Lingkaran Trans Kota Holdings Berhad

199501006186 (335382-V)

(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements

31 March 2023

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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 2023.

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. ("LITRAK") is to design, construct, operate and maintain Lebuhraya Damansara-Puchong ("LDP" or the "Highway") and to manage its toll operations based on the concession arrangement as elaborated further in Note 35 to the financial statements.

LITRAK ceased to be the subsidiary of the Company upon completion of its disposal on 13 October 2022 as disclosed in Note 39 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	1,526,621	2,288,777

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

Other than as disclosed in Note 39 to 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 2022 were as follows:

	RM'000
In respect of the financial year ended 31 March 2023:	
Single-tier special dividend of RM4.57 per ordinary share declared on 25 October 2022 and paid on 17 November 2022	2,475,197

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

Directors

The name 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

* The director is also a director of the Company's subsidiaries.

The name 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 (Resigned on 5 April 2023)

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 Company's 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) 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.

	Group and Company
	RM'000
Salaries and other emoluments	646
Fees	422
Estimated monetary value of benefits-in-kind	3
	1,071

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 2023 was RM33,281.

Directors' interests

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

	Number of ordinary shares			
	1 April 2022	**Bought/ ESOS exercised**	**Sold**	**31 March 2023**
The Company				
Direct Interest				
Directors of the Company				
Ir Haji Yusoff bin Daud	250,000	150,000	(400,000)	-
Datin Lee Choi Chew	20,000	-	-	20,000
Puan Nazli binti Mohd Khir Johari	-	60,000	(60,000)	-
Directors of the subsidiaries				
En Sazally bin Saidi	140,100	1,200,000	(1,000,000)	340,100
Mr Stephen Low Chee Weng	148,000	441,000	(219,000)	370,000
Indirect Interest				
Ir Haji Yusoff bin Daud °	328,499	-	-	328,499

° Deemed interest through Irama Duta Sdn. Bhd.

Directors' Interests (cont'd.)

Employee Share Option Scheme ("ESOS")

	Grant date	Option price RM	Adjusted option price RM	Number of options over ordinary shares: 1 April 2022	Granted	Exercised	31 March 2023
The Company							
Directors of the Company							
Ir Haji Yusoff bin Daud	26 Apr 17	5.32	0.44*	200,000	-	-	200,000
	18 Apr 18	5.02	0.42*	200,000	-	-	200,000
	21 Apr 21	3.51		150,000	-	(150,000)	-
Dato' Haji Azmi bin Mat Nor	20 Apr 16	4.68	0.39*	20,000	-	-	20,000
	26 Apr 17	5.32	0.44*	20,000	-	-	20,000
	18 Apr 18	5.02	0.42*	20,000	-	-	20,000
Datin Lee Choi Chew	26 Apr 17	5.32	0.44*	20,000	-	-	20,000
	18 Apr 18	5.02	0.42*	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 of the subsidiaries							
En Sazally bin Saidi	20 Apr 16	4.68	0.39*	100,000	-	-	100,000
	26 Apr 17	5.32	0.44*	400,000	-	-	400,000
	18 Apr 18	5.02	0.42*	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	0.39*	70,000	-	(70,000)	-
	26 Apr 17	5.32	0.44*	78,000	-	-	78,000
	18 Apr 18	5.02	0.42*	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)	-

* Exercise prices of the options were adjusted in accordance with the Company's ESOS By-Laws pursuant to the payment of special dividend effective on 12 November 2022.

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 increased from 533,083,618 to 541,618,618 by way of the issuance of 8,535,000 new ordinary shares for cash, pursuant to the exercise of ESOS options, as disclosed in Note 23(c) to the financial statements, at issue prices ranging between RM3.33 and RM4.68. 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 541,618,618 to 544,596,618 by way of the issuance of 2,978,000 new ordinary shares for cash, pursuant to the exercise of ESOS options at issue prices ranging from RM0.39 to RM0.44. The new ordinary shares issued 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 By-Law 19.2 of the ESOS, the ESOS had 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, of 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 options are disclosed in Note 23 to the financial statements.

Details of ESOS options 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 no provision for doubtful debts was necessary; 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 to make any provision for doubtful debts in respect of the financial statements of the Group and of the Company; 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.

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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 39 to the financial statements.

Auditors

	Group RM'000	Company RM'000
Auditors' remuneration	123	69

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 for an unspecified amount. 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 26 July 2023.

Tan Sri Dato' Setia Haji Ambrin bin Buang
Chairman

Ir Haji Yusoff bin Daud
Executive Director

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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 17 to 97 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 2023 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 26 July 2023.

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, Chua Kheng Sun, 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 17 to 97 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 Chua Kheng Sun at Petaling Jaya in the State of Selangor Darul Ehsan on 26 July 2023.

Chua Kheng Sun
MIA CA 15847

Before me,

PESURUHJAYA SUMPAH
B 449
CHIN CHIA MAN
01-01-2022 - 31-12-2024
MALAYSIA

No. 61B, Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan.

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Independent auditors' report to the members of Lingkaran Trans Kota Holdings Berhad (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lingkaran Trans Kota Holdings Berhad, which comprise the statements of financial position as at 31 March 2023 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 material accounting policy information, as set out on pages 17 to 97.

In our opinion, the accompanying financial statements which have been prepared on a basis other than that of a going concern as disclosed in Note 2.1 to the financial statements, give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and of their financial performance and 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.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Malaysia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. 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) Amortisation of highway development expenditure ("HDE")

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

The projected total traffic volume is estimated based on the latest available base case 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.

We identified this as our area of audit due to 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 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.

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

Key audit matters (cont'd.)

(b) Revenue

As disclosed in Note 4 to the financial statements, the Group's toll revenue is RM268,240,000, 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 the 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.

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**Independent auditors' report to the members of Lingkaran Trans Kota Holdings Berhad (cont'd.)
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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.

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.

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.

In preparing the financial statements of the Company, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so. As described in Note 2.1 to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.

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**Independent auditors' report to the members of
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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 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 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. As described in Note 2.1 to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.

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Independent auditors' report to the members of
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Auditors' responsibilities for the audit of the financial statements (cont'd.)

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: (cont'd.)

- 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.

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.

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**Independent auditors' report to the members of
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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

Ng Wai San
No. 03514/08/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 July 2023

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Statements of comprehensive income
For the year ended 31 March 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	4	269,461	400,932	394,255	135,191
Employee benefits expenses	5	(12,826)	(22,292)	(1,905)	(2,371)
Maintenance expenses		(6,121)	(12,692)	-	-
Depreciation and amortisation	12, 13 & 14	(39,643)	(96,068)	(6)	(6)
Other expenses		(7,274)	(8,649)	(2,594)	(441)
		(65,864)	(139,701)	(4,505)	(2,818)
		203,597	261,231	389,750	132,373
Other income	6	14,417	10,524	9,730	210
Gain on disposal of a subsidiary company	40	1,123,811	-	1,826,866	-
Gain on disposal of an associate	41	250,500	-	64,572	-
Finance costs	8	(7,446)	(26,849)	-	-
Share of result of an associate		(6,927)	(2,627)	-	-
Profit before tax	9	1,577,952	242,279	2,290,918	132,583
Income tax expense	10	(51,331)	(79,431)	(2,141)	(314)
Profit for the year, representing total comprehensive income for the year		1,526,621	162,848	2,288,777	132,269
Basic earnings per share attributable to equity holders of the Company (sen per share)	11(a)	282.59	30.56		
Diluted earnings per share attributable to equity holders of the Company (sen per share)	11(b)	282.09	30.54		

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

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Statements of financial position
As at 31 March 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Assets					
Non-current assets					
Highway development expenditure ("HDE")	12	-	994,222	-	-
Plant and equipment	13	-	1,278	-	9
Other intangible assets	14	-	695	-	-
Investments in subsidiaries	15	-	-	-	50,460
Investment in an associate	16	-	213,928	-	392,928
		-	1,210,123	-	443,397
Current assets					
Sundry receivables	17	69,509	97,417	69,509	179
Amounts due from subsidiaries	18	-	-	76	193
Amount due from an associate	18	-	1,170	-	149
Tax recoverable		-	8	-	8
Investment securities	19	2,133	2,078	2,133	2,078
Cash and bank balances	20	233,970	538,437	233,559	6,600
Assets held for sale/distribution	21	8	-	468	-
		305,620	639,110	305,745	9,207
Total assets		305,620	1,849,233	305,745	452,604
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	22	289,645	253,661	289,645	253,661
Other reserve	23	4,921	9,576	4,921	9,576
Retained earnings	24	1,433	950,009	1,502	187,922
Total equity		295,999	1,213,246	296,068	451,159

Statements of financial position
As at 31 March 2023 (cont'd.)

