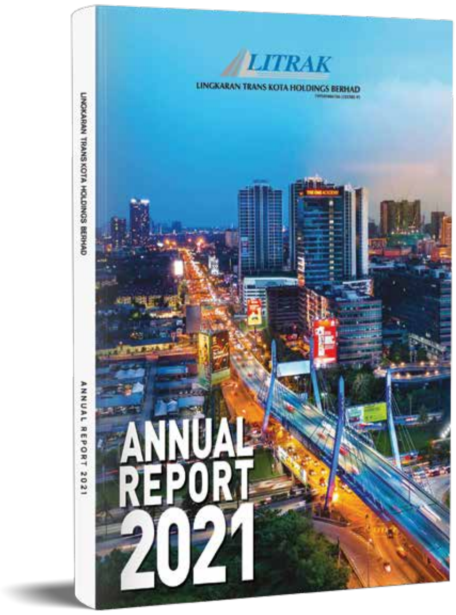
LITRAK

LINGKARAN TRANS KOTA HOLDINGS BERHAD

199501006186 (335382-V)

ANNUAL REPORT 2021



COVER RATIONALE

Creating Access, Growing Potential, Energising Communities

LITRAK's dynamic cover captures a macro view of the iconic maiden stretch of the LDP depicting the vibrance and dynamism that the highway has brought to the surrounding areas. The natural illumination makes the dynamic flow of traffic stand out from the surrounding landscape and buildings. This reflects the continuous efforts of the Group in maintaining, managing and upgrading our highway concession assets as vital lifelines of the community, city and nation.

26TH ANNUAL GENERAL MEETING

Date : **30 SEPTEMBER 2021, THURSDAY**

Time : **11.00 A.M.**

Fully Virtual through online meeting platform via TIIH Online website at https://tiih.online or https://tiih.com.my

INSIDE THIS REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SETIA HAJI AMBRIN BIN BUANG
Independent Non-Executive Chairman

IR HAJI YUSOFF BIN DAUD
Non-Independent Executive Director

DATO' HAJI AZMI BIN MAT NOR
Non-Independent Non-Executive Director

DATIN LEE CHOI CHEW
Independent Non-Executive Director

PUAN NAZLI BINTI MOHD KHIR JOHARI
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Datin Lee Choi Chew
(Chairperson)

Tan Sri Dato' Setia Haji Ambrin bin Buang

Puan Nazli binti Mohd Khir Johari

REMUNERATION COMMITTEE

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

Dato' Haji Azmi bin Mat Nor

Puan Nazli binti Mohd Khir Johari

NOMINATION COMMITTEE

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

Dato' Haji Azmi bin Mat Nor

Puan Nazli binti Mohd Khir Johari

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Datin Lee Choi Chew
Email: datinleechoichew@litrak.com.my

COMPANY SECRETARIES

Ms Lim Soo Lye

Ms Chiew Teng Juan

REGISTERED OFFICE

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

AUDITORS

Ernst & Young PLT
(Chartered Accountants)

SHARE REGISTRAR

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

BANKERS

Malayan Banking Berhad

Maybank Investment Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market

WEBSITE

www.litrak.com.my

Icon City development adjacent to Motorola Interchange, LDP

Contra flow traffic management scheme at KM 19, LDP

BOARD OF DIRECTORS' PROFILE

TAN SRI DATO' SETIA HAJI AMBRIN BIN BUANG

Independent Non-Executive Director

Nationality : Malaysian
Age : 72
Gender : Male

Date Appointed to the Board

6 September 2017

No. of Board Meetings Attended During the Financial Year Ended 31 March 2021

4/4

Board Committee Membership

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

Directorships in Other Public Companies

- Chairman of BIMB Holdings Berhad
- Independent Non-Executive Director of Gamuda Berhad

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

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

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

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

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

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

For the past 14 years, he has been a frequent speaker presenting his views and perspective on public sector auditing, good governance and integrity at many seminars and conferences organised domestically and internationally.

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

BOARD OF DIRECTORS' PROFILE

IR HAJI YUSOFF BIN DAUD

Non-Independent Executive Director

Nationality : Malaysian
Age : 76
Gender : Male

Date Appointed to the Board

14 September 1995

No. of Board Meetings Attended During the Financial Year Ended 31 March 2021

4/4

Board Committee Membership

- Chairman of Executive Committee
- Chairman of ESOS Committee

Directorships in Other Public Companies

- Non-Executive Chairman of Toyo Ink Group Berhad

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

In 1981, he was appointed a Director of Zaidun-Leeng Sdn Bhd and was subsequently made the Managing Director in 1994; a position which he held until 2002 when he was appointed as the Chairman until today. He has over 53 years of management and professional experience in the consulting engineering industry. Zaidun-Leeng Sdn Bhd specialises in the planning and design of infrastructure projects including mechanical, electrical and structural engineering services for both government and private sectors.

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

BOARD OF DIRECTORS' PROFILE

DATO' HAJI AZMI BIN MAT NOR

Non-Independent Non-Executive Director

Nationality : Malaysian
Age : 63
Gender : Male

Date Appointed to the Board
3 January 2001

No. of Board Meetings Attended During the Financial Year Ended 31 March 2021
4/4

Board Committee Membership
- Member of Executive Committee
- Member of Nomination Committee
- Member of Remuneration Committee

Directorships in Other Public Companies
- Director of Kesas Holdings Berhad
- Director of Syarikat Pengeluar Air Selangor Holdings Berhad

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

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

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

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

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

BOARD OF DIRECTORS' PROFILE

DATIN LEE CHOI CHEW

Independent Non-Executive Director

Nationality : Malaysian
Age : 62
Gender : Female

Date Appointed to the Board

27 November 2014

No. of Board Meetings Attended During the Financial Year Ended 31 March 2021

4/4

Board Committee Membership

- Chairperson of Audit and Risk Management Committee

Directorships in Other Public Companies

- None

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

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

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

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

BOARD OF DIRECTORS' PROFILE

PUAN NAZLI BINTI MOHD KHIR JOHARI

Independent Non-Executive Director

Nationality : Malaysian
Age : 67
Gender : Female

Date Appointed to the Board

2 January 2018

No. of Board Meetings Attended During the Financial Year Ended 31 March 2021

4/4

Board Committee Membership

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

Directorships in Other Public Companies

- Independent Non-Executive Director of Gamuda Berhad

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

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

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

Puan Nazli's vast exposure in a variety of industries had contributed positively to her analytical and conceptual approach in decision making. Her extensive people management and general management experience both at corporate and line-management levels also enables her to provide invaluable input to the Board.

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

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

GROUP KEY SENIOR MANAGEMENT'S PROFILE

ENCIK SAZALLY BIN SAIDI

Chief Executive Officer

Nationality : Malaysian
Age : 57
Gender : Male

Directorships in Other Public Companies

- Kesas Holdings Berhad

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

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

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

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

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

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

GROUP KEY SENIOR MANAGEMENT'S PROFILE

MR STEPHEN LOW CHEE WENG

Chief Financial Officer

Nationality : Malaysian
Age : 50
Gender : Male

Directorships in Other Public Companies

- None

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

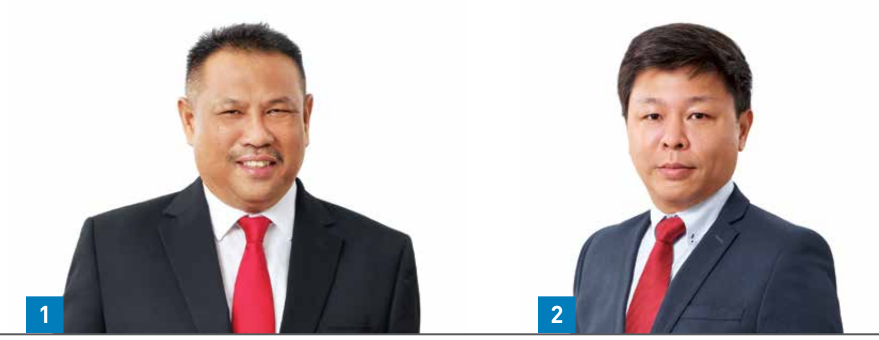
Mr Low is responsible for the Group's budgetary control, treasury, tax and corporate finance functions. He has extensive working experience in accounting, finance and corporate matters gained while he was attached to a Big 4 auditing firm in Malaysia. He has also worked in various other companies involved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

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

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

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

MANAGEMENT TEAM OF LITRAK GROUP



1 EN SAZALLY BIN SAIDI
Chief Executive Officer

2 MR STEPHEN LOW CHEE WENG
Chief Financial Officer

3 MR FRANCISCO ANTHONY DOSS
Head of Department - Engineering

4 MR YAU TI SIN
Head of Department - Highway Maintenance

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

6 MS CHIEW TENG JUAN
Company Secretary

7 EN SYAH RIZAL BIN SAHARI
Head of Department - Toll Operations

8 MR CHUAH LEAN PIN
Head of Department - Information Technology

9 EN MOHAMMAD NIZAM BIN HAMZAH
Head of Department - Facilities Maintenance

10 EN SHAH RIZAL BIN MOHAMED FAWZI
Head of Department - Communications

11 PN NORAZILAH BINTI ISMAIL
Head of Department - Human Resource & Administration

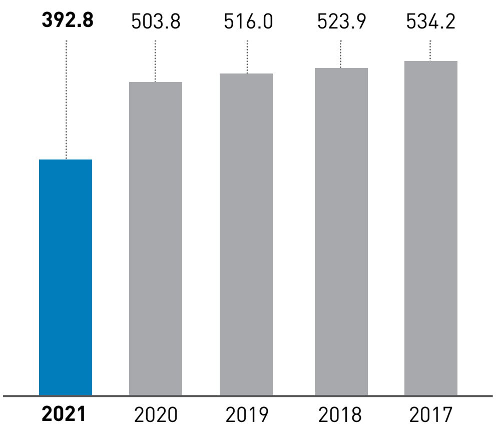
12 MR LAM CHUNG HON
Head of Department - Corporate & Finance SPRINT

13 EN ZAINUDIN BIN MOHAMED NOAH
Head of Department - Traffic Safety

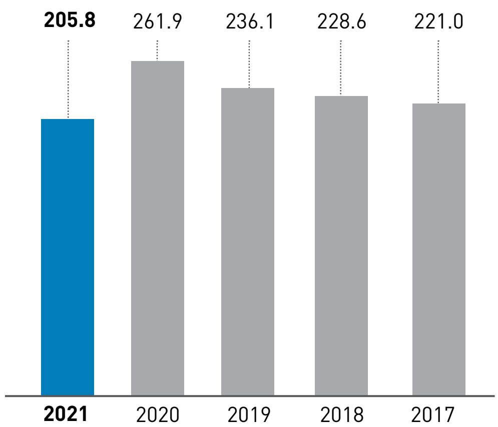
5 YEARS FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March	2021	2020	2019	2018	2017
Revenue (RM Million)	**392.8**	503.8	516.0	523.9	534.2
Profit Before Tax (RM Million)	**267.1**	342.9	314.6	306.4	292.4
Profit For The Year (RM Million)	**205.8**	261.9	236.1	228.6	221.0
Basic Earnings Per Share (sen per share)	**38.7**	49.4	44.7	43.3	42.1
Total Assets (RM Million)	**2,015.6**	2,123.5	2,217.5	2,260.2	2,279.2
Total Equity (RM Million)	**1,181.0**	1,074.3	930.0	822.9	715.6
Net Assets Per Share (RM)	**2.22**	2.02	1.76	1.56	1.36
Issued and Fully Paid-up Capital (RM Million)	**252.7**	246.6	231.3	230.9	222.5
Market Capitalisation (RM Million)	**2,067.4**	1,966.0	2,222.8	3,003.8	3,168.5

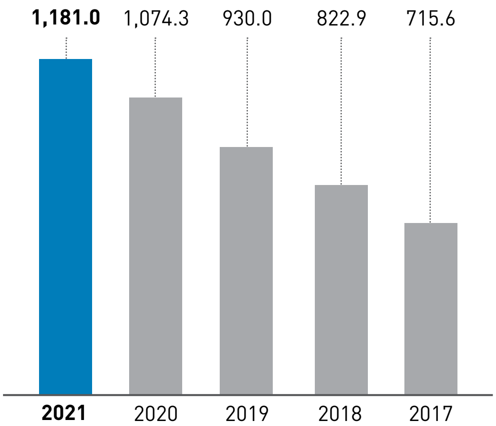
REVENUE
RM Million



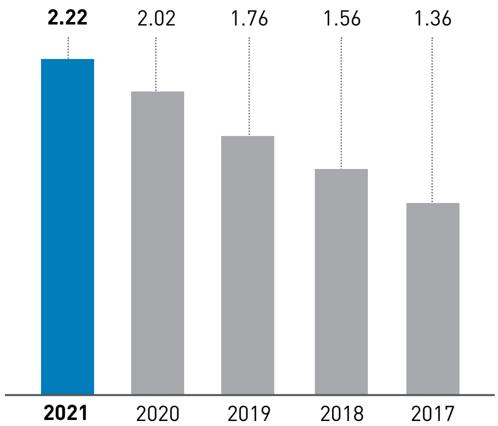
PROFIT FOR THE YEAR
RM Million



TOTAL EQUITY
RM Million



NET ASSETS PER SHARE
RM



CHAIRMAN'S STATEMENT

Dear Shareholders,

ON BEHALF OF THE BOARD OF DIRECTORS OF LINGKARAN TRANS KOTA HOLDINGS BERHAD, I AM PLEASED ONCE AGAIN TO PRESENT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021.

Our financial year began with an unenviable steepest drop in tollable traffic volumes for LDP and SPRINT Highway ever registered in the history of the Group mainly due to the continued imposition of the Movement Control Order (MCO) by the Government since 18 March 2020 in their efforts to contain the spread of the Covid-19 pandemic. The MCO and the various permutations of the MCOs implemented during the financial year had contributed to the drastic decline in the Group's Revenue from RM503.8 million achieved previously to RM392.8 million this year and Profit for the Year reduced to RM205.8 million compared to RM261.9 million recorded previously.

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

CHAIRMAN'S STATEMENT

Throughout this difficult period, the Group had implemented various cost control measures at all levels of management and operations. Starting from the top, the Board has voluntarily opted for a 10% reduction in directors' fees for the financial year under review. Other measures undertaken include operating costs reductions and optimisations such as staff headcount optimisation programme, temporary salary reductions for higher management, no staff bonuses for year 2020 and no salary increments for year 2021. Notwithstanding the challenging economic conditions and financial constraints, the Group still managed to declare dividends of 20 sen per share for the current financial year.

With the relaxation of MCO 2.0 in February 2021, both our highways have registered positive recoveries of tollable traffic volumes at the close of our financial year end on 31 March 2021, albeit still below pre-MCO levels. However, subsequent to the financial year end, the Government has implemented MCO 3.0 from 12 May 2021, followed by Full MCO from 1 June 2021 and Enhanced MCO (EMCO) from 3 July 2021 up to 16 July 2021 due to record high numbers of daily Covid-19 infections cases. During implementation of such MCOs imposed, tollable traffic volume for LDP and SPRINT Highway dropped by approximately 55% and 73% respectively compared to pre-MCO levels registered prior to March 2020. On 15 June 2021, the Government has also implemented Phase 1 of the National Recovery Plan (NRP). At this juncture, both Selangor and Kuala Lumpur remain under Phase 1 of the NRP.

Moving forward, against the backdrop of cautious optimism arising from recent lifting of EMCO from 17 July 2021, the continuation of the National Covid-19 Immunisation Programme vaccinations rollout, the abundance of various Government economic stimulus initiatives under the Pemerkasa, Pemerkasa Plus and Pemulih packages amounting to billions of Ringgit and more clarity of the Government's Covid-19 exit strategy under the NRP, the Malaysian economy is expected to see a gradual recovery path. Barring the resurgence of another wave of the Covid-19 or similar pandemic resulting in similar lockdown of movement restrictions, the Group envisage tollable traffic volumes to return to the pre-MCO level with the full lifting of the MCO by the Government as envisaged under the NRP in the near future.

Sustainability continues to drive the Board's strategies and policies in managing and operating the Group's concession businesses in this era of new norms. Through these sustainability measures and priorities, the Board aims to steer the Group's path to greater achievements whilst continuously achieving greater inclusivity, fairness and common good for all stakeholders. In testimony of the Group's sustainability efforts on operational and financial management excellence, the Board takes immense pride that Lingkaran Trans Kota Sdn Bhd, a wholly owned subsidiary of the Group has been awarded the Best Performing and Safest Expressway (Open Toll Category) 2020 by the Malaysian Institute of Road Safety Research (MIROS) on 11 August 2020 and the Best Taxpayer Award 2019 by the Inland Revenue Board of Malaysia (IRB) on 19 November 2020.

The Board upholds strong governance principles and regularly reviews the Group's governance structure, framework and policies to ensure compliance against prevailing regulatory requirements and external benchmarks. During the year, the Board has re-designated the Audit Committee as Audit and Risk Management Committee to better reflect its role and responsibilities. Other measures undertaken during the year to strengthen the governance aspect of our Group's business include the adoption of a new Anti-Bribery and Corruption Policy (pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009) and revisions and updates in the Group's Whistleblowing Policy and Procedure, External Auditors Policy and Risk Management Policy and Procedures to be in line with established/revised procedures, laws and regulations.

Last but not least, I would like to extend the Board's sincere appreciation to the Management and staff for their unwavering loyalty, dedication, support and commitment which have contributed significantly to the continued success of the Group. Similarly, the Board would also like to convey special acknowledgement to all our front-liners for their courage and tireless efforts in carrying out their duties and responsibilities of providing uninterrupted services to our highway users during the MCOs amidst Covid-19 pandemic threat. The Group would also like to record its deepest gratitude for all the guidance and assistance afforded by the related government agencies, local authorities, business associates, suppliers and contractors who also contributed in their respective ways to the continued smooth running of the Group's business and operations.

