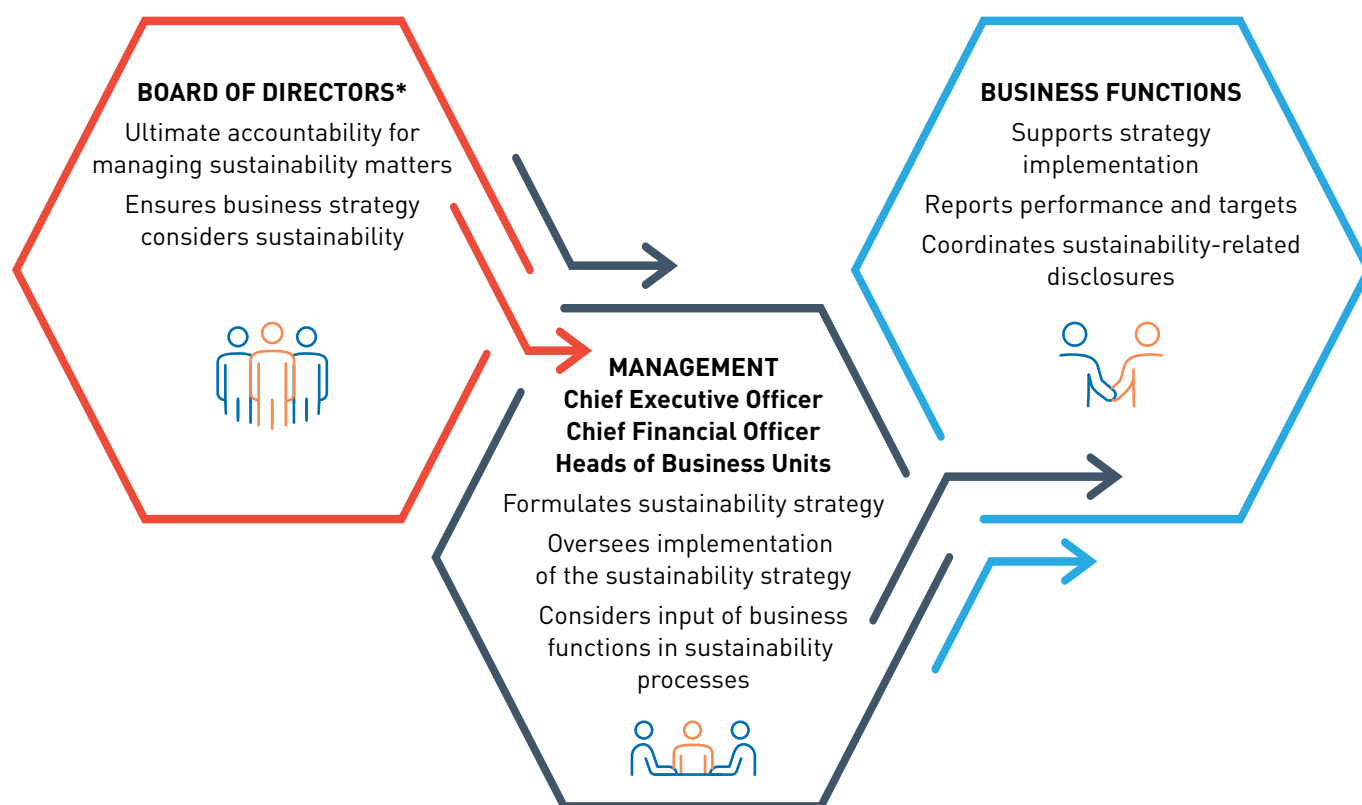
Workforce

# SUSTAINABILITY STATEMENT

## Sustainability Governance

Effective governance is a key feature in ensuring the Group is managed sustainably and responsibly. The Board remains committed to driving the Group's robust sustainability governance structure to monitor and streamline sustainability efforts. We remain cognizant that our business and operations should be carried out with the highest standards of corporate and social responsibilities, in accordance with applicable legislation and regulations, and that the Group achieves its established goals and strategies, while contributing to the overall economic growth of our stakeholders and towards the well-being of the communities in which our highways operate.

### Sustainability Governance Structure



\* The Board of Directors is supported by various Board Committees as elaborated in the Corporate Governance section on page 38.

The Board of Directors continues to bear overall responsibility for the Group's sustainability performance. The Board, with the support of Management, drives our sustainability vision, keeping us focused and committed to our sustainability objectives.

The management of sustainability risks and opportunities is integrated into the policies, guidelines and systems that govern our business practices, which promotes ethical business conduct and environmentally responsible practises.

For the year under review, the sustainability governance structure of the Group remains unchanged.



# SUSTAINABILITY STATEMENT

## Sustainability Framework

### VISION

To be a sustainable, reputable and leading highway service provider

### MISSION

Enriching lives and connecting communities through provision of highway service and operational excellence in pursuit of total customer satisfaction

### BUSINESS APPROACH/CORE PILLARS

Building Value and Resilience

Operational Excellence  
and Agility

Uphold Governance and  
Sustainability Aspects

### STRATEGIC ACTION PLANS

Managing and  
Enhancing Revenue  
Generation

Digitalisation,  
Upgrade Quality  
Standards and Systems

Striving for  
Total Customer  
Satisfaction

Effective Management  
of Environment and  
Social Aspects

Managing and  
Controlling Costs

Managing and Mitigating  
Traffic Congestion

Governance and Compliance  
with Standards and Regulations

Over the past few years, we have gradually integrated sustainability into every facet of our business and operations. The Strategic Action Plan focuses on creating long-term value across three Core Pillars: Building Value and Resilience, Operational Excellence and Agility, and Upholding Governance and Sustainability Aspects. Through the Strategic Action Plans, we have enhanced revenue generation while maintaining costs, prioritised our digitalisation efforts, strived for total customer satisfaction and supported our employees and communities, all whilst complying with standards and regulations.

These strategic action plans guide our understanding of how our operations impacts our business and key stakeholders. This is crucial for us, both in terms of developing a resilient strategy and serving as responsible stewards of safe and efficient highways.

### OUR FOCUS



#### ECONOMIC

- Economic Performance
- Road Safety & User Satisfaction
- Traffic Congestion Management
- Procurement Practices



#### ENVIRONMENT

- Energy Efficiency
- Waste Management
- Noise Management



#### SOCIAL

- Business Ethics & Compliance
- Human Capital Management
- Community Investment

# SUSTAINABILITY STATEMENT



## Stakeholder Engagement

Stakeholder engagement is important to LITRAK as it allows us to ensure our sustainability action plan, policies and initiatives adequately complement the interest of all who are impacted by our business. As a Group, we aim to maintain open and constructive channels of communication with all our key stakeholders. Thus, meaningful and regular engagements are held through both, formal and informal channels. These interactions build on our current understanding of the business action plans and strategies, helps us prioritise material issues and provide insights into emerging opportunities and risks.





Our key stakeholder groups were identified and prioritised by our heads of departments, taking into consideration the level of influence and dependence a stakeholder group has over our business. The Board further reviewed the identification and prioritisation of the stakeholders.

Key stakeholders include but are not limited to, shareholders and investors, government and regulators, road users, employees, business associates, suppliers and local communities. Each stakeholder group has its unique perspective that contributes to our success and brings us closer to achieving our vision of being a sustainable, reputable and leading highway service provider.

## Key Stakeholder Engagement

Key Stakeholders	Communication Channel	Frequency of Engagement	Key Topics and Concerns	Our Response
<b>SHAREHOLDERS AND INVESTORS</b> 	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Announcement</li> <li>Company Reports</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly and as and when required</li> <li>As and when required</li> </ul>	<ul style="list-style-type: none"> <li>Dividend rate</li> <li>Business strategy</li> <li>Traffic growth</li> <li>CAPEX</li> </ul>	<ul style="list-style-type: none"> <li>Provide ongoing financial and non-financial disclosures</li> </ul>
<b>GOVERNMENT AND REGULATORS</b> 	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Written communication</li> <li>Site visits</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As and when required</li> <li>Periodically</li> </ul>	<ul style="list-style-type: none"> <li>Listing Requirements</li> <li>Regulatory compliance and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Maintain high standards in economic, environmental and social-related regulations, e.g. maintenance and cleanliness of highways</li> </ul> <p><i>Please refer to page 37 on our compliance to government regulations and standards</i></p>

# SUSTAINABILITY STATEMENT

Key Stakeholders	Communication Channel	Frequency of Engagement	Key Topics and Concerns	Our Response
<b>ROAD USERS</b> 	<ul style="list-style-type: none"> <li>• Customer service channels</li> <li>• Company website, emails and social media</li> <li>• Meetings</li> <li>• Site visits</li> </ul>	<ul style="list-style-type: none"> <li>• As and when required</li> <li>• As and when required</li> <li>• Periodically</li> <li>• Periodically</li> </ul>	<ul style="list-style-type: none"> <li>• Traffic congestion</li> <li>• Toll fees</li> <li>• Highway maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Toll rates are as per the Concession Agreement with the Government of Malaysia</li> </ul> <p><i>Please refer to page 29 on how we manage traffic congestion and highway maintenance</i></p>
<b>EMPLOYEES</b> 	<ul style="list-style-type: none"> <li>• Intranet and internal platforms</li> <li>• Meetings</li> <li>• Events</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically</li> <li>• Periodically</li> <li>• Periodically</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation and benefits</li> <li>• Career development</li> </ul>	<ul style="list-style-type: none"> <li>• Offer competitive performance-based rewards and incentives</li> <li>• Provide talent development programmes</li> </ul>
<b>BUSINESS ASSOCIATES &amp; SUPPLIERS</b> 	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Site visits</li> <li>• Written communication</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically</li> <li>• As and when required</li> <li>• As and when required</li> </ul>	<ul style="list-style-type: none"> <li>• LITRAK procurement policy</li> <li>• LITRAK's annual supplier assessment</li> <li>• Commitment to local procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent procurement policy</li> <li>• Utilise e-procurement system</li> </ul>
<b>LOCAL COMMUNITIES</b> 	<ul style="list-style-type: none"> <li>• Company website and social media</li> <li>• Written communication</li> <li>• Exhibitions and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically</li> <li>• As and when required</li> <li>• As and when required</li> </ul>	<ul style="list-style-type: none"> <li>• Highway maintenance</li> <li>• Noise levels</li> </ul>	<ul style="list-style-type: none"> <li>• Uphold high standards of highway maintenance in accordance with the Malaysian Highway Authority (MHA)'s standards</li> </ul> <p><i>Please refer to page 32 for information on noise mitigation measures</i></p>

# SUSTAINABILITY STATEMENT

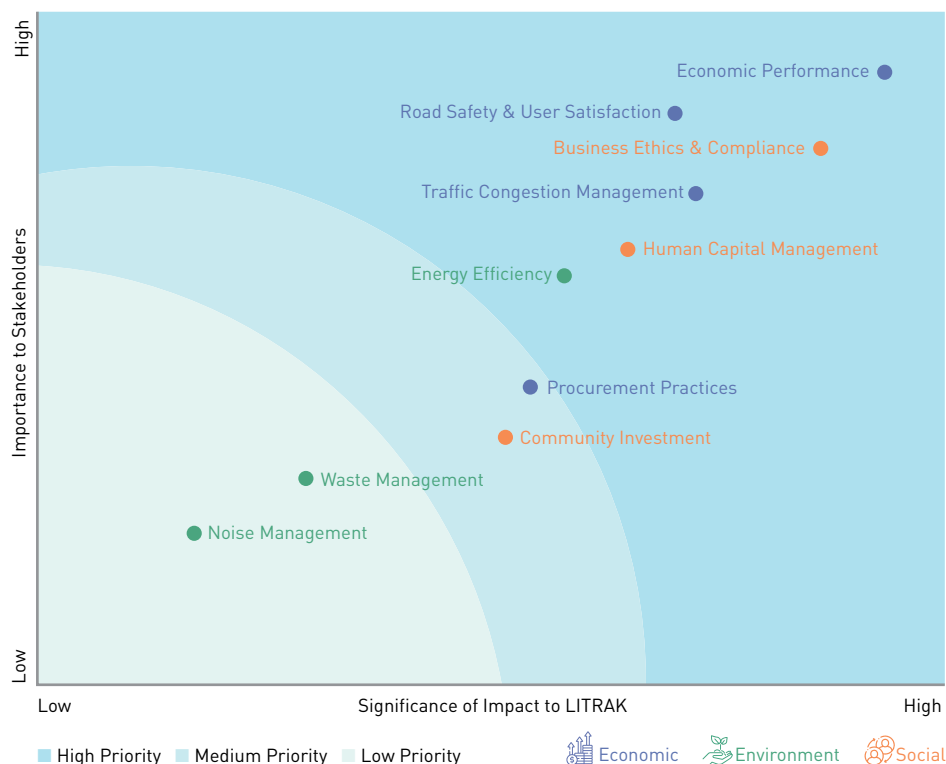
## Materiality Assessment

In FYE2022, we continue to evaluate our Economic, Environmental and Social material matters to ensure that we focus our sustainability efforts on matters that have a significant impact on our business growth and are of relevance to our key stakeholders. The identified material matters keep us aligned to our sustainability agenda and guide our reporting on key issues, which ultimately serves as the focal point of our sustainability statement. The listed material matters form the basis for the indicators that we use to track and measure our sustainability performance.

For the year under review, we have reassessed our material matters to ensure its relevance and applicability for our key internal and external stakeholders using a similar three-step process used in previous year as follows:



The Management reviewed the material matters identified in the previous year and determined that they remained relevant and applicable for the financial year ending 2022. To maintain LITRAK's growth, recovery and adaptability, the Management has updated the classification of certain material matters, as well as the significance of those matters in relation to their impact to the Company and the stakeholders. The Board has reviewed, rationalised and approved the materiality matrix for FYE2022 as follows:





# SUSTAINABILITY STATEMENT



## ECONOMIC

### Introduction

As a trusted highway operator, we strive to maximise the value we create and distribute to our key stakeholders. We achieve this through a customer-centred strategy that prioritises road safety and road user satisfaction. This includes maintaining efficient traffic congestion management and a transparent procurement process, all of which position us towards stellar economic performance. For the year under review, the Group is focusing on technology and digitalisation through improved services and feedback from road users.

Our Economic focus include the following:



### Economic Performance



### Road Safety and User Satisfaction



### Traffic Congestion Management



### Procurement Practices



### Economic Performance

The Group is dedicated to creating a positive impact on the economy and delivering value to our stakeholders by embracing sustainable business practices. For the year under review, the Group recorded a slight decrease in total value generated at RM387 million as compared to the RM404 million achieved last year. The Group has attributed this shift in profit after tax to the higher depreciation and amortisation costs, as well as the increase in income tax owed to the *Cukai Makmur* imposed by the Government. Nonetheless, LITRAK was successful in maintaining robust value distribution to our key stakeholders through the declaration of dividends as well as ensuring that our employees are well taken care of.

### Direct Economic Value Generated and Distributed

	FYE2022 RM'000	FYE2021 RM'000	FYE2020 RM'000
Total Value Generated	387,488	404,315	516,922
Total Value Distributed			
• To Employees	22,292	22,917	27,183
• To Government	88,605	65,472	89,538
• To Providers of Capital	160,098	146,417	185,511
• Retained for Future Reinvestment and Growth	116,493	169,509	214,690

*Note: Value generated comprises net operating income, other income and share of result of an associate.*

Further information on our economic performance can be found in:

- Financial Highlights: page 11
- Chairman's Statement: pages 12 to 14
- Management Discussion & Analysis: pages 15 to 20
- Financial Statements: pages 51 to 121

# SUSTAINABILITY STATEMENT

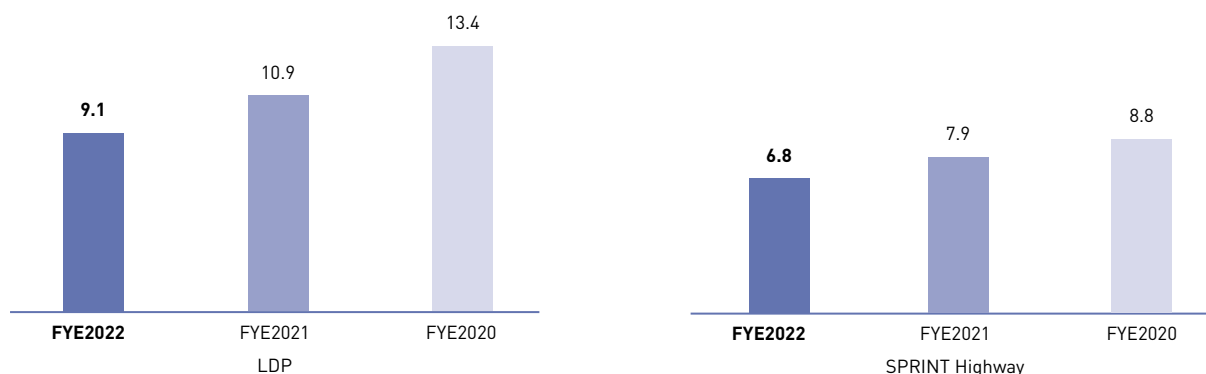


## Road Safety and User Satisfaction

### Road Safety

We continue to place utmost priority on ensuring the safety and comfort of our road users. Through stringent compliance with regulations set by the MHA, LITRAK consistently strives to provide a smooth end-to-end journey for all who frequent our highways.

**Total Amount Spent on Road Maintenance (RM'mil)**



To enable this, LITRAK takes active measures to prevent, detect and rectify poor road conditions or any occurrence leading to impassable or unsafe roads. This task is overseen by the Group's Engineering, Highway Maintenance and Traffic Safety team who continuously monitor and maintain our highways.

Their efforts include daily inspections via CCTVs managed by traffic controllers at the Traffic Control Centre (TCC), regular cleaning and sweeping along the highways, on-site surveillance through the Group's Auxiliary Police team and the installation of video surveillance on patrolling vehicles for enhanced monitoring.

These routine measures are supplemented by regular pavement and structure inspections, as well as repair

works. To support this upkeep, during the year under review LITRAK invested a total of RM9.1 million in the maintenance of the LDP and RM6.8 million for the SPRINT Highway.

To reduce the likelihood of preventable accidents and vehicle breakdowns on our highways, we continuously monitor the indicators depicted in the table below. We also work towards ensuring efficient response times to accidents and breakdowns by promptly deploying our team and thereafter the safe closure of traffic lanes. Additionally, as part of LITRAK's digitisation strategy, our patrol vehicles come equipped with online GPS tracking and video surveillance equipment to better assist road users and to monitor the incidents that occur on our highways.

### Overall Accident and Breakdown Statistics

Indicators	LDP			SPRINT Highway		
	FYE2022	FYE2021	FYE2020	FYE2022	FYE2021	FYE2020
Tollable Traffic Volume (million)	121.9	119.4	155.6	41.4	41.3	66.8
Total number of accidents*	543	585	804	390	344	411
Average accidents per day	1.5	1.6	2.2	1.1	0.9	1.1
Total number of breakdowns	2,862	3,003	4,695	1,198	1,249	2,145
Average breakdowns per day	7.8	8.2	12.9	3.3	3.4	5.8
Total breakdowns and accidents	3,405	3,588	5,500	1,588	1,593	2,556

\* The main causes of accidents include dangerous and reckless driving, loss of control, rain, fatigue and mechanical and engine failures due to lack of maintenance.

# SUSTAINABILITY STATEMENT

As a testimony to our efforts in maintaining road safety, we were conferred the Highway Hero Award at the Annual Highway Industry Award Ceremony 2021. The award was presented by Senior Minister of Works YB Datuk Seri Fadillah Yusof to our LDP Auxiliary Police personnel. Our team's high level of dedication and commitment in assuring the safety and comfort of our road users will certainly inspire us to perform better, as progress is what we strive for each day.

## Road User Satisfaction

LITRAK invariably aims to provide our road users with an exceptional driving experience; thus, their opinion is imperative to us. We have utilised two customer satisfaction surveys. The 'Online Customer Satisfaction Survey' available to all road users via LITRAK's website and the newly launched 'User Satisfaction Scale System' for immediate feedback from road users receiving roadside assistance from our patrol team.

For continuous improvement and development, LITRAK also receives regular customer feedback via all its communication channels. The responses received are filtered through LITRAK's Internal Feedback Management System (LIFS), before being redirected to the respective departments for prompt action. Essentially, we seek to leverage on the feedback received to address key issues and continue to maintain the standards our road users expect of us.

Moving forward, the Group intends to expand our digitalisation efforts across all operations. This will allow us to optimise our feedback mechanism and increase automation of daily tasks such as data recording, storing and retrieval. These enhancements ultimately positions LITRAK to continually upgrade ourselves to better serve our road users.



**Based on  
our User Satisfaction  
Scale System,  
99% OF OUR ROAD  
USERS WERE  
SATISFIED  
with our road  
assistance and  
response time.**

## Feedback received for LDP and SPRINT Highway

Indicators	LDP			SPRINT Highway		
	FYE2022	FYE2021	FYE2020	FYE2022	FYE2021	FYE2020
Number of complaints received	80	92	131	40	29	44
Number of complaints resolved	80	88	131	40	26	44
Number of complaints yet to be resolved	0	4	0	0	3	0
Percentage of complaints resolved (%)	100	96	100	100	90	100



## Traffic Congestion Management

Tollable traffic volumes on Malaysian highways have increased over the course of last year, including along the LDP and SPRINT Highway. Due to the rapid pace of development and the availability of more than 200 ingress and egress along the highways, traffic congestion is undoubtedly a primary concern, particularly during peak hours.

To ensure road user satisfaction, LITRAK has promptly responded with ongoing initiatives such as implementing contra flows, lane channelisation and reducing traffic light phasings at signalised crossings. In addition to this, measures were taken to address concerns raised by road users who frequent the highway.

# SUSTAINABILITY STATEMENT

## Our initiatives to relieve congestion management in FYE2021/2022 include:

### LDP

- Contra Flow Management Scheme between KM 21 and KM 18 Northbound of LDP
- Specialised use of emergency lane between KM 1 to KM 2 Northbound of LDP during evening peak hours

### SPRINT Highway

- Monitoring of on-going construction to mitigate congestion between Pantai Toll Plaza (TP6) to FHR2/KL, Kerinchi Link Southbound

The Group is also conscious of the impact of large infrastructure developments and upgrades have on our highways right-of-way (R.O.W). We regularly monitor and engage with project owners, contractors and local governments to ensure minimal disruption and that our road users are satisfied. Our traffic management initiatives have been effective in managing traffic congestion, reducing queue lengths and waiting time for road users. Wherever practicable, we will continue to upgrade our highways' current infrastructure and seek solutions to optimise traffic congestion management.