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Liabilities					
Non-current liabilities					
Deferred revenue	26	-	10,022	-	-
Deferred tax liabilities	27	-	169,479	-	-
Sukuk Musyarakah Medium Term Notes ("IMTNs")	28	-	188,349	-	-
Retirement benefit obligations	29	-	6,361	-	494
Provisions	25	-	22,476	-	-
		-	396,687	-	494
Current liabilities					
Deferred revenue	26	-	1,562	-	-
Provisions	25	66	2,605	66	126
Sukuk Musyarakah Medium Term Notes ("IMTNs")	28	-	200,000	-	-
Retirement benefit obligations	29	129	-	129	-
Sundry payables	30	9,321	20,749	9,377	825
Tax payable		105	14,384	105	-
		9,621	239,300	9,677	951
Total liabilities		9,621	635,987	9,677	1,445
Total equity and liabilities		305,620	1,849,233	305,745	452,604

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

199501006186 (335382-V)

Lingkaran Trans Kota Holdings Berhad
(Incorporated in Malaysia)

Consolidated statement of changes in equity
For the year ended 31 March 2023

	Note	← Non-distributable Share capital (Note 22) RM'000	Other reserve (Note 23) RM'000 →	Distributable Retained earnings (Note 24) RM'000	Total equity RM'000
Group					
At 1 April 2022		253,661	9,576	950,009	1,213,246
Total comprehensive income		-	-	1,526,621	1,526,621
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	22	31,346	-	-	31,346
Share options exercised	22,23	4,638	(4,638)	-	-
Share options forfeited	23	-	(17)	-	(17)
Dividends	31	-	-	(2,475,197)	(2,475,197)
Total transactions with owners		35,984	(4,655)	(2,475,197)	(2,443,868)
At 31 March 2023		289,645	4,921	1,433	295,999

Lingkaran Trans Kota Holdings Berhad
(Incorporated in Malaysia)

Consolidated statement of changes in equity
For the year ended 31 March 2023 (cont'd.)

	Note	Non-distributable Share capital (Note 22) RM'000	Non-distributable Other reserve (Note 23) RM'000	Distributable Retained earnings (Note 24) RM'000	Total equity RM'000
Group (cont'd.)					
At 1 April 2021		252,695	7,940	920,410	1,181,045
Total comprehensive income		-	-	162,848	162,848
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	22	843	-	-	843
Share options granted under ESOS	23	-	1,759	-	1,759
Share options exercised	22,23	123	(123)	-	-
Dividends	31	-	-	(133,249)	(133,249)
Total transactions with owners		966	1,636	(133,249)	(130,647)
At 31 March 2022		253,661	9,576	950,009	1,213,246

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

199501006186 (335382-V)

Lingkaran Trans Kota Holdings Berhad
(Incorporated in Malaysia)

Statement of changes in equity
For the year ended 31 March 2023

		Non-distributable		Distributable	
	Note	Share capital (Note 22) RM'000	Other reserve (Note 23) RM'000	Retained earnings (Note 24) RM'000	Total equity RM'000
Company					
At 1 April 2022		253,661	9,576	187,922	451,159
Total comprehensive income		-	-	2,288,777	2,288,777
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	22	31,346	-	-	31,346
Share options exercised	22,23	4,638	(4,638)	-	-
Share options forfeited	23	-	(17)	-	(17)
Dividends	31	-	-	(2,475,197)	(2,475,197)
Total transactions with owners		35,984	(4,655)	(2,475,197)	(2,443,868)
At 31 March 2023		289,645	4,921	1,502	296,068

Lingkaran Trans Kota Holdings Berhad
(Incorporated in Malaysia)

Statement of changes in equity
For the year ended 31 March 2023 (cont'd.)

	Note	← Non-distributable Share capital (Note 22) RM'000	→ Other reserve (Note 23) RM'000	Distributable Retained earnings (Note 24) RM'000	Total equity RM'000
Company (cont'd.)					
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	22	843	-	-	843
Share options granted under ESOS	23	-	1,759	-	1,759
Share options exercised	22,23	123	(123)	-	-
Dividends	31	-	-	(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

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 2023

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities				
Profit before tax	1,577,952	242,279	2,290,918	132,583
Adjustments for:				
Amortisation of highway development expenditure ("HDE")	39,420	95,400	-	-
Amortisation of other intangible assets	80	202	-	-
Depreciation of plant and equipment	143	466	6	6
Plant and equipment written off	-	2	-	-
Gain on disposal of plant and equipment	-	(31)	-	(1)
Share of result of an associate	6,927	2,627	-	-
Deferred revenue recognised	(831)	(1,562)	-	-
Interest income from fixed deposits	(2,600)	(4,063)	(1,352)	(112)
Interest income in respect of retention sum by ALR	(138)	-	(138)	-
Distribution from investment securities	(55)	(61)	(55)	(61)
Profit element and other charges on IMTNs	6,601	23,754	-	-
Unwinding of discount on IMTNs	845	3,095	-	-
Profit on Islamic investment	(10,956)	(5,548)	(8,168)	(37)
Dividend income from a subsidiary	-	-	(393,702)	(134,000)
(Decrease)/increase in provision for short term accumulating compensated absences	(616)	(41)	(60)	47
(Reversal)/provision for retirement benefits	(44)	649	(365)	46
Reversal of provision for doubtful debts	(53)	-	-	-
Gain on disposal of a subsidiary company	(1,123,811)	-	(1,826,866)	-
Gain on disposal of an associate	(250,500)	-	(64,572)	-
Share options forfeited	(17)	-	(17)	-
Share options granted under ESOS	-	1,329	-	222
Operating profit/(loss) before working capital changes	242,347	358,497	(4,371)	(1,307)
Changes in receivables	(94,955)	(16,358)	(191)	7
Changes in payables	23,591	(998)	146	(75)
Changes in amounts due from/(to) subsidiaries	-	-	-	582
Changes in amount due from/(to) an associate	104	(833)	148	152
Cash generated from/(used in) operations	171,087	340,308	(4,268)	(641)
Income tax paid	(49,946)	(73,309)	(2,026)	(301)
Retirement benefits paid	-	(78)	-	-
Net cash generated from/(used in) operating activities	121,141	266,921	(6,294)	(942)

Statements of cash flows
For the year ended 31 March 2023 (cont'd.)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Payments for HDE	(8,406)	(104)	-	-
Purchase of plant and equipment	(268)	(353)	(5)	(6)
Purchase of other intangible assets	(13)	(50)	-	-
Payments for heavy repairs of highway	(3,314)	(532)	-	-
Interest income received from fixed deposits	3,176	4,086	1,185	107
Interest income in respect of retention sum by ALR	138	-	138	-
Profit received from Islamic investment	10,795	6,179	7,906	37
Distribution received from investment securities	55	61	55	61
Dividend received from a subsidiary	-	-	393,702	134,000
Proceeds from disposal of an associate	455,250	-	455,250	-
Proceeds from disposal of a subsidiary company	1,778,196	-	1,818,928	-
Proceeds from disposal of plant and equipment	-	31	-	1
(Purchase)/ disposal of investment securities	(55)	2,594	(55)	2,594
Net cash generated from investing activities	2,235,554	11,912	2,677,104	136,794
Cash flows from financing activities				
Proceeds from issuance of ordinary shares from exercise of ESOS options	31,346	843	31,346	843
Profit element and fees paid on IMTNs	(17,311)	(29,109)	-	-
Dividends paid	(2,475,197)	(133,249)	(2,475,197)	(133,249)
Repayment of IMTNs	(200,000)	(200,000)	-	-
Net cash used in financing activities	(2,661,162)	(361,515)	(2,443,851)	(132,406)
Net changes in cash and cash equivalents	(304,467)	(82,682)	226,959	3,446
Cash and cash equivalents at beginning of the year	538,437	621,119	6,600	3,154
Cash and cash equivalents at end of the year (Note 20)	233,970	538,437	233,559	6,600

Statements of cash flows
For the year ended 31 March 2023 (cont'd.)