This Statement is dated 27 July 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

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

LITRAK
LINGKARAN TRANS KOTA SDN BHD
(100% shareholding)

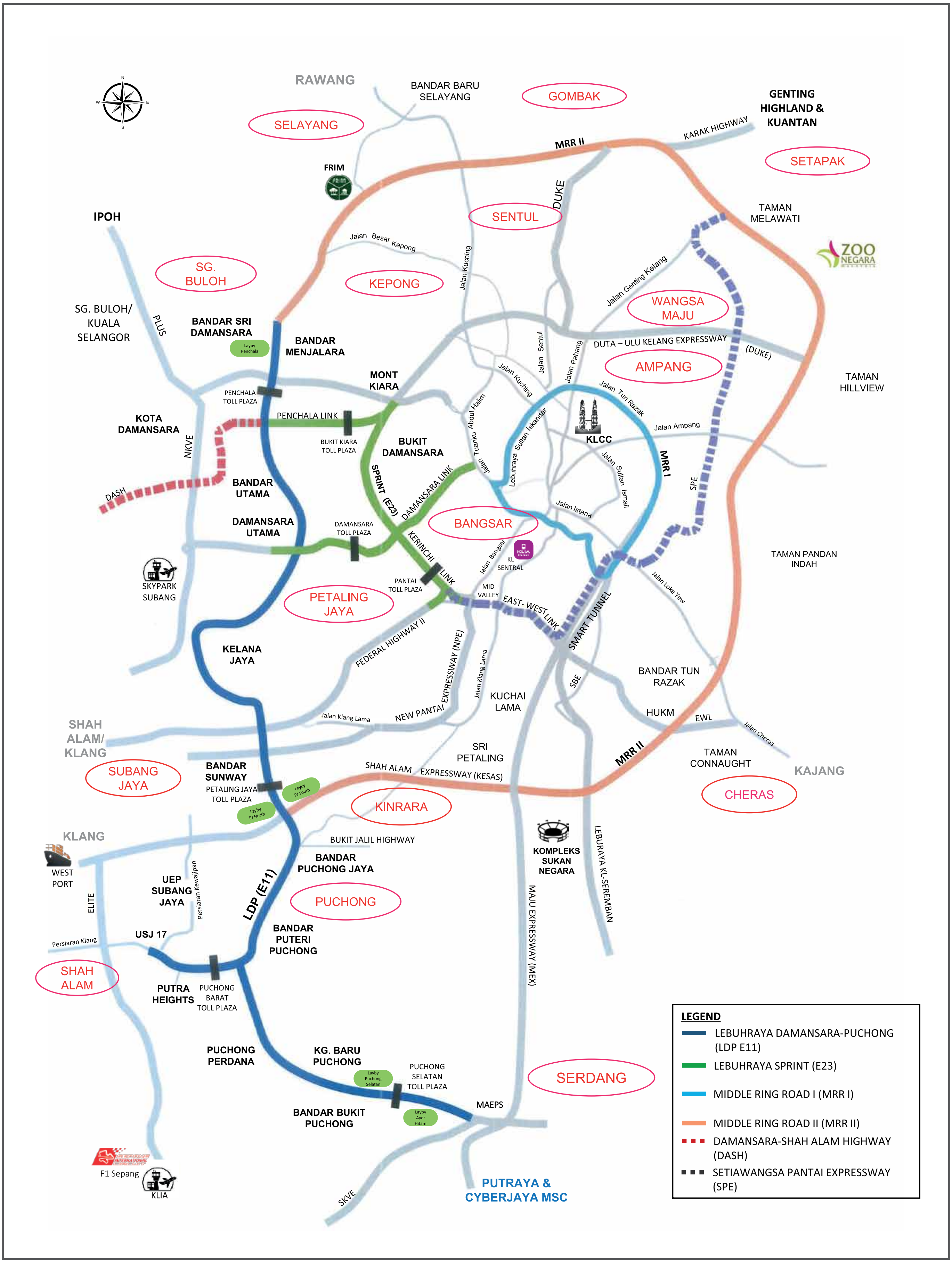
- Concession holder for 40.0 km LDP
- 34 years concession period from 1996 to 2030
- Commencement of tolling on 25 January 1999
- 4 toll plazas as follows:
  (a) Penchala Toll Plaza
  (b) Petaling Jaya Toll Plaza
  (c) Puchong Barat Toll Plaza
  (d) Puchong Selatan Toll Plaza

SPRINT
SISTEM PENYURAIAN TRAFIK KL BARAT SDN BHD
(50% shareholding)

- Concession holder for 26.5 km SPRINT Highway comprising 3 links with their respective toll plazas as follows:
  (a) Damansara Link – Damansara Toll Plaza
  (b) Kerinchi Link – Pantai Toll Plaza
  (c) Penchala Link – Bukit Kiara Toll Plaza
- 36 years concession period from 1998 to 2034 for Damansara Link and Kerinchi Link
- 33 years concession period from 1998 to 2031 for Penchala Link
- Commencement of tolling on 9 September 2001 for Damansara and Pantai Toll Plazas and on 22 March 2004 for Bukit Kiara Toll Plaza

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

MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

Group Strategy

The Group's vision is to be a sustainable, reputable and leading highway service provider. To this end, the Group is committed and focused on being a responsible steward of safe and efficient highways and contributing to overall economic growth of our stakeholders and well-being of the communities in which the highways operate. Sustainability aspects continue to fundamentally drive the Group's strategic plans which serve as key performance measures in managing and implementing the Management's operating strategies, action plans, controls and processes in order to achieve the Group's aspirations.

The adverse impact resulting from the current pandemic and MCOs have invigorated the Group to reconfigure and realign the Group's strategies in managing the Group's toll concessions business and sustainability objectives. Whilst the Group's strategic plans remain similar to the previous year, the Group has redefined each plan more succinctly for added depth and dimension and also reprioritised each plan based on revised urgency and impact to the Group's business.

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

The Group aims to prioritise a digitalisation strategy in upgrading our quality standards and systems particularly driven by the continuing effect of the pandemic on the way we operate our tolled highway concessions business. Battered by the pandemic and movement control orders, the Group also seeks to revitalise our top and bottom line through effective management and enhancement of revenue generation and the management and control of our costs. Premised on the quality policy adopted by the Group and our commitment to excellence, the Group intends to continue striving for total customer satisfaction by being efficient and to listen, understand and meet our customers' requirements and expectations, managing and mitigating traffic congestions on our highways and effectively integrating sustainability aspects into every facet of our business and operations.

Financial Review

	Financial Year 2021	Financial Year 2020	Change
Revenue	RM392.8 million	RM503.8 million	-22.0%
Profit for the Year	RM205.8 million	RM261.9 million	-21.4%

The Group's financial year began on the unenviable record of the steepest drop in tollable traffic volume for LDP ever registered in the history of the Group mainly due to the continued imposition of the Movement Control Order (MCO) by the Government since 18 March 2020 in their efforts to contain the spread of the Covid-19 pandemic. The first lockdown was subsequently lifted from 4 May 2020 to a less restricted Conditional MCO (CMCO) and further eased to the Recovery MCO (RMCO) from 10 June 2020 onwards. Tollable traffic volumes on both our highways recovered swiftly during these CMCO and RMCO periods. However, higher number of daily Covid-19 infection cases recorded towards the end of 2020 and beginning of 2021 had necessitated re-imposition of stricter travel restrictions under CMCO 2.0 from 14 October 2020 and further tightened under MCO 2.0 from 13 January 2021 up to 4 March 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

The imposition of the MCO and various permutations of the MCO during the financial year had caused a significant drop in average weekday tollable traffic on LDP i.e. from 447,000 vehicles achieved in the previous financial year to 353,000 vehicles recorded this year. As a result, the Group's Revenue for the year tumbled by 22.0% from RM503.8 million achieved previously to RM392.8 million this year whilst Profit for the Year dropped by 21.4% to RM205.8 million compared to RM261.9 million registered in the previous year. The drop in Profit for the Year was less pronounced compared to the drop in Revenue as this was cushioned by savings/reductions achieved for the following expense items:

- Lower Depreciation and Amortisation Costs of RM19.6 million i.e. from RM94.1 million recorded previously to RM74.5 million in the current financial year in tandem with the reduction of tollable traffic volume mentioned earlier.

- Reduced Finance Costs of RM12.9 million i.e. from RM52.7 million recorded previously to RM39.8 million in the current financial year due to the reduction of the Group's borrowings via a scheduled repayment of bonds.

- Lower Income Tax Expenses of RM19.7 million i.e. from RM81.0 million recorded previously to RM61.3 million in the current financial year due to lower taxable income resulting from lower revenue achieved as mentioned above.

- Lower Employees Benefit Expenses of RM4.3 million i.e. from RM27.2 million recorded previously to RM22.9 million in the current financial year mainly due to staff headcount optimisation programme, temporary salary reduction for key management personnel and no staff bonuses for year 2020 and a freeze in salary increments for year 2021.

Since 1 January 2016, the Government has deferred the third and final scheduled toll rate increase for LDP as provided for in the Concession Agreement and accordingly, LITRAK is expected to be compensated by the Government for the difference in toll rates between the rates paid by users against the rates as stipulated in the Concession Agreement.

The Group maintains a prudent approach to capital management. Total borrowings outstanding (which relates to the outstanding Sukuk Musyarakah Islamic Securities [Sukuk] borrowings undertaken by LITRAK on LDP) was pared down further from RM780.7 million in the previous financial year end to RM585.3 million this year due to the scheduled repayment of the principal amount of Sukuk borrowings.

The Group's liquidity and cash position as at the end of the financial year remains strong and resilient. During the financial year, RAM Ratings has continued to reaffirm LITRAK's Sukuk borrowings at AA2 level.

Operational Review

During the year under review, tollable traffic volumes on both LDP and SPRINT Highway dropped drastically particularly during the earlier phase of MCO implemented in March to April 2020 (MCO 1.0). As the Government began to relax the movement controls from 4 May 2020 onwards, tollable traffic volumes on both highways rebounded swiftly up to 13 October 2020 during the CMCO/RMCO phases albeit still slightly lower than pre-MCO levels.

Higher number of daily Covid-19 infection cases in October 2020 forced the Government to reimpose movement controls under CMCO 2.0 from 14 October 2020 which was further tightened to MCO 2.0 from 13 January 2021 up to 4 March 2021. Although tollable traffic volumes dipped during the MCO 2.0 period, the impact was less severe than MCO 1.0 as almost all economic sectors were allowed to operate under strict Covid-19 standard operating procedures (SOPs). As a result of the implementation of MCO and various permutations of the MCO throughout the year, average weekday tollable traffic on LDP and SPRINT Highway dropped from 447,000 and 199,500 vehicles achieved in the previous financial year respectively to 353,000 and 126,000 vehicles this year.

Due to the pandemic and MCO, the Group has prioritised and accelerated its digitalisation programme of major aspects of the Group's business and operations. The accelerated programme is designed to be implemented in phases and aimed at improving overall business and operational efficacy and efficiency. Phase 1 of our digitalisation programme, which has been deployed since last year, include the following:

- migration to the use of mobile devices for on-site direct data entry and information retrieval by operational teams;

- conversion and integration of existing systems such as e-WORKS and e-TEMS to mobile enabled systems;

- automated tracking and monitoring of company vehicles usage;

- upgrading of financial related systems to enable mobility with web-based or remote accessible systems; and

- centralised automated event anomalies and critical alerts notifications to operational teams' mobile devices for faster response.

MANAGEMENT DISCUSSION AND ANALYSIS

Our 24-hour Traffic Control Centre

With traffic returning to near normalcy especially during the RMCO periods, traffic congestion management on our highways remains as a significant challenge in managing the expectations of our highway users. Congestion management plans implemented and continued to be pursued by the Group to mitigate or contain the congestions include the Major Contra Flow Management Scheme between KM 21 and KM 18 Northbound of LDP and the proposed Signalised Junctions Enhancement Programmes at Taman Megah and Bandar Utama Interchanges.

The Group continues to monitor and manage major projects being implemented or proposed to be carried out along our highways by actively collaborating closely with project owners, contractors and local authorities to ensure safety and operating procedures are adhered to at all times and with minimal interruptions to our highway users and eliminate the risk of flooding on the highways particularly during unusually high torrential rainfall. Major development projects along our highways being closely managed and monitored by the Group include:

1. Ongoing construction of Damansara-Shah Alam Expressway (DASH) at Penchala Interchange integrating onto both LDP and SPRINT Highway.
2. New ingress and egress connections from LDP and SPRINT Highway to Empire Damansara Development at Penchala Interchange.
3. Ongoing construction of Setiawangsa-Pantai Expressway (SPE) at Kerinchi Interchange integrating onto Kerinchi Link of SPRINT Highway.
4. Ongoing construction of MRT Line 2 Sungai Buloh-Serdang-Putrajaya (MRT Line 2 SSP) crossing LDP at Serdang Interchange.
5. Ongoing construction of Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia in Klang at Kayu Ara Interchange on Damansara Link of SPRINT Highway.
6. Ongoing construction of the proposed Elevated Highway by DBKL next to the proposed redevelopment of Pusat Bandar Damansara.
7. Ongoing mixed developments along LDP and SPRINT Highway such as Empire Damansara project, Icon City project, KL Eco City project and Damansara Pavillion project.
8. Proposed major development projects and upgrading works including proposed Serdang Interchange upgrading on LDP by Lembah Penchala Sdn Bhd, proposed new access road and widening of existing Puchong Barat Toll Plaza westbound by Hua Yang Development and proposed new directional ramp from the new development at Jalan Dato' Abu Bakar to Damansara Toll Plaza A by Trinity Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Total customer satisfaction and effective integration of sustainability aspects are also key strategic focus areas which the Group constantly seeks to improve. Major operational action plans being implemented and followed through by the Group include:

1. Improving road ridership comfort via continuous close monitoring of pavement conditions and ensuring repair and rehabilitation works are being implemented and extended to several areas requiring attention as a preventive strategy for long-term preservation of the highway pavement assets.
2. Improving traffic throughputs at our toll plazas through the continued use and promotion of Radio-Frequency Identification (RFID) tag whereby dedicated RFID lanes have been installed at each bound for all toll plazas at both our highways and additional lanes being planned to be installed from time to time as such usage volume increases.
3. Continuation of LDP's Frequent Traveller's Programme (FTP) for our road users through the provision of rebates to qualified LDP users.

In testimony of the Group's commitment to safety and operational excellence, Lingkaran Trans Kota Sdn Bhd, a wholly owned subsidiary of the Group has been awarded with the Best Performing and Safest Expressway (Open Toll Category) 2020 by the Malaysian Institute of Road Safety Research (MIROS) on 11 August 2020.

Despite the pandemic, the Group has continued its corporate social responsibility in carrying out various community-based activities during the year albeit at smaller scale and in compliance with social distancing SOPs. These include organising festive celebrations with local communities and extending contributions to the religious bodies, underprivileged homes, orphanages and school as follows:

- Qurban Charity Contribution to Masjid Al-Mukarramah, Bandar Sri Damansara, Masjid Al-Husna, Bandar Sunway, Masjid As-Salam, Puchong Perdana and Masjid Ar-Rahman, Bangsar.
- Celebrating Chinese New Year and Christmas with Persatuan Kebajikan Kanak-Kanak Insan Istimewa, Kuala Lumpur and Rumah Kanak-Kanak Impian, Conference of St. Ignatius, Petaling Jaya respectively.
- Donation to Parent-Teacher Association of Sekolah Kebangsaan Sri Damai, Seksyen 17, Petaling Jaya, to help with the students' programme and learning essentials.

With regards to our workplace protection and staff well-being particularly due to the Covid-19 pandemic threat during the year under review, the Group had continued to monitor and implement various preventive

Dedicated RFID toll collection lane

measures including practicing social distancing at workplace, compulsory temperature checking at all premises' entrances, constant staff awareness and reminder programmes, compulsory wearing of face masks for our front-liners, increase sanitisation of high touch-points work surfaces, implemented work-from-home programme to reduce number of staff working in office and leverage on technology for online meetings and discussions. In December 2020, the Group has initiated mandatory Covid-19 tests (either RT-PCR or Antibody RTK) for all our staff, particularly for all our front-liners, on a fortnightly basis.

The risk of disruption to toll revenue generation continues to be the most significant threat faced by the Group. The major risk factors that could disrupt revenue generation adversely for the Group's highways are as follows:

1. Resurgence of Covid-19 or any other major pandemic, slower-than-expected rollout of vaccines or major mutations that could render the existing vaccines less effective which necessitates the re-imposition of similar strict travel restrictions on highway users. As witnessed during the MCO lockdown periods, tollable traffic volumes on our highways dropped significantly resulting in severe revenue losses. Even with the subsequent relaxations of MCOs, traffic on both highways have yet to rebound fully to pre-MCO levels.
2. Undue delay in the receipt of toll compensation from the Government. The scheduled toll rates increase for LDP and Kerinchi and Penchala Links of SPRINT Highway for year 2021 have not been approved by the Government and accordingly, the Group expects to be compensated by the Government in accordance with the provisions of the respective highways' concession agreements. Timely receipt of such toll compensation due is crucial in managing the Group's financial liquidity position as well as reducing risk of breaching the respective concession companies' loan covenants.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Reduction in number of toll-paying vehicles passing through the Group's toll plazas due to various reasons including but not limited to:

   (i) continuation of new norms adopted by businesses (e.g. more staff allowed to work from home) and educational institutions (e.g. more classes are conducted online) as well as significant drop in consumers patronising shopping malls and retail centres due to fears/concerns of Covid-19 exposures;

   (ii) delay in business recovery from severe economic scarring caused by extensive job losses and business closures brought about by the pandemic; and

   (iii) availability and continuation of governmental support and policies in the development of alternative transportation modes, such as LRT, MRT or Bus Rapid Transit (BRT) and the continued subsidisation of fares for such transport modes.

   On the change of work/study arrangements, shopping preferences and job losses, these risks may be mitigated by certain travellers who switched from public transportation to private vehicle use due to anxieties relating to Covid-19 exposures. As for alternative transportation modes, this threat will only be relevant in the longer term when the Klang Valley region has a fully comprehensive and integrated end-to-end public transportation system.