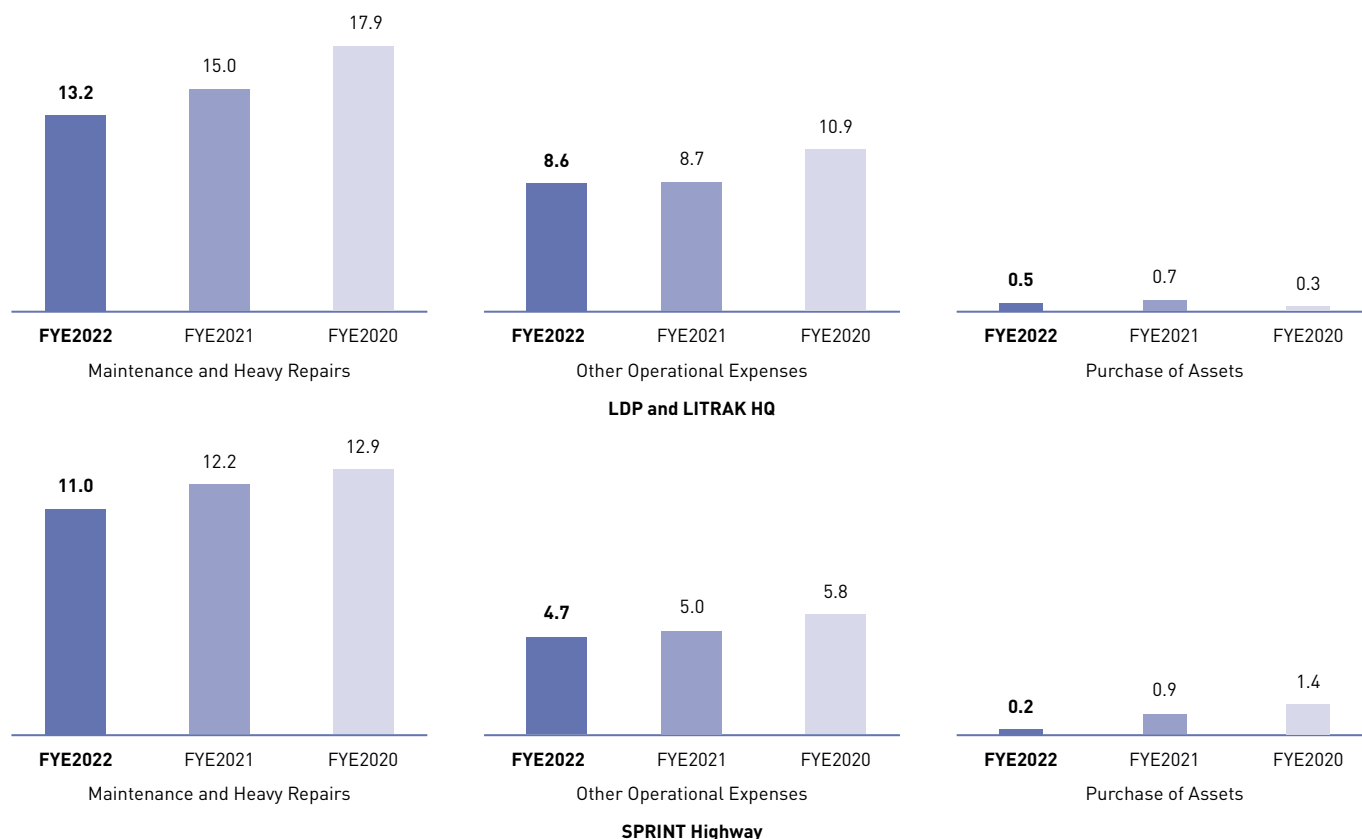


## Procurement Practices

As a leading Malaysian highway service provider, LITRAK is committed to empowering the local economy by striving to keep our procurement practises local. During the year under review, 100% of our supplies and assets were sourced locally. Suppliers are subject to our procurement policy, which mandates all purchases of significant value to be processed through a tender process using our e-procurement system. New contractors and suppliers are rigorously vetted by the Management for their financial and performance capabilities before being registered in our list of approved contractors and suppliers. All vendors are subjected to a yearly assessment to determine service levels, product and service quality, and price competitiveness.

Aligned with the Group's goal to maintain transparent procurement practices, we will continue to emphasise on local procurement to fuel national economic growth, reduce our carbon footprint from transportations and develop long-term relationships that are built on mutual trust.

## Amount Spent on Local Suppliers (RM'mil)



*Note: Other operational expenses include toll operation expenses, office related expenses, travelling, security and other expenses.*



# SUSTAINABILITY STATEMENT



## ENVIRONMENT

### Introduction

As operators of two major leading urban highways, we are mindful that the transportation industry has a significant impact on the environment and the communities that are situated along our highways. We are continuously evolving our approach to environmental management, which encompasses three primary focal points: Optimising Energy Efficiency, Reducing Waste and effectively Managing Noise Levels along our highways. Using these as a baseline, we will continue to seek responsible and innovative solutions to lessen the impact our operations have on the environment, while keeping processes as efficient as possible.

In supporting the world vision to combat global warming by absorbing carbon dioxide and to enhance greenery of our highways, we are committed to plant a minimum 500 trees a year. For the FYE2022, 500 trees have been planted by both LDP and SPRINT Highway respectively. This initiative will also help to prevent flooding and soil erosion by absorbing huge volume of rainwater.

Our Environmental focus include the following:



**Energy Efficiency**



**Waste Management**



**Noise Management**



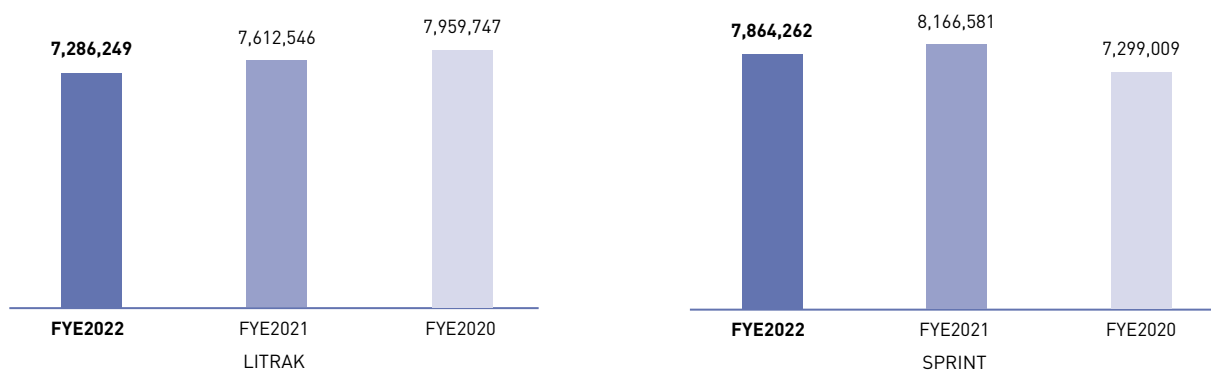
### Energy Efficiency

While our energy conservation efforts are prioritised, we remain conscious to not compromise the safety and comfort of our road users. We do so by leveraging on our energy management to ensure sufficient street lightings along the highway mainlines, high-mast lightings at toll plazas, tunnel lightings, air quality monitoring systems, as well as traffic control surveillance systems, Variable Messaging Systems (VMS) and traffic lights systems.

As part of our efforts to improve energy consumption in phases, we have begun to retrofit lighting in our buildings to energy-efficient LED lightings and have proposed to replace all mainline streetlights with LED lights in phases. We also commit to daily energy saving initiatives such as switching off lights, power sockets and office equipment when not in use. This year, we continue to make progress and have installed solar panels at our maintenance depot.

We aspire to translate these energy optimising efforts into operational cost savings and look forward to continuously adopting leading technology and initiatives that contribute to efficient energy management.

**Total Energy Consumption (kWh)**



# SUSTAINABILITY STATEMENT



## Waste Management

LITRAK is conscious of the importance of practising responsible waste management. We accumulate large quantities of indirect waste due to the high volume of daily traffic generated as a direct consequence of being an open toll system. This includes litter from the side of our highways, sand, fallen trees and large obstructions.

Hence, effective waste management is crucial to us, not only to reduce our negative impact on the environment but to ensure we are compliant with the relevant regulations. Road sweeping, cleaning of drain culverts along roads and the trimming of overgrown grass, shrubs and fallen tree branches are the primary methods of scheduled road cleaning and maintenance we carry out. Following this, the waste is sent to the designated landfills.

To remain sustainable and future-ready, the Group has also initiated digitalisation acceleration programmes or paperless transformation, which are outlined in the MDA section of this Annual Report. These programmes attempt to digitalise and optimise essential work processes. Initiatives include the digitalisation of records, the reduction of printing and the use of recycled paper.

Ongoing practices also include online submission of MHA reports via digital reporting channels such as Expressway Performance Indicator System, Malaysian Highway Road Accident Database & Analysis System, Toll Roads Evaluation & Monitoring System, *Sistem Pembangunan Tepi Lebuhraya* and Advertising Display Management System.

To further propel our commitment, LITRAK also harvests rainwater at our maintenance depot. Harvested water is used to clean the maintenance depot, operational vehicles, roads and highway maintenance. We intend to gradually expand the number of rainwater gathering locations and encourage more divisions to use the harvested rainwater.

As of FYE2021, the Group begun to diligently record and track the volume of waste being managed. We are committed to gradually reducing our waste to landfill and to engage with authorised waste disposal companies, while aligning ourselves closely to the Environmental Quality Act 1974 (EQA) and Scheduled Waste Regulations.

### Waste Collected (Tonnes)

	LDP	SPRINT Highway
FYE2021	368.50	230.50
<b>FYE2022</b>	<b>144.25</b>	<b>94.00</b>



## Noise Management

Managing noise levels along the LDP and SPRINT Highway remain a focal point for the Group. As both highways transverse through highly developed urban residential areas and business communities, we are aware of the noise impacts during the construction and operational stages of projects, and conduct regular monitoring and maintenance works to ensure noise levels are adherent to industry standards and guidelines.

LITRAK prioritises noise assessment exercises and aims to minimise road noise at its source by erecting noise barrier walls and planting shrubs and trees. We are also sensitive to the varied levels of noise reported by surrounding communities and investigate concerns thoroughly. In response to all noise level complaints, site inspections and if necessary, further noise level assessments are conducted. In FYE2021, the two complaints received were promptly responded to and LITRAK has initiated the building of a new noise barrier along the identified location. Construction is expected to start in September 2022.

As a result of our dedication to ensuring the comfort of communities surrounding our highways, we have received minimal complaints throughout the years. To preserve these standards, we will improve our present noise assessment and management strategies, as well as explore potential future advancements in the management of highway noise.

### Number of Complaints on Noise Level

	LDP	SPRINT Highway
FYE2020	1	Nil
FYE2021	Nil	2
<b>FYE2022</b>	<b>Nil</b>	<b>Nil</b>

# SUSTAINABILITY STATEMENT



## SOCIAL

### Introduction

The Group aspires to maintain a positive impact on social systems while continuing to create value for all our stakeholders through building mutual respect, trust and long-lasting relationships. Guided by this people-first philosophy, we prioritise employee management and well-being and consistently seek to invest in the communities we operate. In cultivating these mutually beneficial relationships, we remain conscious of our obligation to do good business while maintaining the highest standards of corporate and social responsibility.

Our Social focus include the following:



**Community Investment**



**Human Capital Management**



**Business Ethics and Compliance**



### Community Investment

As part of our sustainability efforts to garner shared value and growth, the Group aims to foster relationships with the communities in which we operate. Because of the easing of social distancing rules, the Group has been able to engage in more activities this year. Collaborations with existing non-governmental organisations (NGOs) and organising charitable activities are essential to our efforts to improve the well-being of communities. In addition to contributing financially to various communities and social causes, we have helped organise several initiatives aimed at bolstering local communities and promoting unity and cohesion.

**Highlights from our community programmes include the following:**



**10**

Contributions to charitable organisations, underprivileged children and local communities



The Group worked with NGOs to provide donations for elderly persons in homes and underprivileged children



**50** Participants

Attended road safety awareness programme organised by the Group

# SUSTAINABILITY STATEMENT

## Supporting Communities

Contributions were made to Persatuan Al-Fattah Bandar Sunway and Team Misi Amal Malaysia in Bangi in April 2021, which benefited 80 underprivileged households, where each family received a bag of groceries.

In April 2021, a Ramadhan charity event was held for 40 underprivileged children from Persatuan Al-Munirah, Klang, who were treated to a shopping spree and received monetary contributions.

On 20 July 2021, a Qurban Charity event was organised and contributions were made to Surau At-Taqwa Kepong, Surau Al-Mustaqim Bukit Jalil and Surau As-Sobirin Putra Perdana, Puchong, all of which are located along the LDP's alignment.

267 students from SMK Puchong, Batu 14 participated in the Coffee Break in March 2022 before sitting for their SPM examination. Each student received a breakfast meal and refreshment pack.

## Festive Celebrations and Contributions

Donation of food packages to Masjid Al-Hidayah Kelana Jaya and food baskets to the police and ex-police personnel in conjunction with National Day celebrations on 31 August 2021.

In October 2021, a Deepavali charity event was organised where 18 underprivileged children from Persatuan Kebajikan Kesayangan Maha, Jenjarom received goodie bags and "angpow". Cash donations, electrical appliances and groceries were also donated to the home.

In December 2021, a Christmas charity event was organised in Kuala Lumpur with Home of Peace, where 15 underprivileged children received gift bags and cash tokens.

In February 2022, a Chinese New Year charity event was held with elderly folks from Rumah Orang Tua Seri Kembangan, where new furniture, electrical equipment and groceries were donated. This was in addition to food and cash donations.

## Flood Relief Contributions

In December 2021, food and beverage packages were sent to flood-affected residents of Kampung Tengah, Kampung Sri Aman, Kampung Bukit Lanchong, Puchong and Masjid Nurul Huda Kampung Kenangan Puchong, all of which are situated close to the LDP alignment.

## Road Safety Programme

In January 2022, with 50 participants, a Road Safety Programme comprising 'p-hailing' motor riders and students from Kolej Profesional Baitulmal Kuala Lumpur was organised to educate and promote road safety awareness.



## Human Capital Management

The strength, performance and sustainability of the Group is strongly dependent on fostering a shared organisational culture that empowers and inspires employees to achieve their full potential. To achieve this goal, the organisation is dedicated to investing in our employees.

Our employees are the Group's most valued resource. We practice fair treatment and equal opportunity to advance their careers and talents, as their professional development and well-being contribute to the success of our business. We focus our efforts on recruiting, training and retaining our talent pool to meet the current and future company demands.

## Our Human Capital Management focus include the following:



Talent Acquisition and Retention



Training and Development



Diversity and Inclusion



Health, Safety and Environment

# SUSTAINABILITY STATEMENT



## Talent Acquisition and Retention

Our ability to generate long-term value for our stakeholders is dependent on retaining the right talent. Most talent acquisitions are done internally, where we strive to fill roles with employees from within the business based on their competence, skills, talents and experience. This lies at the heart of our recruiting strategy as it aims to help current employees progress their careers within LITRAK or externally through a range of channels.

LITRAK employees are offered competitive remuneration and benefits, as well as the opportunity to further their careers. We work hard to keep our workers engaged and satisfied while also fostering a sense of belonging throughout the Group. Over the years, we have seen a remarkably low rate of employee attrition.

### Competitive Benefits

The Group offers competitive remuneration packages in addition to other benefits that are tailored to the different requirements of our workforce. LITRAK goes above and beyond the regulatory requirements or industry norms to provide family-friendly benefits such as childcare subsidies, childcare and family care leaves, ninety days of maternity leave, pre-natal and post-natal support and family hospitalisation insurance on a co-sharing basis.

We are also mindful that the ongoing Covid-19 pandemic and the recent flash floods have impacted our employees. As a response, we have implemented the Vaccination Leave policy to provide employees with the opportunity to get themselves and their family members vaccinated. Additionally, a Disaster Leave policy entitles our employees to receive up to five days leave and financial assistance.

These benefits are illustrative of the efforts made by the Group to attract and retain talent. We place significant importance on having a healthy work-life balance for our employees. All employees have access to flexible work arrangements and flexi-wellness benefits as part of our pro-health benefit programmes. In addition, we express our gratitude for long-term staff members by conferring the Long Service awards and providing them with access to an Employee Share Options Scheme (ESOS).



A total of  
**76 RECIPIENTS**  
received the  
**Long Service Award**  
in FYE2022



## Training and Development

One of the Group's key priorities continues to be talent development. We believe that continuous learning and the development of new skills lead to a highly trained workforce that is both competitive and relevant in the highway industry and business operations.

Internal and external training programmes are designed to meet the requirements of employees at all stages of hard and soft skill development. This, in turn, contributes significantly to enhanced customer service and job output quality, which ultimately adds value to our company and strengthens our potential to be successful in the long run.



Average Training  
Hours of Employees  
in FYE2022 is  
**26.1 HOURS**



## Diversity and Inclusion

Our Diversity and Inclusion Policy serves as a compass for our efforts to enhance workplace diversity throughout our workforce. We believe that having a varied staff develops an environment that is accepting and tolerant of other points of view, as well as a more collaborative style of working. Our dedication to embracing equal gender representation and going above the mandated requirements of 30% women in leadership roles in the corporate sector is reflected in FYE2022, as our Board of Directors has a 40% female representation and 48% of the Group's total workforce comprises of women.

The Group is dedicated to recruiting employees from a diverse range of personal and professional backgrounds, regardless of gender, age or ethnicity. Our highly motivated, dynamic and skilled workforce embodies equal opportunity practices as we believe in bringing out the diverse talents that exist within our Group.

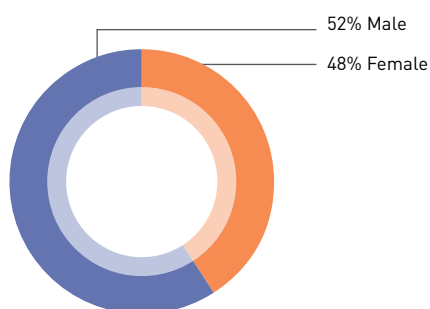


A total number of  
**486**  
**EMPLOYEES**  
as of FYE2022

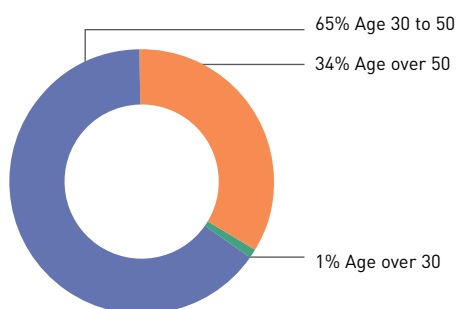


# SUSTAINABILITY STATEMENT

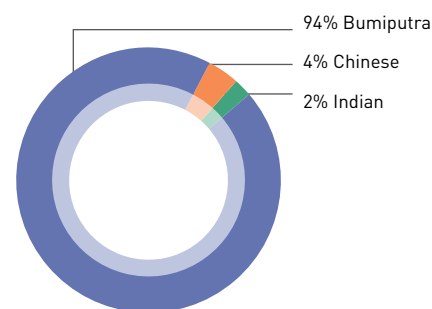
## Gender Diversity



## Age Group



## Ethnicity



## Health, Safety and Environment

The well-being and protection of our employees is imperative to LITRAK. We are dedicated to promoting a safe and robust working environment, which includes mitigating the risks associated with the safety, health and welfare of our employees, contractors and public.

We create this culture of safety in our workforce by continuously educating our employees on various health and safety aspects. The Group conducts trainings on a regular basis and engages in a range of health and safety activities, such as the Expressway Operations Safety Passport (EOSP) exercise.

It is also essential that as we transition to endemicity, the Covid-19 preventive measures we have established and implemented be continuously assessed in accordance with regulatory guidelines, particularly in areas that involve our frontline employees and road users.

Hence, the Group has undertaken additional protective measure to monitor and control the spread of Covid-19 in our workplace. We continue to administer mandatory Covid-19 tests (either RT-PCR or Antibody RTK) on a bi-weekly basis to all employees and ensure that mandatory temperature checks are performed at the entrances of all facilities. LITRAK has also ensured that staff awareness initiatives are carried out, mandatory face mask use be maintained, high-touch points on work surfaces are regularly sanitised and that online meetings and discussions continue to be encouraged.



## Business Ethics and Compliance

The Group is dedicated to upholding a high standard of ethical business conduct and to advancing integrity, transparency and accountability across all levels and areas of our commercial operations. We cultivate a strong culture of compliance across our operations and regularly implement preventative measures to ensure we are fully adherent to the applicable laws and regulations.

### Our Business Ethics and Compliance focus include the following:



Anti-corruption and Whistleblowing Policy



Regulatory Compliance

# SUSTAINABILITY STATEMENT



## Anti-corruption and Whistleblowing Policy

The Group maintains a high level of business ethics and is mindful of the obligations imposed by Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act). The Group continues to adhere to the Anti-Bribery and Corruption Policy (AB&C Policy) that was established on 27 August 2020, to protect the Group from offenses perpetrated by Group-affiliated individuals. The Group has established accessible grievance mechanisms to receive complaints, grievances and other forms of feedback from stakeholders.

The purpose of the AB&C Policy is to provide guidance to our employees, business partners and relevant entities on the standards of conduct for our commercial operations, and to eliminate any kind of corruption or bribery within the Group. We place a significant emphasis on the need to monitor this risk of corruption and implement appropriate mitigation strategies to inculcate zero tolerance for corruption through continuous awareness programmes and trainings. LITRAK strives to the highest standards of business ethics and that the whistleblowing policy will continue to reflect current best practises.



## Regulatory Compliance

We pride ourselves in instilling a culture of compliance across our operations and continuously employ preventive and investigative measures to ensure we adhere to the relevant laws and regulations.

Maintaining this compliance and satisfying the standards of our most important stakeholders, i.e. the government and regulatory agencies, is essential to the viability of our firm. We are subject to several social, environmental and industry-specific legislations, including Concession agreements, regulations set by the MHA and the Ministry of Works, the Employment Act 1955 and the EQA 1974.

By conducting frequent internal inspections and working to increase the expertise of the operation team, we strive to consistently improve our compliance with relevant regulations. The Expressway Performance Indicator (EPI) system was implemented by MHA in the year 2020 and has been in effect ever since. In line with the EPI system, LDP and SPRINT Highway have maintained their position as one of the selected concession firms that have obtained the highest rating of four stars as of the year 2022 through monthly monitoring.



**A total number of  
403 EMPLOYEES  
HAVE ATTENDED  
TRAINING  
on Anti-corruption  
as of FYE2022**

## Compliance with Laws and Regulations



**Existing laws and  
regulations**



**Concession Agreements  
and industry standards**



**Emerging laws and  
regulations because of  
business operational  
requirements**

## Forward Looking Statement

Our Strategic Action Plan stands firm and efforts to further develop LITRAK as a sustainable, reputable and leading highway service provider continues at an undiminished pace. We will develop and enhance our operations in a sustainable manner, driven by a strong focus on our road users and a common goal to enhance our capability to provide solutions that satisfy the emerging demands of the transportation industry.

The Group therefore will balance its actions based on our economic, environmental and social responsibility to deliver results that create long-term and sustainable value growth for all our stakeholders.

This Statement is dated 18 July 2022.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to report to the Company's shareholders and investors an overview of the Company's corporate governance practices during the financial year 2022 up to the date of this report. This Overview summarises the Company's application of the principles and recommendations of the revised Malaysian Code on Corporate Governance 2021 (the "Code") issued by the Securities Commission Malaysia ("SC") on 28 April 2021, for the financial year ended 2022.

The Company's corporate governance disclosure is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Malaysia) guided by Practice Note 9 of Bursa Malaysia's Listing Requirements and Corporate Governance Guide (4<sup>th</sup> Edition). This Corporate Governance Overview Statement should be read together with the Corporate Governance Report (CG Report) prepared in a prescribed format on the application of the Company's corporate governance practices in detailed pursuant to Paragraph 15.25(2) of the Listing Requirements. The CG Report is available on the Company's website at [www.litrak.com.my](http://www.litrak.com.my).

In building a sustainable business, the Board is committed to continuously uphold the highest standards of corporate governance practices in LITRAK Group to safeguard the interest of all stakeholders and at the same time enhancing the financial performance of the Group and hence, shareholders' value.

The Company has applied all the practices propagated under the Code for the financial year ended 31 March 2022 save for the following:

## Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

## Practice 4.5 - Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

## Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

## Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

## Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

## Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

## Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

In line with the latitude accorded under the Code, the Company has provided explanations to the aforesaid departure from the corporate governance practices in the CG Report.

## Principle A: Board Leadership and Effectiveness

### Board Responsibilities

The Board has the overall responsibility for good corporate governance, strategic direction and investments of the Group. It plays a primary role in the conduct and control of the Group's affairs. The Board recognises the key roles in setting the strategic direction and policy regarding the business and affairs of the Company and the Group for the benefit of shareholders and other stakeholders of the Company.

In ensuring the Board is able to discharge its duties and responsibilities more effectively and efficiently, the Board is supported by the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee, the Executive Committee and the ESOS Committee. All Board Committees discharge their duties within their respective terms of references and make recommendations to the Board if matters are beyond their authority limits set out in the Authority Chart. The ultimate responsibility for decision making lies with the Board.