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

Group	IMTNs (Note 28) RM'000	Accrued profit element on IMTNs (Note 30) RM'000	Total RM'000
At 31 March 2023			
At 1 April 2022	388,349	10,710	399,059
Repayment of IMTNs	(200,000)	-	(200,000)
Profit element and fees paid on IMTNs	-	(17,311)	(17,311)
Unwinding of discount and profit element on IMTNs (Note 8)	845	6,543	7,388
Other charges (Note 8)	-	58	58
Disposal of subsidiary	(189,194)	-	(189,194)
At 31 March 2023	-	-	-
At 31 March 2022			
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	388,349	10,710	399,059

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

Notes to the financial statements - 31 March 2023

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 ("Bursa Securities"). 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.

As disclosed in Note 39 to the financial statements, the Company had disposed of its subsidiary, LITRAK. The principal activities of LITRAK are to design, construct, operate and maintain Lebuhraya Damansara-Puchong (the "LDP") and to manage its toll operations based on the concession arrangement as elaborated further in Note 35 to the financial statements.

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

Other than the above, 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 26 July 2023.

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 "Act").

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

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

2.1 Basis of preparation (cont'd.)

On 2 April 2022, the Company received a Conditional Letter of Offer ("CLOO") from Amanat Lebuhraya Rakyat Berhad ("ALR") in respect of the ALR's offer to acquire all the securities of LITRAK, then 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% owned associated company, received a CLOO from ALR in respect of ALR's offer to acquire all the securities of Sistem Penyuraian Trafik KL Barat Sdn Bhd ("SPRINT"), then a wholly-owned subsidiary of SPRINT Holdings ("SPRINT Offer"). Further details are disclosed in Note 39 to the financial statements.

(Both the LITRAK Offer and the SPRINT Offer are collectively referred to as "Disposals")

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

All the conditions prior to the execution of the Finalised Share Sale and Purchase Agreements ("SSPAs") as set out in the respective CLOOs were fulfilled on 5 August 2022.

As of 31 July 2022, the disposal group was available for immediate sale in its present condition through the acceptance of LITRAK Offer and SPRINT Offer by the respective Board of Directors of the Company and SPRINT Holdings on 18 April 2022. The Company announced that the Disposals had obtained approvals from the shareholders of respective companies on 5 August 2022. As the Disposals meet the criteria set out in MFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the assets and liabilities directly associated with LITRAK and SPRINT Holdings shall be classified as held for sale/ distribution and measured at lower of its carrying amount or fair value less cost to sell in the Company's consolidated financial statements.

The Disposals were completed on 13 October 2022. LITRAK ceased to be a subsidiary of the Company, and the Group derecognised the assets and liabilities of LITRAK in the Group's consolidated financial statements.

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

2.1 Basis of preparation (cont'd.)

As a result, the Company does not have any core business other than being an investment holding company. Furthermore, the Company has been notified by Bursa Securities that it would become a Cash Company, as defined under Paragraph 8.03 of the Main Market Listing Requirements ("MMLR") of Bursa Securities, upon completion of the Disposals. In such circumstances, the Company has a period of 12 months from the date it received the notice from Bursa Securities to regularise its condition. However, it is not the intention of the Company to maintain its listing status and the Company has no intention to regularise its financial condition pursuant to Paragraphs 8.03 and/or 8.03A of the MMLR.

As disclosed in Note 39 to the financial statements, the Company had disposed of its wholly-owned expressway concession subsidiary, Lingkaran Trans Kota Sdn Bhd (“LITRAK”) and Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd., an associate of the Company had disposed of its wholly-owned expressway concession subsidiary, Sistem Penyuraian Trafik KL Barat Sdn Bhd (“SPRINT”). The Company has received approval from shareholders on 6 June 2023 to undertake a capital reduction and repayment of issued share capital and to voluntarily withdraw the Company’s listing from the Main Market of Bursa Securities. Upon completion of the delisting and distribution of residual amount to shareholders, the Board intends to voluntarily wind-up the Company.

Accordingly, the Group and the Company have been prepared on a basis other than that of a going concern. Where appropriate, the carrying values of the assets are stated at lower of their carrying amount or fair value less cost to sales and liabilities are recorded to the extent that such costs were committed at the end of the financial year. All assets and liabilities of the Group and the Company have been classified as current.

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

Effective for annual periods beginning on or after 1 January 2022:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use

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

2.2 Changes in accounting policies (cont'd.)

On 1 April 2022, the Group and the Company adopted the following amended standards mandatory for annual periods beginning on or after 1 January 2022: (cont'd.)

Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020

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

2.3 Impact of the new MASB pronouncements

The Group and the Company have not adopted the following new and amendments to published standards that are applicable to the Group and the Company beginning on or after 1 January 2023:

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

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101 and MFRS Practise Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

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

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.

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 losses 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.

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

2.4 Basis of consolidation (cont'd.)

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

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.

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.

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

2.5 Investment in an associate (cont'd.)

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.

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

2.7 Highway development expenditure

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 disposed 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:

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

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 disposed 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.

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

2.8 Other intangible assets (cont'd.)

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.

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 35 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. Summary of significant accounting policies (cont'd.)

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.

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.

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

2.12 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

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.

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

2.13 Fair value measurement (cont'd.)

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.

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 is 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 35 to the financial statements.

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

2.14 Revenue and other income recognition (cont'd.)

(i) Revenue (cont'd.)

(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.

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.

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

2.16 Financial assets (cont'd.)

(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.

(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.

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

2.16 Financial assets (cont'd.)

(b) Financial assets at amortised cost (cont'd.)

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.

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

2.17 Impairment of financial assets at amortised cost (cont'd.)

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.

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

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.

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.

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

2.22 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

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.

Key sources of estimation uncertainty

The key assumptions concerning the 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. The carrying amount of the Group's HDE at the reporting date is disclosed in Note 12 to the financial statements.

As of 31 July 2022, LITRAK was available for immediate sale in its present condition through the acceptance of LITRAK Offer (Note 39) on 18 April 2022 and met the criteria set out in MFRS 5 Non-current Assets Held for Sale and Discountinued Operations. Consequently, the amortisation of HDE ceased on 31 July 2022.

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 other variables held constant, the Group's profit before tax would have been approximately RM352,290 (2022: RM859,000) lower/higher, arising mainly as a result of lower/higher expected traffic volume.

4. Revenue

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Toll revenue	268,240	396,200	-	-
Management fee charged to a subsidiary	-	-	553	1,191
Advertising income	103	2,776	-	-
Licence fee (Note 26)	831	1,562	-	-
Dividend income from a subsidiary	-	-	393,702	134,000
Others	287	394	-	-
	269,461	400,932	394,255	135,191

Included in toll revenue of the Group is an amount of RM87,156,000 (2022: RM127,985,000) 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 35 to the financial statements.

5. Employee benefits expenses

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Salaries	9,049	13,336	1,784	1,803
(Decrease)/increase in provision for short term accumulating compensated absences	(616)	(41)	(60)	47
Defined contribution plan	1,304	1,801	150	108
Defined benefit plan	(44)	649	(365)	46
Share options granted under ESOS	-	1,329	-	222
Social security contributions	136	214	4	3
Other benefits	2,997	5,004	392	142
	12,826	22,292	1,905	2,371

Included in employee benefits expenses of the Group and of the Company is executive director's remuneration (excluding benefits-in-kind) amounting to RM522,000 (2022: RM611,000) as described further in Note 7 to the financial statements.