4. Occurrence of any major catastrophic events, such as a major landslide or a bridge collapse, which makes it impossible for vehicles to access the toll plazas and toll collections may be halted for an extended period of time. For this risk, the corresponding costs of repairs and loss of revenue has been adequately mitigated by the Group through the various insurance policies undertaken.

5. Similarly for the risk of disruptions caused by systems and data security, the Group is continuously working on enhancing and upgrading our IT security systems in order to mitigate the occurrence and the impact of such cyber-threats, in addition to the purchase of related insurance coverage for this risk.

Business Outlook

The imposition of MCO 3.0 from 12 May 2021, followed by the Full MCO from 1 June 2021 and Enhanced MCO from 3 July 2021 will continue to weigh in on the recovery of traffic volume on both our highways and consequently, on the Group's future financials and profitability. The recent lifting of the EMCO, the ongoing nation-wide vaccination programme roll-out under the National Covid-19 Immunisation Programme (NIP) and the Government's various multi billion Ringgit economic stimulus initiatives (e.g. Pemerkasa, Pemerkasa Plus and Pemulih packages) are expected to inject much needed optimism in the future economic prospects of the country.

On 15 June 2021, the Government has also implemented Phase 1 of the National Recovery Plan (NRP) who serves to provide more clarity on the Government's Covid-19 exit strategies moving forward. At this juncture, both Selangor and Kuala Lumpur in which the Group's highways operates in remain under Phase 1 of the NRP. Depending on the efficiency and effectiveness of the immunisation programme and potential threat of new Covid-19 virus mutations and the effectiveness of the economic stimulus packages, the Malaysian domestic economic recovery is expected to continue on an uneven and staggered upward trend in the near term.

The Government has also decided to continue to freeze toll rates on all highways including LDP and SPRINT Highway for year 2021, in order to alleviate the financial burden of the *Rakyat* being negatively impacted by the pandemic and MCOs. Accordingly, the toll rates on LDP and SPRINT Highway's Kerinchi and Penchala Links will remain the same and the Group expects compensation payable by the Government will continue to be determined in accordance with the provisions of the respective highways' concession agreements.

Moving forward, as both LDP and SPRINT Highway are matured brownfield projects, tollable traffic volumes are expected to grow very marginally. For LDP and Penchala Link of SPRINT Highway, since there are no further scheduled toll rates increases until the end of the respective concession periods, revenue growth can only be achieved exclusively from traffic growth. However, for Damansara Link and Kerinchi Link of SPRINT Highway there is still one last scheduled toll rate increase due in 2022 and as such, revenue growth can be expected from both traffic growth and toll rates increases.

The Group will continue to monitor the recovery rate of tollable traffic volumes on both our highways pending full lifting of the MCO by the Government. Although the near term economic recovery may be uneven and sluggish, the Group's future profitability is expected to remain resilient. Depreciation and Amortisation Expenses is a non-cash item and expected to grow marginally moving forward in line with marginal traffic growth. Finance Costs, on the other hand, is expected to reduce gradually as the Group pares down the Sukuk borrowings based on scheduled repayments. As for dividends payout to shareholders, the Group envisage to continue maximising dividends by distributing any surplus cash after setting aside funds to meet future loan obligations and operational and capital expenditures.

This Statement is dated 27 July 2021.

SUSTAINABILITY STATEMENT

Introduction

Given the extremely challenging landscape in year 2020 and 2021, the Group remains focus on our vision to be a sustainable, reputable and leading highway service provider. The Board continues its oversight role in ensuring all sustainability initiatives are aligned with the Group's business objectives and strategic direction. As the principal operator of 2 strategically-located urban highways in the heavily populated areas within Klang Valley, the Group recognises that sustainability is crucial in securing the long-term continuity of our business and creating shared values for our stakeholders. Our current year's economic, environmental and social performance demonstrate how sustainability influence the way we do business against the backdrop of the challenges posed by Covid-19 pandemic.

About This Statement

Reporting Framework, Scope and Boundary

Our Sustainability Statement for financial year 2021 is prepared in accordance with the Bursa Malaysia Securities Berhad's Main Market Listing Requirements and Bursa Sustainability Reporting Guidelines (2nd Edition).

This Statement covers LITRAK as a Group, including our associate company, SPRINT (together "LITRAK Group" or "the Group") for the period from 1 April 2020 to 31 March 2021. This Statement serves the purpose of reporting the strategies, initiatives, performance and achievements in relation to the Group's sustainability journey in the financial year 2021, including policies, practices and procedures implemented. The scope and boundary of this report is limited to the sustainability progress and impact to all the business operations and initiatives of LITRAK Group. The scope is consistent with the Annual Report unless otherwise specified.

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

Independent Assurance

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

Feedback

We value our stakeholders' feedback on this Statement to continuously improve our reporting and sustainability practices.

Please contact us with any questions you have about this Statement or its contents via:

Corporate website : http://www.litrak.com.my
Facebook : https://www.facebook.com/litrakgroup
Twitter : https://twitter.com/LDPtrafik
: https://twitter.com/SPRINTtrafik

Key Highlights

Total Value Generated
RM 404.3mil
More details on page 26

Value Distributed to Government
RM 65.5mil
More details on page 26

Accident Rate
0.0058 per 1,000
vehicles for both LDP and SPRINT Highway*
More details on page 28

Spending on Road Maintenance
LDP
RM 10.9mil
SPRINT Highway
RM 7.9mil
More details on page 28

% of Women in LITRAK Group
The Board 40%
Workforce 53%
More details on page 34

* *We are responsible to track and manage accidents and breakdowns incidents occurring on the full length of our highways on both the tolled and toll-free sections.*

SUSTAINABILITY STATEMENT

Sustainability Governance

The Board remains committed to ensure the Group has a strong and effective sustainability governance structure in monitoring and streamlining the Group's sustainability efforts to safeguard the interests of our key stakeholders. We are mindful that our business and operations should be carried out with the highest standards of corporate and social responsibilities as we strive to align our business strategies and action plans while balancing these to minimise the impact on the communities along our highways and other stakeholders' needs. We endeavour to continuously look into improving the social and economic conditions for all our stakeholders including our employees and the communities that we operate in, with high integrity and ethical practices.

Sustainability Governance Structure

Board of Directors*	• Ultimate accountability for managing sustainability matters • Ensures business strategy considers sustainability
Management • Chief Executive Officer • Chief Financial Officer • Heads of Business Units	• Formulates sustainability strategy • Oversees implementation of the sustainability strategy • Considers input of business functions in sustainability processes
Business Functions	• Supports strategy implementation • Reports performance and targets • Coordinates sustainability-related disclosures

* *The Board of Directors is supported by various Board Committees as elaborated in the Corporate Governance section on page 36.*

The Board continues to bear the overall responsibility for the sustainability performance of the Group. Supported by the Management, the Board drives our sustainability vision; keeping us focused and accountable to manage our sustainability objectives. Management of sustainability risks and opportunities is integrated with our various policies, guidelines and systems which also guide our business practices and promote ethical business conduct and environmentally-conscious practices. For the year under review, the sustainability governance structure of the Group remains unchanged.

SUSTAINABILITY STATEMENT

Sustainability Framework

OUR SUSTAINABILITY FRAMEWORK

VISION
To be a sustainable, reputable and leading highway service provider

GROUP STRATEGIC PLANS

Digitalisation, Upgrade Quality Standards and Systems	Managing and Enhancing Revenue Generation	Managing and Mitigating Traffic Congestion	Striving for Total Customer Satisfaction	Managing and Controlling Costs	Effective Integration of Sustainability Aspects

OUR FOCUS

GOVERNANCE

Economic	Environment	Social
• Economic Performance • Traffic Congestion Management • Procurement Practices • Road Safety and Maintenance • Road User Satisfaction	• Energy Efficiencies • Noise Management • Waste Management	• Community Investment • Employee Management • Health, Safety and Environment • Diversity • Anti-Corruption • Regulatory Compliance

Stakeholder Engagement

We believe effective stakeholder engagement allows the Group to better understand the impacts of our business operations to the economy, environment and society and strive to maintain open and constructive channels of communication with all our key stakeholders. We value their views and feedback to improve our performances and contribution/increase in stakeholders value. Each stakeholder group has its unique perspective that contributes to our successes and brings us closer to achieving our vision to be a sustainable, reputable and leading highway service provider. Meaningful and regular engagements with them are held through various formal and informal channels. Effective stakeholder engagement takes into consideration their needs and concerns in the development of meaningful and inclusive business action plans and strategies.

Our key stakeholder groups were identified and prioritised by our heads of departments/business units, taking into consideration the level of influence and dependence a stakeholder group has over our business. The Board further reviewed the identification and prioritisation of our key stakeholder groups. Our key stakeholders include but are not limited to, shareholders and investors, government and regulators, road users, employees and local communities.

SUSTAINABILITY STATEMENT

Key Stakeholder Engagement

Key Stakeholders	Channel of Communication	Frequency of Engagement	Key Topics and Concerns	Our Response
Shareholders and Investors	• Annual General Meetings • Announcements • Company Reports	• Annually • Quarterly and as and when required • As and when required	• Dividend rate • Business strategy • Traffic growth • CAPEX	• Provide ongoing financial and non-financial disclosures
Government and Regulators	• Annual Report • Written communication • Site visits	• Annually • As and when required • Periodically	• Listing Requirements • Regulatory compliance and maintenance	• Maintain high standards in economic, environmental, and social-related regulations, e.g. maintenance and cleanliness of highways • Please refer to page 35 on our compliance with government regulations and standards
Road Users	• Customer service channels • Company website, emails and social media • Meetings • Site visits	• As and when required • As and when required • Periodically • Periodically	• Traffic congestion • Toll fees • Highway maintenance	• Please refer to page 27 on how we manage traffic congestion and highway maintenance • Toll rates are as per the Concession Agreement with the Government of Malaysia
Employees	• Intranet and internal platforms • Meetings • Events	• Periodically • Periodically • Periodically	• Compensation and benefits • Career development	• Offer competitive performance-based rewards and incentives • Provide talent development programmes
Local Communities	• Company website and social media • Written communication • Exhibitions and meetings	• Periodically • As and when required • As and when required	• Highway maintenance • Noise levels	• Uphold high standards of highway maintenance in accordance to the Malaysian Highway Authority (MHA)'s standards • Please refer to page 31 for more information on our noise mitigation measures

SUSTAINABILITY STATEMENT

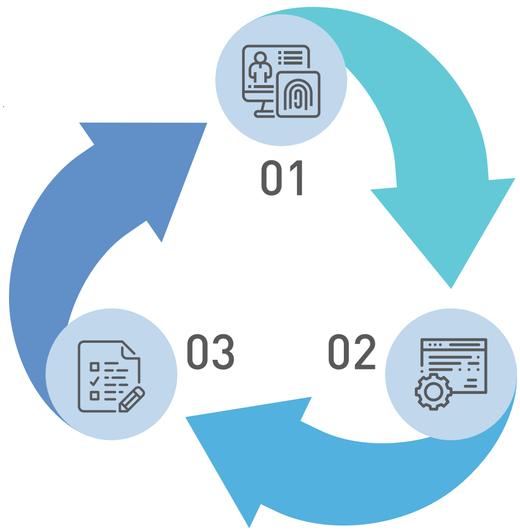
Materiality Assessment

Annual assessment of material matters is a fundamental process in ensuring we channel our sustainability efforts on matters that have significant economic, environmental and social impact and/or substantively influences the interests of our key stakeholders and our business. Our material matters form the focus of this Statement and the basis for the indicators that we use to track and measure our sustainability performance. For the year under review, we have performed a review of our material matters to ensure its relevance and applicability for our key internal stakeholders from various business units via the same 3-step process adopted in previous year as follows:

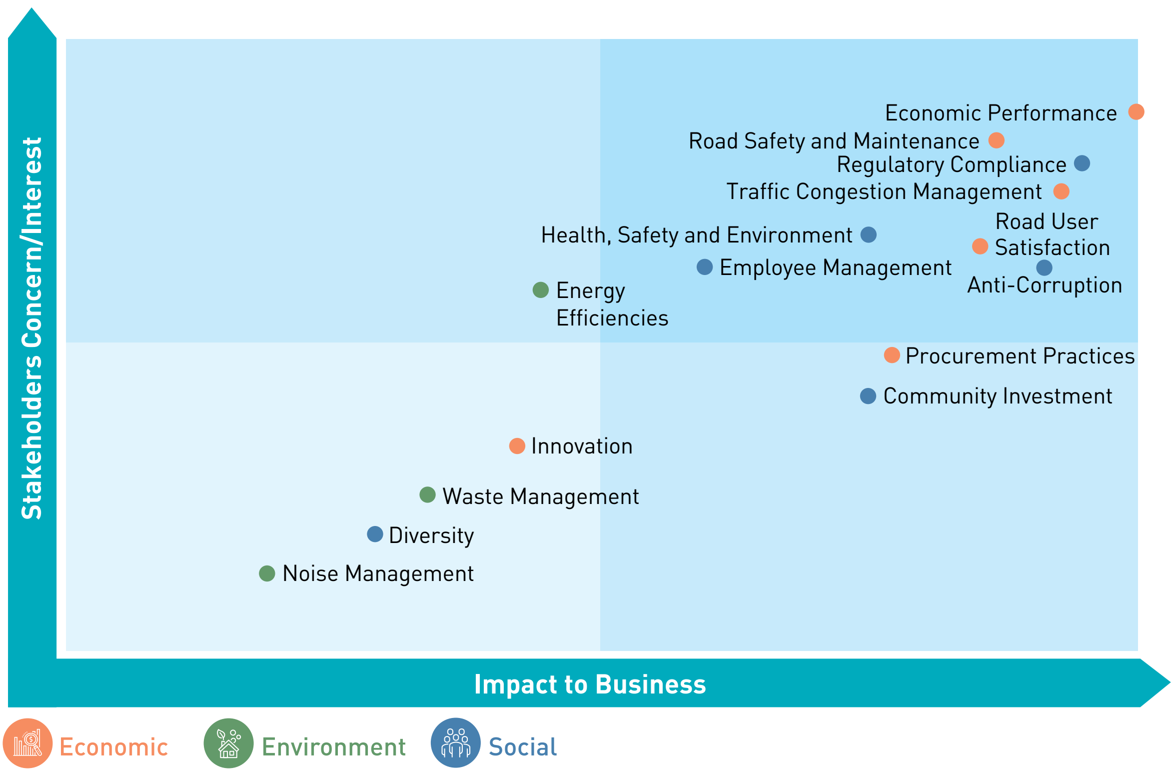
IDENTIFICATION
A comprehensive inventory of sustainability matters was identified based on internal and external sources, including previously identified material matters, sustainability guidelines, peer benchmarking and media reviews.

PRIORITISATION
These matters were further shortlisted and prioritised based on their importance to the business and key internal and external stakeholders. Key management provided insights to external stakeholders' views.

VALIDATION
The materiality matrix was presented to our Senior Management for their endorsement and thereafter, the Board of Directors for their approval and validation.



The Management revisited the material matters identified in the previous year and concluded that the matters identified remain relevant and applicable for financial year ended 2021. Taking into consideration of the challenges posed by the pandemic as well as need to continue to operate under a new norm, recommendations were made to revise the significance of certain material matters in relation to their impact to business as well as stakeholders concern. The Board has further reviewed, rationalised and approved the materiality matrix for financial year 2021 as follows:



SUSTAINABILITY STATEMENT

The management of the abovementioned material matters, including specific policies, initiatives and indicators associated to the material matters are further elaborated in the following sections.

ECONOMIC

Our ability to adapt to changes has helped to reduce the adverse operational and financial impact brought about by the Covid-19 pandemic. Despite the challenges on our business and operations posed by the pandemic and the Movement Control Orders (MCOs), we are committed to responsible practices across our business and aim to maximise the value we create and distribute to our key stakeholders. The value we provide to our stakeholders mainly encompasses robust economic performance, effective solutions to traffic congestion, transparent and effective procurement strategies and methods and effective road maintenance spending and continuous pursuit of road users satisfaction.

Economic Performance

Economic performance (or direct economic value generated and distributed) is essentially one of our core high priority materiality matters in creating long-term value for our business and our stakeholders. Following the outbreak of Covid-19 pandemic, the Group takes cognizance of the potential impact of the Government imposed MCOs on our revenue and as such, we are constantly monitoring and reviewing our approaches toward financial management and, identifying and mitigating associated risks.

For the year under review, the Group registered lower revenue of RM392.8 million due to the growing threat of the Covid-19 pandemic and the MCOs implemented throughout the financial year. Despite the resulting drop in revenue, the Group achieved profit before tax of RM267.1 million due to lower finance costs pursuant to scheduled repayment of borrowings, tighter expenses control and management, and higher contribution of profits from associate. The diagram below illustrates the direct economic value generated and distributed on an accrual basis.

Direct Economic Value Generated and Distributed

	Value generated (RM'mil)	Value distributed (RM'mil): To Employees	To Government	To Providers of Capital	Retained for Future Reinvestment and Growth
FYE2021	404.3	22.9	65.5	146.4	169.5
FYE2020	516.9	27.2	89.5	185.5	214.7
FYE2019	503.9	27.1	91.2	198.1	187.5

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

Further information on our economic performance can be found in:

- Financial Highlights: page 11
- Chairman's Statement: pages 12 to 13
- Management Discussion & Analysis: pages 14 to 20
- Financial Statements: pages 47 to 115

SUSTAINABILITY STATEMENT

A section of the 3 km stretch of the contra flow on LDP northbound at Petaling Jaya Toll Plaza

Traffic Congestion Management

As the Group looks forward for our tollable traffic volumes returning to pre-MCO levels, effective traffic congestion management remains one of the main focus of our materiality matters and day-to-day operations. Rapid and massive developments along LDP and SPRINT Highway coupled with the over 200 ingresses/egresses located along our highways have contributed to the perennial congestions experienced by road users on our highways particularly during peak-hours. Our efforts deployed over the years include implementing contra flows, lane channelisations and reducing traffic light phasings at signalised intersections, taking into consideration feedback and complaints from regulatory authorities and the public, e.g. via LITRAK Feedback Management System (LIFS).