The Board Committees are assisted by competent and dedicated management team in discharging their duties and responsibilities. The Executive Director and the Management on the other hand deal with the day to day operations of the Group in accordance with the directives of the Board and the Board Committees, discharged their duties within the authority limit approved by the Board and make recommendations to the Board or the Board Committees for approval if matters are beyond their authority limits spelled out in the Authority Chart.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Authority Chart approved by the Board set out the authority limits of the Executive Committee, the Executive Director and the Management including matters reserved for the Board's decision.

The Chairman ensures that the Board is effective by providing leadership to the Board in formulating the strategic direction of the Group. The roles of the Chairman and the Executive Director are distinct and separate as spelled out in their respective terms of references. In addition to ensuring the Board's effectiveness in discharging its duties and responsibilities, the Chairman provides the overall leadership in deliberation and decision making at Board Meetings without limiting the collective responsibility of the Board.

On the other hand, the Executive Director with the assistance of the Group's Chief Executive Officer and Chief Financial Officer, oversees the management and day to day operations of the Group in line with the policies and procedures adopted by the Board and the Company. Where need be, he would highlight matters of concern to the Board for its attention.

The Chairman of the Board, Tan Sri Dato' Setia Haji Ambrin bin Buang is also the Chairman of the Nomination Committee and Remuneration Committee. However, this does not impair his objectivity when deliberating on the observations and recommendations put forth by the Board Committees, as the Non-Executive Directors of the Board Committees work together as a team and respect each other's roles and responsibilities in discharging their duties.

The Chairman, the Board and the Board Committees are supported by suitably qualified and competent Company Secretaries comprising a lawyer and a Chartered Secretary who are responsible alongside with the Board members for compliance with various legal and regulatory requirements. The Company Secretaries assist the Board to organise the information necessary for the Board to deal with the agendas of meetings on a timely basis. The Directors are updated by the Company Secretaries from time to time on new statutory and regulatory requirements relating to the duties and responsibilities of the Directors.

In place of a Board Charter, the Board is being guided by the Directors' Manual adopted since 2002. The Manual sets out amongst others, the Board composition, the major duties and responsibilities of Directors, schedules of matters reserved for the Board's decision, terms of references of the Chairman, the Executive Director, the Senior Independent Non-Executive Director, the Executive Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee and the ESOS Committee.

Also included in the Manual are the Risk Management Policy and Procedures, Shareholders Communication and Investors Relation Policy, Whistleblowing Policy and Procedure, Directors' Code of Conduct, Diversity and Inclusion Policy, Corporate Disclosure Policy, External Auditor Policy, Remuneration Policy for Directors and Key Senior Management and the Anti-Bribery and Corruption Policy (AB&C Policy). The adoption of the AB&C Policy was also cascaded down to all level of employees to ensure full awareness of the Company's stand on corruption. The Manual also serves to guide the Board members on matters pertaining to the principles and best practices of corporate governance, statutory and regulatory requirements.

The Board is of the view that the Directors' Manual, the Company's Constitution together with the provisions of the laws and the Listing Requirements have collectively captured the essence of the contents of a Board Charter as recommended under the Code.

The Board with the assistance of the Company Secretaries will continuously review and update the Directors' Manual in its efforts to ensure compliance with the recommendations of the Code. On this note, the External Auditor Policy was revised and updated to require a former key audit partner to observe a cooling-off period as stipulated by the Malaysian Institute of Accountants By-Laws or the recommendation of the Malaysian Code on Corporate Governance, whichever is longer, before he can be appointed as a member of the Committee.

The Group's Whistleblowing Policy and Procedure was established in 2007 and further revised in 2020 to be in line with the established/revised procedures, laws and regulations. The Policy is further supported by The Code of Business Ethics which applies to all employees of the Group. All contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group must observe the relevant parts of this code.

The Board together with the Management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets to achieve its vision to be a sustainable, reputable and leading higher service provider.

The Company's sustainability strategies, priorities and targets are embedded in the core pillars of the Company's annual strategic business plan towards *Enriching Lives and Connecting Communities Through Provision of Highway Service and Operational Excellence in Pursuit of Total Customer Satisfaction*:

- Building Value and Resilience
- Operational Excellence and Agility
- Uphold Governance & Sustainability Aspects

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Managing key sustainability matters has become a key agenda of the Group's periodical meetings of the Management, the Executive Committee and the Board for review of achievements and the relevance of strategies and plans.

The Board together with the Management will review the internal and external key stakeholders and their needs from time to time to ensure the sustainability strategies of the Group remain relevant and further enhance, if need be.

The Group has in 2021, revised the annual performance review of employees manager level and above to include ESG Ownership as an integral part of the performance criteria. The staff are required to enhance their knowledge and performance through trainings and engagement in ESG activities.

## Board Composition

The Board recognises the importance of diversity with an appropriate mix of skills, knowledge, experience and independent elements to achieve effective stewardship and management of the Company.

In line with the recommendation of Practice 5.2 of the Code that a majority of the members of the Board of large companies should comprise Independent Directors with at least 30% women directors, the Board is pleased to disclose that the Board now comprises five members with majority of them being Independent Directors. The Board composition comprises three Independent Non-Executive Directors, one Non-Independent Non-Executive Director and one Non-Independent Executive Director with women Directors making up 40% of the Board members.

The Board members have a wide range of experience and expertise in areas of engineering, construction, infrastructure, concessions, finance, investment, accounting, auditing, commercial, corporate affairs, Government's requirements and operations. With this mix of skills, experiences, backgrounds and specialisations, all matters tabled to the Board for consideration are well reviewed and deliberated.

	Background/Specialisation					Age		Gender	
	Engineering/Construction	Investment/Finance/Accounting/Auditing	Commercial/Corporate Affairs	Infrastructure/Concession/Operations	Public Services/Government's Requirements	60 to 69 Years	70 to 79 Years	Male	Female
<b>Directors</b>									
Tan Sri Dato' Setia Haji Ambrin bin Buang		/			/		/	/	
Ir Haji Yusoff bin Daud	/			/	/		/	/	
Dato' Haji Azmi bin Mat Nor	/			/	/	/		/	
Datin Lee Choi Chew		/	/	/	/	/			/
Puan Nazli binti Mohd Khir Johari	/	/	/	/		/			/

The profiles of the Board members are set out on pages 3 to 7 of the Annual Report 2022.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board through the Nomination Committee chaired by Tan Sri Dato' Setia Haji Ambrin bin Buang, an Independent Non-Executive Director and supported by the Company Secretaries conducted an annual evaluation by each Director of the effectiveness of the Board as a whole and its Board Committees for the financial year 2022. The Nomination Committee reviewed and assessed the effectiveness of the Board as a whole including the independence of the Independent Directors, the composition, size and mix of skills, qualifications, qualities and experiences of the existing Board of Directors, the attendance of the Directors, the effectiveness of the Board Committees in fulfilling their functions and identify suitable trainings for Directors. The evaluation results are considered by the Nomination Committee, which then make recommendations to the Board.

The Audit and Risk Management Committee was required to conduct a self-assessment for the financial year 2022. The assessment was designed to help its members to gain an insight into how well the Audit and Risk Management Committee has been meeting its objectives and how well they had applied good practices recommended by the Code.

Practice 5.2 of the Code calls for a majority of the board members of large companies to comprise independent directors. To ensure compliance with Practice 5.2 of the Code, the Independent Directors were required to carry out self-assessment which was designed to help Independent Directors to identify whether they are independent under the guidelines of Bursa Malaysia's Listing Requirements.

Based on the various annual evaluations conducted, the Board is of the opinion that the current Board composition with a majority of its members being Independent Non-Executive Directors having a diverse background is sufficient to fairly safeguard the investments of the minority shareholders and to protect the interests of all stakeholders.

The Board recommended that the following Directors who are retiring pursuant to Clause 100 of the Constitution of the Company and standing for re-election at the forthcoming Annual General Meeting (AGM) to continue to serve and add value to the Company and the Group:

- Tan Sri Dato' Setia Haji Ambrin bin Buang
- Dato' Haji Azmi bin Mat Nor

The Board via the annual evaluation is satisfied that Tan Sri Dato' Setia Haji Ambrin and Dato' Haji Azmi continue to demonstrate the necessary commitment to be fully effective members of the Board.

Disclosures of the Directors' interests in contracts, proposed contracts, property, offices, etc under Section 221 of The Companies Act 2016 and the directorships of the Board members in listed and non-listed companies are made to the Board twice yearly. Based on the disclosures, the Board is satisfied that all the Board members are able to devote the required time to serve the Board effectively.

The directorships of the Board members in listed and non-listed companies are as follows:

No.	Board Members	Directorship in Listed Companies	Directorship in Non-Listed Companies
1.	Tan Sri Dato' Setia Haji Ambrin bin Buang	2	1
2.	Ir Haji Yusoff bin Daud	2	14
3.	Dato' Haji Azmi bin Mat Nor	1	14
4.	Datin Lee Choi Chew	2	1
5.	Puan Nazli binti Mohd Khir Johari	2	Nil

The Board is mindful of the Code's recommendation that the tenure of an independent director does not exceed a cumulative term limit of nine years. Currently, none of the Independent Directors' tenure has exceeded a cumulative term of nine years as illustrated below:

Tenure of Independent Directors	
1 - 3 years	0
4 - 6 years	2
7 - 9 years	1

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

All Directors have attended at least one training/workshop/briefing (collectively “trainings”) during the financial year ended 31 March 2022. The trainings attended by the respective Directors are as follows:

Directors	Trainings
Tan Sri Dato’ Setia Haji Ambrin bin Buang	<ul style="list-style-type: none"> <li>MCCG Revision 2021 - Changing the Game in Corporate Governance</li> <li>Cyber Security for Senior Management &amp; Board of Directors</li> </ul>
Ir Haji Yusoff bin Daud	<ul style="list-style-type: none"> <li>MCCG Revision 2021 - Changing the Game in Corporate Governance</li> <li>Cyber Security for Senior Management &amp; Board of Directors</li> </ul>
Dato’ Haji Azmi bin Mat Nor	<ul style="list-style-type: none"> <li>Stakeholder Voice in the Boardroom</li> <li>Digital Awareness and Upskilling for Board</li> </ul>
Datin Lee Choi Chew	<ul style="list-style-type: none"> <li>SRI 2021 - Paving the Way for Profitability through Sustainability</li> <li>Cyber Security for Senior Management &amp; Board of Directors</li> </ul>
Puan Nazli binti Mohd Khir Johari	<ul style="list-style-type: none"> <li>MCCG Revision 2021 - Changing the Game in Corporate Governance</li> <li>Cyber Security for Senior Management &amp; Board of Directors</li> </ul>

## Remuneration

The Board has in place a Remuneration Policy for Directors and Key Senior Management to support and drive the business strategy and long-term objectives of the Company and the Group. The Board through the Remuneration Committee conducted an annual review of the remuneration package of the Board of Directors.

The Remuneration Committee met once during the financial year under review with full attendance of its members to assess and review the remuneration packages of the Independent Non-Executive Directors and Executive Director based on market data compiled by the Human Resource Department and made appropriate recommendations to the Board.

After due consideration on market trends and the impact of Covid-19 pandemic on the Company’s performance and given the market uncertainties, the Board on the recommendations of the Remuneration Committee has decided that:

- No salary increment for the Executive Director for calendar year 2022.
- No increment in fees for Independent Non-Executive Directors for financial year ending 31 March 2023.

The fees and benefits payable to the Independent Non-Executive Directors for the financial year ended 31 March 2022 are subjected to shareholders’ approval at the Company’s AGM in accordance with Section 230 of the Companies Act 2016. The remunerations of the Executive Director and Independent Non-Executive Directors for the financial year ended 31 March 2022 are disclosed in detailed on a named basis on page 89 of the Annual Report 2022 and page 46 of the CG Report.

## Principle B: Effective Audit and Risk Management

### Audit and Risk Management Committee

Practice 10.3 of the Code called for the Board to establish a Risk Management Committee comprising a majority of independent directors, to oversee the Company’s risk management framework and policies. Nevertheless, in view that the Company has a relatively small Board with three Independent Directors, one Non-Executive Director and one Executive Director, and taking into consideration the Group’s business focuses only on toll highway concessions in Klang Valley exclusively, and that the Audit Committee has been overseeing the risk assessment of the Group since inception, the Board decided that instead of maintaining two separate committees with the same committee members, to oversee the internal audit and risk management functions of the Group, it would be best to integrate the risk management function into the existing Audit Committee and rename it as “Audit and Risk Management Committee” on 25 November 2020.

Following the decision to rename the Audit Committee as Audit and Risk Management Committee, the terms of reference of the Committee was also revised accordingly to include risk management function.

The Audit and Risk Management Committee comprises solely of Independent Non-Executive Directors, a step up as recommended by the Code for a majority of the members of an Audit Committee to be Independent Directors. The positions of the Chairman of the Board and the Audit and Risk Management Committee are held by different individuals to ensure overall effectiveness and independence of the Audit and Risk Management Committee.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

All the Audit and Risk Management Committee members are financially literate. Collectively, they possess the necessary skills and experience to discharge their duties and responsibilities in accordance with the Audit and Risk Management Committee's Terms of Reference.

The Chairperson of the Audit and Risk Management Committee, Datin Lee Choi Chew being a member of the Malaysian Institute of Accountants, fulfils the requirement set out under Paragraph 15.09(1)(c) of the Listing Requirements of Bursa Malaysia which calls for at least one member of the Audit Committee to be a member of the Malaysian Institute of Accountants (MIA).

The principal objectives of the Audit and Risk Management Committee are to protect the interest of the investing public and to ensure more effective corporate governance. Towards achieving its objectives, the Committee assist the Board in discharging its fiduciary duties in particular the reviewing of amongst others, the financial reporting process to ensure the results of the Company are fairly disclosed, risks management and internal control system.

The Board has in place an External Auditor Policy since 2018 which provides that the Audit and Risk Management Committee is responsible for making recommendations to the Board regarding the appointment and removal of the external auditors. In making those recommendations, the Committee conducted an annual review of the effectiveness, performance, objectivity and independence of the external auditors.

In line with the recommendation of the Code, the Board has on 30 May 2022 revised and updated the Company's External Auditor Policy to require a former key audit partner to observe a cooling-off period as stipulated in the By-Laws (On Professional Ethics, Conduct and Practice) of the MIA (MIA By-Laws) or the Malaysian Code on Corporate Governance, whichever is longer, before he can be appointed as a member of the Audit and Risk Management Committee.

The Audit and Risk Management Committee has received a written assurance from the external auditors, Ernst & Young PLT (EY), confirming their independence in accordance with the MIA By-Laws. The Audit and Risk Management Committee has on 22 February 2022 and 25 May 2022, reviewed the suitability and independence of the external auditors and was satisfied that they have met the relevant criteria prescribed under Paragraph 15.21 of Bursa Malaysia's Listing Requirements. Hence, the Audit and Risk Management Committee recommended their re-appointment for the financial year ending 31 March 2023.

The Audit and Risk Management Committee met the external auditors twice during the financial year without the Executive Director and the Management being present. The meeting enabled the external auditors to, in confidence, exchange views and opinions, raise issues or concerns relating to their audit of the Company and the Group.

The full Audit and Risk Management Committee Report detailing the activities of the Internal Audit Department and that of the Audit and Risk Management Committee are set out on pages 47 to 48 of the Annual Report 2022.

## Risk Management and Internal Control Framework

The Board recognises the importance of risk management and internal controls as part of an integral part of the overall management process and has put in place a Risk Management Policy and Procedures since 2001. It is responsible for maintaining a sound system of internal control, which provides reasonable assessment of effective and efficient operations, internal financial control procedures and guidelines and compliance with laws and regulations as well as with internal policies and procedures to safeguard the interests of the shareholders and stakeholders.

The Board regularly review the process of risk management and internal control system to ensure the effectiveness of the system through the Audit and Risk Management Committee with the assistance of its dedicated team of internal auditors which carry out ongoing risk assessment and auditing of the different areas of the business covering financial, operational and compliance throughout the year.

The Board is of the view that the risk management and internal control system in place during the year under review, is adequate and effective to safeguard the shareholders' investment and the Group's assets.

The Statement on Risk Management and Internal Control furnished on pages 45 to 46 of the Annual Report 2022 provides an overview of the state of risk management and internal control within the Group.

The Board has established an in-house internal audit function which is led by a competent Internal Audit Senior Manager who reports directly to the Audit and Risk Management Committee. The Audit and Risk Management Committee reviews annually the internal auditors' Annual Audit Plan before approving it for implementation. All audit findings, recommendations and management's responses are reported to the Audit and Risk Management Committee quarterly. The details of the Internal Audit Function are disclosed in the Audit and Risk Management Committee Report on page 47 of the Annual Report 2022.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

### Communication with Stakeholders

The Company believes in maintaining an open and constructive channel of communication with its shareholders, stakeholders and investors and it has in place a Shareholders Communication and Investors Relation Policy to ensure effective communication with its shareholders.

Information about the Group is disseminated via the Company's website, annual reports, shareholders' circulars, quarterly financial results and other announcements made to Bursa Malaysia from time to time. In addition, the Company has in place LDP's and SPRINT Highway's Twitter accounts to disseminate real-time traffic updates of events happening along LDP and SPRINT Highway to help users plan their journeys.

The Group Chief Financial Officer meets institutional investors, fund managers and analysts from time to time to directly address issues that investors may have and to explain or clarify aspects of the business or operations of the Group and at the same time, enlighten them with the Group's performance and business activities. In accordance with the Group's directive to curb the spread of Covid-19, meetings with institutional investors were conducted online or via conference-call since the outbreak of Covid-19 pandemic in March 2020.

### Conduct of General Meetings

General meetings of the Company remain the main forum of direct communication with its shareholders. In line with good governance practice, notice of the Company's 26<sup>th</sup> AGM held on 30 September 2021 was issued at least 28 days before the AGM date on 30 August 2021.

In support of the Government of Malaysia's ongoing efforts to contain the spread of Covid-19 and as part of the Group's safety measures, the 26<sup>th</sup> AGM continued to be held fully virtual via live streaming from Kompleks Operasi LITRAK, in accordance with the Securities Commission's guidelines dated 16 July 2021 on conduct of general meetings during the period under movement control orders.

All Directors attended the Company's AGM in person in their respective offices at Kompleks Operasi LITRAK. During the AGM, the Chairman encouraged the shareholders to pose any questions they may have about the Company. The Chairmen and members of the Board Committees were also available to respond to any questions the shareholders may have for them.

The shareholders had direct access to the Board members and Senior Management who were on hand to answer their questions on agenda items of the AGM or any questions pertaining to the Group's business activities and performance via the Remote Participation and Voting (RPV) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd (Tricor). Questions from the shareholders were addressed by the Board and the Senior Management accordingly. Questions not addressed during the AGM were dealt with after the meeting and posted on the Company's website. The Chief Executive Officer and the Chief Financial Officer also presented the Company's responses to the questions raised by the Minority Shareholders Watch Group (MSWG) to the shareholders at the AGM as requested by MSWG. The answers to other pre-submitted questions received prior to AGM date were also presented to shareholders during the meeting.

The minutes of the AGM together with the responses to all questions raised prior to AGM and during the AGM were published on the Company's website within 30 business days of the AGM on 29 October 2021.

The external auditors were also invited to attend the Company's AGM via remote participation to answer any queries from the shareholders pertaining to their audit of the Company and the Group.

In view of the Covid-19 pandemic, there was no press conference with the journalists after the AGM.

Besides general meetings, the shareholders, stakeholders, investors and the general public could communicate with the Company via the Group's website at [www.litrak.com.my](http://www.litrak.com.my) or the Senior Independent Non-Executive Director, Datin Lee Choi Chew at [datinleechoichew@litrak.com.my](mailto:datinleechoichew@litrak.com.my).

This Statement is prepared in compliance with Bursa Malaysia's Listing Requirements and is to be read together with the Corporate Governance Report which is available on the Company's website at [www.litrak.com.my](http://www.litrak.com.my).

This Statement was approved by the Board of Directors on 30 May 2022.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Board's Responsibility

The Board affirms its overall responsibility for the Group's risk management and internal control system, and for reviewing the adequacy and effectiveness of the risk management and internal control system. The Board recognises that such risk management and internal control system is designed to manage the major risks identified, rather than to eliminate the risk of failure. Accordingly, such system can only provide reasonable and not absolute assurance against material error, misstatement or loss. The Board confirms that the risk management and internal control system in place for the year under review and up to the date of approval of this statement for inclusion in the annual report is adequate and effective to safeguard the shareholders' investment and the Group's assets. The process is regularly reviewed by the Board and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Group's Risk Management Policy and Procedures.

## Risk Management

The Management assists the Board in implementing the ongoing process of identifying, evaluating and managing significant risks applicable to their respective areas of business or function and in formulating suitable measures to address these risks. The respective heads of departments identify both external and internal risks that may have impact in meeting their departmental objectives, perform evaluation and ranking of risks identified, and formulate control activities to manage the risks. Risks identified are evaluated and measured by the probability of occurrence and impact of the risks.

The Group has established an appropriate risk management infrastructure which is tailored to the specific circumstances of the Group and is guided by the principles of ISO 31000. Having established the business objectives, each business or functional unit is required to identify and document those risks that can significantly affect their achievement of objectives together with the associated measures that are capable of managing, mitigating or avoiding such risks. New areas are introduced for assessment as the risk profile of the business changes. By this process, each business or functional unit identifies the risks, controls and processes for managing them in a risk assessment report. Risk assessment is an ongoing process where the mapping of significant risks are reviewed and deliberated during the periodic management meetings. A written report is presented to the Audit and Risk Management Committee on the significant risks impacting the Group and the measures taken by the Management to address such risks. Any internal or external changes that may significantly impact the risk profile and control measures are also highlighted. The Board reviews and discusses with the Management at the Board meeting the summary of significant risks and additional controls to be implemented (if any).

During the year, key risks have been identified. The details of risk description and key mitigation measures are disclosed in the Management Discussion and Analysis Statement on page 19.

## Key Risk Management and Internal Control Features

Key features of the processes established within the Group which can contribute to a sound system of risk management and internal control are as follows:

- various Board committees have been established to assist the Board in discharging its duties. The Committees include:
  - Executive Committee
  - Audit and Risk Management Committee
  - Remuneration Committee
  - Nomination Committee
  - ESOS Committee
- a defined organisational structure with clear lines of responsibility, delegation of authority and accountability is in place;
- Policies and Standard Operating Procedures which are systematically documented and made available to guide staff in their day-to-day work processes. These policies and procedures are reviewed regularly and updated when necessary;
- a comprehensive information system comprising budgets, key business indicators and performance results on operations are reported to the Management and the Directors. The regular and comprehensive flow of information allows the Management and the Directors to review business unit's performance against budgets and performance indicators on regular basis;
- a detailed budgetary planning and control process in which annual budgets for business or functional units are reviewed and approved by the Board. The performance of the units is assessed against the approved budgets and actions are taken to address major variances identified;
- an ISO 9001:2015 Quality Management System, which is subject to regular review and improvement, continuously manages and controls the quality requirement of the Company's services;
- a Performance Management System whereby business objectives are clearly defined and targets are set for each individual employee. Employees' performances are monitored, appraised and rewarded according to the achievement of targets set;



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations;
- an adequately resourced Internal Audit Function which, reports directly to the Audit and Risk Management Committee, conducts regular reviews and provides audit reports on adequacy of the Group's system of internal controls;
- Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks;
- Board representations in its associated company, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd. Financial and operational information of the associated company is reported regularly to the Directors of the Company.

The Executive Committee was established by the Board to manage the business of the Group and to ensure that the Group's operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved by the Board. The Executive Committee implements strategies approved by the Board and addresses issues arising from changes in both the external business environment and internal operating conditions.

The Management's proposals on the Group's strategic plans are tabled to the Board for approval and updates on operational matters are also provided to the Board at the Board meetings. In addition, the Management also reports to the Board with quarterly financial information and significant changes in the business and the external environment which affects significant risks.