6. Other income

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Interest income from fixed deposits	2,600	4,063	1,352	112
Interest income in respect of retention sum	138	-	138	-
Profit on Islamic investment	10,956	5,548	8,168	37
Distribution from investment securities	55	61	55	61
Share options forfeited	17	-	17	-
Others	651	852	-	-
	14,417	10,524	9,730	210

7. Directors' remuneration

	Group and Company 2023 RM'000	Group and Company 2022 RM'000
Executive:		
Salaries and other emoluments	522	509
Share options granted under ESOS	-	102
Total executive director's remuneration (excluding benefits-in-kind) (Note 5)	522	611
Estimated monetary value of benefits-in-kind	3	3
Total executive director's remuneration (including benefits-in-kind)	525	614
Non-executive:		
Fees	422	422
Other emoluments	124	78
Share options granted under ESOS	-	10
Total non-executive directors' remuneration	546	510
Total directors' remuneration	1,071	1,124

7. Directors' remuneration (cont'd.)

	Group and Company 2023 RM'000	2022 RM'000
Analysis excluding estimated monetary value of benefits-in-kind:		
Total executive director's remuneration (Note 5)	522	611
Total non-executive directors' remuneration (Note 9)	546	510
Total directors' remuneration	1,068	1,121

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 2023 and 31 March 2022 are as follows:

	Salaries and bonus RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
2023				
Executive director:				
Ir Haji Yusoff bin Daud	420	-	105	525
Non-executive directors:				
Tan Sri Dato' Setia Haji Ambrin bin Buang	-	206	32	238
Dato' Haji Azmi bin Mat Nor	-	-	28	28
Datin Lee Choi Chew	-	110	30	140
Puan Nazli binti Mohd Khir Johari	-	106	34	140
	-	422	124	546
2022				
Executive director:				
Ir Haji Yusoff bin Daud	414	-	98	512
Non-executive directors:				
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

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

8. Finance costs

	Group 2023 RM'000	Group 2022 RM'000
Profit element on IMTNs	6,543	23,645
Unwinding of discount on IMTNs	845	3,095
Others	58	109
	7,446	26,849

9. Profit before tax

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

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-executive directors (Note 7)				
- fees	422	422	422	422
- other emoluments	124	78	124	78
- share options granted under ESOS	-	10	-	10
Auditors' remuneration				
- statutory audit				
- current year	123	136	69	66
- under provision in prior year	-	6	-	3
- other services	-	8	-	8
Amortisation of HDE (Note 12)	39,420	95,400	-	-
Amortisation of other intangible assets (Note 14)	80	202	-	-
Depreciation of plant and equipment (Note 13)	143	466	6	6
Plant and equipment written off	-	2	-	-
Gain on disposal of plant and equipment	-	(31)	-	(1)
Reversal of provision for doubtful debts (Note 17)	(53)	-	-	-
Deferred revenue recognised (Note 26)	(831)	(1,562)	-	-

10. Income tax expense

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysian income tax:				
- current income tax	50,030	88,655	2,140	316
- (over)/under provision in prior years	(882)	(50)	1	(2)
	49,148	88,605	2,141	314
Deferred tax (Note 27):				
- relating to reversal of temporary differences	2,183	(9,194)	-	-
- under provision in prior years	-	20	-	-
	2,183	(9,174)	-	-
Income tax expense recognised in profit or loss	51,331	79,431	2,141	314

Current income tax was calculated at the statutory tax rate of 24% (2022: 24% and 33%) of the estimated assessable profit for the year. In prior year, the Government 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 statutory rate of 24% and amounts in excess of RM100 million is taxed at 33%.

Reconciliation 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	
	2023	**2022**
	RM'000	**RM'000**
Profit before tax	1,577,952	242,279
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	378,708	58,147
Effects of increase in statutory tax rate of 33%	-	17,547
Income not subject to tax	(328,328)	(17)
Expenses not deductible for tax purposes	171	3,154
Share of result of an associate	1,662	630
Over provision of income tax expense in prior years	(882)	(50)
Under provision of deferred tax in prior years	-	20
Income tax expense recognised in profit or loss	51,331	79,431

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: (cont'd.)

	Company	
	2023	**2022**
	RM'000	**RM'000**
Profit before tax	2,290,918	132,583
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	549,820	31,820
Income not subject to tax	(548,447)	(32,177)
Expenses not deductible for tax purposes	767	673
Under/(Over) provision of income tax expense in prior years	1	(2)
Income tax expense recognised in profit or loss	2,141	314

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	
	2023	**2022**
	RM'000	**RM'000**
Profit for the year, net of tax	1,526,621	162,848
	'000	**'000**
Weighted average number of ordinary shares for basic earnings per share	540,229	532,876
	Sen	**Sen**
Basic earnings per share	282.59	30.56

(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 dilutive potential ordinary shares from the exercise of ESOS options into ordinary shares. The ESOS options are deemed to have been converted into ordinary shares at the date of the issue of the ESOS options.

11. Earnings per share (cont'd.)

(b) Diluted (cont'd.)

	Group 2023 RM'000	Group 2022 RM'000
Profit for the year, net of tax	1,526,621	162,848
	'000	'000
Weighted average number of ordinary shares for basic earnings per share	540,229	532,876
Effect of dilution via exercise of ESOS options	953	417
Weighted average number of ordinary shares for diluted earnings per share	541,182	533,293
	Sen	Sen
Diluted earnings per share	282.09	30.54

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 22 to the financial statements.

12. Highway development expenditure ("HDE")

	Group 2023 RM'000	Group 2022 RM'000
Cost		
At beginning of the year	2,174,581	2,174,477
Additions	8,406	104
Disposal of a subsidiary company	(2,182,987)	-
At end of the year	-	2,174,581
Accumulated amortisation		
At beginning of the year	1,180,359	1,084,959
Amortisation for the year (Note 9)	39,420	95,400
Disposal of a subsidiary company	(1,219,779)	-
At end of the year	-	1,180,359
Net carrying amount	-	994,222

The HDE of a subsidiary was pledged for the financing facilities as disclosed in Note 28 to the financial statements.

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
Group							
At 31 March 2023							
Cost							
At 1 April 2022	1,634	1,658	3,599	2,477	6,667	1,928	17,963
Additions	-	10	90	1	167	-	268
Disposals	-	(9)	(3)	-	-	-	(12)
Write-offs	-	(64)	(107)	-	-	-	(171)
Disposal of a subsidiary company	(1,634)	(1,595)	(3,551)	(2,478)	(6,834)	(1,928)	(18,020)
Transfer to asset held for sale	-	-	(28)	-	-	-	(28)
At 31 March 2023	-	-	-	-	-	-	-
Accumulated depreciation							
At 1 April 2022	1,634	1,617	3,347	2,370	6,277	1,440	16,685
Charge for the year (Note 9)	-	6	56	3	46	32	143
Disposals	-	(9)	(3)	-	-	-	(12)
Write-offs	-	(64)	(107)	-	-	-	(171)
Disposal of a subsidiary company	(1,634)	(1,550)	(3,273)	(2,373)	(6,323)	(1,472)	(16,625)
Transfer to asset held for sale	-	-	(20)	-	-	-	(20)
At 31 March 2023	-	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-	-

13. Plant and equipment (cont'd.)

	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
Group (cont'd.)							
At 31 March 2022							
Cost							
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	1,634	1,658	3,599	2,477	6,667	1,928	17,963
Accumulated depreciation							
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	1,634	1,617	3,347	2,370	6,277	1,440	16,685
Net carrying amount	-	41	252	107	390	488	1,278

In the previous financial year, the plant and equipment of a subsidiary with a net carrying amount of RM1,269,000 was pledged for the financing facilities as disclosed in Note 28 to the financial statements.

13. Plant and equipment (cont'd.)

	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Company				
At 31 March 2023				
Cost				
At 1 April 2022	73	133	-	206
Additions	-	5	-	5
Disposal	(9)	(3)	-	(12)
Write-offs	(64)	(107)	-	(171)
Transfer to asset held for sale	-	(28)	-	(28)
At 31 March 2023	-	-	-	-
Accumulated depreciation				
At 1 April 2022	72	125	-	197
Charge for the year (Note 9)	-	6	-	6
Disposal	(9)	(3)	-	(12)
Write-offs	(63)	(108)	-	(171)
Transfer to asset held for sale	-	(20)	-	(20)
At 31 March 2023	-	-	-	-
Net carrying amount	-	-	-	-
At 31 March 2022				
Cost				
At 1 April 2021	73	127	33	233
Additions	-	6	-	6
Disposal	-	-	(33)	(33)
At 31 March 2022	73	133	-	206
Accumulated depreciation				
At 1 April 2021	72	119	33	224
Charge for the year (Note 9)	-	6	-	6
Disposal	-	-	(33)	(33)
At 31 March 2022	72	125	-	197
Net carrying amount	1	8	-	9

14. Other intangible assets

	Group 2023 RM'000	Group 2022 RM'000
Cost		
At beginning of the year	2,744	2,699
Additions	13	50
Disposal of a subsidiary company	(2,757)	-
Write-offs	-	(5)
At end of the year	-	2,744
Accumulated amortisation		
At beginning of the year	2,049	1,852
Amortisation for the year (Note 9)	80	202
Disposal of a subsidiary company	(2,129)	-
Write-offs	-	(5)
At end of the year	-	2,049
Net carrying amount	-	695

Other intangible assets relate to computer software and licenses. Other intangible assets of a subsidiary were pledged for the financing facilities as disclosed in Note 28 to the financial statements.