During the year under review, traffic flow was generally smoother since the outbreak of the pandemic in March 2020 following the implementation of the various stages of MCOs resulting in lower traffic plying both LDP and SPRINT Highway. Nevertheless, our traffic management initiatives throughout the years have been relatively effective in reducing queue lengths and waiting time for road users, improving the respective mainlines' and junctions' level of service. Further details of the initiatives taken to address the issue of traffic congestion can be found on page 18 of the Management Discussion and Analysis (MDA).

Initiatives to Relieve Traffic Congestion

Year	LDP	SPRINT Highway
FYE2021	• **Providing a contra flow along a 3 km stretch on LDP northbound between KM 21 to KM 18 on weekdays** • **Pavement rehabilitation**	• **Pavement rehabilitation**
FYE2020	• Changing the traffic light system at the Traffic Light Junction at Jalan Putra Permai near Giant hypermarket from a 4-Phase to 3-Phase traffic signal dispersal system • Providing a contra flow along a 3 km stretch on LDP northbound between KM 21 to KM 18 on weekdays • Pavement rehabilitation	• Pavement rehabilitation
FYE2019	• Changing the traffic light system at Jalan Majlis Interchange from a 4-Phase to 3-Phase traffic signal dispersal system • Providing a contra flow along a 3 km stretch on LDP northbound between KM 21 to KM 18 on weekdays • Pavement rehabilitation	• Pavement rehabilitation

Other challenges extend beyond our highways' right-of-way (R.O.W) and control which include weaving of traffic due to drivers' attitudes and the inflow of heavy vehicles such as trucks, trailers and other slow-moving vehicles during peak hours. We also work closely with third party developers along the highways to upgrade the existing infrastructures or road accesses where necessary, to cater for potential traffic from the new developments.

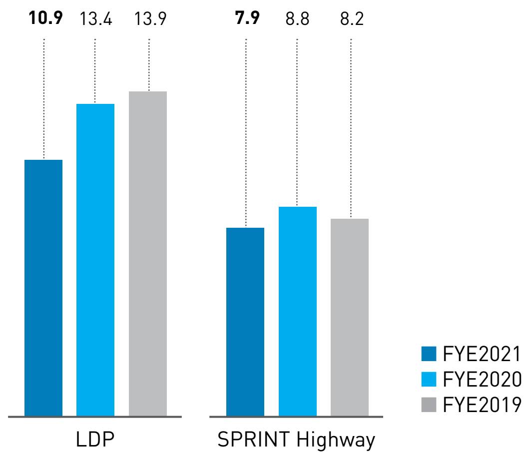
SUSTAINABILITY STATEMENT

Road Safety and Maintenance

Our road users' safety is of utmost importance to us and another high sustainability matters being tracked and managed by the Group on an ongoing basis. Key aspect of our business is to provide our road users with a safe network of roads for a smooth end-to-end journey whereby we strive our best to reduce accidents and to facilitate prompt assistance for vehicle breakdowns and emergencies.

As an essential service provider identified by the Government, we continue to operate our highways even during MCO periods, whilst maintaining strict compliance with Covid-19 Standard Operating Procedures (SOPs) at all times. During the year under review, we spent a total of RM10.9 million for LDP and RM7.9 million for SPRINT Highway on road maintenance.

Amount Spent on Road Maintenance (RM'mil)



We also constantly monitored and maintained our highways to prevent, detect and rectify poor road conditions or any occurrences that may turn the road impassable or unsafe, such as landslides, floods or potholes through CCTVs managed by traffic controllers at our Traffic Control Centre (TCC) on a 24/7 basis, daily routine inspections as well as on-site surveillance by the Group's Auxiliary Police team. All incidences of accidents and vehicle breakdowns on our highways are recorded and monitored and further analysed to identify accident-prone areas and the causes. Such analyses enable us to take preventative and corrective actions to reduce the likelihood of similar accidents or breakdowns.

Accidents and Breakdowns

	LDP			SPRINT Highway		
	FYE2021[2]	FYE2020[2]	FYE2019	FYE2021[2]	FYE2020[2]	FYE2019
Accidents[1]	**585**	804	802	**344**	411	349
Breakdowns	**3,003**	4,695	5,830	**1,249**	2,145	2,288
Average Accidents per day	**1.6**	2.2	2.2	**0.9**	1.1	1.0
Average Breakdowns per day	**8.2**	12.9	15.9	**3.4**	5.8	6.3

Note [1] The main causes of accidents include dangerous and reckless driving, loss of control, rainy weather, drivers' fatigue and mechanical and engine failures due to lack of maintenance.

Note [2] Reduction in number of cases is also due to MCOs implemented since 18 March 2020 onwards.

SUSTAINABILITY STATEMENT

In testimony of our persistent efforts and focus on road safety and maintenance, LDP was awarded the Best Performing and Safest Expressway (Open Toll Category) 2020 presented by Malaysian Institute of Road Safety Research (MIROS) on 11 August 2020.


MIROS
MyExpressway
Certificate of Recognition
Presented to
Lebuhraya Damansara-Puchong
(LINGKARAN TRANS KOTA SDN. BHD.)
On the 11th of August 2020
In Recognition of the
Best Performing and Safest Expressway
MyExpressways Ranking Year 2020
(Open Toll Category)
Ir. Ts. Dr. Khairil Anwar Abu Kassim
Director General
Malaysian Institute of Road Safety Research
Date: 11 August 2020

Road User Satisfaction

Providing high quality services to our road users for a safe and comfortable journey is a high priority matter. We aim to maximise road user satisfaction and experience through quality excellence, effective communication and operational efficiency. These measures include our continuous efforts in managing and alleviating traffic congestions and effective spending in road maintenance. We measure road user satisfaction through regular surveys and feedback collected from our road users through our corporate website and social media channels.

Complaints Received

	LDP			SPRINT Highway		
	FYE2021	FYE2020	FYE2019	FYE2021	FYE2020	FYE2019
Number of complaints received	**92**	131	147	**29**	44	69
Number of complaints resolved	**88**	131	147	**26**	44	69
Number of complaints yet to be resolved	**4**	0	0	**3**	0	0
Percentage of complaints resolved (%)	**95.7**	100	100	**89.7**	100	100

Note: All complaints have been subsequently resolved.

Towards the end of the financial year, we have also launched our Online Customer Satisfaction Survey 2021 for LDP and SPRINT Highway. The survey is aimed to gauge feedback from our users on the services we provided and improve our services accordingly.

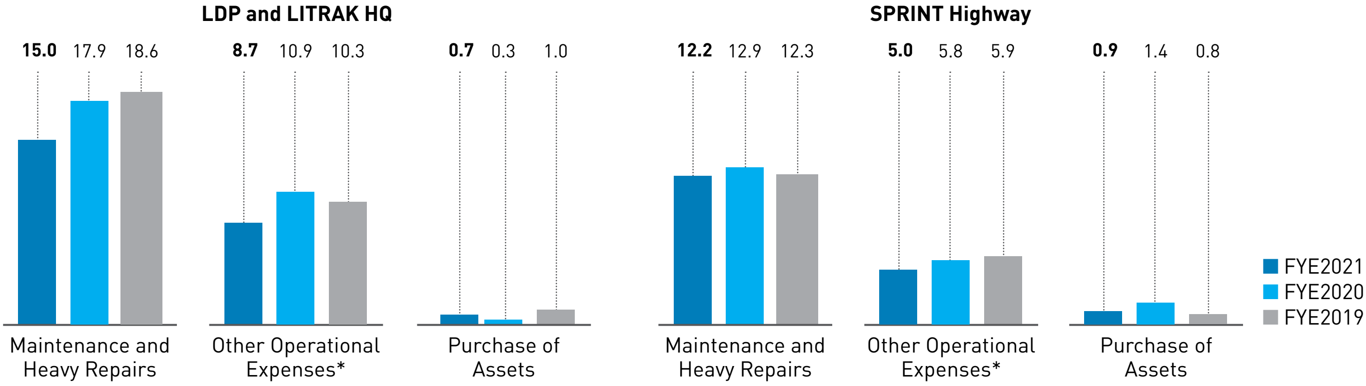
SUSTAINABILITY STATEMENT

Procurement Practices

Effective and transparent procurement practice is another key high materiality matter to the Group. Our procurement policy requires all purchases of significant values to be carried out via a tender process. For good governance and enhanced transparency, the Group has also adopted a mandatory second tender via e-procurement system i.e. e-bidding or e-auction. These procurement strategies and standards helps us manage our expenses effectively and in a sustainable manner.

We undertake strict annual review exercise of all our suppliers on their service levels, product/service quality and pricing competitiveness. New contractors and suppliers are rigorously vetted for their financial and performance capabilities by the Management and are required to be presented to and approved by the Executive Committee prior to being registered into our panel of approved contractors and suppliers. We will continue to emphasise on local procurement sources which helps to create economic opportunities and fuel national economic growth, reduce our carbon footprint from transportations and develop strong relationships that are built on mutual trust.

Amount Spent on Local Suppliers (RM'mil)



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

ENVIRONMENT

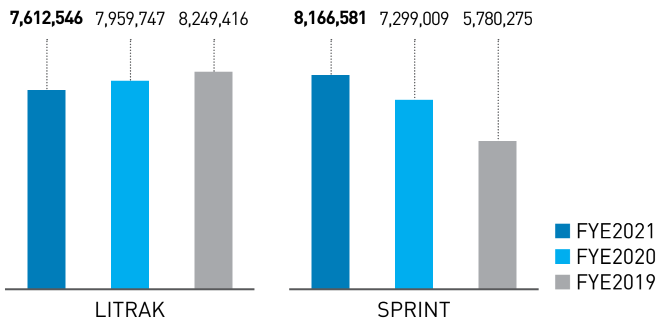
Being the operator of two major urban highways, we are aware of the impact of our business operations on the environment and communities located along our highways. We are committed to continually working towards more structured management and mitigation of these impacts across our value chain and will continue to explore ways to reduce our environmental footprint and drive operational efficiency in our journey towards sustainable growth.

Energy Efficiencies

As a responsible highway operator, our energy conservation efforts need to be properly managed and balanced with road users' safety and driving comfort particularly by ensuring sufficient street lightings along the mainlines at our highways, high-mast lightings at our toll plazas and tunnel lightings and air quality monitoring systems as well as round-the-clock operation and maintenance of our traffic control surveillance systems, CCTVs, Variable Messaging Systems (VMS) and traffic lights systems.

We acknowledge that by having a stable energy supply chain, it would be crucial to provide excellent facilities and services to our highway users. In this regard, we strive to improve our energy consumption on an ongoing basis by various measures including replacing buildings' fluorescent lightings with energy efficient LED lightings and by switching off lights, power sockets and office equipment when not in use. Moving forward, we will continue to manage our energy consumption, explore and adopt new technology for future energy conservation initiatives for our highways.

Total Energy Consumption (kWh)



SUSTAINABILITY STATEMENT

Noise Management

We are cognizant of the impact of our operations on the communities located along LDP and SPRINT Highway as both highways transverse through highly-developed urban residential and business communities. Regular monitoring and maintaining acceptable noise levels along our highways according to prevailing standards and guidelines helps to protect the well-being of these communities within the vicinities of the highways. Noise mitigation initiatives, which include building noise barrier walls and planting of trees and shrubs, are usually prompted by results of noise level assessment exercise or noise level complaints, if any.

All noise level complaints received are investigated by conducting site visits and performing noise level assessment test, if required. Over the years, we have recorded minimal complaints for both our highways as tabulated below, thus proving the effectiveness of our noise mitigation initiatives. The two complaints received during the year under review are currently being investigated and assessed by the Management.

Number of Complaints on Noise Level

	No. of Complaints Received	
	LDP	SPRINT Highway
FYE2021	**Nil**	**2**
FYE2020	1	Nil
FYE2019	1	1

Waste Management

Managing waste in a responsible and ethical manner is important to us in ensuring compliance with the relevant waste regulations and to reduce adverse effects on the environment. With over 200 ingresses/egresses located along our highways and connecting highly populated areas and communities, high volumes of traffic plying on our highways daily would inadvertently generate massive amount of waste on our highways.

In managing our sustainability aspirations, we play an important role in ensuring proper management and disposal of waste indirectly accumulated from our business, such as roadside litters, sand, fallen trees or large obstructions. Our efforts include scheduled and regular road cleaning and maintenance using road sweepers, cleaning of drain culverts along highways, trimming of overgrown grass, shrubs and fallen tree branches on or along our highways. This year the Group has initiated recording and tracking of the volume of waste being managed and disposed of by our team as follows:

Waste Collected

	LDP	SPRINT Highway
FYE2021	**368.5 tonnes**	**230.5 tonnes**

Our other efforts focused on reducing the Group's waste and carbon footprint include the Group's digitalisation acceleration programmes discussed under the MDA section of this Annual Report. In order to be an agile organisation in today's competitive environment, the Group has embarked on a digitalisation (or paperless transformation) programme with the aim to digitalise our essential work processes in order to optimise our resources and to enhance efficiency.

We encourage our staff to reduce paper usage by digitising records, minimising printing and using recycled paper on an ongoing basis. Our continued efforts in online submission of MHA reports via digital reporting channels such as Expressway Performance Indicator System, Malaysian Highway Road Accident Database & Analysis System, Toll Roads Evaluation & Monitoring System, Sistem Pembangunan Tepi Lebuhraya and Advertising Display Management System would further help to reduce our carbon footprints and waste generated from paper.

Similarly, we have embarked on rain water harvesting at our maintenance depot last year. During the year under review, a total of approximately 123,000 litres of rain water were harvested for cleaning of maintenance depot and operational vehicles. The Company will continue to explore other rain water harvesting sites along our highways and use for such harvests.

SUSTAINABILITY STATEMENT

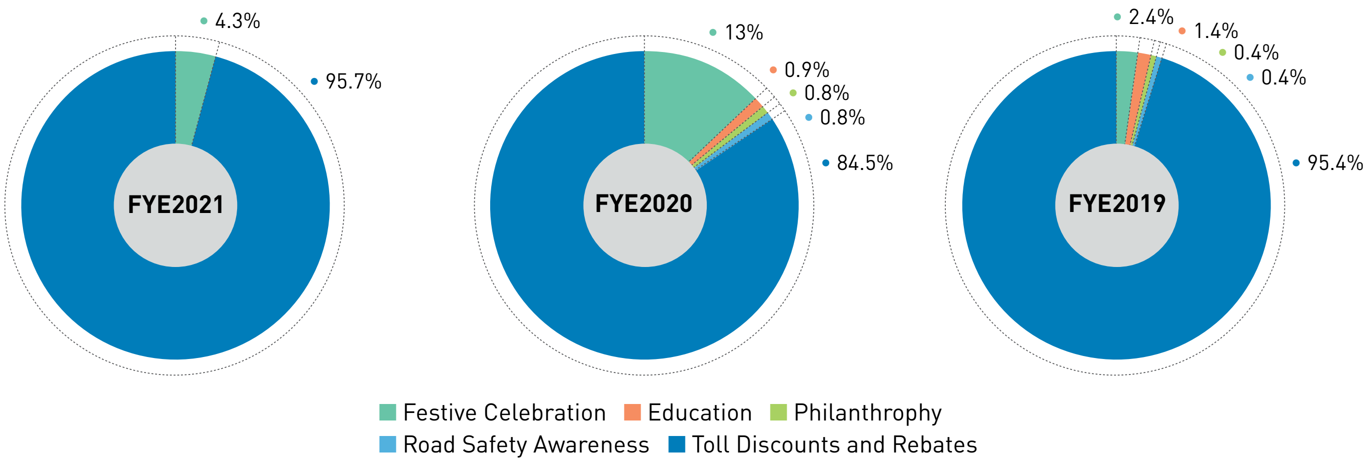
SOCIAL

We continue to engage stakeholders amidst the challenges brought on by the Covid-19 pandemic. The Group focuses on creating positive impact on social systems by promoting the well-being of our employees, prioritising road users' comfort and satisfaction and by working closely with the relevant authorities. Being socially responsible helps us strengthen our stakeholders' confidence and build mutual trust, respect and long lasting relationships.

Community Investment

The Group remains committed to fulfilling its role as a responsible corporate citizen. We place great emphasis on creating a positive impact for society. Since the inception of the Group, we have not only contributed financially to various community and social causes, but also helped organised a range of programmes with the aim of building more resilient and harmonious communities. For the year under review, the Group had contributed/incurred RM1.06 million to many of such causes, with the largest contribution going towards toll discounts and rebates to our highway users. Such contributions and strategic customer/community engagement programmes are important in building long-term sustainable relationships with all our stakeholders on a continuous basis.

Community Investment by Category



Some of the highlights from our community programmes include the following:

Christmas Charity Event 2020

"Gift of Christmas" to the children from Rumah Kanak-Kanak Impian, Conference of St. Ignatius, Petaling Jaya. We delivered groceries, household supplies and a washing machine to the home on 23 December 2020. This event was organised by the Group in collaboration with KESAS and SMART.

Qurban Charity 2021

Contributions were made by the Group to Masjid As-Salam (Puchong Perdana), Masjid Al-Husna (Bandar Sunway), Masjid Al-Mukarramah (Bandar Sri Damansara) and Masjid Ar-Rahman (Kuala Lumpur) in conjunction with Hari Raya Korban.

Chinese New Year Charity Event 2021

Chinese New Year celebration with special children from Persatuan Kebajikan Kanak-Kanak Istimewa Insan (PKKII), Happy Garden, Kuala Lumpur was held on 18 February 2021. This programme organised by the Group in collaboration with KESAS and SMART, has bring much joy to the children whereby grocery supplies and electrical goods requested by the home were contributed. Ang Pows were also given to the children and caretakers of the home.

Contribution to the Parent - Teacher Association

Contribution to the Parent-Teacher Association of Sekolah Kebangsaan Sri Damai, Seksyen 17, Petaling Jaya, to help with the students' programme and learning essentials.

SUSTAINABILITY STATEMENT

Employee Management

Our employees are the Group's invaluable resource. We place great importance on fair treatment and providing them with equal opportunities to develop their careers and skills. Their professional growth and well-being contribute to our business success. We focus our efforts on recruiting, training and retaining our talent pool to support current and future business needs.