The Board confirms that the Group's risk management and internal control system is being properly implemented throughout the Group and continuous reviews of the risk management and internal control system are being carried out to ensure its adequacy and effectiveness. All internal control weaknesses identified during the period have been, or are being addressed. There were no major internal control weaknesses that require disclosure in the Annual Report.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

## Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and the Management thereon. The report from the external auditor was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

This Statement has been approved by the Board of Directors on 30 May 2022.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## Membership

The Audit and Risk Management Committee, appointed by the Board from amongst its members, comprises the following members, all of whom are Independent Non-Executive Directors.

## Composition

The members of the Audit and Risk Management Committee are:

- **Datin Lee Choi Chew**  
Chairperson/Independent Non-Executive Director
- **Tan Sri Dato' Setia Haji Ambrin bin Buang**  
Member/Independent Non-Executive Director
- **Puan Nazli binti Mohd Khir Johari**  
Member/Independent Non-Executive Director

The Chairperson of Audit and Risk Management Committee is appointed by the Board and is not the Chairperson of the Board. Collectively, the Audit and Risk Management Committee members have a wide range of necessary skills, knowledge and experience, including accounting and financial reporting in discharging their duties.

## Terms of Reference

The information on terms of reference is available on the Company's website at [www.litrak.com.my](http://www.litrak.com.my).

## Internal Audit Function and Activities

The Internal Audit Function of the Company is performed in-house by its Internal Audit Department and jointly with external resources in areas where its expertise is lacking. The Internal Audit Function is staffed by 6 personnel with relevant experience and qualifications. The Head of Internal Audit, Mr. Chua Teong Eng is a Chartered Member of The Institute of Internal Auditors Malaysia (CMIIA) with over 20 years of work experience in internal audit. The Internal Audit Function reports directly to the Audit and Risk Management Committee and maintains its independence, proficiency and due professional care.

In assisting the Audit and Risk Management Committee in the discharge of its duties and responsibilities, the Internal Audit Function adopts a risk-based audit approach when preparing its annual audit plan which is approved by the Audit and Risk Management Committee. The principal role of the Internal Audit Function is to provide independent and objective reports on the effectiveness of the system of internal controls of the various operating divisions within

the Group. Internal Audit Function is guided by the internal policies and procedures as well as the Professional Practices Framework in assessing and reporting on the adequacy and effectiveness of the internal control.

During the year, internal auditors had undertaken independent audit assignments of the various operating divisions within the Group in accordance with the approved annual audit plan. The resultant audit reports were presented to the Audit and Risk Management Committee for deliberation and forwarded to the Management for the necessary corrective actions to be taken.

A summary of the internal audit activities and works performed during the financial period is as follows:

- i. prepared the annual audit plan for consideration by the Audit and Risk Management Committee;
- ii. undertaken independent audit assignments. Among the scope of coverage are toll operations, highway patrol/response team, corporate and finance, and human resource and administration. These audits are to ascertain that the internal controls are appropriate, effectively applied and consistent with the established procedures. In performing such reviews, recommendations for improvements and enhancements to the existing system of internal controls and work processes are made where necessary;
- iii. conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of action taken by the Management on audit recommendations;
- iv. reviewed the allocations of share options pursuant to the ESOS during the financial year to verify whether the allocations were done in accordance with the criteria set out in the ESOS By-laws and by the ESOS Committee; and
- v. reviewed related party transactions.

The total costs incurred for the Internal Audit Department for the financial year ended 31 March 2022 was RM580,448.

## Risk Management

Risk Management activities are guided by the Group's Risk Management Policies and Procedures. Arising from the risk evaluations conducted by the Management with the operating divisions, risk assessment reports were summarised by internal auditors for the consideration of the Audit and Risk Management Committee. The details of risk management process are disclosed in Statement on Risk Management and Internal Control on page 45.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## Attendance

During the financial year ended 31 March 2022, the Audit and Risk Management Committee held four meetings. The meetings were held on 27 May 2021, 23 August 2021, 22 November 2021 and 22 February 2022. The attendance record of the members for the meetings is as follows:

Name of Director	Attendance
i Datin Lee Choi Chew	(4/4)
ii Tan Sri Dato' Setia Haji Ambrin bin Buang	(4/4)
iii Puan Nazli binti Mohd Khir Johari	(4/4)

## SUMMARY OF AUDIT AND RISK MANAGEMENT COMMITTEE'S ACTIVITIES

In discharging its duties and responsibilities for the financial year ended 31 March 2022, the Audit and Risk Management Committee has in accordance with its terms of reference deliberated and reviewed the following activities:

### 1. Financial Reporting

the Group's quarterly and year-end financial results prior to submission to the Board for consideration and approval, focusing particularly on matters relating to changes in major accounting policies, significant and unusual events, compliance with accounting standards and other disclosure requirements.

### 2. External Audit

- the suitability, objectivity and independence of the external auditors and recommended their re-appointment.
- the audit planning memorandum of the external auditors in a meeting to discuss their audit strategy, audit focus and resources prior to the commencement of their annual audit.
- matters arising from meetings with the external auditors without the presence of other Directors and employees of the Company.

### 3. Internal Audit

- the risk-based annual audit plan and budgeted resources proposed by the internal auditors for the Group to ensure adequate audit scope and coverage on the activities of the Group, considering the independence, authority and effectiveness, the adequacy of the competency and resources of the Internal Audit Function to carry out its work.
- the performance in terms of the progress of audit work and adequacy of coverage of the Internal Audit Function.
- the internal audit assessment and investigation undertaken during the year, the audit recommendations made and Management's response to these recommendations, and ensure that material findings are adequately addressed by the Management.

### 4. Risk Management

the risk assessment reports compiled from risk evaluations conducted by the Management prior to its submission to the Board for consideration.

### 5. Related Party Transactions

the report on related party transactions during the financial year.

### 6. Annual Reporting

- the Audit and Risk Management Committee Report and its recommendation to the Board for inclusion in the respective financial year Annual Report.
- the Statement on Risk Management and Internal Control and its recommendation to the Board for inclusion in the respective financial year Annual Report.

### 7. Other Matters

- the progress reports on implementation of recommendations arising from Malaysian Highway Authority's monthly inspection on compliance with the highway maintenance standards.
- share option allocations under the ESOS of the Company.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. Audit and Non-audit Fees

The amount of audit and non-audit fees paid or payable to external auditors, Ernst & Young PLT and their affiliated companies for the financial year ended 31 March 2022 are as follows:

	Company (RM'000)	Group (RM'000)
Audit fees	69	142
Non-audit fees:		
(i) Ernst & Young PLT:		
• Review of Statement on Risk Management and Internal Control	8	8
(ii) Ernst & Young Tax Consultants Sdn Bhd	12	44
<b>Total</b>	<b>89</b>	<b>194</b>

### 2. Material Contracts Involving Directors'/ Major Shareholders' Interests

There were no material contracts entered into by the Company or its subsidiaries involving Directors and major shareholders of the Company since the end of the previous financial year.

### 3. Employee Share Option Scheme (ESOS)

- (i) The Company has only one ESOS in existence during the financial year ended 31 March 2022. It was implemented on 9 October 2013 for a period of 5 years. The tenure of ESOS may be extended for up to another 5 years immediately from the expiry of the first 5 years provided that the total duration of the ESOS shall not be more than 10 years from the effective date of the ESOS. On 23 July 2018, the Board has on the recommendation of the ESOS Committee given its approval to extend the existing ESOS for a further 5 years upon the expiry of the first 5 years on 9 October 2018. The details of the implementation of the aforesaid ESOS are set out on pages 100 to 103 of the financial statements.

- (ii) The total number of options granted, exercised and outstanding under the ESOS since its commencement up to 31 March 2022 are set out in the table below:

Description	No. of Options Granted (Since Commencement up to 31 March 2022)	
	Grand Total	Directors
Granted*	34,155,000	2,180,000
Exercised	17,936,000	1,350,000
Outstanding	16,219,000	830,000

\* Net of resignations

- (iii) Percentage of options applicable to Directors and Senior Management under the ESOS:

Description	During the Financial Year Ended 31 March 2022 %	Since Commencement up to 31 March 2022 %
Aggregate maximum allocation	1	50
Actual granted	1	13

- (iv) Options granted to and exercised by Non-Executive Directors under the ESOS during the financial year ended 31 March 2022:

Name of Director	Amount of Options Granted	Amount of Options Exercised
Puan Nazli binti Mohd Khir Johari	20,000	-







# Financial Statements

52	Directors' Responsibility Statement	66	Statements of Financial Position
53	Directors' Report	67	Consolidated Statement of Changes in Equity
59	Statement by Directors	68	Statement of Changes in Equity
59	Statutory Declaration	69	Statements of Cash Flows
60	Independent Auditors' Report	72	Notes to the Financial Statements
65	Statements of Comprehensive Income		



# Directors' Responsibility Statement

The Board is committed to ensure that the financial statements of the Company and the Group give a true and fair view of the state of affairs of the Company and the Group and of their results and cash flows for financial year ended 31 March 2022, in compliance with the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing these financial statements, the Board has:

- (i) Applied appropriate accounting policies on a consistent basis;
- (ii) Complied with all applicable approved accounting standards;
- (iii) Made judgements and estimates that are reasonable and prudent; and
- (iv) Prepared the financial statements on a going concern basis

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and the Group. The Board with the assistance of the internal auditors is overall responsible for taking reasonable steps to safeguard the assets and properties of the Group to prevent and detect fraud and other irregularities.

*Note: All information disclosed above are up to financial year ended 31 March 2022.*

# Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

## Principal activities

The principal activities of the Company are investment holding and the provision of management services to the subsidiaries.

The principal activities of the subsidiary, Lingkaran Trans Kota Sdn Bhd is to design, construct, operate and maintain Lebuhraya Damansara-Puchong (the "Highway") and to manage its toll operations based on the arrangement as elaborated further in Note 34 to the financial statements.

Other information relating to the subsidiaries are disclosed in Note 15 to the financial statements.

## Results

	Group RM'000	Company RM'000
Profit for the year	162,848	132,269

There was no material transfer to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

## Dividends

The amount of dividends declared and paid by the Company since 31 March 2021 were as follows:

	RM'000
In respect of the financial year ended 31 March 2022:	
First interim single-tier dividend of 10 sen per share declared on 25 August 2021 and paid on 24 September 2021	53,287
Second interim single-tier dividend of 15 sen per share declared on 24 February 2022 and paid on 30 March 2022	79,962
	133,249

The directors do not recommend the payment of any final dividend in respect of the current financial year.

# Directors' Report

## Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

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

\* These directors are also directors of the Company's subsidiary.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

En Sazally bin Saidi  
 Mr Stephen Low Chee Weng

## Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Option Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as disclosed in the following page) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

	<b>Group and Company RM'000</b>
Salaries and other emoluments	587
Fees	422
Share options granted under ESOS	112
Estimated monetary value of benefits-in-kind	3
	<b>1,124</b>

## Directors' and officers' indemnity

The Company maintains a liability insurance for the directors and officers of the Company and its subsidiaries throughout the financial year, which provides insurance cover of RM20,000,000. The amount of insurance premium paid by the Company for the year ended 31 March 2022 was RM21,210.

# Directors' Report

## Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company during the financial year were as follows:

	Number of ordinary shares			
	1 April 2021	Bought/ ESOS exercised	Sold	31 March 2022
<b>The Company</b>				
<b>Direct Interest</b>				
Directors of the Company				
Ir Haji Yusoff bin Daud	200,000	50,000	-	250,000
Datin Lee Choi Chew	20,000	-	-	20,000
Directors of the subsidiaries				
En Sazally bin Saidi	140,100	-	-	140,100
Mr Stephen Low Chee Weng	148,000	-	-	148,000
<b>Indirect Interest</b>				
Ir Haji Yusoff bin Daud °	328,499	-	-	328,499

° Deemed interest held through Irama Duta Sdn Bhd

## Employee Share Option Scheme

			Number of options over ordinary shares			
	Grant date	Option price RM	1 April 2021	Granted	Exercised	31 March 2022
The Company						
Directors of the Company						
Ir Haji Yusoff bin Daud	26 Apr 17	5.32	200,000	–	–	200,000
	18 Apr 18	5.02	200,000	–	–	200,000
	21 Apr 21	3.51	–	200,000	(50,000)	150,000
Dato’ Haji Azmi bin Mat Nor	20 Apr 16	4.68	20,000	–	–	20,000
	26 Apr 17	5.32	20,000	–	–	20,000
	18 Apr 18	5.02	20,000	–	–	20,000
Datin Lee Choi Chew	26 Apr 17	5.32	20,000	–	–	20,000
	18 Apr 18	5.02	20,000	–	–	20,000
Puan Nazli binti Mohd Khir Johari	30 Apr 19	3.94	20,000	–	–	20,000
	30 Apr 20	3.55	20,000	–	–	20,000
	21 Apr 21	3.51	–	20,000	–	20,000



# Directors' Report

## Directors' interests (cont'd)

### Employee Share Option Scheme (cont'd)

	Grant date	Option price RM	Number of options over ordinary shares			
			1 April 2021	Granted	Exercised	31 March 2022
Directors of the subsidiaries						
En Sazally bin Saidi	20 Apr 16	4.68	100,000	–	–	100,000
	26 Apr 17	5.32	400,000	–	–	400,000
	18 Apr 18	5.02	400,000	–	–	400,000
	30 Apr 19	3.94	400,000	–	–	400,000
	30 Apr 20	3.55	400,000	–	–	400,000
	21 Apr 21	3.51	–	400,000	–	400,000
Mr Stephen Low Chee Weng	10 Apr 15	3.45	71,000	–	–	71,000
	20 Apr 16	4.68	70,000	–	–	70,000
	26 Apr 17	5.32	78,000	–	–	78,000
	18 Apr 18	5.02	100,000	–	–	100,000
	30 Apr 19	3.94	100,000	–	–	100,000
	30 Apr 20	3.55	100,000	–	–	100,000
	21 Apr 21	3.51	–	100,000	–	100,000

Saved as disclosed above, no other director in office at the end of the financial year had any interest in shares in the Company during the financial year.

### Issuance of shares

During the financial year, the total number of issued and paid-up ordinary shares of the Company has increased from 532,843,618 to 533,083,618 by way of the issuance of 240,000 new ordinary shares for cash, pursuant to the exercise of ESOS, as disclosed in Note 22(c) to the financial statements, at the issue prices of RM3.51 and RM3.55. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

Subsequent to the financial year, the Company increased its issued and paid-up ordinary shares from 533,083,618 to 538,075,618 by way of the issuance of 4,992,000 new ordinary shares for cash, pursuant to the exercise of ESOS at the issue prices ranging from RM3.33 to RM3.94. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

### Employee Share Option Scheme ("ESOS")

During the Annual General Meeting held on 27 August 2013, the shareholders of the Company approved the implementation of a new ESOS which became effective from 9 October 2013 to 8 October 2018 for a period of 5 years. On 23 July 2018, pursuant to the By-Law 19.2 of the ESOS By-Laws (Note 22(b)(iii)), the existing scheme has been extended for another 5 years, expiring on 8 October 2023.

# Directors' Report

## Employee Share Option Scheme ("ESOS") (cont'd)

The shareholders of the Company has approved the grant of options to all existing non-executive directors of the Company, up to 100,000 options each, to subscribe for such number of new ordinary shares in the Company under the ESOS, provided that:

- (i) not more than 50% of the ordinary shares in the Company available under the ESOS shall be allocated, in aggregate, to the directors and senior management of the Company; and
- (ii) not more than 10% of the ordinary shares in the Company available under the ESOS shall be allocated to the directors, if the directors, either singly or collectively through persons connected with them, hold 20% or more of the issued and paid-up capital of the Company.

The details and movements of the ESOS are disclosed in Note 22 to the financial statements.

Details of ESOS granted to the directors are disclosed in the Directors' interests section of this report.

## Other statutory information

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision has been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

# Directors' Report

## Other statutory information (cont'd)

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## Significant and subsequent events

Details of the significant and subsequent events are disclosed in Note 38 and Note 39 to the financial statements.

## Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

	Group RM'000	Company RM'000
Auditors' remuneration	136	66

To the extent permitted by law, the Group and the Company have agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during the financial year nor since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 1 June 2022.

Tan Sri Dato' Setia Haji Ambrin bin Buang  
Chairman

Ir Haji Yusoff bin Daud  
Executive Director

# Statement by Directors

## Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Dato' Setia Haji Ambrin bin Buang and Ir Haji Yusoff bin Daud, being two of the directors of Lingkaran Trans Kota Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 65 to 121 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 1 June 2022.

Tan Sri Dato' Setia Haji Ambrin bin Buang  
Chairman

Ir Haji Yusoff bin Daud  
Executive Director

# Statutory Declaration

## Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Stephen Low Chee Weng, being the officer primarily responsible for the financial management of Lingkaran Trans Kota Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 65 to 121 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the  
abovenamed Stephen Low Chee Weng  
at Petaling Jaya in the State of Selangor  
Darul Ehsan on 1 June 2022.

Stephen Low Chee Weng  
MIA CA 13501

Before me,

Commissioner for Oaths

# Independent Auditors' Report

to the members of Lingkar Trans Kota Holdings Berhad  
(Incorporated in Malaysia)

## Report on the audit of the financial statements

### *Opinion*

We have audited the financial statements of Lingkar Trans Kota Holdings Berhad, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 65 to 121.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Emphasis of matter*

We draw attention to Note 2.1 and Note 39 to the financial statements which describes the offers by Amanat Lebuhraya Rakyat Berhad ("ALR") to acquire all securities of Lingkar Trans Kota Sdn Bhd, a wholly-owned subsidiary of the Company, and Sistem Penyuraian Trafik KL Barat Sdn Bhd ("SPRINT"), a wholly-owned subsidiary of the Company's associate, Sistem Penyuraian Trafik KL Barat Holdings ("SPRINT Holdings"). The Company is in the midst of negotiating the terms and conditions of the definitive agreement with ALR and the conditions precedent have not been fulfilled. Our opinion is not modified in respect of this matter.

### *Independence and other ethical responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

#### (a) Impairment assesment of investment in an associate

As disclosed in Note 16 to the financial statements, the carrying amounts of the Group's and the Company's investment in an associate amounted to RM213,928,000 and RM392,928,000 representing approximately 12% and 87% of the Group's and the Company's total assets, respectively, at the reporting date.



# Independent Auditors' Report

to the members of Lingkar Trans Kota Holdings Berhad (cont'd)  
(Incorporated in Malaysia)

Key audit matters (cont'd)

## (a) Impairment assessment of investment in an associate (cont'd)

As a result of the various movement control orders implemented by the Government of Malaysia during the financial year, the traffic volume on the highway operated by the associate has yet to fully recover to pre-COVID level and the associate recorded a loss after tax. As such, there is an indication that the investment in an associate may be impaired. Accordingly, the Group performed an impairment assessment on the cost of investment in an associate by estimating the recoverable amount of such investment using value-in-use ("VIU") method.

We identified this as our area of audit focus due to the significance of the account balance, the significant judgement and estimates applied in the computation of VIU, in particular the projected revenue and the discount rate used.

Our procedures include the following, amongst others:

- We considered the competence, capabilities and objectivity of the independent traffic consultant that was appointed by the associate to provide traffic volume and revenue forecast;
- We considered the valuation approach and methodology applied in the computation of VIU;
- We evaluated the management's key assumptions applied in the computation of projected revenue, by making comparisons to past actual outcome, taking into consideration the current and future economic growth. We also obtained an understanding from the traffic consultant on other key assumptions used such as toll-demand elasticity and peak hour factor;
- We performed sensitivity analysis of the key assumptions, in particular the discount rate and the projected revenue, and its impact to the VIU computation; and
- We considered the adequacy of the disclosures on key assumptions applied in the computation of VIU as disclosed in Note 3(b) to the financial statements.

## (b) Amortisation of highway development expenditure ("HDE")

As disclosed in Note 12 to the financial statements, the Group's HDE amounted to RM994,222,000 representing approximately 54% of the Group's total assets at the reporting date.

As disclosed in Note 2.7 to the financial statements, the Group used traffic volume as the basis for amortising its HDE.

The projected total traffic volume is estimated based on the latest available base case traffic volume projections prepared by an independent traffic consultant, taking into consideration the growth rate based on the current market and economic conditions, toll-demand elasticity, capacity constraint and future infrastructure scheme.

We identified this as our area of audit focus due to the significance of the account balance, the significant judgement and estimates applied in the traffic volume projections.

Our procedures include the following, amongst others:

- We considered the competence, capabilities and objectivity of the independent traffic consultant that was appointed by the Group to provide traffic volume projections;
- We evaluated the traffic volume projection by making comparisons to past actual outcome, taking into consideration the current and future economic growth. We also obtained an understanding from traffic consultant on other key assumptions used such as toll-demand elasticity, future infrastructure scheme and peak hour factor;
- We performed sensitivity analysis of the projected total traffic volume and its impact to the carrying amount of HDE; and
- We considered the adequacy of the disclosures on amortisation of HDE as disclosed in Note 3(a) to the financial statements.

# Independent Auditors' Report

to the members of Lingkaran Trans Kota Holdings Berhad (cont'd)  
(Incorporated in Malaysia)

*Key audit matters (cont'd)*

## (c) Revenue

As disclosed in Note 4 to the financial statements, the Group's toll revenue is RM396,200,000, comprising the toll collection from the highway's users and compensation claim from the Government of Malaysia.

The Group relies on its information technology system for the processing and recording of significant volume of toll transactions. We identified this as our area of audit focus as the key financial controls which we seek to rely on in our audit are related to information technology system.

Our audit sought to place a high level of reliance on the Group's information technology systems and the key financial controls which the management rely on for the recording of the toll revenue. We involved our information technology specialists to test the operating effectiveness of automated controls over the toll collection process and tested the non-automated controls over the toll collection process.

Our substantive procedures, included amongst others:

- Tested the end-to-end reconciliation between the toll collection systems and the general ledger, including the validation of material journals processed between the toll collection systems and the general ledger; and
- Recomputed the compensation claim receivable from the Government of Malaysia based on the terms and conditions in the Concession Agreement.

## *Information other than the financial statements and auditors' report thereon*

The directors of the Company are responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

## *Responsibilities of the directors for the financial statements*

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

# Independent Auditors' Report

**to the members of Lingkaran Trans Kota Holdings Berhad (cont'd)  
(Incorporated in Malaysia)**

*Responsibilities of the directors for the financial statements (cont'd)*

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# Independent Auditors' Report

to the members of Lingkaran Trans Kota Holdings Berhad (cont'd)  
(Incorporated in Malaysia)

*Auditors' responsibilities for the audit of the financial statements (cont'd)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
1 June 2022

Tan Shium Jye  
No. 02991/05/2024 J  
Chartered Accountant

# Statements of Comprehensive Income

For the year ended 31 March 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	4	400,932	392,827	135,191	70,900
Employee benefits expenses	5	(22,292)	(22,917)	(2,371)	(1,971)
Maintenance expenses		(12,692)	(14,251)	-	-
Depreciation and amortisation	12, 13 & 14	(96,068)	(74,462)	(6)	(6)
Other expenses		(8,649)	(8,672)	(441)	(795)
		(139,701)	(120,302)	(2,818)	(2,772)
Other income	6	261,231	272,525	132,373	68,128
Finance costs	8	10,524	11,751	210	698
Share of result of an associate		(26,849)	(39,856)	-	-
		(2,627)	22,660	-	-
<b>Profit before tax</b>	9	<b>242,279</b>	267,080	<b>132,583</b>	68,826
Income tax expense	10	(79,431)	(61,304)	(314)	(309)
<b>Profit for the year, representing total comprehensive income for the year</b>		<b>162,848</b>	205,776	<b>132,269</b>	68,517
Basic earnings per share attributable to equity holders of the Company (sen per share)					
	11(a)	30.56	38.66		
Diluted earnings per share attributable to equity holders of the Company (sen per share)					
	11(b)	30.54	38.63		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.