15. Investments in subsidiaries

	Company 2023 RM'000	Company 2022 RM'000
Unquoted shares, at cost		
At 1 April	50,460	50,460
Less: Disposal of a subsidiary company	(50,000)	-
Transfer to asset held for distribution	(460)	-
At 31 March	-	50,460

During the financial year, the Company has disposed off its investment in LITRAK in full for a consideration of RM2,280,630,000 and recognised a gain on disposal of RM1,826,866,000. Further details of the disposal are disclosed in Note 40.

	2023 RM'000
Net cash inflow from disposal of LITRAK:	
Total sales consideration	2,280,630
Less: Pre-completion dividend	(393,702)
Total adjusted sales consideration	1,886,928
Less: Receivable from ALR	(66,342)
Less: Acceptance of warranty claims	(1,658)
	1,818,928

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

Name of company	Principal activities	Equity interest 2023 %	Equity interest 2022 %
Lingkaran Trans Kota Sdn. Bhd. ("LITRAK")	Toll highway concession	-	100
ETC Links Sdn. Bhd.	Rental of software and related equipment	100	100
Litrak Sdn. Bhd.	Dormant	100	100

All companies are audited by Ernst & Young PLT.

16. Investment in an associate

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Unquoted ordinary and preference shares, at cost	392,928	392,928	392,928	392,928
Share of post-acquisition reserves	(185,928)	(179,000)	-	-
Less: Disposal of an associate	(207,000)	-	(392,928)	-
	-	213,928	-	392,928

During the financial year, the Company has disposed the investment in SPRINT Holdings in full for a consideration of RM457,500,000. Further details of the disposal are disclosed in Note 41.

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

Name of company	Principal activities	Equity interest 2023 %	Equity interest 2022 %
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

Collectively known as "SPRINT Holdings Group".

All companies are audited by Ernst & Young PLT.

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

This summarised financial information below represents the amounts in SPRINT Holdings Group's financial statements and not the Group's share of those amounts.

(a) Summarised statement of comprehensive income

	SPRINT Holdings Group 2023 RM'000	2022 RM'000
Revenue	52,315	171,458
Profit/(Loss) for the year, representing total comprehensive profit/(loss) for the year	(13,854)	(5,253)

(b) Summarised statement of financial position

	SPRINT Holdings Group 2023 RM'000	2022 RM'000
Assets and liabilities		
Non-current assets	-	1,245,233
Current assets	-	281,762
Non-current liabilities	-	(1,014,516)
Current liabilities	-	(231,882)
Net assets of SPRINT Holdings Group	-	280,597

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

	2023 RM'000	2022 RM'000
Net assets of SPRINT Holdings Group at 1 April 2022/2021	280,597	285,850
Total comprehensive loss for the year	(13,854)	(5,253)
Disposal of an associate	(266,743)	-
Net assets of SPRINT Holdings Group at 31 March	-	280,597
Group's share of net assets	-	140,135
Goodwill	-	73,793
Carrying amount of the Group's investment in SPRINT Holdings Group	-	213,928
Group's interest in SPRINT Holdings Group	50%	50%

17. Sundry receivables

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Compensation claim receivable from the Government	-	94,915	-	-
Deposits	141	266	141	141
Prepayments	12	917	12	28
Interest receivable from fixed deposits	173	749	173	6
Profit receivable on Islamic investment	266	106	266	4
Retention sum	8,405	-	8,405	-
Others*	60,512	517	60,512	-
	69,509	97,470	69,509	179
Less: Provision for doubtful debts	-	(53)	-	-
Total sundry receivables	69,509	97,417	69,509	179
Financial assets at amortised cost				
Total sundry receivables	69,509	97,417	69,509	179
Add: Amounts due from subsidiaries (Note 18)	-	-	76	193
Amount due from an associate (Note 18)	-	1,170	-	149
Cash and bank balances (Note 20)	233,970	538,437	233,559	6,600
Less: Prepayments	(12)	(917)	(12)	(28)
	303,467	636,107	303,132	7,093
Financial assets at fair value through profit or loss				
Investment securities (Note 19)	2,133	2,078	2,133	2,078
Total financial assets	305,600	638,185	305,265	9,171

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 RM57,937,000 (2022: RM94,915,000).

* Included in others is the balance receivable from the disposal of LITRAK to Amanat Lebuhraya Rakyat Berhad (ALR) amounting to RM57,937,000 which is equivalent to the government compensation receivables as mentioned above.

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	
	2023 RM'000	2022 RM'000
Movement in allowance accounts:		
At 1 April 2022/2021	53	53
Reversal of provision for doubtful debts (Note 9)	(53)	-
At 31 March	-	53

18. Amounts due from 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			
	2023		2022	
	Carrying amount RM'000	Market value of quoted investments RM'000	Carrying amount RM'000	Market value of quoted investments RM'000
Financial asset at fair value through profit or loss				
Investment securities (quoted in Malaysia)	2,133	2,133	2,078	2,078

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	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Licensed banks	174,759	168,032	174,759	3,199
Investment banks	58,709	199,586	58,709	3,310
Deposits with licensed banks and financial institutions	233,468	367,618	233,468	6,509
Cash on hand and at banks	502	170,819	91	91
Cash and cash equivalents	233,970	538,437	233,559	6,600

The Group is a Cash Company pursuant to Paragraph 8.03(1) of the MMLR upon completion of the Disposals. In this respect, the Company is required to comply with the provisions and requirements of Paragraph 8.03 and Practice Note 16 (“PN16”) of the MMLR.

The Group has placed RM214,600,000 in MTrustee Berhad, which is at least 90% of its cash and cash equivalents and investment securities as per requirements of MMLR. Any interest generated by the monies held in the account must accrue to the account. The Group is not allowed to withdraw the amount placed in the aforementioned custodian account except for specific allowed withdrawals.

Cash and bank balances of a subsidiary were pledged for the financing facilities as disclosed in Note 28 to the financial statements.

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	
	2023	**2022**	**2023**	**2022**
	%	**%**	**%**	**%**
Licensed banks	3.30	2.02	3.30	2.05
Investment banks	2.78	2.14	3.26	2.16

	Group		Company	
	2023	**2022**	**2023**	**2022**
	Days	**Days**	**Days**	**Days**
Licensed banks	33 - 89	6 - 89	33 - 89	6 - 80
Investment banks	8 - 89	19 - 89	8 - 89	70 - 89

21. Assets held for sale/distribution

The property, plant and equipment and investment in subsidiaries of the Group and of the Company are classified as held for sale/distribution as at 31 March 2023, as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 April 2022/2021	-	-	-	-
Transfer from property, plant and equipment	8	-	8	-
Transfer from investment in subsidiaries	-	-	460	-
At 31 March	8	-	468	-

22. Share capital

	Number of shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid:				
Ordinary shares				
At beginning of the year	533,084	532,844	253,661	252,695
Shares issued pursuant to exercise of ESOS options	8,535	240	31,346	843
Share options exercised	-	-	4,638	123
At end of the year	541,619	533,084	289,645	253,661

During the financial year, the total number of issued and paid-up ordinary shares of the Company has increased from 533,083,618 to 541,618,618 by way of the issuance of 8,535,000 new ordinary shares for cash, pursuant to the exercise of ESOS options, as disclosed in Note 23(c) to the financial statements, at the average issue price of RM3.67 (2022: RM3.51). 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 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 options, as disclosed in Note 23(c) to the financial statements, at the average issue price of RM3.51. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

Subsequent to the financial year up to the date of this report, the Company increased its issued and paid-up ordinary shares from 541,618,618 to 544,596,618 by way of the issuance of 2,978,000 new ordinary shares for cash, pursuant to the exercise of ESOS at issue prices ranging from RM0.39 to RM0.44. The new ordinary shares issued ranks pari passu in all respects with the existing ordinary shares of the Company.

23. Other reserve

	Group and Company	
	2023	2022
	RM'000	RM'000
Share option reserve		
At beginning of the year	9,576	7,940
Share options granted under ESOS	-	1,759
Share options exercised	(4,638)	(123)
Share options forfeited	(17)	-
At end of the year	4,921	9,576

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 (Note 23(b)(iii)), the existing scheme had 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.

In previous financial year, options to subscribe for 4,308,000 new ordinary shares have been granted to eligible employees and directors pursuant to the ESOS.

23. Other reserve (cont'd.)

(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.

(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.