Talent Acquisition and Retention

As the business environment grows and evolves, retaining the right talent is vital to ensure we deliver long-term value for all our stakeholders. Our recruitment approach is centred on a culture of merit where employees are hired based on their competence, skills, capabilities and experience for any job position within the Group. Talent acquisitions are normally sourced internally, to provide opportunities for career advancement of the existing employees or externally through various channels.

We seek to retain our talents by providing comparable remuneration and benefits and career development opportunities for all our employees. We aim to further improve our employees' retention and to consistently create a sense of community within the Group. Our staff attrition rate (excluding impact of frontliners) has been relatively low over the years.

Staff Attrition Rate

	LITRAK Group		
	FYE2021[1]	FYE2020	FYE2019
Frontliners (%)	**14**	10	12
Head Office and Others (%)	**1**	1	2
Total Staff Attrition Rate (%)	**15**	12	14

Note [1] *Our turnover rate is slightly higher in the current year under review due to the manpower optimisation programme being undertaken by the Group during the year.*

Competitive Benefits

The Group offers competitive compensation package and attractive benefits which cater to the diverse needs of our staff regardless of their positions. Pro-family benefits such as childcare subsidies, childcare and family care leaves, 90 days maternity leaves, pre-natal and post-natal support and family hospitalisation insurance on a co-sharing basis are offered over and beyond regulatory requirements or industry norms and underlines the Group's effort in attracting and retaining talents.

We place great emphasis on work-life balance for our staff. Our pro-health benefit schemes include Flexi-Wellness Benefits and Flexi-Work Arrangement to all our employees. We also show our appreciation towards our long serving employees through the Long Service Awards and Employee Share Options Scheme (ESOS). The consistent high numbers of long service award and child care subsidy recipients over the last few years is a testament to the Group's staff oriented policies and initiatives.

Number of Recipients

	LITRAK Group		
	FYE2021	FYE2020	FYE2019
Child Care Subsidy	**91**	107	107
Long Service Award	**54**	74	102

Training and Development

We believe in continuous learning and up-skilling to ensure a highly competent workforce that is relevant and competitive in the industry. Identifying suitable training and development programmes are essential to increase the professional knowledge and skills of employees at each level, which in return, contribute to improved customer service quality and work output quality and ultimately the long-term success of our business. Training programmes provided to our employees are both in-house as well as external and catered to various levels of our employees' hard and soft-skills requirements.

Due to Covid-19 and the MCOs during the year, there was a significant reduction in total training hours per employees as compared to previous years due to the restriction on classroom based training in compliance with the prescribed SOPs. Nevertheless, the Group has embarked on employing various online collaborative communication tools has enabled virtual learning capabilities for our employees to continue to gain new knowledge and upskill themselves to meet our customers' expectations and their professional development goals.

Average Training Hours

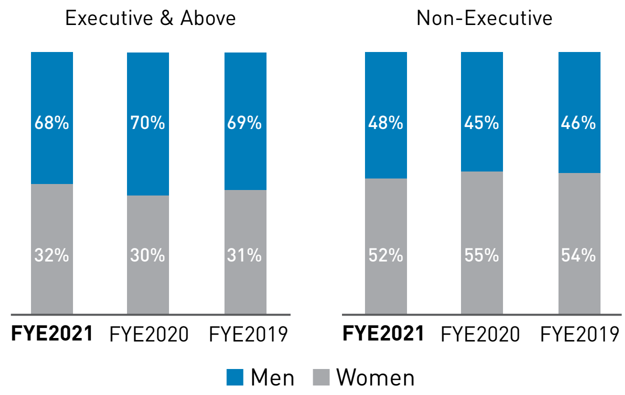
	LITRAK Group		
	FYE2021	FYE2020	FYE2019
Executive & above	**12.3**	33.0	20.7
Non-Executive	**4.4**	23.0	30.2
Total per employee	**5.3**	24.5	29.1

SUSTAINABILITY STATEMENT

Group Diversity

Guided by our Diversity and Inclusion Policy, we are committed to fostering workplace diversity in our workforce. We believe employee diversity promotes a culture of open-mindedness and harnesses a more collaborative environment and approach to work. Starting at the top, composition of women sitting on our Board of Directors remained at a commendable ratio of 40% which is higher than the Malaysian Code on Corporate Governance's recommended ratio of 30% for large companies. Women also constituted 53% of the Group's overall workforce, thus reinforcing our commitment to uphold fair gender representation.

Gender Diversity



Health, Safety and Environment

The Group is committed to promote a safe and healthy working environment and to properly manage the associated risks regarding safety, health and welfare of our employees, contractors and the public. We further inculcate a culture of safety among our employees through providing regular health and safety information and trainings as well as related activities.

Managing Covid-19 Risks

In managing health and operational risks associated with Covid-19 threat at our workplace, specific committees established by the Group i.e. Covid-19 Steering Committee (CSC) and Covid-19 Working Committee (CWC), since last year continue to be in effect. The Board continues to be briefed by the Management on a regular basis regarding the impact of the Covid-19 and MCOs on the financials, business and operations.

Our Covid-19 preventive measures adopted and implemented are constantly reviewed for effectiveness and further benchmarked against regulatory guidelines to ensure seamless continuation on operations of the respective departments particularly for those areas involving our frontliners and road users. Such preventive measures implemented since the start of the pandemic include but not limited to the following:

- all employees were provided with face mask, hand sanitizer and hand soap;
- frequent scheduled sanitisation and disinfection of work space and common touch points are continually being carried out;
- daily health and temperature screening for all staff and visitors to the office (no visitors were allowed into our workplace during strict MCO lockdowns);
- regular dissemination of sufficient information to create awareness amongst all employees;
- enforcement of social distancing in work space and staff rotations in accordance with prevailing authorities guidelines;
- mandatory daily health status declaration by all staff via online application to assist contact tracing of any suspected cases, if any.

Since December 2020, the Group has initiated mandatory Covid-19 tests (either RT-PCR or Antibody RTK) for all employees on a fortnightly basis as additional line of defence in the Group's efforts in monitoring and controlling spread of pandemic at our workplace and in furtherance to the Group's support of the Government's efforts in fighting the Covid-19 pandemic.

Our Chief Executive Officer, En Sazally bin Saidi taking the fortnightly mandatory Covid-19 test.

SUSTAINABILITY STATEMENT

Anti-Corruption

The Group continues to vigorously uphold high level of ethical business conduct and to strongly promote honesty, transparency and responsibility to all levels and aspects of our business operations. The Group is mindful of the additional responsibilities imposed by Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 which came into effect on 1 June 2020 and has swiftly established the Anti-Bribery and Corruption Policy (AB&C Policy) on 27 August 2020 to safeguard the Group against any offences committed by persons associated with the Group.

The AB&C Policy serves to guide the Group's employees, business associates and associated parties in the proper conduct of our business dealings and to eliminate and prevent any form of corruption and bribery in the Group. In line with the above, the Whistleblowing Policy and Procedure was also revised and enhanced in tandem with the establishment of AB&C Policy.

We place great emphasis on the importance of assessment on corruption risk throughout the Group with the necessary mitigation plans to inculcate zero tolerance to corruption through constant awareness programmes and trainings. During the year under review, a total of 67 staff attended anti-corruption awareness programme which was conducted/facilitated by the MACC.

Number of Employees Who Have Attended Training on Anti-Corruption

	FYE2021	FYE2020
Executive & above	**11**	60
Non-Executive	**56**	128
Total	**67**	188

Regulatory Compliance

Maintaining regulatory compliance and meeting the standards of our key stakeholders i.e. Government and Regulatory Authorities are vital to our business sustainability. We are subjected to various social, environmental and industry specific laws, such as Concession Agreements, regulations set by the MHA and the Ministry of Works, Employment Act 1955 and Environmental Quality Act 1974.

It is crucial for us to work closely with MHA for process improvements and enhancements to prepare ourselves for annual toll certification and systems verification. External operational audits by MHA are carried out every month on all tolled highways to check compliance with MHA's standards and guidelines on highway maintenance. All non-compliance issues raised by MHA throughout the year were swiftly addressed with comprehensive corrective action plans. These non-compliance issues generally non critical in nature involving damaged road furnitures, maintenance of landscape, damaged and maintenance of building items, damaged and cleanliness of pavements and maintenance of drainage systems.

As in the past, we continually aim to improve our regulatory compliance by conducting regular internal inspections and raise the operation team's awareness in relation thereto. MHA have since 2020, upgraded their Monthly Maintenance Audit system to Expressway Performance Indicator (EPI) system. Under the EPI system, LDP and SPRINT Highway continue to be one of the selected concession companies to achieve the highest rating of 4-star.

Non-Compliance Issues from MHA

	LDP			SPRINT Highway		
	FYE2021	FYE2020	FYE2019	FYE2021	FYE2020	FYE2019
No. of non-compliance issues	**94**	103	151	**102**	139	163

Note: All maintenance issues raised by MHA have been resolved.

Our Way Forward

For the Group, sustainability is an ongoing journey that will steer us towards the long-term growth and progress of the business. We will continuously look for opportunities to improve our sustainability record and uphold the highest standards in order to strengthen the value we create for our stakeholders. In the year ahead, we will continue to look towards placing a greater emphasis on environmental matters and initiatives. We have also initiated planning and internal discussions for the implementation of integrated reporting in preparation of the impending enhanced reporting requirements of the Group.

This Statement is dated 27 July 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to report to the Company's shareholders and investors an overview of the Company's corporate governance practices during the financial year 2021 up to the date of this report. This Overview summarises the Company's application of the principles and recommendations of the Malaysian Code on Corporate Governance (the "Code").

The Company's corporate governance disclosure is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Malaysia) guided by Practice Note 9 of Bursa Malaysia's Listing Requirements and Corporate Governance Guide (3rd Edition).

This Corporate Governance Overview Statement should be read together with the Corporate Governance Report (CG Report) prepared in a prescribed format on the application of the Company's corporate governance practices in detailed pursuant to Paragraph 15.25(2) of the Listing Requirements. The CG Report is available on the Company's website at www.litrak.com.my.

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

The Company has applied all the practices propagated under the Code for the financial year ended 31 March 2021 save for the following:

Practice 7.2
Disclosure on a named basis the top five senior management's remuneration component in bands of RM50,000

Practice 7.3 – Step Up
Fully disclose the detailed remuneration of each member of senior management on a named basis

Practice 9.3 – Step Up
The board to establish a Risk Management Committee to oversee the Company's risk management framework and policies

Practice 11.2
Adoption of integrated reporting

In line with the latitude accorded under the Code, the Company has provided explanations to the aforesaid departure or non-adoption of the corporate governance practices in the CG Report.

PRINCIPLE A: Board Leadership and Effectiveness

Board Responsibilities

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

Also included in the Manual are the Risk Management Policy and Procedures, Shareholders Communication and Investors Relation Policy, Whistleblowing Policy and Procedure, Directors' Code of Conduct, Diversity and Inclusion Policy, Corporate Disclosure Policy, External Auditor Policy, Remuneration Policy for Directors and Key Senior Management with the latest addition being the Anti-Bribery and Corruption Policy (AB&C Policy) adopted on 27 August 2020 in pursuance of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, which came into effect on 1 June 2020. The Manual also serves to guide the Board members on matters pertaining to the principles and best practices of corporate governance, statutory and regulatory requirements.

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

The Board with the assistance of the Company Secretaries will continue to review and update the Directors' Manual in its efforts to ensure compliance with the recommendations of the Code. On this note, the External Auditor Policy, Risk Management Policy and Procedures, and the Whistleblowing Policy and Procedure were revised and updated to be in line with the established/revised procedures, laws and regulations during the financial year under review.

Board Composition

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

In line with the recommendation of Practice 4.1 of the Code that a majority of the members of the Board of large companies should comprise Independent Directors with at least 30% women directors, the Board is pleased to disclose that the Board now comprises five members with majority of them being Independent Directors. The Board composition comprises three Independent Non-Executive Directors, one Non-Independent Non-Executive Director and one Non-Independent Executive Director with women Directors making up 40% of the Board members.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The profiles of the Board members are set out on pages 3 to 7 of the Annual Report 2021.

The Board through the Nomination Committee and supported by the Company Secretaries conducted an annual evaluation by each Director of the effectiveness of the Board as a whole and its Board Committees for the financial year 2021. The Nomination Committee reviewed and assessed the effectiveness of the Board as a whole including the independence of the Independent Directors, the composition, size and mix of skills, qualifications, qualities and experiences of the existing Board of Directors, the attendance of the Directors, the effectiveness of the Board Committees in fulfilling their functions and identify suitable trainings for Directors. The evaluation results were considered by the Nomination Committee, which then make recommendations to the Board.

The Audit and Risk Management Committee was required to conduct a self-assessment for the financial year 2021. The assessment was designed to help its members to gain an insight into how well the Audit and Risk Management Committee has been meeting its objectives and how well they had applied good practices recommended by the Code.

Practice 4.1 of the Code calls for a majority of the board members of large companies to comprise independent directors. To ensure compliance with Practice 4.1 of the Code, the Independent Directors were required to carry out self-assessment which was designed to help Independent Directors to identify whether they are independent under the guidelines of Bursa Malaysia's Listing Requirements.

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

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

- Ir Haji Yusoff bin Daud;
- Datin Lee Choi Chew.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

All Directors have attended at least one training/workshop/briefing (collectively "trainings") during the financial year ended 31 March 2021. The trainings attended by the respective Directors are as follows:

Directors	Trainings
Tan Sri Dato' Setia Haji Ambrin bin Buang	• Corruption Risk Management
Ir Haji Yusoff bin Daud	• Managing Human Rights: Why is it important to corporations?
Dato' Haji Azmi bin Mat Nor	• Economic Outlook 2021: Investing at the Right Time and Sector • Managing Human Rights: Why is it important to corporations?
Datin Lee Choi Chew	• Bracing for Economic Impact Post Global Pandemic • Conduct of Directors & Common Pitfalls in Listing Requirements
Puan Nazli binti Mohd Khir Johari	• Dealings in Listed Securities, Closed Period & Insider Trading • Fraud Risk Management Workshop

Remuneration

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

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

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

- No salary increment for the Executive Director for calendar year 2021.
- No increment in fees for Independent Non-Executive Directors for financial year ending 31 March 2022.

In addition to the above, in view of the adverse impact of Covid-19 pandemic on the Company's performance following the outbreak of Covid-19 in March 2020, the Board had on the recommendation of the Remuneration Committee on 29 May 2020, approved a 10% reduction in the salary of the Executive Director for one year effective 1 June 2020.

The Independent Non-Executive Directors of the Company had also unanimously decided to stand in solidarity with the Executive Director, voluntarily took a 10% cut in directors' fees for financial year 2021.

The fees and benefits payable to the Independent Non-Executive Directors for the financial year ended 31 March 2021 are subjected to shareholders' approval at the Company's AGM in accordance with Section 230 of the Companies Act 2016. The remunerations of the Executive Director and Independent Non-Executive Directors for the financial year ended 31 March 2021 are disclosed in detailed on a named basis on page 84 of the Annual Report 2021.

PRINCIPLE B:
Effective Audit and Risk Management

Audit and Risk Management Committee

Pursuant to Practice 9.3 of the Code to establish a Risk Management Committee comprising a majority of independent directors, to oversee the Company's risk management framework and policies, the Board had on 25 November 2020 established a committee for the aforesaid purposes.

Nevertheless, in view that the Company has a relatively small Board with three Independent Non-Executive Directors, one Non-Independent Non-Executive Director and one Non-Independent Executive Director, and taking into consideration the Company is a single type localised business in Klang Valley, and that the Audit Committee has been overseeing the risk assessment of the Group since inception, the Board decided that instead of maintaining two separate committees with the same committee members, to oversee the internal audit and risk management functions of the Group, it would be best to integrate the risk management function into the existing Audit Committee and rename it as "Audit and Risk Management Committee".

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

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

The Board has in place an External Auditor Policy which provides that the Audit and Risk Management Committee is responsible for making recommendations to the Board regarding the appointment and removal of the external auditors. In making those recommendations, the Committee conducted an annual review of the effectiveness, performance, objectivity and independence of the external auditors. The Policy also provides that a former key audit partner shall observe a cooling-off period of at least two years before being appointed as a member of the Audit and Risk Management Committee.

The External Auditor Policy was revised in June 2020 in accordance with the provision of the By-Laws (On Professional Ethics, Conduct and Practice) of The Malaysian Institute of Accountants (MIA By-Laws) where the audit partner responsible for the external audit of the Group is subject to rotation at least every seven financial years.

The Audit and Risk Management Committee has received a written assurance from the external auditors, Ernst & Young PLT (EY), confirming their independence in accordance with the MIA By-Laws. The Audit and Risk Management Committee has on 24 February 2021 and 27 May 2021, reviewed the suitability and independence of the external auditors and was satisfied that they have met the relevant criteria prescribed under Paragraph 15.21 of Bursa Malaysia's Listing Requirements. Hence, the Audit and Risk Management Committee recommended their re-appointment for the financial year ending 31 March 2022.

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

The full Audit and Risk Management Committee Report detailing the activities of the Internal Audit Department and that of the Audit and Risk Management Committee are set out on pages 44 to 45 of the Annual Report 2021.

Risk Management and Internal Control Framework

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Statement on Risk Management and Internal Control furnished on pages 42 to 43 of the Annual Report 2021 provides an overview of the state of risk management and internal control within the Group.

PRINCIPLE C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Communication with Stakeholders

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

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

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

Conduct of General Meetings

General meetings of the Company remain the main forum of direct communication with its shareholders. In line with good governance practice, notice of the Company's 25th AGM held on 30 September 2020 was issued at least 28 days before the AGM date.

In support of the Government of Malaysia's ongoing efforts to contain the spread of Covid-19 and as part of the Group's safety measures, the 25th AGM was held fully virtual via live streaming from the Broadcast Venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, in accordance with the Securities Commission's guidelines on conduct of general meetings during the period under movement control orders i.e. Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 15 July 2020.

The whole Board of Directors attended the Company's AGM in person at the Broadcast Venue. During the AGM, the Chairman encouraged the shareholders to pose any questions they may have about the Company. The Chairmen and members of the Board Committees were also available to respond to any questions the shareholders may have for them.