# Statements of Financial Position

As at 31 March 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Highway development expenditure ("HDE")	12	994,222	1,089,518	–	–
Plant and equipment	13	1,278	1,393	9	9
Other intangible assets	14	695	847	–	–
Investments in subsidiaries	15	–	–	50,460	50,460
Investment in an associate	16	213,928	216,555	392,928	392,928
		1,210,123	1,308,313	443,397	443,397
<b>Current assets</b>					
Sundry receivables	17	97,417	81,713	179	181
Amounts due from subsidiaries	18	–	–	193	57
Amount due from an associate	18	1,170	–	149	–
Tax recoverable		8	920	8	21
Investment securities	19	2,078	4,672	2,078	4,672
Cash and bank balances	20	538,437	621,119	6,600	3,154
		639,110	708,424	9,207	8,085
<b>Total assets</b>		<b>1,849,233</b>	<b>2,016,737</b>	<b>452,604</b>	<b>451,482</b>
<b>Equity and liabilities</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	21	253,661	252,695	253,661	252,695
Other reserve	22	9,576	7,940	9,576	7,940
Retained earnings	23	950,009	920,410	187,922	188,902
<b>Total equity</b>		<b>1,213,246</b>	<b>1,181,045</b>	<b>451,159</b>	<b>449,537</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred revenue	25	10,022	11,584	–	–
Deferred tax liabilities	26	169,479	178,653	–	–
Sukuk Musyarakah Medium Term Notes ("IMTNs")	27	188,349	385,254	–	–
Retirement benefit obligations	28	6,361	5,790	494	448
Provision for heavy repairs	24	22,476	20,307	–	–
		396,687	601,588	494	448
<b>Current liabilities</b>					
Deferred revenue	25	1,562	1,562	–	–
Amount due to a subsidiary	18	–	–	–	389
Amount due to an associate	18	–	93	–	129
Provision for heavy repairs	24	1,923	4,624	–	–
Sukuk Musyarakah Medium Term Notes ("IMTNs")	27	200,000	200,000	–	–
Sundry payables	29	21,431	27,825	951	979
Tax payable		14,384	–	–	–
		239,300	234,104	951	1,497
<b>Total liabilities</b>		<b>635,987</b>	<b>835,692</b>	<b>1,445</b>	<b>1,945</b>
<b>Total equity and liabilities</b>		<b>1,849,233</b>	<b>2,016,737</b>	<b>452,604</b>	<b>451,482</b>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

		◀ Non-distributable ▶		Distributable	
	Note	Share capital (Note 21) RM'000	Other reserve (Note 22) RM'000	Retained earnings (Note 23) RM'000	Total equity RM'000
<b>Group</b>					
<b>At 1 April 2021</b>		252,695	7,940	920,410	1,181,045
Total comprehensive income		–	–	162,848	162,848
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS	21	843	–	–	843
Share options granted under ESOS	22	–	1,759	–	1,759
Share options exercised	21,22	123	(123)	–	–
Dividends	30	–	–	(133,249)	(133,249)
<b>Total transactions with owners</b>		966	1,636	(133,249)	(130,647)
<b>At 31 March 2022</b>		<b>253,661</b>	<b>9,576</b>	<b>950,009</b>	<b>1,213,246</b>
<b>At 1 April 2020</b>		246,555	6,554	821,195	1,074,304
Total comprehensive income		–	–	205,776	205,776
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS	21	5,332	–	–	5,332
Share options granted under ESOS	22	–	2,194	–	2,194
Share options exercised	21,22	808	(808)	–	–
Dividends	30	–	–	(106,561)	(106,561)
<b>Total transactions with owners</b>		6,140	1,386	(106,561)	(99,035)
<b>At 31 March 2021</b>		252,695	7,940	920,410	1,181,045

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# Statement of Changes in Equity

For the year ended 31 March 2022

		◀ Non-distributable ▶		Distributable	
	Note	Share capital (Note 21) RM'000	Other reserve (Note 22) RM'000	Retained earnings (Note 23) RM'000	Total equity RM'000
Company					
At 1 April 2021		252,695	7,940	188,902	449,537
Total comprehensive income		–	–	132,269	132,269
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	21	843	–	–	843
Share options granted under ESOS	22	–	1,759	–	1,759
Share options exercised	21,22	123	(123)	–	–
Dividends	30	–	–	(133,249)	(133,249)
Total transactions with owners		966	1,636	(133,249)	(130,647)
At 31 March 2022		253,661	9,576	187,922	451,159
At 1 April 2020					
Total comprehensive income		246,555	6,554	226,946	480,055
		–	–	68,517	68,517
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	21	5,332	–	–	5,332
Share options granted under ESOS	22	–	2,194	–	2,194
Share options exercised	21,22	808	(808)	–	–
Dividends	30	–	–	(106,561)	(106,561)
Total transactions with owners		6,140	1,386	(106,561)	(99,035)
At 31 March 2021		252,695	7,940	188,902	449,537

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# Statements of Cash Flows

For the year ended 31 March 2022

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b>				
Profit before tax	<b>242,279</b>	267,080	<b>132,583</b>	68,826
Adjustments for:				
Amortisation of HDE	<b>95,400</b>	73,665	–	–
Amortisation of other intangible assets	<b>202</b>	197	–	–
Depreciation of plant and equipment	<b>466</b>	600	<b>6</b>	6
Plant and equipment written off	<b>2</b>	3	–	–
Other intangible assets written off	–	3	–	–
Gain on disposal of plant and equipment	<b>(31)</b>	(92)	<b>(1)</b>	–
Share of result of an associate	<b>2,627</b>	(22,660)	–	–
Deferred revenue recognised	<b>(1,562)</b>	(1,562)	–	–
Interest income from fixed deposits	<b>(4,063)</b>	(3,074)	<b>(112)</b>	(220)
Distribution from investment securities	<b>(61)</b>	(282)	<b>(61)</b>	(282)
Profit element and other charges on IMTNs	<b>23,754</b>	35,343	–	–
Unwinding of discount on IMTNs	<b>3,095</b>	4,513	–	–
Profit on Islamic investment	<b>(5,548)</b>	(7,051)	<b>(37)</b>	(196)
Dividend income from a subsidiary	–	–	<b>(134,000)</b>	(70,000)
Reversal of provision for doubtful debts	–	(260)	–	–
(Decrease)/increase in provision for short term accumulating compensated absences	<b>(41)</b>	198	<b>47</b>	4
Provision for retirement benefits	<b>649</b>	598	<b>46</b>	43
Share options granted under ESOS	<b>1,329</b>	1,645	<b>222</b>	256
Operating profit/(loss) before working capital changes	<b>358,497</b>	348,864	<b>(1,307)</b>	(1,563)
Changes in receivables	<b>(16,358)</b>	41,142	<b>7</b>	(1)
Changes in payables	<b>(998)</b>	(1,407)	<b>(75)</b>	264
Changes in amounts due from/(to) subsidiaries	–	–	<b>582</b>	1,820
Changes in amount due from/(to) an associate	<b>(833)</b>	1,095	<b>152</b>	706
Cash generated from/(used in) operations	<b>340,308</b>	389,694	<b>(641)</b>	1,226
Income tax paid	<b>(73,309)</b>	(72,006)	<b>(301)</b>	(379)
Retirement benefits paid	<b>(78)</b>	(32)	–	–
Net cash generated from/(used in) operating activities	<b>266,921</b>	317,656	<b>(942)</b>	847

# Statements of Cash Flows

For the year ended 31 March 2022 (cont'd)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from investing activities</b>				
Payments for HDE	(104)	(226)	–	–
Purchase of plant and equipment	(353)	(538)	(6)	–
Purchase of other intangible assets	(50)	–	–	–
Payments for heavy repairs	(532)	(781)	–	–
Interest income received from fixed deposits	4,086	2,482	107	235
Profit received from Islamic investment	6,179	6,938	37	209
Distribution received from investment securities	61	282	61	282
Dividend received from a subsidiary	–	–	134,000	70,000
Proceeds from disposal of plant and equipment	31	92	1	–
Net proceeds from disposal of investment securities	2,594	10,258	2,594	10,258
Net cash generated from investing activities	11,912	18,507	136,794	80,984
<b>Cash flows from financing activities</b>				
Proceeds from issuance of ordinary shares				
via exercise of ESOS	843	5,332	843	5,332
Profit element and fees paid on IMTNs	(29,109)	(40,611)	–	–
Dividends paid	(133,249)	(106,561)	(133,249)	(106,561)
Repayment of IMTNs	(200,000)	(200,000)	–	–
Net cash used in financing activities	(361,515)	(341,840)	(132,406)	(101,229)
<b>Net changes in cash and cash equivalents</b>	<b>(82,682)</b>	<b>(5,677)</b>	<b>3,446</b>	<b>(19,398)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>621,119</b>	<b>626,796</b>	<b>3,154</b>	<b>22,552</b>
<b>Cash and cash equivalents at end of the year (Note 20)</b>	<b>538,437</b>	<b>621,119</b>	<b>6,600</b>	<b>3,154</b>



# Statements of Cash Flows

For the year ended 31 March 2022 (cont'd)

(i) Reconciliation of movement of liabilities to cash flows arising from financing activities:

	IMTNs (Note 27) RM'000	Accrued profit element on IMTNs (Note 29) RM'000	Total RM'000
<b>Group</b>			
<b>At 31 March 2022</b>			
At 1 April 2021	585,254	16,065	601,319
Repayment of IMTNs	(200,000)	–	(200,000)
Profit element and fees paid on IMTNs	–	(29,109)	(29,109)
Unwinding of discount and profit element on IMTNs (Note 8)	3,095	23,645	26,740
Other charges (Note 8)	–	109	109
At 31 March 2022	<b>388,349</b>	<b>10,710</b>	<b>399,059</b>
<b>At 31 March 2021</b>			
At 1 April 2020	780,741	21,333	802,074
Repayment of IMTN I	(200,000)	–	(200,000)
Profit element and fees paid on IMTNs	–	(40,611)	(40,611)
Unwinding of discount and profit element on IMTNs (Note 8)	4,513	35,232	39,745
Other charges (Note 8)	–	111	111
At 31 March 2021	585,254	16,065	601,319

(ii) Reconciliation of additions of HDE to cash flows arising from investing activities:

	<b>Group</b>	
	<b>2022 RM'000</b>	<b>2021 RM'000</b>
Additions of HDE (Note 12)	<b>104</b>	195
Add:		
Payment for previous year acquisition	–	31
	<b>104</b>	226

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# Notes to the Financial Statements

– 31 March 2022

## 1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at 2nd Floor, Kompleks Operasi LITRAK, KM19 Lebuhraya Damansara-Puchong, Bandar Sunway PJS 9, 47500 Subang Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and the provision of management services to the subsidiaries.

The principal activities of the subsidiary, Lingkaran Trans Kota Sdn Bhd ("LITRAK") is to design, construct, operate and maintain Lebuhraya Damansara-Puchong (the "Highway") and to manage its toll operations based on the arrangement as elaborated further in Note 34 to the financial statements.

Other information relating to the subsidiaries are disclosed in Note 15 to the financial statements.

There was no significant change in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 1 June 2022.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

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

As disclosed in Note 3(c) and Note 39 to the financial statements, 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").

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 (collectively known as "Proposed Disposals").

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, subject to, among others, the approval of the respective shareholders of the Company and of SPRINT Holdings, and the relevant regulatory authorities, where required, and that ALR will successfully raise the necessary funds to make all payments required to complete the acquisition. As at the date of this report, the conditions precedent for the Proposed Disposals have yet to be completed and the definitive agreement has not been signed.

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.

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.1 Basis of preparation (cont'd)

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 conditions precedent, the Directors believe that going concern basis of accounting is appropriate.

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

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
----------------------	-----------------------------------

#### 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
--	--

#### Effective for annual periods beginning on or after 1 April 2021:

Amendment to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
----------------------	---

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

### 2.3 Standards issued but not yet effective

The new and amended standards that are issued but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

#### 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

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.3 Standards issued but not yet effective (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
------------------------------------	---

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.

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. In preparing consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether the Group has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.4 Basis of consolidation (cont'd)

The Group re-assessed whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date. Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in shareholders' equity.

If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary
- derecognises the carrying amount of any non-controlling interests
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit or loss
- reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment loss, if any. Dividends received from subsidiaries are recorded as a component of revenue in the Company's separate statement of comprehensive income.

### 2.5 Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.



# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.5 Investment in an associate (cont'd)

The statement of comprehensive income reflects the Group's share of the result of operations of the associate. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there is a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the investment in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in an associate. The Group determines at each reporting date whether there is any objective evidence that investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. Impairment loss is recognised in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and the proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in an associate is stated at cost less impairment loss, if any. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

### 2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Renovation	33 1/3%
Furniture and fittings	20%
Office equipment	20%
Operation tools and equipment	20% to 33 1/3%
Motor vehicles	20%
Computer equipment	10%

The carrying amount of plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.6 Plant and equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

### 2.7 Highway development expenditure ("HDE")

Highway development expenditure ("HDE") is classified as intangible asset and is measured on initial recognition at cost. Following initial recognition, HDE is carried at cost less accumulated amortisation and accumulated impairment loss, if any. The policy for the recognition and measurement of impairment loss is in accordance with Note 2.15.

HDE comprises construction and development expenditure (including interest and fee charges relating to the financing of the construction and development of the Highway) incurred by a subsidiary in connection with the Concession.

Upon completion of the construction works of the Highway and commencement of the tolling operations, the cumulative actual expenditure incurred is amortised to profit or loss based on the following formula:

$$\frac{\text{Actual Traffic Volume For The Year}}{\text{Actual Traffic Volume For The Year} + \text{Plus Projected Total Traffic Volume For The Subsequent Years To The End Of Concession Period}} \times \text{Opening HDE Net Carrying Amount Plus Current Year Additions}$$

The projected traffic volume is based on the traffic volume projected by an independent traffic consultant based on a latest available projection study commissioned by a subsidiary.

### 2.8 Other intangible assets

Other intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, other intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. The policy for the recognition and measurement of impairment loss is in accordance with Note 2.15.

The useful lives of other intangible assets are assessed to be either finite or indefinite. Other intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the other intangible asset may be impaired.

The amortisation period and the amortisation method for other intangible assets with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on other intangible assets with finite lives are recognised in profit or loss.

The following annual amortisation rate is applied:

Computer software and licences	10%
--------------------------------	-----

Gains or losses arising from derecognition of other intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss when the asset is derecognised.

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.9 Deferred revenue

Deferred revenue comprises fees received from third parties for the use of ancillary facilities along the Highway, which is recognised in profit or loss on a straight-line basis over the Concession Period as disclosed in Note 34 to the financial statements.

### 2.10 Provision

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.11 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

### 2.12 Income tax

#### (a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of taxable temporary differences associated with investments in subsidiaries and associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.12 Income tax (cont'd)

#### (b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 2.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group and to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.13 Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - unadjusted quoted market prices in active markets for identical assets or liabilities
- (ii) Level 2 - inputs other than quoted market prices that are observable either directly or indirectly
- (iii) Level 3 - input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.14 Revenue and other income recognition

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and the amount can be reliably measured. Revenue and other income are measured at the fair value of consideration received or receivable.

#### (i) Revenue

##### (a) Toll revenue

Toll revenue includes toll collection and Government compensation. Toll collection is recognised at point in time when the toll is chargeable for the usage of the Highway.

The amount of Government compensation are recognised at point in time in profit or loss for the year after taking into consideration the effects of the Concession Agreement as disclosed in Note 34 to the financial statements.

##### (b) Dividend income

Dividend income is recognised at point in time when the right to receive payment is established.

##### (c) Management fees

Management fees are recognised over time upon the rendering of services.

##### (d) Licence fee

Licence fee from occupying the ancillary facilities along the Highway is recognised over time on an accrual basis.

##### (e) Advertising income

Advertising income is recognised over time on an accrual basis.

#### (ii) Other income

##### Interest income

Interest income is recognised over time proportion that reflects the effective yield on the asset.

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.15 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment loss is recognised in profit or loss in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### 2.16 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and financial assets at amortised cost.

#### (a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be represented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.



# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.16 Financial assets (cont'd)

#### (b) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are measured using the effective interest method. Gains and losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process.

Financial assets at amortised cost are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or the Group and the Company transfer substantially all the risk, reward and control of the assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

### 2.17 Impairment of financial assets at amortised cost

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss except for receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

If in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.18 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group and the Company's financial liabilities include amount due to a subsidiary, amount due to an associate, sundry payables and IMTNs.

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

IMTN is classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 2.19 Employee benefits

#### (a) Short term benefits

Salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### (b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of Malaysia. The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (c) Defined benefit plans

The Group operates an unfunded Retirement Benefit Scheme (the "Scheme") for eligible employees. The cost of providing benefits under the Scheme is determined using the projected unit credit cost method.

Re-measurements, comprising actuarial gains and losses, are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Group and the Company recognise service costs comprising current service costs, past service costs and gains or losses on curtailments, non-routine settlements and net interest expense or income in profit or loss.

# Notes to the Financial Statements

– 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.19 Employee benefits (cont'd)

#### (d) Share-based payments

The Company's Employee Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's eligible employees and directors to acquire ordinary shares of the Company.

The total fair value of share options granted to eligible employees and directors is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

### 2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand, demand deposits with a maturity of three months or less and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.21 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

## 3. Significant accounting judgements and estimates

The preparation of the Group's and Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

# Notes to the Financial Statements

– 31 March 2022

## 3. Significant accounting judgements and estimates (cont'd)

### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (a) Amortisation of highway development expenditure (“HDE”)

The cost of HDE is amortised over the Concession Period by applying the formula in Note 2.7 to the financial statements. The denominator of the formula includes projected total traffic volume for the subsequent years to the end of concession period and is based on the latest available base case traffic volume projections prepared by an independent traffic consultant.

The assumptions to arrive at the traffic volume projections take into consideration the growth rate based on current market and economical conditions, toll-demand elasticity, future infrastructure schemes and the peak hour factor. Changes in the expected traffic volume could impact future amortisation charges. The carrying amount of the Group's HDE at the reporting date is disclosed in Note 12 to the financial statements.

At the reporting date, if the projected total traffic volume for the subsequent years to the end of concession period had been 1% lower/higher, with all variables held constant, the Group's profit before tax would have been approximately RM859,000 (2021: RM698,000) lower/higher, arising mainly as a result of lower/higher expected traffic volume.

#### (b) Impairment assessment of investment in an associate

The investment in an associate, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd (“SPRINT Holdings”), is made for long term strategic business purposes.

At the reporting date, the management determines whether the carrying amount of the Group's and the Company's investment in SPRINT Holdings are impaired. The recoverable amount is measured through discounted cash flow analysis, considering the current market value indicators. These estimates provide reasonable approximations to the computation of recoverable amount.

As a result of the various movement control orders implemented by the Government of Malaysia during the financial year, the traffic volume on the highway operated by the associate has yet to fully recover to pre-COVID level and the associate recorded a loss after tax. As such, there is an indication that the investment in an associate may be impaired.

In preparing the discounted cash flow analysis, discount rate and projected revenue reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The discount rate applied to the cash flow projection is 9.5% (2021: 9.5%). The projected revenue used in the projected cash flows for the following years approximate the performance of SPRINT Holdings based on the forecast by an independent professional valuer. In deriving at the projected revenue, the key estimation is the traffic volume projections. The assumptions to arrive at the traffic volume projections take into consideration the growth rate based on current and future economic growth, toll-demand elasticity, capacity constraint and future infrastructure scheme.

At the reporting date, if the discount rate for the remaining concession period had been 10 basis points lower/higher, with all variables held constant, the Group's recoverable amount would have been approximately RM1,207,000 higher/lower, as a result of lower/higher expected discount rate.

At the reporting date, if the projected revenue for the remaining concession period had been 1% lower/higher, with all variables held constant, the Group's recoverable amount would have been approximately RM7,509,000 lower/higher, as a result of lower/higher expected projected revenue.

Based on the management's review, no impairment is required for the Group's and the Company's investment in SPRINT Holdings during the financial year as disclosed in Note 16 to the financial statements.

# Notes to the Financial Statements

– 31 March 2022

## 3. Significant accounting judgements and estimates (cont'd)

### Key sources of estimation uncertainty (cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below: (cont'd)

#### (c) Assets held for sale

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").

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, subject to, among others, the approval of the shareholders of the Company and the relevant regulatory authorities, where required and successful fund-raise by ALR to have the necessary funds to make all payments required to complete the acquisition. As at the date of this report, the Proposed Disposals have yet to be completed.

The Board of Directors of the Company considered the subsidiary and associate did not meet the criteria to be classified as held for sale as at year end due to the following reasons:

- (a) The Company and SPRINT Holdings only received LITRAK Offer and SPRINT Offer and accepted both offers subsequent to financial year end, which was on 2 April 2022 and 18 April 2022 respectively;
- (b) The Company did not actively market the LITRAK and SPRINT to ALR but the proposed acquisitions of LITRAK and SPRINT were initiated by the Buyer (ALR);
- (c) The Company does not have the intention to sell and will hold the assets (LITRAK and SPRINT) through continuing use rather than through a sale transaction if:
  - the Proposed Disposals are not approved by the shareholders in the Extraordinary General Meeting;
  - ALR is unable to raise sufficient funds successfully to make payments required to complete the acquisitions; or
  - Approval from the relevant regulatory authorities and parties in relation to the Proposed Disposals are not obtained.

In addition, discussion on the sale is still ongoing and the Proposed Disposals are subject to the fulfilment of the conditions precedent.

# Notes to the Financial Statements

– 31 March 2022

## 4. Revenue

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Toll revenue	396,200	387,757	–	–
Management fee charged to a subsidiary	–	–	1,191	900
Advertising income	2,776	3,156	–	–
Licence fee (Note 25)	1,562	1,562	–	–
Dividend income from a subsidiary	–	–	134,000	70,000
Others	394	352	–	–
	400,932	392,827	135,191	70,900

Included in toll revenue of the Group is an amount of RM127,985,000 (2021: RM125,273,000) representing a subsidiary's compensation claim from the Government of Malaysia (the "Government") for the imposition of toll rates lower than those as provided for in the Concession Agreement as described further in Note 34 to the financial statements.

## 5. Employee benefits expenses

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salaries	13,336	13,892	1,803	1,435
(Decrease)/increase in provision for short term accumulating compensated absences	(41)	198	47	4
Defined contribution plan	1,801	1,765	108	79
Defined benefit plan	649	598	46	43
Share options granted under ESOS	1,329	1,645	222	256
Social security contributions	214	222	3	4
Other benefits	5,004	4,597	142	150
	22,292	22,917	2,371	1,971

Included in employee benefits expenses of the Group and of the Company is executive director's remuneration (excluding benefits-in-kind) amounting to RM611,000 (2021: RM528,000) as described further in Note 7 to the financial statements.



# Notes to the Financial Statements

– 31 March 2022

## 6. Other income

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income from fixed deposits	4,063	3,074	112	220
Profit on Islamic investment	5,548	7,051	37	196
Distribution from investment securities	61	282	61	282
Others	852	1,344	–	–
	10,524	11,751	210	698

## 7. Directors' remuneration

	Group and Company	
	2022	2021
	RM'000	RM'000
<b>Executive:</b>		
Salaries and other emoluments	509	421
Share options granted under ESOS	102	107
Total executive director's remuneration (excluding benefits-in-kind) (Note 5)	611	528
Estimated monetary value of benefits-in-kind	3	3
Total executive director's remuneration (including benefits-in-kind)	614	531
<b>Non-executive:</b>		
Fees	422	380
Other emoluments	78	84
Share options granted under ESOS	10	11
Total non-executive directors' remuneration	510	475
<b>Total directors' remuneration</b>	<b>1,124</b>	<b>1,006</b>
<b>Analysis excluding estimated monetary value of benefits-in-kind:</b>		
Total executive director's remuneration (Note 5)	611	528
Total non-executive directors' remuneration (Note 9)	510	475
Total directors' remuneration	1,121	1,003

# Notes to the Financial Statements

– 31 March 2022

## 7. Directors' remuneration (cont'd)

The details of the directors' remuneration (excluding share options granted under ESOS) of the Group and of the Company during the financial years ended 31 March 2022 and 31 March 2021 are as follows:

	Salaries and bonus RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
<b>2022</b>				
<b>Executive director:</b>				
Ir Haji Yusoff bin Daud	414	–	98	512
<b>Non-executive directors:</b>				
Tan Sri Dato' Setia Haji Ambrin bin Buang	–	206	20	226
Dato' Haji Azmi bin Mat Nor	–	–	22	22
Datin Lee Choi Chew	–	110	16	126
Puan Nazli binti Mohd Khir Johari	–	106	20	126
	–	422	78	500
<b>2021</b>				
<b>Executive director:</b>				
Ir Haji Yusoff bin Daud	330	–	94	424
<b>Non-executive directors:</b>				
Tan Sri Dato' Setia Haji Ambrin bin Buang	–	186	22	208
Dato' Haji Azmi bin Mat Nor	–	–	22	22
Datin Lee Choi Chew	–	99	18	117
Puan Nazli binti Mohd Khir Johari	–	95	22	117
	–	380	84	464

\* Included in other emoluments are allowances and benefits-in-kind.