23. Other reserve (cont'd.)

(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 2023

Grant Date	Expiry Date	Exercise Price (RM)	Adjusted Exercise Price (RM)	Outstanding at 1 April '000	Granted '000	Exercised '000	Forfeited '000	Outstanding at 31 March '000	Exercisable at 31 March '000
				Number of Share Options over Ordinary Shares of the Company	Movement During the Year				
09 Apr 14	08 Oct 23	3.44		23	-	(23)	-	-	-
10 Apr 15	08 Oct 23	3.45		88	-	(88)	-	-	-
20 Apr 16	08 Oct 23	4.68	0.39*	767	-	(579)	-	188	188
06 Oct 16	08 Oct 23	5.23	0.44*	148	-	-	(2)	146	146
26 Apr 17	08 Oct 23	5.32	0.44*	3,485	-	-	(6)	3,479	3,479
12 Oct 17	08 Oct 23	5.17	0.43*	220	-	-	(4)	216	216
18 Apr 18	08 Oct 23	5.02	0.42*	3,633	-	-	(6)	3,627	3,627
08 Oct 18	08 Oct 23	4.18	0.35*	214	-	(208)	(4)	2	2
30 Apr 19	08 Oct 23	3.94		1,105	-	(1,107)	2	-	-
07 Oct 19	08 Oct 23	4.05		2	-	(2)	-	-	-
30 Apr 20	08 Oct 23	3.55		2,607	-	(2,605)	(2)	-	-
05 Oct 20	08 Oct 23	3.60		34	-	(34)		-	-
21 Apr 21	08 Oct 23	3.51		3,859	-	(3,855)	(4)	-	-
28 Sep 21	08 Oct 23	3.33		34	-	(34)	-	-	-
				16,219	**-**	**(8,535)**	**(26)**	**7,658**	**7,658**
Weighted average exercise price (RM)				4.37	-	3.67	4.74	0.43	0.43

31 March 2022

Grant Date	Expiry Date	Exercise Price (RM)	Outstanding at 1 April '000	Granted '000	Exercised '000	Forfeited '000	Outstanding at 31 March '000	Exercisable at 31 March '000
			Number of Share Options over Ordinary Shares of the Company	Movement During the Year				
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
			12,902	**4,308**	**(240)**	**(751)**	**16,219**	**16,219**
Weighted average exercise price (RM)			4.65	3.51	3.51	4.37	4.37	4.37

* Exercise prices were adjusted in accordance with the Company's ESOS By-Laws pursuant to payment of special dividend effective on 12 November 2022.

23. Other reserve (cont'd.)

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

The options outstanding at the end of the financial year have a remaining contractual life of 0.5 years (2022: 1.5 years).

(d) Share options exercised during the year

Options exercised during the financial year resulted in the issuance of 8,535,000 (2022: 240,000) ordinary shares of the Company at a weighted average price of RM3.67 (2022: RM3.51) each. The related weighted average market share price at the date of exercise was RM4.52 (2022: RM3.81).

(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:

	2023	2022
Fair value of share options at the following grant dates (RM):		
28.09.21	-	0.54
21.04.21	-	0.51

	2023	2022
Assumptions applied in the determination of fair value are as follows:		
Share price (RM)	-	3.76 - 3.84
Exercise price (RM)	-	3.33 - 3.51
Expected volatility (%)	-	25.0
Expected life (years)	-	1.50
Risk free rate (%)	-	1.76 - 1.84
Expected dividend yield (%)	-	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.

24. Retained earnings

The Company is able to distribute dividends out of its entire retained earnings as at 31 March 2023 and 31 March 2022 under the single-tier system.

25. Provisions

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Provision for heavy repairs (a)	-	24,399	-	-
Provision of compensated absences (b)	66	682	66	126
	66	25,081	66	126

(a) 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	
	2023 RM'000	2022 RM'000
At beginning of the year	24,399	24,931
Utilised during the year	(3,314)	(532)
Disposal of a subsidiary company	(21,085)	-
At end of the year	-	24,399

	Group	
	2023 RM'000	2022 RM'000
Analysed as:		
Non-current	-	22,476
Current	-	1,923
Total	-	24,399

(b) Provision of compensated absences

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
At 1 April 2022/2021	682	723	126	79
(Reversal)/Addition	(60)	(41)	(60)	47
Disposal of a subsidiary company	(556)	-	-	-
At 31 March	66	682	66	126

26. Deferred revenue

	Group 2023 RM'000	2022 RM'000
Licence fee		
Licence fee received	47,900	47,900
Deferred revenue recognised to-date	(37,147)	(36,316)
Disposal of a subsidiary company	(10,753)	-
Balance unrecognised	-	11,584
Analysed as:		
Non-current	-	10,022
Current	-	1,562
Total	-	11,584
Licence fee recognised as revenue during the year (Note 4 and Note 9)	831	1,562

27. Deferred tax liabilities

	Group 2023 RM'000	2022 RM'000
At beginning of the year	169,479	178,653
Recognised in profit or loss (Note 10)	2,183	(9,194)
Under provision in prior year (Note 10)	-	20
Disposal of a subsidiary company	(171,662)	-
At end of the year	-	169,479

27. 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:

	Deferred tax liabilities			Deferred tax assets						
Group	**Plant and equipment RM'000**	**Highway development expenditure RM'000**	**Total RM'000**	**Deferred revenue RM'000**	**Provision for heavy repairs RM'000**	**Sundry payables RM'000**	**Retirement benefit obligations RM'000**	**IMTNs RM'000**	**Total RM'000**	**Net deferred tax liabilities RM'000**
At 1 April 2022	302	186,214	186,516	(2,780)	(5,856)	(133)	(1,408)	(6,860)	(17,037)	169,479
Recognised in profit or loss	52	(1,977)	(1,925)	199	531	-	(77)	3,455	4,108	2,183
Disposal of a subsidiary company	(354)	(184,237)	(184,591)	2,581	5,325	133	1,485	3,405	12,929	(171,662)
At 31 March 2023	-	-	-	-	-	-	-	-	-	-
At 1 April 2021	253	198,722	198,975	(3,155)	(5,983)	(271)	(1,282)	(9,631)	(20,322)	178,653
Recognised in profit or loss	49	(12,508)	(12,459)	375	127	138	(126)	2,771	3,285	(9,174)
At 31 March 2022	302	186,214	186,516	(2,780)	(5,856)	(133)	(1,408)	(6,860)	(17,037)	169,479

28. Sukuk Musyarakah Medium Term Notes ("IMTNs")

	Group 2023 RM'000	Group 2022 RM'000
Current		
Secured:		
IMTN I	-	100,000
IMTN II	-	100,000
	-	200,000
Non-current		
Secured:		
IMTN I	-	90,000
Less: Unamortised discount for IMTN I	-	(784)
	-	89,216
IMTN II	-	100,000
Less: Unamortised discount for IMTN II	-	(867)
	-	99,133
Amount repayable after 12 months	-	188,349
Total IMTNs	-	388,349

The IMTNs were issued by LITRAK ("Issuer"). 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 was constituted by a Sukuk Musyarakah Trust Deed dated 19 March 2008 made by the Issuer and the Trustee for the holders of the IMTN I. The IMTN I was 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 was 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 was constituted by a Sukuk Musyarakah Trust Deed dated 19 March 2008 made by the Issuer and the Trustee for the holders of the IMTN II. The IMTN II was 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 was issued in 3 series, with maturities from April 2021 to April 2023. The profit margin ranges from 5.8% to 6.0% per annum.

28. Sukuk Musyarakah Medium Term Notes ("IMTNs") (cont'd.)

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

(i) fixed and floating charge over the property, assets and rights of the issuer; and

(ii) an assignment of the issuer's rights, interests and benefits in certain designated bank accounts and insurance policies.

In addition, the issuer's IMTNs are further secured by way of an assignment of the issuer'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.

Following the completion of the disposal of LITRAK on 13 October 2022, the IMTNs have been deconsolidated.

29. 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 month of service on attainment of the retirement age of 60 (2022: 60).