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

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

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

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

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

This Statement was approved by the Board of Directors on 28 May 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Board's Responsibility

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

Risk Management

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

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

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

Key Risk Management and Internal Control Features

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

- various Board committees have been established to assist the Board in discharging its duties. The Committees include:
  - Executive Committee
  - Audit and Risk Management Committee
  - Remuneration Committee
  - Nomination Committee
  - ESOS Committee
- a defined organisational structure with clear lines of responsibility, delegation of authority and accountability is in place;
- Policies and Standard Operating Procedures which are systematically documented and made available to guide staff in their day-to-day work processes. These policies and procedures are reviewed regularly and updated when necessary;
- a comprehensive information system comprising budgets, key business indicators and performance results on operations are reported to the Management and the Directors. The regular and comprehensive flow of information allows the Management and the Directors to review business unit's performance against budgets and performance indicators on regular basis;
- a detailed budgetary planning and control process in which annual budgets for business or functional units are reviewed and approved by the Board. The performance of the units is assessed against the approved budgets and actions are taken to address major variances identified;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- an ISO 9001:2015 Quality Management System, which is subject to regular review and improvement, continuously manages and controls the quality requirement of the Company's services;

- a Performance Management System whereby business objectives are clearly defined and targets are set for each individual employee. Employees' performances are monitored, appraised and rewarded according to the achievement of targets set;

- training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations;

- an adequately resourced Internal Audit Function which, reports directly to the Audit and Risk Management Committee, conducts regular reviews and provides audit reports on adequacy of the Group's system of internal controls;

- Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks;

- Board representations in its associated company, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd. Financial and operational information of the associated company is reported regularly to the Directors of the Company.

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

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

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

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

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2021, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

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

This Statement has been approved by the Board of Directors on 28 May 2021.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Membership

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

On 25 November 2020, the Board approved the re-naming of the Audit Committee to Audit and Risk Management Committee to better reflect the dual roles which are currently undertaken by this Committee.

Composition

The members of the Audit and Risk Management Committee are:

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

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

Terms of Reference

The information on terms of reference is available on the Company's website at www.litrak.com.my.

INTERNAL AUDIT FUNCTION AND ACTIVITIES

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

In assisting the Audit and Risk Management Committee in the discharge of its duties and responsibilities, the Internal Audit Function adopts a risk-based audit approach when preparing its annual audit plan which is approved by the Audit and Risk Management Committee. The principal role of the Internal Audit Function is to provide independent and objective reports on the effectiveness of the system of internal controls of the various operating divisions within the Group. Internal Audit Function is guided by the internal policies and procedures as well as the Professional Practices Framework in assessing and reporting on the adequacy and effectiveness of the internal control.

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

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

i. prepared the annual audit plan for consideration by the Audit and Risk Management Committee;

ii. undertaken independent audit assignments. Among the scope of coverage are procurement, public relation, toll operations and information technology. These audits are to ascertain that the internal controls are appropriate, effectively applied and consistent with the established procedures. In performing such reviews, recommendations for improvements and enhancements to the existing system of internal controls and work processes are made where necessary;

iii. conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of action taken by the Management on audit recommendations;

iv. reviewed the allocations of share options pursuant to the ESOS during the financial year to verify whether the allocations were done in accordance with the criteria set out in the ESOS By-laws and by the ESOS Committee; and

v. reviewed related party transactions.

The total costs incurred for the Internal Audit Department for the financial year ended 31 March 2021 was RM483,457.

Risk Management

Risk Management activities are guided by the Group's Risk Management Policies and Procedures. Arising from the risk evaluations conducted by the Management with the operating divisions, risk assessment reports were summarised by internal auditors for the consideration of the Audit and Risk Management Committee. The details of risk management process are disclosed in Statement on Risk Management and Internal Control on page 42.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Attendance

During the financial year ended 31 March 2021, the Audit and Risk Management Committee held four meetings. The meetings were held on 22 June 2020, 27 August 2020, 25 November 2020 and 24 February 2021. The attendance record of the members for the meetings is as follows:

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

SUMMARY OF AUDIT AND RISK MANAGEMENT COMMITTEE'S ACTIVITIES

In discharging its duties and responsibilities for the financial year ended 31 March 2021, the Audit and Risk Management Committee has in accordance with its terms of reference deliberated and reviewed the following activities:

1. Financial Reporting

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

2. External Audit

a. the suitability, objectivity and independence of the external auditors and recommended their re-appointment.

b. the audit planning memorandum of the external auditors in a meeting to discuss their audit strategy, audit focus and resources prior to the commencement of their annual audit.

c. matters arising from meetings with the external auditors without the presence of other Directors and employees of the Company.

3. Internal Audit

a. the risk-based annual audit plan and budgeted resources proposed by the internal auditors for the Group to ensure adequate audit scope and coverage on the activities of the Group, considering the independence, authority and effectiveness, the adequacy of the competency and resources of the Internal Audit Function to carry out its work.

b. the performance in terms of the progress of audit work and adequacy of coverage of the Internal Audit Function.

c. the internal audit assessment and investigation undertaken during the year, the audit recommendations made and Management's response to these recommendations, and ensure that material findings are adequately addressed by the Management.

4. Risk Management

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

b. the revised Risk Management Policy and Procedures to ensure effectiveness of Risk Management and Internal Control systems and recommended to the Board for approval.

5. Related Party Transactions

the report on related party transactions during the financial year.

6. Annual Reporting

a. the Audit and Risk Management Committee Report and its recommendation to the Board for inclusion in the respective financial year Annual Report.

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

7. Other Matters

a. the progress reports on implementation of recommendations arising from Malaysian Highway Authority's monthly inspection on compliance with the highway maintenance standards.

b. share option allocations under the ESOS of the Company.

c. the Anti-Bribery & Corruption Policy and the updated Whistleblowing Policy and Procedure, and recommended to the Board for approval.

ADDITIONAL COMPLIANCE INFORMATION

1. Audit and Non-audit Fees

The amount of audit and non-audit fees paid or payable to external auditors, Ernst & Young PLT and their affiliated companies for the financial year ended 31 March 2021 are as follows:

	Company (RM'000)	Group (RM'000)
Audit fees	63	130
Non-audit fees:		
(i) Ernst & Young PLT:		
• Consultancy fees for advisory services for the proposed disposal of toll highway to the Minister of Finance Inc.	165	165
• Review of Statement on Risk Management and Internal Control	8	8
(ii) Ernst & Young Tax Consultants Sdn Bhd	12	57
Total	248	360

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

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

3. Employee Share Option Scheme (ESOS)

(i) The Company has only one ESOS in existence during the financial year ended 31 March 2021. It was implemented on 9 October 2013 for a period of 5 years. The tenure of ESOS may be extended for up to another 5 years immediately from the expiry of the first 5 years provided that the total duration of the ESOS shall not be more than 10 years from the effective date of the ESOS. On 23 July 2018, the Board has on the recommendation of the ESOS Committee given its approval to extend the existing ESOS for a further 5 years upon the expiry of the first 5 years on 9 October 2018. The details of the implementation of the aforesaid ESOS are set out on pages 94 to 98 of the financial statements.

(ii) The total number of options granted, exercised and outstanding under the ESOS since its commencement up to 31 March 2021 are set out in the table below:

Description	No. of Options Granted (Since Commencement up to 31 March 2021)	
	Grand Total	Directors
Granted*	30,441,000	1,960,000
Exercised	17,696,000	1,300,000
Outstanding	12,745,000	660,000

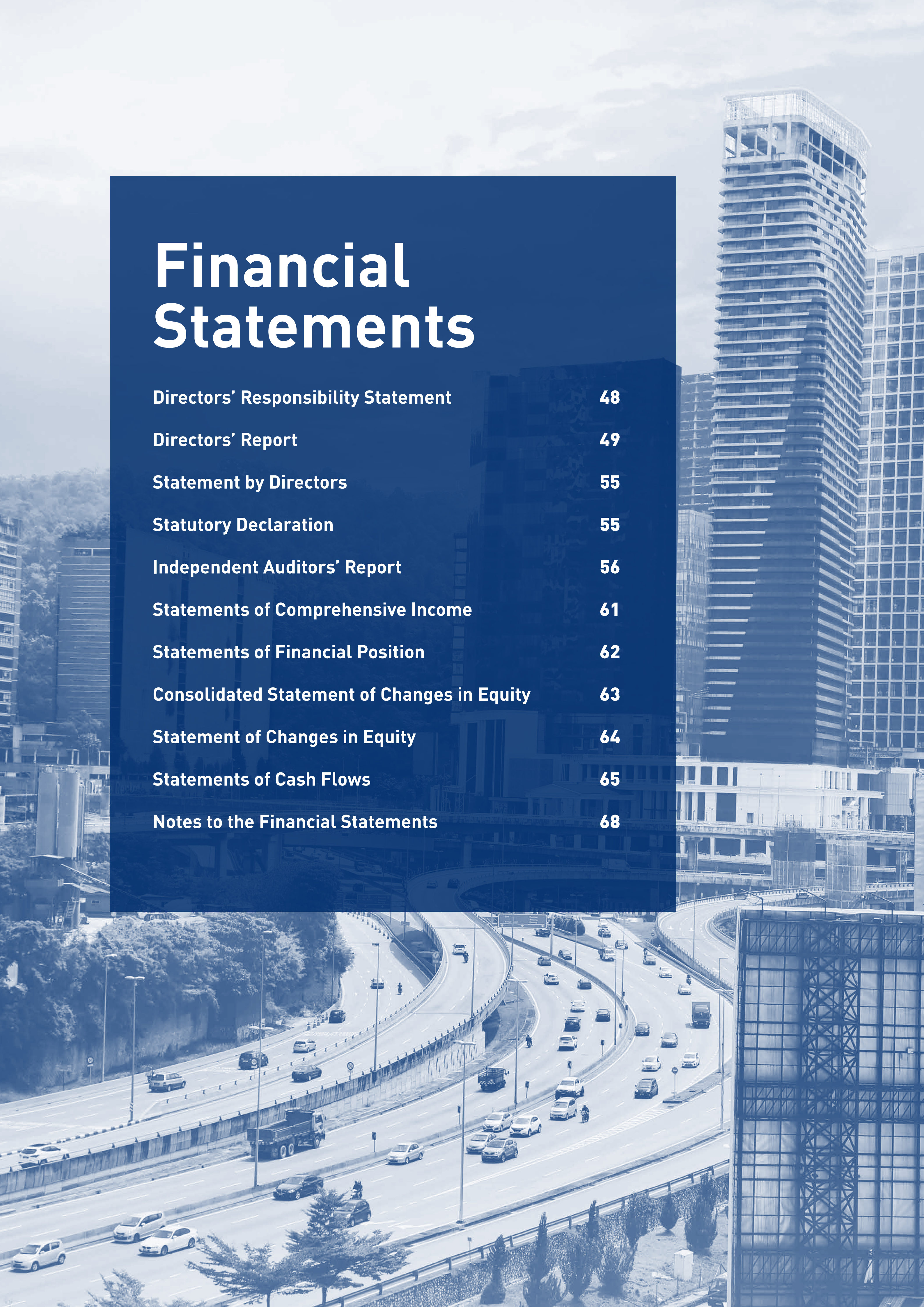
* Net of resignations

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

Description	During the Financial Year Ended 31 March 2021 %	Since Commencement up to 31 March 2021 %
Aggregate maximum allocation	1	50
Actual granted	1	12

(iv) Options granted to and exercised by Non-Executive Directors under the ESOS during the financial year ended 31 March 2021:

No.	Name of Director	Amount of Options Granted	Amount of Options Exercised
1.	Puan Nazli binti Mohd Khir Johari	20,000	-



Financial Statements

Directors' Responsibility Statement

The Board is committed to ensure that the financial statements of the Company and the Group give a true and fair view of the state of affairs of the Company and the Group and of their results and cash flows for financial year ended 31 March 2021, in compliance with the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing these financial statements, the Board has:

(i) Applied appropriate accounting policies on a consistent basis;

(ii) Complied with all applicable approved accounting standards;

(iii) Made judgements and estimates that are reasonable and prudent; and

(iv) Prepared the financial statements on a going concern basis.

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

Note: All information disclosed above are up to financial year ended 31 March 2021.

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 2021.

Principal activities

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

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

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

Results

	Group RM'000	Company RM'000
Profit for the year	205,776	68,517

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

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

Dividends

The amount of dividends declared and paid by the Company since 31 March 2020 were as follows:

	RM'000
In respect of the financial year ended 31 March 2021:	
First interim single-tier dividend of 10 sen per share declared on 27 August 2020 and paid on 29 September 2020	53,277
Second interim single-tier dividend of 10 sen per share declared on 25 February 2021 and paid on 30 March 2021	53,284
	106,561

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

Directors' Report

Directors

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

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

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

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

En Sazally bin Saidi
Mr Stephen Low Chee Weng

Directors' benefits

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

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

	Group and Company RM'000
Salaries and other emoluments	505
Fees	380
Share options granted under ESOS	118
Estimated monetary value of benefits-in-kind	3
	1,006

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 2021 was RM18,030 (2020: RM18,030).

Directors' Report

Directors' interests

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

	Number of ordinary shares			
	1 April 2020	Bought/ ESOS exercised	Sold	31 March 2021
The Company				
Direct Interest				
Directors of the Company				
Ir Haji Yusoff bin Daud	85,000	200,000	(85,000)	200,000
Datin Lee Choi Chew	20,000	-	-	20,000
Directors of the subsidiaries				
En Sazally bin Saidi	140,100	-	-	140,100
Mr Stephen Low Chee Weng	148,000	-	-	148,000
Indirect Interest				
Ir Haji Yusoff bin Daud °	328,499	-	-	328,499

° Deemed interest held through Irama Duta Sdn Bhd

Employee Share Option Scheme

			Number of options over ordinary shares			
	Grant date	Option price RM	1 April 2020	Granted	Exercised	31 March 2021
The Company						
Directors of the Company						
Ir Haji Yusoff bin Daud	26 Apr 17	5.32	200,000	–	–	200,000
	18 Apr 18	5.02	200,000	–	–	200,000
	30 Apr 20	3.55	–	200,000	(200,000)	–
Dato' Haji Azmi bin Mat Nor	20 Apr 16	4.68	20,000	–	–	20,000
	26 Apr 17	5.32	20,000	–	–	20,000
	18 Apr 18	5.02	20,000	–	–	20,000
Datin Lee Choi Chew	26 Apr 17	5.32	20,000	–	–	20,000
	18 Apr 18	5.02	20,000	–	–	20,000
Puan Nazli binti Mohd Khir Johari	30 Apr 19	3.94	20,000	–	–	20,000
	30 Apr 20	3.55	–	20,000	–	20,000

Directors' Report

Directors' interests (cont'd)

Employee Share Option Scheme (cont'd)

	Grant date	Option price RM	Number of options over ordinary shares 1 April 2020	Granted	Exercised	31 March 2021
Directors of the subsidiaries						
En Sazally bin Saidi	20 Apr 16	4.68	100,000	–	–	100,000
	26 Apr 17	5.32	400,000	–	–	400,000
	18 Apr 18	5.02	400,000	–	–	400,000
	30 Apr 19	3.94	400,000	–	–	400,000
	30 Apr 20	3.55	–	400,000	–	400,000
Mr Stephen Low Chee Weng	10 Apr 15	3.45	71,000	–	–	71,000
	20 Apr 16	4.68	70,000	–	–	70,000
	26 Apr 17	5.32	78,000	–	–	78,000
	18 Apr 18	5.02	100,000	–	–	100,000
	30 Apr 19	3.94	100,000	–	–	100,000
	30 Apr 20	3.55	–	100,000	–	100,000

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.

Issue of shares

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

Employee Share Option Scheme ("ESOS")

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

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

(i) not more than 50% of the ordinary shares in the Company available under the ESOS shall be allocated, in aggregate, to the directors and senior management of the Company; and

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

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

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

Directors' Report

Other statutory information

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that 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 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.

(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.

Directors' Report

Significant and subsequent events

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

Auditors

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

	Group RM'000	Company RM'000
Auditors' remuneration	130	63

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 July 2021.

Tan Sri Dato' Setia Haji Ambrin bin Buang
Chairman

Ir Haji Yusoff bin Daud
Executive Director

Statement by Directors

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

We, Tan Sri Dato' Setia Haji Ambrin bin Buang and Ir Haji Yusoff bin Daud, being two of the directors of Lingkaran Trans Kota Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 61 to 115 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 2021 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 27 July 2021.

Tan Sri Dato' Setia Haji Ambrin bin Buang
Chairman

Ir Haji Yusoff bin Daud
Executive Director

Statutory Declaration

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

I, Stephen Low Chee Weng, being the officer primarily responsible for the financial management of Lingkaran Trans Kota Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 61 to 115 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovenamed Stephen Low Chee Weng
at Petaling Jaya in the State of Selangor
Darul Ehsan on 27 July 2021.

Stephen Low Chee Weng
MIA CA 13501

Before me,

Commissioner for Oaths

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 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 61 to 115.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

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

(a) Impairment assessment of investment in an associate

As disclosed in Note 16 to the financial statements, the carrying amounts of the Group's and the Company's investment in an associate amounted to RM216,555,000 and RM392,928,000 representing approximately 11% and 87% of the Group's and the Company's total assets, respectively, at the reporting date.

As a result of the various movement control orders implemented by the Government of Malaysia during the financial year, there has been a decrease in the traffic volume on the highway operated by the associate. As such, there is an indication that the investment in an associate may be impaired. Accordingly, the Group performed an impairment assessment on the cost of investment in an associate by estimating the recoverable amount of such investment using value-in-use ("VIU") method.

Independent Auditors' Report

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

Key audit matters (cont'd)

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

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

Our procedures include the following, amongst others:

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

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

As disclosed in Note 12 to the financial statements, the Group's HDE amounted to RM1,089,518,000 representing approximately 54% of the Group's total assets at the reporting date.