## 8. Finance costs

	Group	
	2022 RM'000	2021 RM'000
Profit element on IMTNs	23,645	35,232
Unwinding of discount on IMTNs	3,095	4,513
Others	109	111
	26,849	39,856

# Notes to the Financial Statements

– 31 March 2022

## 9. Profit before tax

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-executive directors (Note 7)				
- fees	422	380	422	380
- other emoluments	78	84	78	84
- share options granted under ESOS	10	11	10	11
Auditors' remuneration				
- statutory audit				
- current year	136	130	66	63
- under provision in prior year	6	6	3	3
- other services	8	173	8	173
Amortisation of HDE (Note 12)	95,400	73,665	-	-
Amortisation of other intangible assets (Note 14)	202	197	-	-
Depreciation of plant and equipment (Note 13)	466	600	6	6
Plant and equipment written off	2	3	-	-
Other intangible assets written off	-	3	-	-
Gain on disposal of plant and equipment	(31)	(92)	(1)	-
Reversal of provision for doubtful debts (Note 17)	-	(260)	-	-
Deferred revenue recognised (Note 25)	(1,562)	(1,562)	-	-

## 10. Income tax expense

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
- current income tax	88,655	65,232	316	309
- (over)/under provision in prior year	(50)	240	(2)	-
	88,605	65,472	314	309
Deferred tax (Note 26):				
- relating to reversal of temporary differences	(9,194)	(4,168)	-	-
- under provision in prior year	20	-	-	-
	(9,174)	(4,168)	-	-
Income tax expense recognised in profit or loss	79,431	61,304	314	309

Current income tax is calculated at the statutory tax rate of 24% and 33% (2021: 24%) of the estimated assessable profit for the year. The Government has introduced Cukai Makmur which is a special one-off tax on companies which have chargeable income above RM100 million in the Year of Assessment 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%.

# Notes to the Financial Statements

– 31 March 2022

## 10. Income tax expense (cont'd)

Reconciliations of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2022 RM'000	2021 RM'000
Profit before tax	242,279	267,080
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	58,147	64,099
Effects of increase in statutory tax rate of 33%	17,547	–
Income not subject to tax	(17)	(75)
Expenses not deductible for tax purposes	3,154	2,478
Share of result of an associate	630	(5,438)
(Over)/under provision of income tax expense in prior year	(50)	240
Under provision of deferred tax in prior year	20	–
Income tax expense recognised in profit or loss	79,431	61,304

	Company	
	2022 RM'000	2021 RM'000
Profit before tax	132,583	68,826
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	31,820	16,518
Income not subject to tax	(32,177)	(16,875)
Expenses not deductible for tax purposes	673	666
Over provision of income tax expense in prior year	(2)	–
Income tax expense recognised in profit or loss	314	309

## 11. Earnings per share

### (a) Basic

Basic earnings per share is calculated by dividing the Group's profit for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022 RM'000	2021 RM'000
Profit for the year, net of tax	162,848	205,776
	'000	'000
Weighted average number of ordinary shares for basic earnings per share	532,876	532,322
	Sen	Sen
Basic earnings per share	30.56	38.66

# Notes to the Financial Statements

– 31 March 2022

## 11. Earnings per share (cont'd)

### (b) Diluted

Diluted earnings per share is calculated by dividing the Group's profit for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all outstanding ESOS into ordinary shares. The ESOS is deemed to have been converted into ordinary shares at the date of the issue of the ESOS.

	Group	
	2022 RM'000	2021 RM'000
Profit for the year, net of tax	162,848	205,776
	'000	'000
Weighted average number of ordinary shares for basic earnings per share	532,876	532,322
Effect of dilution via exercise of ESOS	417	352
Weighted average number of ordinary shares for diluted earnings per share	533,293	532,674
	Sen	Sen
Diluted earnings per share	30.54	38.63

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements other than as disclosed in Note 21 to the financial statements.

## 12. Highway development expenditure ("HDE")

	Group	
	2022 RM'000	2021 RM'000
<b>Cost</b>		
At beginning of the year	2,174,477	2,174,282
Additions	104	195
At end of the year	2,174,581	2,174,477
<b>Accumulated amortisation</b>		
At beginning of the year	1,084,959	1,011,294
Amortisation for the year (Note 9)	95,400	73,665
At end of the year	1,180,359	1,084,959
<b>Net carrying amount</b>	<b>994,222</b>	<b>1,089,518</b>

The highway development expenditure of a subsidiary is pledged for the financing facilities as disclosed in Note 27 to the financial statements.

# Notes to the Financial Statements

– 31 March 2022

## 13. Plant and equipment

	Renovation RM'000	Furniture and fittings RM'000	Office equipment RM'000	Operation tools and equipment RM'000	Motor vehicles RM'000	Computer equipment RM'000	Total RM'000
<b>Group</b>							
<b>At 31 March 2022</b>							
<b>Cost</b>							
At 1 April 2021	1,634	1,643	3,517	2,467	6,675	1,895	17,831
Additions	–	18	114	13	175	33	353
Disposals	–	–	–	–	(183)	–	(183)
Write-offs	–	(3)	(32)	(3)	–	–	(38)
At 31 March 2022	<b>1,634</b>	<b>1,658</b>	<b>3,599</b>	<b>2,477</b>	<b>6,667</b>	<b>1,928</b>	<b>17,963</b>
<b>Accumulated depreciation</b>							
At 1 April 2021	1,630	1,595	3,238	2,365	6,266	1,344	16,438
Charge for the year (Note 9)	4	25	139	8	194	96	466
Disposals	–	–	–	–	(183)	–	(183)
Write-offs	–	(3)	(30)	(3)	–	–	(36)
At 31 March 2022	<b>1,634</b>	<b>1,617</b>	<b>3,347</b>	<b>2,370</b>	<b>6,277</b>	<b>1,440</b>	<b>16,685</b>
<b>Net carrying amount</b>	<b>–</b>	<b>41</b>	<b>252</b>	<b>107</b>	<b>390</b>	<b>488</b>	<b>1,278</b>
<b>At 31 March 2021</b>							
<b>Cost</b>							
At 1 April 2020	1,634	1,642	3,537	2,451	7,245	1,687	18,196
Additions	–	8	136	22	154	218	538
Disposals	–	–	–	–	(704)	–	(704)
Write-offs	–	(7)	(156)	(6)	(20)	(10)	(199)
At 31 March 2021	<b>1,634</b>	<b>1,643</b>	<b>3,517</b>	<b>2,467</b>	<b>6,675</b>	<b>1,895</b>	<b>17,831</b>
<b>Accumulated depreciation</b>							
At 1 April 2020	1,599	1,568	3,193	2,353	6,794	1,231	16,738
Charge for the year (Note 9)	31	34	200	16	196	123	600
Disposals	–	–	–	–	(704)	–	(704)
Write-offs	–	(7)	(155)	(4)	(20)	(10)	(196)
At 31 March 2021	<b>1,630</b>	<b>1,595</b>	<b>3,238</b>	<b>2,365</b>	<b>6,266</b>	<b>1,344</b>	<b>16,438</b>
<b>Net carrying amount</b>	<b>4</b>	<b>48</b>	<b>279</b>	<b>102</b>	<b>409</b>	<b>551</b>	<b>1,393</b>

The plant and equipment of a subsidiary with a net carrying amount of RM1,269,000 (2021: RM1,384,000) is pledged for the financing facilities as disclosed in Note 27 to the financial statements.



# Notes to the Financial Statements

– 31 March 2022

## 13. Plant and equipment (cont'd)

	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Company</b>				
<b>At 31 March 2022</b>				
<b>Cost</b>				
At 1 April 2021	73	127	33	233
Additions	–	6	–	6
Disposal	–	–	(33)	(33)
At 31 March 2022	<b>73</b>	<b>133</b>	<b>–</b>	<b>206</b>
<b>Accumulated depreciation</b>				
At 1 April 2021	72	119	33	224
Charge for the year (Note 9)	–	6	–	6
Disposal	–	–	(33)	(33)
At 31 March 2022	<b>72</b>	<b>125</b>	<b>–</b>	<b>197</b>
<b>Net carrying amount</b>	<b>1</b>	<b>8</b>	<b>–</b>	<b>9</b>
<b>At 31 March 2021</b>				
<b>Cost</b>				
At 1 April 2020	74	127	33	234
Write-offs	(1)	–	–	(1)
At 31 March 2021	<b>73</b>	<b>127</b>	<b>33</b>	<b>233</b>
<b>Accumulated depreciation</b>				
At 1 April 2020	72	114	33	219
Charge for the year (Note 9)	1	5	–	6
Write-offs	(1)	–	–	(1)
At 31 March 2021	<b>72</b>	<b>119</b>	<b>33</b>	<b>224</b>
<b>Net carrying amount</b>	<b>1</b>	<b>8</b>	<b>–</b>	<b>9</b>

# Notes to the Financial Statements

– 31 March 2022

## 14. Other intangible assets

	Group	
	2022 RM'000	2021 RM'000
<b>Cost</b>		
At beginning of the year	2,699	2,937
Additions	50	-
Write-offs	(5)	(238)
At end of the year	2,744	2,699
<b>Accumulated amortisation</b>		
At beginning of the year	1,852	1,890
Amortisation for the year (Note 9)	202	197
Write-offs	(5)	(235)
At end of the year	2,049	1,852
<b>Net carrying amount</b>	<b>695</b>	<b>847</b>

Other intangible assets relate to computer software and licenses. Other intangible assets of a subsidiary are pledged for the financing facilities as disclosed in Note 27 to the financial statements.

## 15. Investments in subsidiaries

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	50,460	50,460

Details of the subsidiaries, which are incorporated in Malaysia, are as follows:

Name of company	Principal activities	Equity interest	
		2022 %	2021 %
Lingkaran Trans Kota Sdn Bhd	Toll highway concession	100	100
ETC Links Sdn Bhd	Rental of software and related equipment	100	100
Litrak Sdn Bhd	Dormant	100	100

# Notes to the Financial Statements

– 31 March 2022

## 16. Investment in an associate

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unquoted ordinary and preference shares, at cost	392,928	392,928	392,928	392,928
Share of post-acquisition reserves	(179,000)	(176,373)	–	–
	213,928	216,555	392,928	392,928

Details of the associates, which are incorporated in Malaysia, are as follows:

Name of company	Principal activities	Equity interest	
		2022	2021
		%	%
Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Holdings")	Investment holding and the provision of management services	50	50
Subsidiary of SPRINT Holdings:			
Sistem Penyuraian Trafik KL Barat Sdn Bhd ("SPRINT")	Design, construct, operate, manage and maintain the highway known as Western Kuala Lumpur Traffic Dispersal Scheme	50	50

Collectively known as "SPRINT Holdings Group".

This represents the amounts in SPRINT Holdings Group's financial statements and not the Group's share of those amounts. Summarised financial information of the associate is as follows:

### (a) Summarised statement of comprehensive income

	SPRINT Holdings Group	
	2022	2021
	RM'000	RM'000
Revenue	171,458	217,292
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year	(5,253)	45,319

### (b) Summarised statement of financial position

	SPRINT Holdings Group	
	2022	2021
	RM'000	RM'000
<b>Assets and liabilities</b>		
Non-current assets	1,245,233	1,305,204
Current assets	281,762	292,015
Non-current liabilities	(1,014,516)	(1,160,702)
Current liabilities	(231,882)	(150,667)
Net assets of SPRINT Holdings Group	280,597	285,850

# Notes to the Financial Statements

– 31 March 2022

## 16. Investment in an associate (cont'd)

### (c) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in SPRINT Holdings Group

	2022 RM'000	2021 RM'000
Net assets of SPRINT Holdings Group at 1 April 2021/2020	285,850	240,531
Total comprehensive (loss)/income for the year	(5,253)	45,319
Net assets of SPRINT Holdings Group at 31 March	280,597	285,850
Group's share of net assets	140,135	142,762
Goodwill	73,793	73,793
Carrying amount of Group's investment in SPRINT Holdings Group	213,928	216,555
Group's interest in SPRINT Holdings Group	50%	50%

## 17. Sundry receivables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Compensation claim receivable from the Government	94,915	77,709	–	–
Deposits	266	304	141	141
Prepayments	917	1,050	28	34
Interest receivable from fixed deposits	749	772	6	1
Profit receivable on Islamic investment	106	737	4	4
Others	517	1,194	–	1
	97,470	81,766	179	181
Less: Provision for doubtful debts	(53)	(53)	–	–
Total sundry receivables	97,417	81,713	179	181
<b>Financial assets at amortised cost</b>				
Total sundry receivables	97,417	81,713	179	181
Add: Amounts due from subsidiaries (Note 18)	–	–	193	57
Amount due from an associate (Note 18)	1,170	–	149	–
Cash and bank balances (Note 20)	538,437	621,119	6,600	3,154
Less: Prepayments	(917)	(1,050)	(28)	(34)
	636,107	701,782	7,093	3,358
<b>Financial assets at fair value through profit or loss</b>				
Investment securities (Note 19)	2,078	4,672	2,078	4,672
<b>Total financial assets</b>	<b>638,185</b>	<b>706,454</b>	<b>9,171</b>	<b>8,030</b>

The Group has no significant concentration of credit risk that may arise from the exposure to a single debtor or a group of debtors, other than an amount due from the Government for imposing toll rates lower than those agreed upon amounting to RM94,915,000 (2021: RM77,709,000).

# Notes to the Financial Statements

– 31 March 2022

## 17. Sundry receivables (cont'd)

The Group's sundry receivables that are impaired at the reporting date and movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2022 RM'000	2021 RM'000
<b>Movement in allowance accounts:</b>		
At 1 April 2021/2020	53	313
Reversal of provision for doubtful debts (Note 9)	–	(260)
At 31 March	53	53

## 18. Amounts due from/(to) subsidiaries and an associate

These amounts are non-trade in nature, unsecured, non-interest bearing and are repayable on demand.

## 19. Investment securities

	Group and Company			
	2022 Carrying amount RM'000	2022 Market value of quoted investments RM'000	2021 Carrying amount RM'000	2021 Market value of quoted investments RM'000
<b>Financial asset at fair value through profit or loss</b>				
Investment securities (quoted in Malaysia)	2,078	2,078	4,672	4,672

Investment securities represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprise money market funds, commercial papers, government bonds and fixed deposits.

## 20. Cash and bank balances

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Licensed banks	168,032	292,296	3,199	3,065
Investment banks	199,586	175,452	3,310	–
Deposits with licensed banks and financial institutions	367,618	467,748	6,509	3,065
Cash on hand and at banks	170,819	153,371	91	89
Cash and cash equivalents	538,437	621,119	6,600	3,154

Cash and bank balances of a subsidiary are pledged for the financing facilities as disclosed in Note 27 to the financial statements.

# Notes to the Financial Statements

– 31 March 2022

## 20. Cash and bank balances (cont'd)

The weighted average effective interest/profit rates and range of maturities of deposits with licensed banks and financial institutions at the reporting date are as follows:

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Licensed banks	2.02	2.00	2.05	1.98
Investment banks	2.14	2.09	2.16	–

	Group		Company	
	2022 Days	2021 Days	2022 Days	2021 Days
Licensed banks	6 - 89	37 - 89	6 - 80	37 - 57
Investment banks	19 - 89	81 - 89	70 - 89	–

## 21. Share capital

	Number of shares		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
<b>Issued and fully paid:</b>				
<b>Ordinary shares</b>				
At beginning of the year	532,844	531,342	252,695	246,555
Shares issued pursuant to ESOS	240	1,502	843	5,332
Share options exercised	–	–	123	808
At end of the year	533,084	532,844	253,661	252,695

During the financial year, the total number of issued and paid-up ordinary shares of the Company has increased from 532,843,618 to 533,083,618 by way of the issuance of 240,000 new ordinary shares for cash, pursuant to the exercise of ESOS, as disclosed in Note 22(c) to the financial statements, at the issue prices of RM3.51 and RM3.55. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

In the previous financial year, the total number of issued and paid-up ordinary shares of the Company had increased from 531,341,618 to 532,843,618 by way of the issuance of 1,502,000 new ordinary shares for cash, pursuant to the exercise of ESOS, as disclosed in Note 22(c) to the financial statements, at the issue price of RM3.55. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

Subsequent to the financial year, the Company increased its issued and paid-up ordinary shares from 533,083,618 to 538,075,618 by way of the issuance of 4,992,000 new ordinary shares for cash, pursuant to the exercise of ESOS at the issue prices ranging from RM3.33 to RM3.94. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.



# Notes to the Financial Statements

– 31 March 2022

## 22. Other reserve

	Group and Company	
	2022	2021
	RM'000	RM'000
<b>Share option reserve</b>		
At beginning of the year	7,940	6,554
Share options granted under ESOS	1,759	2,194
Share options exercised	(123)	(808)
At end of the year	9,576	7,940

The share option reserve represents the equity-settled share options granted to eligible employees and directors. This reserve represents the cumulative value of services received from employees and directors recorded at grant of share options and is non-distributable.

### (a) Employee Share Option Scheme ("ESOS") of the Company

During the Annual General Meeting held on 27 August 2013, the shareholders of the Company approved the implementation of a new ESOS which became effective from 9 October 2013 to 8 October 2018 for a period of 5 years. On 23 July 2018, pursuant to By-Law 19.2 of the ESOS By-Laws (Note 22(b)(iii)), the existing scheme has been extended for another 5 years, expiring on 8 October 2023.

The shareholders of the Company have approved the grant of options to all existing non-executive directors of the Company, up to 100,000 options each, to subscribe for such number of new ordinary shares in the Company under the ESOS, provided that:

- (i) not more than 50% of the ordinary shares in the Company available under the ESOS shall be allocated, in aggregate, to the directors and senior management of the Company; and
- (ii) not more than 10% of the ordinary shares in the Company available under the ESOS shall be allocated to the directors, if the directors, either singly or collectively through persons connected with them, hold 20% or more of the issued and paid-up capital of the Company.

During the financial year, options to subscribe for 4,308,000 (2021: 4,349,000) new ordinary shares have been granted to eligible employees and directors pursuant to the ESOS.

### (b) Salient features of the ESOS

- (i) eligible persons are full time employees (including foreign employees and contract employees with a minimum three years contract of service) on the payroll of any company within the Group, full time executive directors (including foreign executive directors) and non-executive directors, who have served the Group for at least one year as at the date of offer. The selection of eligible persons for participation in the ESOS shall be at the absolute discretion of the ESOS Committee.
- (ii) the total number of shares to be offered under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.
- (iii) the ESOS shall be in force for a period of 5 years upon expiration of the previous ESOS on 8 October 2013 and, upon the date of full compliance with all relevant requirements from Bursa Malaysia Securities Berhad, subject however to any extension or renewal for a further period of not exceeding 5 years commencing from the day after the date of expiration of the original 5 years period as may be approved by the ESOS Committee.
- (iv) the options granted under the ESOS are not assignable.

# Notes to the Financial Statements

– 31 March 2022

## 22. Other reserve (cont'd)

### (b) Salient features of the ESOS (cont'd)

- (v) the subscription price under the ESOS shall be the weighted average market price of the shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date of offer of the options with an allowance for a discount of not more than ten per cent (10%) therefrom, at the ESOS Committee's discretion or at par value of the share, whichever is higher.
- (vi) the aggregate number of shares to be offered to an eligible employee and director in accordance with the ESOS shall be determined at the discretion of the ESOS Committee after taking into consideration, amongst other factors, the position, performance, seniority and the length of service of the eligible employee and director subject to the maximum allowable allotment of shares for each eligible employee and director.
- (vii) the new ordinary shares allotted upon any exercise of options shall rank pari passu in all respects with the existing issued and paid-up ordinary shares of the Company (except that the new shares so issued will not rank for any dividends, rights, allotments and any other distributions declared, made or paid to shareholders if the relevant exercise date of the option falls after the closure date of business for determination of the above entitlements).
- (viii) the options vest upon grant.

### (c) Details of share options outstanding at the end of the year

The following table illustrates the number and exercise prices of, and movements in, share options over ordinary shares of the Company during the year:

#### 31 March 2022

Number of Share Options over Ordinary Shares of the Company								
Grant Date	Expiry Date	Exercise Price	Outstanding at 1 April	Movement During the Year			Outstanding at 31 March	Exercisable at 31 March
		(RM)	'000	Granted	Exercised	Forfeited	'000	'000
09 Apr 14	08 Oct 23	3.44	23	–	–	–	23	23
10 Apr 15	08 Oct 23	3.45	88	–	–	–	88	88
08 Oct 15	08 Oct 23	4.59	2	–	–	(2)	–	–
20 Apr 16	08 Oct 23	4.68	781	–	–	(14)	767	767
06 Oct 16	08 Oct 23	5.23	162	–	–	(14)	148	148
26 Apr 17	08 Oct 23	5.32	3,602	–	–	(117)	3,485	3,485
12 Oct 17	08 Oct 23	5.17	236	–	–	(16)	220	220
18 Apr 18	08 Oct 23	5.02	3,844	–	–	(211)	3,633	3,633
08 Oct 18	08 Oct 23	4.18	230	–	–	(16)	214	214
30 Apr 19	08 Oct 23	3.94	1,171	–	–	(66)	1,105	1,105
07 Oct 19	08 Oct 23	4.05	2	–	–	–	2	2
30 Apr 20	08 Oct 23	3.55	2,723	–	(5)	(111)	2,607	2,607
05 Oct 20	08 Oct 23	3.60	38	–	–	(4)	34	34
21 Apr 21	08 Oct 23	3.51	–	4,274	(235)	(180)	3,859	3,859
28 Sep 21	08 Oct 23	3.33	–	34	–	–	34	34
			<b>12,902</b>	<b>4,308</b>	<b>(240)</b>	<b>(751)</b>	<b>16,219</b>	<b>16,219</b>
Weighted average exercise price (RM)			4.65	3.51	3.51	4.37	4.37	4.37

# Notes to the Financial Statements

– 31 March 2022

## 22. Other reserve (cont'd)

### (c) Details of share options outstanding at the end of the year (cont'd)

31 March 2021

Grant Date	Expiry Date	Exercise Price	Number of Share Options over Ordinary Shares of the Company					
			Outstanding at 1 April	Movement During the Year			Outstanding at 31 March	Exercisable at 31 March
		(RM)	'000	Granted	Exercised	Forfeited	'000	'000
09 Apr 14	08 Oct 23	3.44	23	–	–	–	23	23
10 Apr 15	08 Oct 23	3.45	88	–	–	–	88	88
08 Oct 15	08 Oct 23	4.59	2	–	–	–	2	2
20 Apr 16	08 Oct 23	4.68	787	–	–	(6)	781	781
06 Oct 16	08 Oct 23	5.23	168	–	–	(6)	162	162
26 Apr 17	08 Oct 23	5.32	3,662	–	–	(60)	3,602	3,602
12 Oct 17	08 Oct 23	5.17	246	–	–	(10)	236	236
18 Apr 18	08 Oct 23	5.02	3,905	–	–	(61)	3,844	3,844
08 Oct 18	08 Oct 23	4.18	240	–	–	(10)	230	230
30 Apr 19	08 Oct 23	3.94	1,173	–	–	(2)	1,171	1,171
07 Oct 19	08 Oct 23	4.05	2	–	–	–	2	2
30 Apr 20	08 Oct 23	3.55	–	4,311	(1,502)	(86)	2,723	2,723
05 Oct 20	08 Oct 23	3.60	–	38	–	–	38	38
			<b>10,296</b>	<b>4,349</b>	<b>(1,502)</b>	<b>(241)</b>	<b>12,902</b>	<b>12,902</b>
Weighted average exercise price (RM)								
			4.95	3.55	3.55	4.53	4.65	4.65

The options outstanding at the end of the financial year have a remaining contractual life of 1.5 years (2021: 2.5 years).