The amounts recognised in the financial statements are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Statements of financial position				
Present value of unfunded defined benefit obligations, net liability	129	6,361	129	494

29. Retirement benefit obligations (cont'd.)

The amounts recognised in the financial statements are as follows: (cont'd.)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Analysed as:				
Non-current:				
Later than 2 years but not later than 5 years	-	744	-	95
Later than 5 years	-	5,617	-	399
Current	129	-	129	-
	129	6,361	129	494
Statements of comprehensive income				
Current service cost	(44)	367	(365)	24
Interest cost	-	282	-	22
Total, included in employee benefits expenses (Note 5)	(44)	649	(365)	46

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At beginning of the year	6,361	5,790	494	448
Recognised in profit or loss	(44)	649	(365)	46
Retirement benefits paid	-	(78)	-	-
Disposal of a subsidiary company	(6,188)	-	-	-
At end of the year	129	6,361	129	494

Principal actuarial assumptions used:

	Group and Company	
	2023	2022
	%	%
Discount rate	4.9	4.9
Expected rate of employees' salary increases	6.0	6.0

29. 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:

		Group		Company	
	Sensitivity	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Discount rate	+1%	-	(29)	-	(29)
	-1%	-	32	-	32
Expected rate of employees'	+1%	-	31	-	31
salary increases	-1%	-	(29)	-	(29)

30. Sundry payables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Accrued profit element on IMTNs	-	10,710	-	-
Amounts due to related parties	-	153	-	-
Retention sum	-	436	-	-
Sundry payables and accruals	9,321	9,450	9,377	825
Total sundry payables	9,321	20,749	9,377	825
Add: IMTNs (Note 28)	-	388,349	-	-
Total financial liabilities carried at amortised costs	9,321	409,098	9,377	825

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

Further details on related party transactions are disclosed in Note 34 to the financial statements.

31. Dividends

	Group and Company			
	Dividends in respect of year		Dividends recognised in year	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
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
Special dividend for 2023: RM4.57 per share on 541,618,618 ordinary shares declared on 25 October 2022 and paid on 17 November 2022	2,475,197	-	2,475,197	-
	2,475,197	133,249	2,475,197	133,249

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

32. 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.

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32. Segment information (cont'd.)

The analysis of group operations are as follows:

	Highway		Others		Eliminations			Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	Notes	2023 RM'000	2022 RM'000
Revenue									
Revenue from external customers	269,461	400,932	-	-	-	-		269,461	400,932
Inter-segment revenue	-	-	394,255	135,191	(394,255)	(135,191)	A	-	-
Total revenue	269,461	400,932	394,255	135,191	(394,255)	(135,191)		269,461	400,932
Results									
Segment results	208,223	263,507	390,352	132,422	(394,255)	(133,785)	A	204,320	262,144
Interest/profit income	4,036	9,462	9,658	149	-	-	A	13,694	9,611
Profit from operations	212,259	272,969	400,010	132,571	(394,255)	(133,785)		218,014	271,755
Gain on disposal of a subsidiary company	-	-	1,123,811	-	-	-		1,123,811	-
Gain on disposal of an associate	-	-	250,500	-	-	-		250,500	-
Finance costs	(7,446)	(26,849)	-	-	-	-	A	(7,446)	(26,849)
Share of result of an associate	(6,927)	(2,627)	-	-	-	-		(6,927)	(2,627)
Profit before tax	197,886	243,493	1,774,321	132,571	(394,255)	(133,785)		1,577,952	242,279
Income tax expense	(49,190)	(79,117)	(2,141)	(314)	-	-		(51,331)	(79,431)
Profit for the year	148,696	164,376	1,772,180	132,257	(394,255)	(133,785)		1,526,621	162,848

32. Segment information (cont'd.)

	Highway 2023 RM'000	Highway 2022 RM'000	Others 2023 RM'000	Others 2022 RM'000	Eliminations 2023 RM'000	Eliminations 2022 RM'000	Notes	Consolidated 2023 RM'000	Consolidated 2022 RM'000
Assets and liabilities									
Segment assets	-	1,627,284	306,155	60,095	(535)	(52,074)	B	305,620	1,635,305
Investment in an associate	-	213,928	-	-	-	-		-	213,928
Consolidated total assets	-	1,841,212	306,155	60,095	(535)	(52,074)		305,620	1,849,233
Segment liabilities	-	634,729	9,786	1,519	(165)	(261)	B	9,621	635,987
Other information									
Capital expenditure	8,682	501	5	6	-	-	C	8,687	507
Depreciation (Note 13)	137	460	6	6	-	-		143	466
Amortisation (Note 12 & 14)	39,500	95,812	-	-	-	(210)	A	39,500	95,602
Other significant non-cash expenses:									
Share options granted under ESOS (Note 5)	-	1,107	-	222	-	-		-	1,329
Provision for retirement benefits (Note 29)	321	603	(365)	46	-	-		(44)	649

32. Segment information (cont'd.)

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:

	2023 RM'000	2022 RM'000
Highway development expenditure (Note 12)	8,406	104
Plant and equipment (Note 13)	268	353
Other intangible assets (Note 14)	13	50
	8,687	507

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

33. Capital commitments

	Group 2023 RM'000	Group 2022 RM'000
Capital expenditure		
Approved but not contracted for:		
- Highway development expenditure	-	7,509

34. 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:

	2023 RM'000	2022 RM'000
Group		
Associate:		
- ESOS expenses charged to an associate	-	430
Other related parties: (*)		
- Other services rendered by other related parties	-	818
Company		
Subsidiaries:		
- Dividend income from a subsidiary	393,702	134,000
- ESOS expenses charged to a subsidiary	-	1,107
- Management fee charged to a subsidiary	553	1,191

(*) 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 2023 are disclosed in Note 18 and Note 30 to the financial statements.

34. 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**	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Salaries and other short-term employee benefit	1,338	1,730	1,097	849
Defined contribution plan	131	176	106	84
Defined benefit plan	-	105	-	36
Share options granted under ESOS	-	435	-	324
Estimated monetary value of benefits-in-kind	48	19	23	10
	1,517	2,465	1,226	1,303

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	
	2023 '000	**2022 '000**
At beginning of the year	4,712	3,796
Granted	-	1,072
Exercised	(2,511)	(156)
Disposal of a subsidiary company	(504)	-
At end of the year	1,697	4,712

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

35. 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 Agreement").

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.

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 LDP 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.

35. Concession arrangement (cont'd.)

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:

Class of vehicle	Toll rates (Before increase) (RM)	Toll rates (After increase) (RM)
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 with effective from 1 January 2016. The Government has decided to defer the increase until further notice.

The Government shall compensate LITRAK in accordance with the provisions of the Concession Agreement.

36. 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:

	Group	
	Carrying amount RM'000	Fair value RM'000
Financial liabilities:		
At 31 March 2022		
IMTN I (Note 28)	189,216	192,527
IMTN II (Note 28)	199,133	202,788
	388,349	395,315

36. Fair value of financial instruments (cont'd.)

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 subsidiaries, amount due from 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

36. Fair value of financial instruments (cont'd.)

Fair value hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

	Note	Total RM'000	Fair value measurement using: Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000
Group					
31 March 2023					
Assets measured at fair value					
Investment securities	19	2,133	2,133	-	-
31 March 2022					
Assets measured at fair value					
Investment securities	19	2,078	2,078	-	-
Liabilities for which fair values are disclosed					
IMTN I	28	192,527	-	192,527	-
IMTN II	28	202,788	-	202,788	-
		395,315	-	395,315	-
Company					
31 March 2023					
Assets measured at fair value					
Investment securities	19	2,133	2,133	-	-
31 March 2022					
Assets measured at fair value					
Investment securities	19	2,078	2,078	-	-

37. 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 obtained its external fundings through the issuance of IMTNs and the profit element for IMTNs was based on fixed rates. The information relating to the interest rates, profit element and maturity dates of these IMTNs are disclosed in Note 28 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:

	Group	
	2023	2022
	RM'000	RM'000
Fixed rate financial liabilities	-	388,349

Fixed rate financial liabilities comprise the IMTNs as described further in Note 28 to the financial statements. The weighted average interest rate/profit element of these instruments was 6.1% in 2022. The rate is fixed up to maturity of the IMTNs.

37. Financial risk management objectives and policies (cont'd.)

(a) Interest/profit rate risk (cont'd.)

The interest/profit profile of financial assets of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate financial assets *	233,468	367,618	233,468	6,509

* 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 and the Company have no exposure to significant interest rate risk as the fixed rate debts were entered into by the Group and the Company in order to minimise fluctuations in interest rates.

(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.

37. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

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.

	On demand or within one year RM'000	One to two years RM'000	Total RM'000
As at 31 March 2023			
Group			
Financial liabilities:			
Sundry payables, representing total undiscounted financial liabilities	9,321	-	9,321
Company			
Financial liabilities:			
Sundry payables, representing total undiscounted financial liabilities	9,377	-	9,377

	On demand or within one year RM'000	One to two years RM'000	Total RM'000
As at 31 March 2022			
Group			
Financial liabilities:			
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

37. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

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. (cont'd.)