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

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

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

Our procedures include the following, amongst others:

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

Independent Auditors' Report

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

Key audit matters (cont'd)

(c) Revenue

As disclosed in Note 4 to the financial statements, the Group's toll revenue is RM387,757,000, comprising the toll collection from the highway's users and compensation claim from the Government of Malaysia.

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

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

Our substantive procedures, included amongst others:

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

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

Responsibilities of the directors for the financial statements

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

Independent Auditors' Report

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Independent Auditors' Report

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

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

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

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

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

Other matters

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

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

Tan Shium Jye
No. 02991/05/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
27 July 2021

Statements of Comprehensive Income

For the year ended 31 March 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	4	**392,827**	503,844	**70,900**	126,091
Employee benefits expenses	5	**(22,917)**	(27,183)	**(1,971)**	(2,386)
Maintenance expenses		**(14,251)**	(14,987)	**–**	–
Depreciation and amortisation	12, 13 & 14	**(74,462)**	(94,134)	**(6)**	(6)
Other expenses		**(8,672)**	(10,913)	**(795)**	(925)
		(120,302)	(147,217)	**(2,772)**	(3,317)
		272,525	356,627	**68,128**	122,774
Other income	6	**11,751**	20,542	**698**	1,350
Finance costs	8	**(39,856)**	(52,722)	**–**	–
Share of result of an associate		**22,660**	18,436	**–**	–
Profit before tax	9	**267,080**	342,883	**68,826**	124,124
Income tax expense	10	**(61,304)**	(80,967)	**(309)**	(459)
Profit for the year		**205,776**	261,916	**68,517**	123,665
Other comprehensive loss					
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:					
Re-measurement loss on defined benefit plan		**–**	(321)	**–**	(14)
Income tax effect		**–**	74	**–**	–
Share of other comprehensive loss of an associate		**–**	(206)	**–**	–
Other comprehensive loss for the year, net of tax		**–**	(453)	**–**	(14)
Total comprehensive income for the year		**205,776**	261,463	**68,517**	123,651
Basic earnings per share attributable to equity holders of the Company (sen per share)	11(a)	**38.66**	49.39		
Diluted earnings per share attributable to equity holders of the Company (sen per share)	11(b)	**38.63**	49.37		

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

Statements of Financial Position

As at 31 March 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Non-current assets					
Highway development expenditure ("HDE")	12	**1,089,518**	1,162,988	**–**	–
Plant and equipment	13	**1,393**	1,458	**9**	15
Other intangible assets	14	**847**	1,047	**–**	–
Investments in subsidiaries	15	**–**	–	**50,460**	50,460
Investment in an associate	16	**216,555**	193,895	**392,928**	392,928
		1,308,313	1,359,388	**443,397**	443,403
Current assets					
Sundry receivables	17	**80,574**	121,890	**181**	208
Amounts due from subsidiaries	18	**–**	–	**57**	99
Amount due from an associate	18	**–**	453	**–**	28
Tax recoverable		**920**	2	**21**	–
Investment securities	19	**4,672**	14,930	**4,672**	14,930
Cash and bank balances	20	**621,119**	626,796	**3,154**	22,552
		707,285	764,071	**8,085**	37,817
Total assets		**2,015,598**	2,123,459	**451,482**	481,220
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	21	**252,695**	246,555	**252,695**	246,555
Other reserve	22	**7,940**	6,554	**7,940**	6,554
Retained earnings	23	**920,410**	821,195	**188,902**	226,946
Total equity		**1,181,045**	1,074,304	**449,537**	480,055
Liabilities					
Non-current liabilities					
Deferred revenue	25	**13,146**	14,708	**–**	–
Deferred tax liabilities	26	**178,653**	182,821	**–**	–
Sukuk Musyarakah Medium Term Notes ("IMTNs")	27	**385,254**	580,741	**–**	–
Retirement benefit obligations	28	**5,790**	5,224	**448**	405
Provision for heavy repairs	24	**20,307**	19,003	**–**	–
		603,150	802,497	**448**	405
Current liabilities					
Amount due to a subsidiary	18	**–**	–	**389**	–
Amount due to an associate	18	**93**	–	**129**	–
Provision for heavy repairs	24	**4,624**	6,709	**–**	–
Sukuk Musyarakah Medium Term Notes ("IMTNs")	27	**200,000**	200,000	**–**	–
Sundry payables	29	**26,686**	34,333	**979**	711
Tax payable		**–**	5,616	**–**	49
		231,403	246,658	**1,497**	760
Total liabilities		**834,553**	1,049,155	**1,945**	1,165
Total equity and liabilities		**2,015,598**	2,123,459	**451,482**	481,220

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

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Note	← Non-distributable → Share capital (Note 21) RM'000	Other reserve (Note 22) RM'000	Distributable Retained earnings (Note 23) RM'000	Total equity RM'000
Group					
At 1 April 2020		246,555	6,554	821,195	1,074,304
Total comprehensive income		–	–	205,776	205,776
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	21	5,332	–	–	5,332
Share options granted under ESOS	22	–	2,194	–	2,194
Share options exercised	21,22	808	(808)	–	–
Dividends	30	–	–	(106,561)	(106,561)
Total transactions with owners		6,140	1,386	(106,561)	(99,035)
At 31 March 2021		**252,695**	**7,940**	**920,410**	**1,181,045**
At 1 April 2019		231,269	6,215	692,521	930,005
Total comprehensive income		–	–	261,463	261,463
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	21	13,251	–	–	13,251
Share options granted under ESOS	22	–	2,374	–	2,374
Share options exercised	21,22	2,035	(2,035)	–	–
Dividends	30	–	–	(132,789)	(132,789)
Total transactions with owners		15,286	339	(132,789)	(117,164)
At 31 March 2020		246,555	6,554	821,195	1,074,304

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

Statement of Changes in Equity

For the year ended 31 March 2021

		← Non-distributable	→	Distributable	
	Note	Share capital (Note 21) RM'000	Other reserve (Note 22) RM'000	Retained earnings (Note 23) RM'000	Total equity RM'000
Company					
At 1 April 2020		246,555	6,554	226,946	480,055
Total comprehensive income		–	–	68,517	68,517
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	21	5,332	–	–	5,332
Share options granted under ESOS	22	–	2,194	–	2,194
Share options exercised	21,22	808	(808)	–	–
Dividends	30	–	–	(106,561)	(106,561)
Total transactions with owners		6,140	1,386	(106,561)	(99,035)
At 31 March 2021		**252,695**	**7,940**	**188,902**	**449,537**
At 1 April 2019		231,269	6,215	236,084	473,568
Total comprehensive income		-	-	123,651	123,651
Transactions with owners					
Issuance of ordinary shares pursuant to ESOS	21	13,251	-	-	13,251
Share options granted under ESOS	22	-	2,374	-	2,374
Share options exercised	21,22	2,035	(2,035)	-	-
Dividends	30	-	-	(132,789)	(132,789)
Total transactions with owners		15,286	339	(132,789)	(117,164)
At 31 March 2020		246,555	6,554	226,946	480,055

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 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities				
Profit before tax	**267,080**	342,883	**68,826**	124,124
Adjustments for:				
Amortisation of HDE	**73,665**	93,227	**–**	–
Amortisation of other intangible assets	**197**	203	**–**	–
Depreciation of plant and equipment	**600**	704	**6**	6
Plant and equipment written off	**3**	7	**–**	–
Other intangible assets written off	**3**	6	**–**	–
Gain on disposal of plant and equipment	**(92)**	(8)	**–**	–
Share of result of an associate	**(22,660)**	(18,436)	**–**	–
Deferred revenue recognised	**(1,562)**	(1,562)	**–**	–
Interest income from fixed deposits	**(3,074)**	(7,068)	**(220)**	(697)
Distribution from investment securities	**(282)**	(495)	**(282)**	(495)
Profit element and fees on IMTNs	**35,343**	46,790	**–**	–
Unwinding of discount on IMTNs	**4,513**	5,932	**–**	–
Profit on Islamic investment	**(7,051)**	(11,866)	**(196)**	(158)
Dividend income from a subsidiary	**–**	–	**(70,000)**	(125,000)
Reversal of provision for doubtful debts	**(260)**	(1,001)	**–**	–
Provision for short term accumulating compensated absences	**198**	9	**4**	3
Investments in subsidiaries written off	**–**	–	**–**	1
Provision for retirement benefits	**598**	547	**43**	40
Share options granted under ESOS	**1,645**	1,779	**256**	271
Operating profit/(loss) before working capital changes	**348,864**	451,651	**(1,563)**	(1,905)
Changes in receivables	**42,281**	3,502	**(1)**	(12)
Changes in payables	**(2,546)**	1,343	**264**	(98)
Changes in amounts due from/(to) subsidiaries	**–**	–	**1,820**	1,731
Changes in amount due from/(to) an associate	**1,095**	1,331	**706**	683
Cash generated from operations	**389,694**	457,827	**1,226**	399
Income tax paid	**(72,006)**	(97,170)	**(379)**	(402)
Retirement benefits paid	**(32)**	(98)	**–**	–
Net cash generated from/(used in) operating activities	**317,656**	360,559	**847**	(3)

Statements of Cash Flows

For the year ended 31 March 2021 (cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from investing activities				
Payments for HDE	**(226)**	(111)	**–**	–
Purchase of plant and equipment	**(538)**	(145)	**–**	–
Payments for heavy repairs	**(781)**	(2,866)	**–**	–
Interest received	**2,482**	7,508	**235**	710
Profit received from Islamic investment	**6,938**	12,363	**209**	183
Distribution received from investment securities	**282**	495	**282**	495
Dividend received from a subsidiary	**–**	–	**70,000**	125,000
Proceeds from disposal of plant and equipment	**92**	8	**–**	–
Net proceeds from disposal/(purchase) of investment securities	**10,258**	(495)	**10,258**	(495)
Net cash generated from investing activities	**18,507**	16,757	**80,984**	125,893
Cash flows from financing activities				
Proceeds from issuance of ordinary shares via exercise of ESOS	**5,332**	13,251	**5,332**	13,251
Profit element and fees paid on IMTNs	**(40,611)**	(52,472)	**–**	–
Dividends paid	**(106,561)**	(132,789)	**(106,561)**	(132,789)
Repayment of IMTN I	**(200,000)**	(220,000)	**–**	–
Net cash used in financing activities	**(341,840)**	(392,010)	**(101,229)**	(119,538)
Net changes in cash and cash equivalents	**(5,677)**	(14,694)	**(19,398)**	6,352
Cash and cash equivalents at beginning of the year	**626,796**	641,490	**22,552**	16,200
Cash and cash equivalents at end of the year (Note 20)	**621,119**	626,796	**3,154**	22,552

Statements of Cash Flows

For the year ended 31 March 2021 (cont'd)

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

	IMTNs (Note 27) RM'000	Accrued profit element on IMTNs (Note 29) RM'000	Total RM'000
Group			
At 31 March 2021			
At 1 April 2020	780,741	21,333	802,074
Repayment of IMTN I	(200,000)	–	(200,000)
Profit element and fees paid on IMTNs	–	(40,611)	(40,611)
Unwinding of discount and profit element on IMTNs (Note 8)	4,513	35,232	39,745
Other charges (Note 8)	–	111	111
At 31 March 2021	**585,254**	**16,065**	**601,319**
At 31 March 2020			
At 1 April 2019	994,809	27,015	1,021,824
Repayment of IMTN I	(220,000)	–	(220,000)
Profit element and fees paid on IMTNs	–	(52,472)	(52,472)
Unwinding of discount and profit element on IMTNs (Note 8)	5,932	46,678	52,610
Other charges (Note 8)	–	112	112
At 31 March 2020	780,741	21,333	802,074

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

	Group 2021 RM'000	Group 2020 RM'000
Additions of HDE (Note 12)	**195**	113
Less:		
Paid by means of payables	**–**	(2)
Add:		
Payment for previous year acquisition	**31**	–
	226	111

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

Notes to the Financial Statements
– 31 March 2021

1. Corporate information

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 July 2021.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

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

Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3	Business Combinations - Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform

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

Notes to the Financial Statements
– 31 March 2021

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

2.3 Standards issued but not yet effective

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

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

Amendment to MFRS 16	Covid-19-Related Rent Concessions

Effective for annual periods beginning on or after 1 January 2021:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

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

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

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

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

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	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

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.

Notes to the Financial Statements
– 31 March 2021

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.

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.

Notes to the Financial Statements
– 31 March 2021

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

2.4 Basis of consolidation (cont'd)

If the Group loses control over a subsidiary, it:

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

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

2.5 Investment in an associate

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

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

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

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.

Notes to the Financial Statements
– 31 March 2021

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

2.5 Investment in an associate (cont'd)

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

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

2.6 Plant and equipment

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

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

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

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

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

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.

Notes to the Financial Statements

– 31 March 2021

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

2.7 Highway development expenditure ("HDE")

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

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

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

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

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

2.8 Other intangible assets

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

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

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

The following annual amortisation rate is applied:

Computer software and licences	10%

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

Notes to the Financial Statements
– 31 March 2021

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

2.9 Deferred revenue

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

2.10 Provision

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

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

2.11 Borrowing costs

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

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

2.12 Income tax

(a) Current tax

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

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

(b) Deferred tax

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

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

Notes to the Financial Statements
– 31 March 2021

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

2.12 Income tax (cont'd)

(b) Deferred tax (cont'd)

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

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

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

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

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

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

2.13 Fair value measurement

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

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

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

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

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

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

Notes to the Financial Statements
– 31 March 2021

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

2.13 Fair value measurement (cont'd)

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

(i) Level 1 - unadjusted quoted market prices in active markets for identical assets or liabilities

(ii) Level 2 - inputs other than quoted market prices that are observable either directly or indirectly

(iii) Level 3 - input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines 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 the amount can be reliably measured. Revenue and other income are measured at the fair value of consideration received or receivable.

(i) Revenue

(a) Toll revenue

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

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

(b) Dividend income

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

(c) Management fees

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

(d) Licence fee

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

(e) Advertising income

Advertising income is recognised over time on an accrual basis.

(ii) Other income

Interest income

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

Notes to the Financial Statements
– 31 March 2021

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

2.15 Impairment of non-financial assets

The Group assesses 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 makes an estimate of the asset's recoverable amount.

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

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

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

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

2.16 Financial assets

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

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

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

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

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

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

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

Notes to the Financial Statements

– 31 March 2021

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

2.16 Financial assets (cont'd)

(b) Financial assets at amortised cost

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

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

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

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

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

2.17 Impairment of financial assets at amortised cost

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

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

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

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

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

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

Notes to the Financial Statements
– 31 March 2021

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

2.18 Financial liabilities

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

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

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

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

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

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

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

2.19 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plans

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

(c) Defined benefit plans

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

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

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

Notes to the Financial Statements
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2. Summary of significant accounting policies (cont'd)

2.19 Employee benefits (cont'd)

(d) Share-based payments

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

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

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

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

2.20 Cash and cash equivalents

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

2.21 Share capital and share issuance expenses

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

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

3. Significant accounting judgements and estimates

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

Notes to the Financial Statements
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3. Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty

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

(a) Amortisation of highway development expenditure ("HDE")

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

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

At the reporting date, if the projected total traffic volume for the subsequent years to the end of concession period had been 1% lower/higher, with all variables held constant, the Group's profit before tax would have been approximately RM698,000 (2020: RM873,000) lower/higher, arising mainly as a result of lower/higher expected traffic volume.

(b) Impairment assessment of investment in an associate

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

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

As a result of the various movement control orders implemented by the Government of Malaysia during the financial year, there has been a decrease in the traffic volume on the highway operated by the associate. As such, there is an indication that the investment in an associate may be impaired.

In preparing discounted cash flow analysis, discount rate and projected revenue reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The discount rate applied to the cash flow projection is 9.5% (2020: 11.1%). The projected revenue used in the projected cash flows for the following year approximate the performance of SPRINT Holdings based on the forecast by an independent professional valuer. In deriving at the projected revenue, the key estimation is the traffic volume projections. The assumptions to arrive at the traffic volume projections take into considerations the growth rate based on current and future economic growth, toll-demand elasticity and peak hour factor.

At the reporting date, if the discount rate for the remaining concession period had been 10 basis points lower/higher, with all variables held constant, the Group's recoverable amount would have been approximately RM3,515,000 higher/lower, as a result of lower/higher expected discount rate.

At the reporting date, if the projected revenue for the remaining concession period had been 1% lower/higher, with all variables held constant, the Group's recoverable amount would have been approximately RM14,979,000 lower/higher, as a result of lower/higher expected projected revenue.

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

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4. Revenue

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Toll revenue	**387,757**	498,849	**–**	–
Management fee charged to a subsidiary	**–**	–	**900**	1,091
Advertising income	**3,156**	3,020	**–**	–
Licence fee (Note 25)	**1,562**	1,562	**–**	–
Dividend income from a subsidiary	**–**	–	**70,000**	125,000
Others	**352**	413	**–**	–
	392,827	503,844	**70,900**	126,091

Included in toll revenue of the Group is an amount of RM125,273,000 (2020: RM161,465,000) representing a subsidiary's compensation claim from the Government of Malaysia (the "Government") for the imposition of toll rates lower than those as provided for in the Concession Agreement as described further in Note 34.

5. Employee benefits expenses

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries	**13,892**	16,518	**1,435**	1,713
Provision for short term accumulating compensated absences	**198**	9	**4**	3
Defined contribution plan	**1,765**	2,074	**79**	95
Defined benefit plan	**598**	547	**43**	40
Share options granted under ESOS	**1,645**	1,779	**256**	271
Social security contributions	**222**	251	**4**	4
Other benefits	**4,597**	6,005	**150**	260
	22,917	27,183	**1,971**	2,386

Included in employee benefits expenses of the Group and of the Company is executive director's remuneration (excluding benefits-in-kind) amounting to RM528,000 (2020: RM637,000) as described further in Note 7.