### (d) Share options exercised during the year

Options exercised during the financial year resulted in the issuance of 240,000 (2021: 1,502,000) ordinary shares of the Company at a weighted average price of RM3.51 (2021: RM3.55) each. The related weighted average share price at the date of exercise was RM3.81 (2021: RM4.13).

# Notes to the Financial Statements

– 31 March 2022

## 22. Other reserve (cont'd)

### (e) Fair value of share options granted during the year

The fair value of share options granted during the year was estimated by an external valuer using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2022	2021
Fair value of share options at the following grant dates (RM):		
28.09.21	0.54	–
21.04.21	0.51	–
05.10.20	–	0.56
30.04.20	–	0.54
Share price (RM)	3.76 - 3.84	3.89 - 4.00
Exercise price (RM)	3.33 - 3.51	3.55 - 3.60
Expected volatility (%)	25.0	25.0
Expected life (years)	1.50	2.50
Risk free rate (%)	1.76 - 1.84	1.71 - 2.35
Expected dividend yield (%)	5.0	5.0

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

## 23. Retained earnings

The Company is able to distribute dividends out of its entire retained earnings as at 31 March 2022 and 31 March 2021 under the single-tier system.

## 24. Provision for heavy repairs

Provision for heavy repairs relate to the estimated costs of the contractual obligations to maintain and restore the highway infrastructure to a specified standard of serviceability.

	Group	
	2022 RM'000	2021 RM'000
At beginning of the year	24,931	25,712
Utilised during the year	(532)	(781)
At end of the year	24,399	24,931
Analysed as:		
Non-current	22,476	20,307
Current	1,923	4,624
Total	24,399	24,931

# Notes to the Financial Statements

– 31 March 2022

## 25. Deferred revenue

	Group	
	2022 RM'000	2021 RM'000
<b>Licence fee</b>		
Licence fee received	47,900	47,900
Deferred revenue recognised to-date	(36,316)	(34,754)
Balance unrecognised	11,584	13,146
Analysed as:		
Non-current	10,022	11,584
Current	1,562	1,562
Total	11,584	13,146
Licence fee recognised as revenue during the year (Note 4 and Note 9)	1,562	1,562

## 26. Deferred tax liabilities

	Group	
	2022 RM'000	2021 RM'000
At beginning of the year	178,653	182,821
Recognised in profit or loss (Note 10)	(9,194)	(4,168)
Under provision in prior year (Note 10)	20	-
At end of the year	169,479	178,653
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	186,516	198,975
Deferred tax assets	(17,037)	(20,322)
	169,479	178,653

# Notes to the Financial Statements

– 31 March 2022

## 26. Deferred tax liabilities (cont'd)

The components and movements of deferred tax liabilities and assets of the Group during the financial year prior to offsetting are as follows:

Group	Deferred tax liabilities			Deferred tax assets					Net deferred tax liabilities
	Plant and equipment	Highway development expenditure	Total	Deferred revenue	Provision for heavy repairs	Sundry payables	Retirement benefit obligations	IMTNs	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2021	253	198,722	198,975	(3,155)	(5,983)	(271)	(1,282)	(9,631)	178,653
Recognised in profit or loss	49	(12,508)	(12,459)	375	127	138	(126)	2,771	(9,174)
At 31 March 2022	302	186,214	186,516	(2,780)	(5,856)	(133)	(1,408)	(6,860)	169,479
At 1 April 2020	241	205,752	205,993	(3,530)	(6,171)	(224)	(1,156)	(12,091)	182,821
Recognised in profit or loss	12	(7,030)	(7,018)	375	188	(47)	(126)	2,460	(4,168)
At 31 March 2021	253	198,722	198,975	(3,155)	(5,983)	(271)	(1,282)	(9,631)	178,653

# Notes to the Financial Statements

– 31 March 2022

## 27. Sukuk Musyarakah Medium Term Notes (“IMTNs”)

	Group	
	2022 RM'000	2021 RM'000
<b>Current Secured:</b>		
IMTN I	100,000	100,000
IMTN II	100,000	100,000
	<b>200,000</b>	200,000
<b>Non-current Secured:</b>		
IMTN I	90,000	190,000
Less: Unamortised discount for IMTN I	(784)	(2,294)
	<b>89,216</b>	187,706
IMTN II	100,000	200,000
Less: Unamortised discount for IMTN II	(867)	(2,452)
	<b>99,133</b>	197,548
Amount repayable after 12 months	<b>188,349</b>	385,254
Total IMTNs	<b>388,349</b>	585,254

The details of the IMTNs are as follows:

The IMTNs comprise IMTN I and IMTN II of RM1,145,000,000 and RM300,000,000 respectively which were initially issued on 15 April 2008.

The IMTN I were constituted by a Sukuk Musyarakah Trust Deed dated 19 March 2008 made by a subsidiary and the Trustee for the holders of the IMTN I. The IMTN I were negotiable non-interest bearing secured Bonds in bearer form, evidencing a promise by the issuer to pay stated sum on specified dates.

The IMTN I were issued in 10 series, with maturities from April 2013 to April 2023. The profit margin ranges from 4.6% to 6.0% per annum.

The IMTN II were constituted by a Sukuk Musyarakah Trust Deed dated 19 March 2008 made by a subsidiary and the Trustee for the holders of the IMTN II. The IMTN II were negotiable non-interest bearing secured Bonds in bearer form, evidencing a promise by the issuer to pay stated sum on specified dates.

The IMTN II were issued in 3 series, with maturities from April 2021 to April 2023. The profit margin ranges from 5.8% to 6.0% per annum.

The security arrangements in connection with the subsidiary's IMTNs are as follows:

- (i) fixed and floating charge over the property, assets and rights of the subsidiary; and
- (ii) an assignment of the subsidiary's rights, interests and benefits in certain designated bank accounts and insurance policies.

In addition, the subsidiary's IMTNs are further secured by way of an assignment of the subsidiary's rights, interests and benefits in the Concession Agreement.

Pursuant to the Total Priority Security Sharing Agreement dated 25 April 2008, the IMTNs shall rank pari passu amongst themselves.



# Notes to the Financial Statements

– 31 March 2022

## 28. Retirement benefit obligations

The Group and the Company operate an unfunded Retirement Benefit Scheme (the “Scheme”) for eligible employees. Under the Scheme, eligible employees are entitled to retirement benefits of 2.5% on the last drawn monthly basic salary for each completed months of service on attainment of the retirement age of 60 (2021: 60).

The amounts recognised in the financial statements are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Statements of financial position</b>				
Present value of unfunded defined benefit obligations, net liability	<b>6,361</b>	5,790	<b>494</b>	448
Analysed as:				
Non-current:				
Later than 2 years but not later than 5 years	<b>744</b>	744	<b>95</b>	95
Later than 5 years	<b>5,617</b>	5,046	<b>399</b>	353
	<b>6,361</b>	5,790	<b>494</b>	448

### Statements of comprehensive income

Current service cost	<b>367</b>	342	<b>24</b>	23
Interest cost	<b>282</b>	256	<b>22</b>	20
Total, included in employee benefits expenses (Note 5)	<b>649</b>	598	<b>46</b>	43

Movements in the net liability in the current year were as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of the year	<b>5,790</b>	5,224	<b>448</b>	405
Recognised in profit or loss	<b>649</b>	598	<b>46</b>	43
Retirement benefits paid	<b>(78)</b>	(32)	<b>–</b>	–
At end of the year	<b>6,361</b>	5,790	<b>494</b>	448

Principal actuarial assumptions used:

	Group and Company	
	2022 %	2021 %
Discount rate	<b>4.9</b>	4.9
Expected rate of employees' salary increases	<b>6.0</b>	6.0

# Notes to the Financial Statements

– 31 March 2022

## 28. Retirement benefit obligations (cont'd)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligations as of the end of the reporting period, with all other assumptions held constant:

	Sensitivity	Group RM'000	Company RM'000
Discount rate	+1%	(562)	(29)
	-1%	669	32
Expected rate of employees' salary increases	+1%	655	31
	-1%	(562)	(29)

## 29. Sundry payables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Accrued profit element on IMTNs	10,710	16,065	–	–
Amounts due to related parties	153	2	–	–
Retention sum	436	399	–	–
Sundry payables and accruals	10,132	11,359	951	979
<b>Total sundry payables</b>	<b>21,431</b>	<b>27,825</b>	<b>951</b>	<b>979</b>
Add: Amount due to a subsidiary (Note 18)	–	–	–	389
Amount due to an associate (Note 18)	–	93	–	129
IMTNs (Note 27)	388,349	585,254	–	–
<b>Total financial liabilities carried at amortised costs</b>	<b>409,780</b>	<b>613,172</b>	<b>951</b>	<b>1,497</b>

Amounts due to related parties are non-trade in nature, unsecured, non-interest bearing and is repayable on demand.

Further details on related party transactions are disclosed in Note 33 to the financial statements.

# Notes to the Financial Statements

– 31 March 2022

## 30. Dividends

	Group and Company			
	Dividends		Dividends	
	in respect of year		recognised in year	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interim dividend for 2021:				
10 sen per share on 532,765,618 ordinary shares declared on 27 August 2020 and paid on 29 September 2020	–	53,277	–	53,277
Interim dividend for 2021:				
10 sen per share on 532,843,618 ordinary shares declared on 25 February 2021 and paid on 30 March 2021	–	53,284	–	53,284
Interim dividend for 2022:				
10 sen per share on 532,868,618 ordinary shares declared on 25 August 2021 and paid on 24 September 2021	53,287	–	53,287	–
Interim dividend for 2022:				
15 sen per share on 533,083,618 ordinary shares declared on 24 February 2022 and paid on 30 March 2022	79,962	–	79,962	–
	133,249	106,561	133,249	106,561

## 31. Segment information

The Highway provides the largest contribution to the Group in terms of revenue, profit for the period and total assets. Hence, it is reported as a separate operating segment whilst the rest are reported as "Others". The reportable operating segments of the Group are as follows:

- (i) highway - tolling operations and highway maintenance; and
- (ii) others - investment holding and dormant.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business.

# Notes to the Financial Statements

– 31 March 2022

## 31. Segment information (cont'd)

The analysis of group operations are as follows:

	Highway		Others		Eliminations			Consolidated	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	Notes	2022 RM'000	2021 RM'000
Revenue									
Revenue from external customers	400,932	392,827	–	–	–	–	A	400,932	392,827
Inter-segment revenue	–	–	135,191	70,900	(135,191)	(70,900)		–	–
Total revenue	400,932	392,827	135,191	70,900	(135,191)	(70,900)		400,932	392,827
Results									
Segment results	263,507	275,592	132,422	68,398	(133,785)	(69,839)	A	262,144	274,151
Interest/profit income	9,462	9,709	149	416	–	–	A	9,611	10,125
Profit from operations	272,969	285,301	132,571	68,814	(133,785)	(69,839)	A	271,755	284,276
Finance costs	(26,849)	(39,856)	–	–	–	–		(26,849)	(39,856)
Share of result of an associate	(2,627)	22,660	–	–	–	–		(2,627)	22,660
Profit before tax	243,493	268,105	132,571	68,814	(133,785)	(69,839)		242,279	267,080
Income tax expense	(79,117)	(60,995)	(314)	(309)	–	–		(79,431)	(61,304)
Profit for the year	164,376	207,110	132,257	68,505	(133,785)	(69,839)		162,848	205,776
Assets and liabilities									
Segment assets	1,627,284	1,793,738	60,095	58,980	(52,074)	(52,536)	B	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)	B	635,987	835,692

# Notes to the Financial Statements

– 31 March 2022

## 31. Segment information (cont'd)

The analysis of group operations are as follows: (cont'd)

	Highway		Others		Eliminations			Consolidated	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	Notes	2022 RM'000	2021 RM'000
Other information									
Capital expenditure	501	733	6	–	–	–	C	507	733
Depreciation (Note 13)	460	594	6	6	–	–		466	600
Amortisation									
(Note 12 & 14)	95,812	74,018	–	–	(210)	(156)	A	95,602	73,862
Other significant non-cash expenses:									
Share options granted under ESOS (Note 5)	1,107	1,389	222	256	–	–		1,329	1,645
Provision for retirement benefits (Note 28)	603	555	46	43	–	–		649	598

### Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A** Inter-segment transactions are eliminated on consolidation.
- B** Inter-segment assets and liabilities are eliminated on consolidation.
- C** Capital expenditure consist of:

	2022 RM'000	2021 RM'000
Highway development expenditure (Note 12)	104	195
Plant and equipment (Note 13)	353	538
Other intangible assets (Note 14)	50	–
	507	733

No analysis on revenue and results by geographical segments is prepared as the Group is primarily engaged in design, construct, operate and maintain Lebuhraya Damansara-Puchong (the “Highway”) and to manage its toll operations in Malaysia.

# Notes to the Financial Statements

– 31 March 2022

## 32. Capital commitments

	Group	
	2022 RM'000	2021 RM'000
<b>Capital expenditure</b>		
Approved but not contracted for:		
- Highway development expenditure	7,509	7,509

## 33. Related party disclosures

### (a) Sale and purchase of services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group, the Company and related parties took place at terms agreed between the parties during the financial year:

	2022 RM'000	2021 RM'000
<b>Group</b>		
Associate:		
- ESOS expenses charged to an associate	430	549
Other related parties: (*)		
- Other services rendered by other related parties	818	52
<b>Company</b>		
Subsidiaries:		
- Dividend income from a subsidiary	134,000	70,000
- ESOS expenses charged to a subsidiary	1,107	1,389
- Management fee charged to a subsidiary	1,191	900

(\*) Other related parties refer to Gamuda Berhad, a substantial shareholder of the Company, and its affiliate. Certain directors of the Company are also directors of the other related parties.

Information regarding outstanding balances arising from related party transactions as at 31 March 2022 are disclosed in Note 18 and Note 29 to the financial statements.

# Notes to the Financial Statements

– 31 March 2022

## 33. Related party disclosures (cont'd)

### (b) Compensation of key management personnel

Key management personnel comprise persons including directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the entities either directly or indirectly.

The aggregate amount of emoluments received/receivable by key management personnel excluding directors of the Company during the financial year is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries and other short-term employee benefit	1,730	1,373	849	581
Defined contribution plan	176	137	84	58
Defined benefit plan	105	98	36	34
Share options granted under ESOS	435	460	324	126
Estimated monetary value of benefits-in-kind	19	21	10	9
	<b>2,465</b>	<b>2,089</b>	<b>1,303</b>	<b>808</b>

The details of directors' remuneration are disclosed in Note 7 to the financial statements.

Directors of the Group and of the Company and other members of key management personnel have been granted the following number of options under ESOS:

	Group and Company	
	2022 '000	2021 '000
At beginning of the year	3,796	3,237
Granted	1,072	1,075
Exercised	(156)	(359)
Forfeited/lapsed	–	(157)
At end of the year	<b>4,712</b>	<b>3,796</b>

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

## 34. Concession arrangement

On 23 April 1996, the Government of Malaysia (the "Government") awarded Lingkaran Trans Kota Sdn Bhd ("LITRAK"), a wholly-owned subsidiary of the Company, a concession to design, construct, operate and maintain Lebuhraya Damansara-Puchong ("LDP" or the "Highway") for a period of 33 years ending 14 August 2029 ("Concession Period").

Under the Concession Agreement, the Government will make available the land required for the Highway, subject to reimbursement by LITRAK to acquire land of up to RM98 million.

The Concession Agreement provides that LITRAK will collect and retain all traffic tolls and will be responsible for all operating and maintenance costs incurred during the Concession Period. The collection of toll revenue commenced on 25 January 1999 and the toll rates applicable to the Concession Period are specified in the Concession Agreement.



# Notes to the Financial Statements

– 31 March 2022

## 34. Concession arrangement (cont'd)

The Government may reduce the toll rates by giving at least two months notice to LITRAK. Should the Government reduce the toll rate below the agreed rates, the Government shall compensate LITRAK for any reduction in toll collections based on the basis and the formula specified in the Concession Agreement.

The Concession Agreement may be terminated by either the Government or LITRAK if either party fails to remedy its default within the period specified in the Concession Agreement.

The Government may terminate the Concession Agreement by expropriation of the Concession Company or the Concession at any time by giving three months written notice to LITRAK.

LITRAK shall hand over the Highway to the Government at the end of the Concession Period, in a well-maintained condition and shall make good any defects thereto at LITRAK's own expense within one year after the date of handing over.

Pursuant to the provisions of the Second Supplemental Concession Agreement executed between LITRAK and the Government on 4 September 2007 and via the Government Gazette No. P.U. (A) 443 dated 26 December 2006, the Government had revised the toll rates structure for LITRAK effective from 1 January 2007 to 31 December 2010.

In consideration of LITRAK agreeing to the above revised toll rate structure, the Government has agreed to provide LITRAK, with a sum of RM150 million cash compensation and a one-year extension to the Concession Period from 14 August 2029 extended to 14 August 2030.

The toll rates were scheduled to revert to those in the Concession Agreement from 1 January 2011 onwards, but the Government decided to defer the toll rate increase and shall compensate LITRAK in accordance with the provisions of the Concession Agreement.

Pursuant to Government Gazette No. P.U. (A) 243 dated 12 October 2015, the toll rates payable by users of LDP, deferred since 1 January 2011, have been increased effective 15 October 2015 for the following classes of vehicles:

<b>Class of vehicle</b>	<b>Toll rates (Before increase) (RM)</b>	<b>Toll rates (After increase) (RM)</b>
Class 1	1.60	2.10
Class 2	3.20	4.20
Class 3	4.80	6.30
Class 4	0.80	1.10

However, the toll rate payable by users of LDP for Class 5 vehicle remains unchanged at RM1.60.

Pursuant to the Concession Agreement, the next and final toll hike was scheduled to increase effective from 1 January 2016. The Government has decided to defer the increase until further notice. Based on past experience with the Government, the Group is optimistic that terms of the Concession Agreement will continue to be observed by all parties concerned.

The Government shall compensate LITRAK in accordance with the provisions of the Concession Agreement.

# Notes to the Financial Statements

– 31 March 2022

## 35. Fair value of financial instruments

The carrying amounts of the financial instruments of the Group and of the Company are a reasonable approximation of their fair value except for the following:

	Carrying amount RM'000	Group Fair value RM'000
<b>Financial liabilities:</b>		
<b>At 31 March 2022</b>		
IMTN I (Note 27)	189,216	192,527
IMTN II (Note 27)	199,133	202,788
	<b>388,349</b>	<b>395,315</b>
<b>At 31 March 2021</b>		
IMTN I (Note 27)	287,706	297,555
IMTN II (Note 27)	297,548	308,074
	<b>585,254</b>	<b>605,629</b>

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

**(a) Sundry receivables, amounts due from/(to) subsidiaries, amount due from/(to) an associate and sundry payables**

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

**(b) IMTNs**

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of IMTN at the reporting date.

**(c) Investment securities**

Fair value is determined directly by reference to the published market bid price at the reporting date.

### 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

# Notes to the Financial Statements

– 31 March 2022

## 35. Fair value of financial instruments (cont'd)

### Fair value hierarchy (cont'd)

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

			Fair value measurement using		
			Quoted	Significant	Significant
			prices in	observable	unobservable
			active	inputs	inputs
			markets	(Level 2)	(Level 3)
	Note	Total	(Level 1)	(Level 2)	(Level 3)
		RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
<b>31 March 2022</b>					
<b>Assets measured at fair value</b>					
Investment securities	19	2,078	2,078	–	–
<b>Liabilities for which fair values are disclosed</b>					
IMTN I	27	192,527	–	192,527	–
IMTN II	27	202,788	–	202,788	–
		395,315	–	395,315	–
<b>31 March 2021</b>					
<b>Assets measured at fair value</b>					
Investment securities	19	4,672	4,672	–	–
<b>Liabilities for which fair values are disclosed</b>					
IMTN I	27	297,555	–	297,555	–
IMTN II	27	308,074	–	308,074	–
		605,629	–	605,629	–
<b>Company</b>					
<b>31 March 2022</b>					
<b>Assets measured at fair value</b>					
Investment securities	19	2,078	2,078	–	–
<b>31 March 2021</b>					
<b>Assets measured at fair value</b>					
Investment securities	19	4,672	4,672	–	–

# Notes to the Financial Statements

– 31 March 2022

## 36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest/profit rate risk, liquidity risk and credit risk.

The Board of Directors review and agree policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) Interest/profit rate risk

Interest/profit rate risk is the risk that the fair value or future cash flows of the Group's and Company's financial instruments will fluctuate because of changes in market interest/profit rates.

The Group obtains its external fundings through the issuance of IMTNs and the profit element for IMTNs are based on fixed rates. The information relating to the interest rates, profit element and maturity dates of these IMTNs are disclosed in Note 27 to the financial statements.

The surplus funds are placed as fixed deposits or fixed rate overnight money market placements with licensed financial institutions.

The interest/profit profile of financial liabilities of the Group and of the Company are as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate financial liabilities	<b>388,349</b>	585,254

Fixed rate financial liabilities comprise the IMTNs as described further in Note 27 to the financial statements. The weighted average interest rate/profit element of these instruments is 6.1% (2021: 6.0%). The rate is fixed up to maturity of the IMTNs.

The interest/profit profile of financial assets of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed rate financial assets *	<b>367,618</b>	467,748	<b>6,509</b>	3,065

\* Fixed rate financial assets mainly comprise short term deposits and overnight money market placements placed with licensed financial institutions as described further in Note 20 to the financial statements.

The Group has no exposure to significant interest rate risk as the fixed rate debts were entered into by the Group in order to minimise fluctuations in interest rates.

# Notes to the Financial Statements

– 31 March 2022

## 36. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage the debt maturity profile as disclosed in the analysis below, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash and cash convertible instrument to ensure sufficient cash being kept to meet debt service obligation and covenants, highway enhancement expenses, operating expenses and distribution to shareholders. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position.

### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	-----2022-----			
	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities:</b>				
Sundry payables	10,721	–	–	10,721
IMTNs				
- principal	200,000	190,000	–	390,000
- profits	17,300	5,700	–	23,000
Total undiscounted financial liabilities	228,021	195,700	–	423,721
<b>Company</b>				
<b>Financial liabilities:</b>				
Sundry payables, representing total undiscounted financial liabilities	951	–	–	951

# Notes to the Financial Statements

– 31 March 2022

## 36. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

#### Analysis of financial instruments by remaining contractual maturities (cont'd)

	2021			
	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities:</b>				
Sundry payables	11,760	–	–	11,760
Amount due to an associate	93	–	–	93
IMTNs				
- principal	200,000	200,000	190,000	590,000
- profits	29,000	17,300	5,700	52,000
Total undiscounted financial liabilities	240,853	217,300	195,700	653,853
<b>Company</b>				
<b>Financial liabilities:</b>				
Sundry payables	979	–	–	979
Amount due to a subsidiary	389	–	–	389
Amount due to an associate	129	–	–	129
Total undiscounted financial liabilities	1,497	–	–	1,497

### (c) Credit risk

The carrying amounts of sundry receivables and amount due from an associate represent the Group's maximum exposure to credit risk. The risk in relation to the amount due from the Government as compensation for the imposition of toll rates lower than those as provided for under the Concession Agreement is sovereign in nature. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company do not have any significant exposure to a single counterparty nor do they have any major concentration of credit risk related to any financial instruments other than as disclosed in Note 17 to the financial statements.

# Notes to the Financial Statements

– 31 March 2022

## 37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, refinance existing IMTNs, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2022 and 31 March 2021.