	On demand or within one year RM'000	One to two years RM'000	Total RM'000
As at 31 March 2022			
Company			
Financial liabilities:			
Sundry payables, representing total undiscounted financial liabilities	825	-	825

(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..

38. 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 2023 and 31 March 2022.

The IMTNs of the Group as mentioned in Note 28 to the financial statements was taken by a subsidiary of the Group. These IMTNs were 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 had complied with these covenants in previous financial year.

39. Significant and subsequent events

A. 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")

On 2 April 2022, the Company received a Conditional Letter of Offer ("CLOO") 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 CLOO from ALR in respect of the ALR's offer to acquire all the securities of SPRINT, a wholly-owned subsidiary of SPRINT Holdings ("SPRINT Offer").

Both LITRAK Offer and SPRINT Offer are collectively referred to as "Disposals".

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

On 5 August 2022, the shareholders of the Company and SPRINT Holdings approved the LITRAK Offer and SPRINT Offer respectively. As all the conditions prior to the execution of the Share Sale and Purchase Agreement ("SSPAs") as set out in the respective CLOOs were fulfilled on 5 August 2022, both the Company and SPRINT Holdings entered into respective SSPAs with ALR for the Disposal on even date.

On 13 October 2022, the respective SSPAs in relation to LITRAK Offer and SPRINT Offer became unconditional following the fulfilment of the conditions precedent and the Disposals were completed on even date.

39. Significant and subsequent events (cont'd.)

A. 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") (cont'd.)

Pursuant to the Disposals, ALR has withheld retention sums amounting to RM17,240,104 and RM6,614,878 respectively from the disposal consideration to be received by the Company and SPRINT Holdings as a safeguard for the warranties provided to ALR in respect of LITRAK and SPRINT.

On 24 February 2023, ALR notified the Company and SPRINT Holdings of the warranty claims for a sum of RM10,063,694 and RM2,024,725 respectively. On 28 February 2023, ALR paid the Company and SPRINT Holdings the net retention sums (inclusive of interest) of RM7,314,349 and RM4,678,381 respectively.

On 4 April 2023, the Company announced that:-

(a) the Company has agreed to accept certain warranty claims from ALR for a total sum of RM1,658,470. Pending the resolution of the remaining warranty claims, ALR has retained the balance retention sum of RM8,405,224; and

(b) SPRINT Holdings has agreed to accept all the warranty claims in respect of SPRINT for the total sum of RM2,024,725.

In addition, the Company had on 6 April 2023 received an amount of RM57,825,314 from ALR representing the balance of toll compensation from the government in respect of LITRAK.

Accordingly, other than the balance retention sum of RM8,405,224, the Company has received all the proceeds from disposal of LITRAK of RM1,886,928,000 and SPRINT Holdings of RM457,500,000 as disclosed in Note 40 and Note 41 respectively.

Pursuant to the completion of the Disposals on 13 October 2022, LITRAK ceased to be a subsidiary of the Company and SPRINT ceased to be a subsidiary of SPRINT Holdings as well as an indirect associate company of the Company. The Group recognised a gain on disposal of LITRAK and SPRINT of RM1,123,811,000 and RM250,500,000 as disclosed in Note 40 and Note 41 respectively.

39. Significant and subsequent events (cont'd.)

B. Proposed Capital Reduction and Repayment and Proposed Delisting

Upon completion of the Disposals, the Company has become a Cash Company pursuant to Paragraph 8.03(1) of the MMLR as notified by Bursa Securities. Accordingly, the Company must comply with the provisions and requirements of Paragraph 8.03 of the MMLR and Practice Note 16 of the MMLR.

In accordance with Paragraph 8.03(4) of the MMLR, the Company has placed 91.0% of its cash reserves in the custodian account as at 31 March 2023.

Nevertheless, the Company has no intention to regularise its financial condition as a Cash Company and it is also not the intention of the Company to maintain its listing status on Bursa Securities. The Company further intends to distribute the Disposals proceeds to its shareholders by way of special dividend and/or capital repayment.

On 17 November 2022, the Company paid a special dividend of RM4.57 per share to its shareholders.

On 6 April 2023, the Company announced that it proposes to undertake:

(i) A proposed capital reduction and repayment which involves a cash distribution of RM275,780,000 on a pro-rata basis to its entitled shareholders on an entitlement date to be determined later (“Proposed Capital Reduction and Repayment”); and

(ii) Upon the completion of the Proposed Capital Reduction and Repayment, the Company proposes to submit an application to Bursa Securities for the proposed voluntary withdrawal of the Company's listing from the Official list of Main Market of Bursa Securities ("Proposed Delisting").

(The Proposed Capital Reduction and Repayment and Proposed Delisting are collectively referred to as the “Proposals”).

The resolutions were approved by shareholders at an extraordinary general meeting on 6 June 2023. The Proposed Capital Reduction and Repayment has been confirmed by the High Court on 26 July 2023 and is expected to complete by end August 2023. The Proposed Delisting is expected to complete by end September 2023 barring any unforseen circumstances.

The Company intends to voluntarily wind up all its wholly owned subsidiaries by way of special resolution and distribute its residual amount to the shareholders. In accordance with MFRS 5.5A, the classification, presentation and measurement requirements of MFRS 5 applicable to non–current assets (or disposal groups) classified as held for sale also apply to those classified as held for distribution to owners acting in their capacity as owners. The Company is committed to distribute the non–current asset to its owners, the investment in subsidiaries are available for immediate distribution in their present condition and the distribution is highly probable.

39. Significant and subsequent events (cont'd.)

B. Proposed Capital Reduction and Repayment and Proposed Delisting (cont'd.)

Accordingly, the investment in subsidiaries would have meet MFRS 5 requirement and to be classified as a current asset held for distribution as at 31 March 2023. In addition, for the investment in associate, the associated company will distribute its residual amount before voluntarily wind up its company.

40. Disposal of a subsidiary company

On 13 October 2022, the Company completed the disposal of all its securities in LITRAK for a total consideration of RM2,280,630,000.

As such, LITRAK ceased to be a subsidiary company of the Group and resulted in a gain on disposal of RM1,123,811,000 to the Group. The results and cash flows of LITRAK (including the gain on disposal) up to the date of disposal are shown below:

	Financial period ended 12 October 2022 RM'000
Revenue	269,461
Employee benefits expenses	(10,921)
Maintenance expenses	(6,121)
Depreciation and amortisation	(39,637)
Other expenses	(5,210)
	(61,889)
	207,572
Other income	4,686
Finance costs	(7,446)
Profit before tax	204,812
Income tax expenses	(49,190)
Profit for the period, representing total comprehensive income for the period	**155,622**

40. Disposal of a subsidiary company (cont'd.)

	As at 12 October 2022 RM'000
Highway development expenditure	963,208
Plant and equipment	1,395
Other intangible assets	628
Sundry receivables	182,689
Amount due from a related company	1,066
Cash and bank balances	39,427
Deposits with licensed financial institutions	1,305
Tax payables	(13,471)
Deferred revenue	(10,753)
Deferred tax liabilities	(171,662)
Sukuk Musyarakah Medium Term Notes ("IMTNs")	(189,194)
Retirement benefit obligations	(6,188)
Provision for heavy repairs	(21,085)
Sundry payables	(14,248)
Share of net assets disposed	763,117
Gain on disposal	1,123,811
Total adjusted sales consideration	1,886,928
Less: Receivable from ALR	(66,342)
Less: Acceptance of warranty claims	(1,658)
Less: Cash and bank balances of a subsidiary company disposed	(40,732)
Net cash inflow from disposal	**1,778,196**

<u>Reconciliation of sales consideration on disposal of LITRAK:</u>

Total sales consideration	2,280,630
Less: Pre-completion dividend	(393,702)
Total adjusted sales consideration	1,886,928
Less: Receivable from ALR	(66,342)
Less: Acceptance of warranty claims	(1,658)
Less: Cash and bank balances of a subsidiary company disposed	(40,732)
Net cash inflow from disposal	**1,778,196**

41. Disposal of an associate

On 13 October 2022, the Company completed the disposal of SPRINT and recognised gain on disposal of an associate of RM250,500,000 and RM64,572,000 at Group and Company respectively.

	Group RM'000	Company RM'000
Total proceeds	457,500	457,500
Less: Carrying value of investment in an associate company	(207,000)	(392,928)
Gain on disposal of an associate	**250,500**	**64,572**