The IMTNs of the Group as mentioned in Note 27 to the financial statements is taken by a subsidiary of the Group. These IMTNs are subjected to several financial covenants including maintaining a prescribed debt equity ratio of no more than 90:10 and finance service cover ratio of no less than 1.2 times. The subsidiary company has complied with these covenants during the reporting year.

## 38. Significant event

### COVID-19 pandemic

Since March 2020, the outbreak of COVID-19 pandemic has significantly impacted the economic performance globally, including Malaysia. 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 ("FMC") on 1 June 2021 due to resurgence of COVID-19 cases. With the stricter containment measures in place, the Group has recorded lower traffic volume for the first and second quarters of the financial year.

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 Group's results rebounded in the third and fourth quarters of the financial year following the relaxation of movement restrictions and resumption of economic activities announced by the Government.

Despite the challenging outlook, the Group continues to closely monitor the related risks and impact on its businesses to ensure long term business prospects of the Group remains stable. The Group is also taking the necessary steps to mitigate the effects of the ongoing COVID-19 pandemic and proactively addresses developments in order to best manage the effects on its businesses.

## 39. Subsequent event

### Proposed disposal of all the securities in Lingkaran 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.



# Notes to the Financial Statements

– 31 March 2022

## 39. Subsequent event (cont'd)

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 the respective supplemental concession agreements 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 agreements.

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 fulfilment of the conditions precedent is still ongoing and the Proposed Disposals are yet to be completed.

## 40. Comparative figures

The comparative figures have been restated to reflect the following:

- (a) reclassification between sundry receivables and sundry payables; and
- (b) reclassification between current and non-current liabilities of deferred revenue.

The effect of the above adjustment items are as follow:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Sundry receivables	80,574	1,139	81,713
Sundry payables	(26,686)	(1,139)	(27,825)
Deferred revenue			
Non-current	(13,146)	1,562	(11,584)
Current	–	(1,562)	(1,562)

# Analysis of Shareholdings

As at 30 June 2022

**Total Number of Issued Shares : 539,405,618 Ordinary Shares**

**Class of Shares : Ordinary Shares**

**Voting Rights : 1 vote per share on a poll**

**Number of Shareholders : 6,103**

## Distribution of Shareholdings

Holdings	No. of Holders	%	Total Holdings	%
Less than 100	157	2.57	2,037	0.00
100 - 1,000	1,806	29.59	1,237,197	0.23
1,001 - 10,000	3,297	54.02	11,326,743	2.10
10,001 - 100,000	701	11.49	21,157,633	3.92
100,001 - 26,970,280	139	2.28	239,584,108	44.42
26,970,281* and above	3	0.05	266,097,900	49.33
<b>Total</b>	<b>6,103</b>	<b>100.00</b>	<b>539,405,618</b>	<b>100.00</b>

\* 5% of the issued shares.

## Substantial Shareholders

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Gamuda Berhad	230,057,300	42.65	–	–
2. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	45,040,600	8.35	–	–
3. Employees Provident Fund Board	33,095,300*	6.14	–	–

\* Include shares held through nominee companies.

## Directors' Interests

### Shares Held in the Company

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Ir Haji Yusoff bin Daud	270,000	0.05	328,499 <sup>1</sup>	0.06
2. Datin Lee Choi Chew	20,000	0.00	–	–
3. Pn Nazli binti Mohd Khir Johari	60,000	0.01	–	–
<b>Total</b>	<b>350,000</b>	<b>0.06</b>	<b>328,499</b>	<b>0.06</b>

<sup>1</sup> Deemed interest through Irama Duta Sdn Bhd.

### Share Options Held in the Company

Name	No. of Options
1. Ir Haji Yusoff bin Daud	400,000
2. Dato' Haji Azmi bin Mat Nor	60,000
3. Datin Lee Choi Chew	40,000

# Analysis of Shareholdings

As at 30 June 2022

## 30 Largest Shareholders

Name	No. of Shares	%
1. Gamuda Berhad	176,612,500	32.74
2. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	45,040,600	8.35
3. Gamuda Berhad	44,444,800	8.24
4. AmanahRaya Trustees Berhad - Amanah Saham Malaysia 3	24,585,900	4.56
5. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	21,683,700	4.02
6. Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn Bhd	16,754,100	3.11
7. AmanahRaya Trustees Berhad - Public Islamic Dividend Fund	16,593,500	3.08
8. AmanahRaya Trustees Berhad - Amanah Saham Malaysia	14,569,750	2.70
9. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera 3-Didik	12,516,600	2.32
10. Cartaban Nominees (Tempatan) Sdn Bhd - Prulink Equity Fund	11,899,500	2.21
11. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera 2	10,100,000	1.87
12. Gamuda Berhad	9,000,000	1.67
13. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	8,098,600	1.50
14. Kumpulan Wang Persaraan	5,436,800	1.01
15. Yii Khing Sing	5,353,922	0.99
16. Maybank Nominees (Tempatan) Sdn Bhd - Public Ittikal Fund	5,000,000	0.93
17. Permodalan Nasional Berhad	4,142,200	0.77
18. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	3,313,000	0.61
19. Malacca Equity Nominees (Tempatan) Sdn Bhd - Phillip Capital Management Sdn Bhd	3,221,100	0.60
20. Cartaban Nominees (Tempatan) Sdn Bhd - Prulink Equity Income Fund	3,210,200	0.60
21. Maybank Nominees (Tempatan) Sdn Bhd - Tan Kian Aik	3,094,300	0.57
22. Lim Chin Ann	3,000,000	0.56
23. Dato' Goon Heng Wah	2,527,522	0.47
24. Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn Bhd	2,065,800	0.38
25. Maybank Nominees (Tempatan) Sdn Bhd - National Trust Fund	1,995,500	0.37
26. Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan	1,995,400	0.37
27. Cartaban Nominees (Tempatan) Sdn Bhd - Participating Fund	1,936,600	0.36
28. AmanahRaya Trustees Berhad - Public Smallcap Fund	1,892,300	0.35
29. AmanahRaya Trustees Berhad - Public Islamic Select Treasure Fund	1,855,400	0.34
30. CIMB Group Nominees (Tempatan) Sdn Bhd - Lembaga Tabung Haji	1,835,800	0.34
<b>Total</b>	<b>463,775,394</b>	<b>85.98</b>

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 27<sup>th</sup> Annual General Meeting (AGM) of Lingkaran Trans Kota Holdings Berhad will be conducted fully virtual through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia, on Wednesday, 28 September 2022 at 11.00 a.m. for the purpose of transacting the following businesses:

1. To receive the Report of the Directors and the Audited Financial Statements for the financial year ended 31 March 2022 together with the Report of the Auditors thereon.
2. To re-elect the following Directors who are retiring by rotation in accordance with Clause 100 of the Company's Constitution and being eligible, offer themselves for re-election:
  - a. Tan Sri Dato' Setia Haji Ambrin bin Buang **(Resolution 1)**
  - b. Dato' Haji Azmi bin Mat Nor **(Resolution 2)**
3. To approve the payment of Directors' fees of RM422,000 for the financial year ended 31 March 2022. **(Resolution 3)**
4. To approve the payment of Directors' benefits (excluding Directors' fees):
  - a. up to an amount of RM104,000 for the period from 29 September 2022 until the next AGM of the Company to be held in 2023; **(Resolution 4)**
  - b. an additional RM20,000 incurred/to be incurred up to the 27<sup>th</sup> AGM **(Resolution 5)**
5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. To transact any other business of which due notice shall have been given.

## BY ORDER OF THE BOARD

**LIM SOO LYE** (LS0006461) (SSM PC No. 201908002053)  
**CHIEW TENG JUAN** (MAICSA 7029864) (SSM PC No. 201908001599)  
**Company Secretaries**

Subang Jaya  
 29 July 2022

# Notice of Annual General Meeting

## Notes:

### 1. Virtual AGM

In support of the Government of Malaysia's ongoing efforts to contain the spread of Covid-19 and as part of the Group's safety measures, the 27<sup>th</sup> AGM will be conducted fully virtual through online meeting platform via TIIH Online website. The members are advised to follow the procedures as set out in the Administrative Guide sent out together with this notice on the registration and voting process for the AGM.

### 2. General Meeting Record of Depositors

For the purpose of determining a member's eligibility to attend and vote at the 27<sup>th</sup> AGM, the Company shall obtain a General Meeting Record of Depositors as at 20 September 2022 from Bursa Malaysia Depository Sdn Bhd in accordance with Clause 73 of the Company's Constitution and Paragraph 7.16(2) of Bursa Malaysia's Main Market Listing Requirements. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.

### 3. Appointment of Proxy

- a. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.
- b. A member shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his stead.
- c. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- d. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.
- f. In the case of a corporate member, the instrument appointing a proxy must be executed under its Common Seal or the hand of its attorney.
- g. The instrument appointing a proxy must be deposited/submitted via the following ways not less than 48 hours before the time set for holding the AGM or any adjournment thereof:
  - (i) By hardcopy form  
The Proxy Form must be deposited with Tricor Investor & Issuing House Services Sdn Bhd (Tricor) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.
  - (ii) By electronic form  
The Proxy Form can be electronically submitted/loved via Tricor's TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for the procedures on electronic lodgement of proxy form.
- h. Pursuant to Paragraph 8.29A of Bursa Malaysia's Main Market Listing Requirements, all resolutions set out in the Notice of AGM will be put to vote by poll.

### 4. Explanatory Notes on Notice of AGM

- a. Audited Financial Statements  
The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 (CA 2016) for discussion only. The statements do not require shareholders' approval and hence, will not be put forward for voting.
- b. Resolutions 1 and 2 – Re-election of Directors in accordance with Clause 100 of the Company's Constitution
  - (i) Tan Sri Dato' Setia Haji Ambrin bin Buang (Resolution 1)
  - (ii) Dato' Haji Azmi bin Mat Nor (Resolution 2)

Pursuant to Clause 100 of the Company's Constitution, Tan Sri Dato' Setia Haji Ambrin bin Buang and Dato' Haji Azmi bin Mat Nor shall retire by rotation at the forthcoming 27<sup>th</sup> AGM and being eligible, have offered themselves for re-election. The Board via the annual evaluation is satisfied that Tan Sri Dato' Setia Haji Ambrin and Dato' Haji Azmi continue to demonstrate the necessary commitment to be fully effective members of the Board and therefore recommended that they be re-elected as Directors of the Company.

Please refer to page 3 and page 5 of the Annual Report 2022 for the profiles of Tan Sri Dato' Setia Haji Ambrin and Dato' Haji Azmi.

# Notice of Annual General Meeting

## c. Resolutions 3, 4 and 5 – Directors' Fees and Benefits

Section 230(1) of the CA 2016 provides that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at the Company's 27<sup>th</sup> AGM for payment of Directors' fees and benefits to Non-Executive Directors under Resolutions 3, 4 and 5 as follows:

- (i) Resolution 3 – Directors' fees have remained at RM422,000 since financial year 2020. In view of the Covid-19 pandemic, the Independent Non-Executive Directors took a 10% voluntary fees reduction in financial year 2021 in solidarity with the Executive Director and key management staff who also took a one-year salary reduction under the Group's cost cutting measures. The Directors' fees have now reverted to pre-pandemic level as follows:

	FYE2020 (RM)	FYE2021 (RM)	FYE2022 (RM)
Directors' fees	340,000	306,000	340,000
Audit and Risk Management Committee fees	82,000	73,800	82,000
<b>Total</b>	<b>422,000</b>	<b>379,800</b>	<b>422,000</b>

The Board is of the view that the proposed payment is reflective of their responsibilities and performances during the financial year ended 31 March 2022.

- (ii) Resolution 4 – Directors' benefits which comprise solely of estimated meeting allowances remains at an amount up to RM104,000 to Non-Executive Directors for the period from 29 September 2022 until the next AGM of the Company to be held in 2023. In determining the estimated meeting allowances payable to the Non-Executive Directors, the Board had considered the number of scheduled meetings and other factors which may call for additional meetings of the Board and its Board Committees as well as the number of Non-Executive Directors involved in the meetings.

The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid such allowances upon them discharging their responsibilities and rendering their services to the Company. 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 AGM.

- (iii) Resolution 5 – Shareholders' approval is also being sought for an additional RM20,000 meeting allowances to the Non-Executive Directors arising from additional meetings of the Board and Audit and Risk Management Committee with the Principal Adviser and the Independent Adviser, to discuss and consider the conditional offers from Amanat Lebuhraya Rakyat Berhad to acquire all the securities in Lingkaran Trans Kota Sdn Bhd and Sistem Penyuraian Trafik KL Barat Sdn Bhd, a wholly-owned subsidiary of Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd, a 50% associate company of the Company

Amount Approved at the 26 <sup>th</sup> AGM (RM)	Total Amount Incurred/ To be Incurred up to the 27 <sup>th</sup> AGM (RM)	Additional Amount Incurred/ To be Incurred up to the 27 <sup>th</sup> AGM (RM)
104,000	124,000	20,000

## d. Resolution 6 – Re-appointment of Auditors

Messrs Ernst & Young PLT shall be retiring at the forthcoming 27<sup>th</sup> AGM of the Company and have expressed their willingness to be re-appointed as auditors of the Company for the financial year ending 31 March 2023. The Audit and Risk Management Committee has assessed the suitability and independence of Messrs Ernst & Young PLT as auditors of the Company. The Board on the recommendation of the Audit and Risk Management Committee, recommended that Messrs Ernst & Young PLT be re-appointed as auditors of the Company.

## 5. Statement Accompanying Notice of AGM

There is no individual standing for election as Director (excluding Directors standing for re-election) at the forthcoming 27<sup>th</sup> AGM of the Company.

# Administrative Guide

## Annual General Meeting (AGM)

Day & Date: Wednesday, 28 September 2022  
 Time: 11.00 a.m.  
 Venue: Online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia

## MODE OF MEETING

In support of the Government of Malaysia's ongoing efforts to contain the spread of Covid-19 and as part of our Group's safety measures, the AGM of the Company will be conducted entirely through online meeting platform via TIIH Online website.

## REMOTE PARTICIPATION AND VOTING FACILITIES (RPV)

Shareholders are to attend, speak (in the form of real time submission of typed texts to the Board of Directors of the Company (Board)) and vote (collectively, "participate") remotely at the AGM of the Company using RPV provided by Tricor Investor & Issuing House Services Sdn Bhd (Tricor) via its TIIH Online website at <https://tiih.online>.

Shareholders who appoint proxies to participate via RPV in the AGM of the Company must ensure that the duly executed Proxy Forms are deposited either by hardcopy or electronic means no later than **Monday, 26 September 2022 at 11.00 a.m.** in the following manner:

- a. at **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur; OR
- b. lodge electronically via Tricor's TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the procedures on electronic lodgement of proxy form.

Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, no later than **Monday, 26 September 2022 at 11.00 a.m.** in order to participate via RPV in the AGM of the Company.

Attorneys appointed by power of attorney must deposit their power of attorney at **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, no later than **Monday, 26 September 2022 at 11.00 a.m.** in order to participate via RPV in the AGM of the Company.

A shareholder who has appointed a proxy or attorney or corporate representative to attend, participate, speak and vote at the AGM of the Company via RPV must request his/her proxy to register himself/herself for RPV at Tricor's TIIH Online website at <https://tiih.online>.

As the AGM of the Company is a fully virtual AGM, members who are unable to participate in this AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.



# Administrative Guide

Shareholders/proxies/corporate representatives/attorneys who wish to participate in the AGM of the Company using the RPV are to follow the requirements and procedures as summarised below:

	Procedure	Action BEFORE THE DAY OF AGM
(a)	Register as a user with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services”. Refer to the tutorial guide posted on the homepage for assistance.</li> <li>Registration as a user will be approved within one working day and you will be notified via e-mail.</li> <li>If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.</li> </ul>
(b)	Submit your request	<ul style="list-style-type: none"> <li><b>Registration is open from Friday, 29 July 2022 until the day of the AGM Wednesday, 28 September 2022.</b> Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate in the AGM using RPV.</li> <li>Log in with your user ID and password and select the corporate event: <b>“(REGISTRATION) LITRAK AGM 2022”</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select “Register for Remote Participation and Voting”.</li> <li>Review your registration and proceed to register.</li> <li>System will send an e-mail to notify that your registration for remote participation has been received and will be verified.</li> <li>After verification of your registration against the General Meeting Record of Depositors dated <b>20 September 2022</b>, the system will send you an e-mail after <b>26 September 2022</b> to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via e-mail.</li> </ul> <p><i>(Note: Please allow sufficient time for approval as a new user of TIIH Online as well as the registration for RPV in order for you to log into TIIH Online and participate in the AGM remotely).</i></p>
	Procedure	Action ON THE DAY OF AGM (Wednesday, 28 September 2022)
(c)	Log into TIIH Online	<ul style="list-style-type: none"> <li>Log in with your user ID and password for remote participation at the AGM at any time from 10.00 a.m. i.e. 1 hour before the commencement of the AGM at 11.00 a.m. on <b>Wednesday, 28 September 2022</b>.</li> </ul>
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> <li>Select the corporate event: <b>“(LIVE STREAMING MEETING) LITRAK AGM 2022”</b> to engage in the proceedings of the AGM remotely.</li> <li>If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/ Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.</li> </ul>
(e)	Online Remote Voting	<ul style="list-style-type: none"> <li>Voting session commences from 11.00 a.m. on <b>Wednesday, 28 September 2022</b> until a time when the Chairman announces the end of the session. Select the corporate event: <b>“(REMOTE VOTING) LITRAK AGM 2022”</b> or if you are on the live stream meeting page, you can select <b>“GO TO REMOTE VOTING PAGE”</b> button below the Query Box.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select the CDS account that represents your shareholdings.</li> <li>Indicate your votes for the resolutions that are tabled for voting.</li> <li>Confirm and submit your votes.</li> </ul>
(f)	End of remote participation	<ul style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the AGM, the Live Streaming will end.</li> </ul>

# Administrative Guide

## Note to users of the RPV:

1. Should your application to join the meeting be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to [tiih.online@my.tricorglobal.com](mailto:tiih.online@my.tricorglobal.com) for assistance.

## ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your Proxy Form electronically via Tricor's **TIH Online** website are summarised below:

	Procedure	Action
<b>i. Steps for Individual Members</b>		
(a)	Register as a User with Tricor's TIH Online website	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services". Please do refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIH Online, you are not required to register again.</li> </ul>
(b)	Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. e-mail address) and password.</li> <li>Select the corporate event: <b>"LITRAK AGM 2022 – Submission of Proxy Form"</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.</li> <li>Review and confirm your proxy(ies) appointment.</li> <li>Print Form of Proxy for your record.</li> </ul>
<b>ii. Steps for Corporation or Institutional Members</b>		
(a)	Register as an User with Tricor's TIH Online website	<ul style="list-style-type: none"> <li>Access TIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>Under e-Services, the authorised or nominated representative of the corporation or institutional member selects <b>"Create Account by Representative of Corporate Holder"</b>.</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by e-mail within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the e-mail and re-set your own password.</li> </ul> <p><i>(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Tricor [refer to Enquiry section below] if you need clarifications on the user registration.)</i></p>
(b)	Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> <li>Login to Tricor's TIH Online website at <a href="https://tiih.online">https://tiih.online</a></li> <li>Select the corporate event: <b>"LITRAK AGM 2022 – Submission of Proxy Form"</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein.</li> <li>Prepare the file for the appointment of proxies by inserting the required data.</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select "Submit" to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>

# Administrative Guide

## VOTING PROCEDURE

The voting at the AGM of the Company will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia's Main Market Listing Requirements.

To facilitate the voting process, the Company has appointed Tricor as the Poll Administrator to conduct the poll by way of online remote voting and Coopers Professional Scrutineers Sdn Bhd as the Scrutineers to verify the poll results. (Please refer to "Online Remote Voting" under item (e) in the table above on the procedure for online remote voting).

Upon completion of the voting session for the AGM of the Company, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

## GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend the AGM of the Company, only the Company's members whose names appear in the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd on 20 September 2022 shall be entitled to attend the said meeting or appoint proxies to attend on their behalf.

The hardcopy Proxy Form duly completed and signed must be deposited at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur no later than **Monday, 26 September 2022 at 11.00 a.m.** or not less than 48 hours before the time for holding the meeting or any adjournment thereof.

You may also submit the Proxy Form electronically via Tricor's TIIH Online at <https://tiih.online> no later than **Monday, 26 September 2022 at 11.00 a.m.** or not less than 48 hours before the time for holding the meeting or any adjournment thereof. Please refer to the Electronic Lodgement of Proxy Form above for further information on submission via TIIH Online.

## PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF THE COMPANY

Shareholders may submit questions for the Board of the Company in advance of the AGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to log in, pose questions and submit electronically no later than **Monday, 26 September 2022 at 11.00 a.m.** The Board will endeavour to answer the questions received at the AGM of the Company.

## NO DOOR GIFT/FOOD VOUCHER

There will be **no distribution** of door gifts or food vouchers for the AGM of the Company since the meeting is being conducted on a fully virtual basis.

The Board of Lingkaran Trans Kota Holdings Berhad would like to thank all its shareholders for their kind co-operation and understanding on this matter.

## NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the AGM of the Company.

## ENQUIRY

If you have any enquiry on the above, please contact the following officers during office hours from 9.00 a.m. to 5.30 p.m., Monday to Friday (except public holidays):

### Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299

Fax Number : +603-2783 9222

E-mail : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

Contact persons : Mr Ashvinder Singh  
+603-2783 7962 ([ashvinder.singh@my.tricorglobal.com](mailto:ashvinder.singh@my.tricorglobal.com))

Mr Jake Too  
+603-2783 9285 ([chee.onn.too@my.tricorglobal.com](mailto:chee.onn.too@my.tricorglobal.com))

Mr Aiman Nuri  
+603-2783 9268 ([muhamad.aiman@my.tricorglobal.com](mailto:muhamad.aiman@my.tricorglobal.com))

# Proxy Form

CDS Account No.	No. of Shares Held



\*I/We, \_\_\_\_\_

\*NRIC/Passport/Company No. \_\_\_\_\_ Mobile Phone No. \_\_\_\_\_

Address \_\_\_\_\_

being \*a member/members of Lingkaran Trans Kota Holdings Berhad, hereby appoint:

Full Name (In Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

Address: \_\_\_\_\_

\*and/failing whom,

Full Name (In Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

Address: \_\_\_\_\_

or failing whom, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the 27<sup>th</sup> Annual General Meeting (AGM) of the Company, to be held as a fully virtual meeting through Online Meeting Platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia, on Wednesday, 28 September 2022 at 11.00 a.m. and at any adjournment thereof and to vote as indicated below:

No.	Resolutions	For	Against
1	Re-election of Tan Sri Dato' Setia Haji Ambrin bin Buang as a Director		
2	Re-election of Dato' Haji Azmi bin Mat Nor as a Director		
3	Approval of Directors' fees		
4	Approval of Directors' benefits for the period from 29 September 2022 until the next AGM		
5	Approval of additional Directors' benefits incurred/to be incurred up to the 27 <sup>th</sup> AGM		
6	Re-appointment of Messrs Ernst & Young PLT as Auditors		

(Please indicate with 'X' in the appropriate spaces how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
Signature/Common Seal of Shareholder

## Notes:

- A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.
- A member shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his stead.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.
- In the case of a corporate member, the instrument appointing a proxy must be executed under its Common Seal or the hand of its attorney.
- The instrument appointing a proxy must be deposited/submitted via the following ways not less than 48 hours before the time set for holding the AGM or any adjournment thereof:
  - By hardcopy form**  
The Proxy Form must be deposited with Tricor Investor & Issuing House Services Sdn Bhd (Tricor) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.
  - By electronic form**  
The Proxy Form can be electronically submitted/ lodged via Tricor's TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for the procedures on electronic lodgement of proxy form.
- For the purpose of determining a member's eligibility to attend and vote at the AGM, the Company shall obtain a General Meeting Record of Depositors as at 20 September 2022 from Bursa Malaysia Depository Sdn Bhd in accordance with Clause 73 of the Company's Constitution and Paragraph 7.16(2) of Bursa Malaysia's Main Market Listing Requirements. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.

\* Delete where not applicable.

STAMP

**TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**

[197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