Notes to the Financial Statements
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6. Other income

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest income from fixed deposits	**3,074**	7,068	**220**	697
Profit on Islamic investment	**7,051**	11,866	**196**	158
Distribution from investment securities	**282**	495	**282**	495
Others	**1,344**	1,113	**–**	–
	11,751	20,542	**698**	1,350

7. Directors' remuneration

	Group and Company	
	2021 RM'000	2020 RM'000
Executive:		
Salaries and other emoluments	**421**	516
Share options granted under ESOS	**107**	121
Total executive director's remuneration (excluding benefits-in-kind) (Note 5)	**528**	637
Estimated monetary value of benefits-in-kind	**3**	3
Total executive director's remuneration (including benefits-in-kind)	**531**	640
Non-executive:		
Fees	**380**	422
Other emoluments	**84**	84
Share options granted under ESOS	**11**	12
Total non-executive directors' remuneration	**475**	518
Total directors' remuneration	**1,006**	1,158
Analysis excluding estimated monetary value of benefits-in-kind:		
Total executive director's remuneration (Note 5)	**528**	637
Total non-executive directors' remuneration (Note 9)	**475**	518
Total directors' remuneration	**1,003**	1,155

Notes to the Financial Statements
– 31 March 2021

7. Directors' remuneration (cont'd)

The details of the directors' remuneration (excluding share options granted under ESOS) of the Group and of the Company during the financial years ended 31 March 2021 and 31 March 2020 are as follows:

	Salaries and bonus RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
2021				
Executive director:				
Ir Haji Yusoff bin Daud	**330**	**–**	**94**	**424**
Non-executive directors:				
Tan Sri Dato' Setia Haji Ambrin bin Buang	**–**	**186**	**22**	**208**
Dato' Haji Azmi bin Mat Nor	**–**	**–**	**22**	**22**
Datin Lee Choi Chew	**–**	**99**	**18**	**117**
Puan Nazli binti Mohd Khir Johari	**–**	**95**	**22**	**117**
	–	**380**	**84**	**464**
2020				
Executive director:				
Ir Haji Yusoff bin Daud	420	–	99	519
Non-executive directors:				
Tan Sri Dato' Setia Haji Ambrin bin Buang	–	206	24	230
Dato' Haji Azmi bin Mat Nor	–	–	18	18
Datin Lee Choi Chew	–	110	18	128
Puan Nazli binti Mohd Khir Johari	–	106	24	130
	–	422	84	506

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

8. Finance costs

	Group 2021 RM'000	Group 2020 RM'000
Profit element on IMTNs	**35,232**	46,678
Unwinding of discount on IMTNs	**4,513**	5,932
Others	**111**	112
	39,856	52,722

Notes to the Financial Statements
– 31 March 2021

9. Profit before tax

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-executive directors (Note 7)				
- fees	**380**	422	**380**	422
- other emoluments	**84**	84	**84**	84
- share options granted under ESOS	**11**	12	**11**	12
Auditors' remuneration				
- statutory audit				
- current year	**130**	124	**63**	60
- under provision in prior year	**6**	–	**3**	–
- other services	**173**	8	**173**	8
Amortisation of HDE (Note 12)	**73,665**	93,227	**–**	–
Amortisation of other intangible assets (Note 14)	**197**	203	**–**	–
Depreciation of plant and equipment (Note 13)	**600**	704	**6**	6
Plant and equipment written off	**3**	7	**–**	–
Other intangible assets written off	**3**	6	**–**	–
Gain on disposal of plant and equipment	**(92)**	(8)	**–**	–
Investments in subsidiaries written off	**–**	–	**–**	1
Reversal of provision for doubtful debts (Note 17)	**(260)**	(1,001)	**–**	–
Deferred revenue recognised (Note 25)	**(1,562)**	(1,562)	**–**	–

10. Income tax expense

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysian income tax:				
- current income tax	**65,232**	89,353	**309**	459
- under provision in prior years	**240**	185	**–**	–
	65,472	89,538	**309**	459
Deferred tax (Note 26):				
- relating to reversal of temporary differences	**(4,168)**	(8,400)	**–**	–
- over provision in prior year	**–**	(171)	**–**	–
	(4,168)	(8,571)	**–**	–
Income tax expense recognised in profit or loss	**61,304**	80,967	**309**	459
Deferred tax related to items recognised in OCI during the year:				
Re-measurement loss on defined benefit plan, representing total income tax recognised in OCI	**–**	(74)	**–**	–

Current income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

Notes to the Financial Statements
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10. Income tax expense (cont'd)

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

	Group 2021 RM'000	Group 2020 RM'000
Profit before tax	**267,080**	342,883
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	**64,099**	82,292
Income not subject to tax	**(75)**	(140)
Expenses not deductible for tax purposes	**2,478**	3,226
Share of result of an associate	**(5,438)**	(4,425)
Under provision of income tax expense in prior years	**240**	185
Over provision of deferred tax in prior year	**–**	(171)
Income tax expense recognised in profit or loss	**61,304**	80,967

	Company 2021 RM'000	Company 2020 RM'000
Profit before tax	**68,826**	124,124
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	**16,518**	29,790
Income not subject to tax	**(16,875)**	(30,140)
Expenses not deductible for tax purposes	**666**	809
Income tax expense recognised in profit or loss	**309**	459

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 2021 RM'000	Group 2020 RM'000
Profit for the year, net of tax	**205,776**	261,916
	'000	**'000**
Weighted average number of ordinary shares for basic earnings per share	**532,322**	530,339
	Sen	**Sen**
Basic earnings per share	**38.66**	49.39

Notes to the Financial Statements
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11. Earnings per share (cont'd)

(b) Diluted

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

	Group	
	2021	**2020**
	RM'000	**RM'000**
Profit for the year, net of tax	**205,776**	261,916
	'000	**'000**
Weighted average number of ordinary shares for basic earnings per share	**532,322**	530,339
Effect of dilution via exercise of ESOS	**352**	192
Weighted average number of ordinary shares for diluted earnings per share	**532,674**	530,531
	Sen	**Sen**
Diluted earnings per share	**38.63**	49.37

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

12. Highway development expenditure ("HDE")

	Group	
	2021	**2020**
	RM'000	**RM'000**
Cost		
At beginning of the year	**2,174,282**	2,174,169
Additions	**195**	113
At end of the year	**2,174,477**	2,174,282
Accumulated amortisation		
At beginning of the year	**1,011,294**	918,067
Amortisation for the year (Note 9)	**73,665**	93,227
At end of the year	**1,084,959**	1,011,294
Net carrying amount	**1,089,518**	1,162,988

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

Notes to the Financial Statements
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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 2021							
Cost							
At 1 April 2020	1,634	1,642	3,537	2,451	7,245	1,687	18,196
Additions	–	8	136	22	154	218	538
Disposals	–	–	–	–	(704)	–	(704)
Write-offs	–	(7)	(156)	(6)	(20)	(10)	(199)
At 31 March 2021	**1,634**	**1,643**	**3,517**	**2,467**	**6,675**	**1,895**	**17,831**
Accumulated depreciation							
At 1 April 2020	1,599	1,568	3,193	2,353	6,794	1,231	16,738
Charge for the year (Note 9)	31	34	200	16	196	123	600
Disposals	-	-	-	-	(704)	-	(704)
Write-offs	-	(7)	(155)	(4)	(20)	(10)	(196)
At 31 March 2021	**1,630**	**1,595**	**3,238**	**2,365**	**6,266**	**1,344**	**16,438**
Net carrying amount	**4**	**48**	**279**	**102**	**409**	**551**	**1,393**
At 31 March 2020							
Cost							
At 1 April 2019	1,651	1,665	3,562	2,506	7,236	1,687	18,307
Additions	12	16	96	1	20	–	145
Disposals	–	–	(41)	–	(11)	–	(52)
Write-offs	(29)	(39)	(80)	(56)	–	–	(204)
At 31 March 2020	1,634	1,642	3,537	2,451	7,245	1,687	18,196
Accumulated depreciation							
At 1 April 2019	1,561	1,558	3,063	2,390	6,538	1,173	16,283
Charge for the year (Note 9)	67	48	250	14	267	58	704
Disposals	–	–	(41)	–	(11)	–	(52)
Write-offs	(29)	(38)	(79)	(51)	–	–	(197)
At 31 March 2020	1,599	1,568	3,193	2,353	6,794	1,231	16,738
Net carrying amount	35	74	344	98	451	456	1,458

The plant and equipment of a subsidiary with a net carrying amount of RM1,384,000 (2020: RM1,443,000) is pledged for the financing facilities as disclosed in Note 27.

Notes to the Financial Statements
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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 2021				
Cost				
At 1 April 2020	74	127	33	234
Write-offs	(1)	–	–	(1)
At 31 March 2021	**73**	**127**	**33**	**233**
Accumulated depreciation				
At 1 April 2020	72	114	33	219
Charge for the year (Note 9)	1	5	–	6
Write-offs	(1)	–	–	(1)
At 31 March 2021	**72**	**119**	**33**	**224**
Net carrying amount	**1**	**8**	**–**	**9**
At 31 March 2020				
Cost				
At 1 April 2019	76	127	33	236
Write-offs	(2)	–	–	(2)
At 31 March 2020	74	127	33	234
Accumulated depreciation				
At 1 April 2019	73	109	33	215
Charge for the year (Note 9)	1	5	–	6
Write-offs	(2)	–	–	(2)
At 31 March 2020	72	114	33	219
Net carrying amount	2	13	–	15

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14. Other intangible assets

	Group 2021 RM'000	Group 2020 RM'000
Cost		
At beginning of the year	**2,937**	3,108
Write-offs	**(238)**	(171)
At end of the year	**2,699**	2,937
Accumulated amortisation		
At beginning of the year	**1,890**	1,852
Amortisation for the year (Note 9)	**197**	203
Write-offs	**(235)**	(165)
At end of the year	**1,852**	1,890
Net carrying amount	**847**	1,047

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

15. Investments in subsidiaries

	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares, at cost	**50,460**	50,460

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

Name of company	Principal activities	Equity interest 2021 %	Equity interest 2020 %
Lingkaran Trans Kota Sdn Bhd	Toll highway concession	**100**	100
ETC Links Sdn Bhd	Rental of software and related equipment	**100**	100
Litrak Sdn Bhd	Dormant	**100**	100

Notes to the Financial Statements
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16. Investment in an associate

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted ordinary and preference shares, at cost	**392,928**	392,928	**392,928**	392,928
Share of post-acquisition reserves	**(176,373)**	(199,033)	**–**	–
	216,555	193,895	**392,928**	392,928

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

Name of company	Principal activities	Equity interest 2021 %	Equity interest 2020 %
Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Holdings")	Investment holding and the provision of management services	**50**	50
Subsidiary of SPRINT Holdings:			
Sistem Penyuraian Trafik KL Barat Sdn Bhd ("SPRINT")	Design, construct, operate, manage and maintain the highway known as Western Kuala Lumpur Traffic Dispersal Scheme	**50**	50

Summarised financial information of the associate is as follows: This 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 2021 RM'000	SPRINT Holdings Group 2020 RM'000
Revenue	**217,292**	244,519
Profit for the year	**45,319**	36,872
Other comprehensive loss	**–**	(411)
Total comprehensive income for the year	**45,319**	36,461

(b) Summarised statement of financial position

	SPRINT Holdings Group 2021 RM'000	SPRINT Holdings Group 2020 RM'000
Assets and liabilities		
Non-current assets	**1,305,204**	1,347,420
Current assets	**292,015**	354,289
Non-current liabilities	**(1,161,952)**	(1,227,462)
Current liabilities	**(149,417)**	(233,716)
Net assets of SPRINT Holdings Group	**285,850**	240,531

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16. Investment in an associate (cont'd)

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

	2021 RM'000	2020 RM'000
Net assets of SPRINT Holdings Group at 1 April 2020/2019	**240,531**	204,070
Total comprehensive income for the year	**45,319**	36,461
Net assets of SPRINT Holdings Group at 31 March	**285,850**	240,531
Group's share of net assets	**142,762**	120,102
Goodwill	**73,793**	73,793
Carrying amount of Group's investment in SPRINT Holdings Group	**216,555**	193,895
Group's interest in SPRINT Holdings Group	**50%**	50%

17. Sundry receivables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Compensation claim receivable from the Government	**77,709**	119,058	**–**	–
Deposits	**304**	296	**141**	141
Prepayments	**1,050**	1,099	**34**	33
Interest receivable from fixed deposits	**772**	180	**1**	16
Profit receivable on Islamic investment	**737**	624	**4**	17
Others	**55**	946	**1**	1
	80,627	122,203	**181**	208
Less: Provision for doubtful debts	**(53)**	(313)	**–**	–
Total sundry receivables	**80,574**	121,890	**181**	208
Financial assets at amortised cost				
Total sundry receivables	**80,574**	121,890	**181**	208
Add: Amounts due from subsidiaries (Note 18)	**–**	–	**57**	99
Amount due from an associate (Note 18)	**–**	453	**–**	28
Cash and bank balances (Note 20)	**621,119**	626,796	**3,154**	22,552
Less: Prepayments	**(1,050)**	(1,099)	**(34)**	(33)
Financial assets at fair value through profit or loss				
Investment securities (Note 19)	**4,672**	14,930	**4,672**	14,930
Total financial assets	**705,315**	762,970	**8,030**	37,784

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 RM77,709,000 (2020: RM119,058,000).

Notes to the Financial Statements
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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	
	2021 RM'000	2020 RM'000
Movement in allowance accounts:		
At 1 April 2020/2019	**313**	1,314
Reversal of provision for doubtful debts (Note 9)	**(260)**	(1,001)
At 31 March	**53**	313

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

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

19. Investment securities

	Group and Company			
	2021 RM'000		2020 RM'000	
	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
Financial asset at fair value through profit or loss				
Investment securities (quoted in Malaysia)	**4,672**	**4,672**	14,930	14,930

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Licensed banks	**292,296**	423,784	**3,065**	10,858
Investment banks	**175,452**	116,285	**–**	10,289
Deposits with licensed bank and financial institutions	**467,748**	540,069	**3,065**	21,147
Cash on hand and at banks	**153,371**	86,727	**89**	1,405
Cash and cash equivalents	**621,119**	626,796	**3,154**	22,552

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

Notes to the Financial Statements
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20. Cash and bank balances (cont'd)

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

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
Licensed banks	**2.00**	2.85	**1.98**	2.86
Investment banks	**2.09**	2.80	**–**	2.82

	Group		Company	
	2021	2020	2021	2020
	Days	Days	Days	Days
Licensed banks	**37 - 89**	12 - 89	**37 - 57**	33 - 89
Investment banks	**81 - 89**	12 - 89	**–**	34 - 89

21. Share capital

	Number of shares		Amount	
	2021	2020	2021	2020
	'000	'000	RM'000	RM'000
Issued and fully paid:				
Ordinary shares				
At beginning of the year	**531,342**	527,976	**246,555**	231,269
Shares issued pursuant to ESOS	**1,502**	3,366	**5,332**	13,251
Share options exercised	**–**	–	**808**	2,035
At end of the year	**532,844**	531,342	**252,695**	246,555

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

22. Other reserve

	Group and Company	
	2021	2020
	RM'000	RM'000
Share option reserve		
At beginning of the year	**6,554**	6,215
Share options granted under ESOS	**2,194**	2,374
Share options exercised	**(808)**	(2,035)
At end of the year	**7,940**	6,554

Notes to the Financial Statements
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22. Other reserve (cont'd)

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

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

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

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

(i) not more than 50% of the ordinary shares in the Company available under the ESOS shall be allocated, in aggregate, to the directors and senior management of the Company; and

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

During the financial year, options to subscribe for 4,349,000 (2020: 4,456,000) new ordinary shares have been granted to eligible employees and directors pursuant to the ESOS.

(b) Salient features of the ESOS

(i) eligible persons are full time employees (including foreign employees and contract employees with a minimum three years contract of service) on the payroll of any company within the Group, full time executive directors (including foreign executive directors) and non-executive directors, who have served the Group for at least one year as at the date of offer. The selection of eligible persons for participation in the ESOS shall be at the absolute discretion of the ESOS Committee.

(ii) the total number of shares to be offered under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.

(iii) the ESOS shall be in force for a period of 5 years upon expiration of the previous ESOS on 8 October 2013 and, upon the date of full compliance with all relevant requirements from Bursa Malaysia Securities Berhad, subject however to any extension or renewal for a further period of not exceeding 5 years commencing from the day after the date of expiration of the original 5 years period as may be approved by the ESOS Committee.

(iv) the options granted under the ESOS are not assignable.

(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.

Notes to the Financial Statements
– 31 March 2021

22. Other reserve (cont'd)

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

(vii) the new ordinary shares allotted upon any exercise of options shall rank pari passu in all respects with the existing issued and paid-up ordinary shares of the Company (except that the new shares so issued will not rank for any dividends, rights, allotments and any other distributions declared, made or paid to shareholders if the relevant exercise date of the option falls after the closure date of business for determination of the above entitlements).

(viii) the options vest upon grant.

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

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

31 March 2021

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

Notes to the Financial Statements
– 31 March 2021

22. Other reserve (cont'd)

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

31 March 2020

			Number of Share Options over Ordinary Shares of the Company					
Grant Date	Expiry Date	Exercise Price	Outstanding at 1 April	Movement During the Year Granted	Exercised	Forfeited	Outstanding at 31 March	Exercisable at 31 March
		(RM)	'000	'000	'000	'000	'000	'000
09 Apr 14	08 Oct 23	3.44	31	-	(8)	-	23	23
10 Apr 15	08 Oct 23	3.45	143	-	(55)	-	88	88
08 Oct 15	08 Oct 23	4.59	4	-	-	(2)	2	2
20 Apr 16	08 Oct 23	4.68	797	-	-	(10)	787	787
06 Oct 16	08 Oct 23	5.23	184	-	-	(16)	168	168
26 Apr 17	08 Oct 23	5.32	3,818	-	-	(156)	3,662	3,662
12 Oct 17	08 Oct 23	5.17	282	-	-	(36)	246	246
18 Apr 18	08 Oct 23	5.02	4,109	-	-	(204)	3,905	3,905
08 Oct 18	08 Oct 23	4.18	348	-	(72)	(36)	240	240
30 Apr 19	08 Oct 23	3.94	-	4,430	(3,207)	(50)	1,173	1,173
07 Oct 19	08 Oct 23	4.05	-	26	(24)	-	2	2
			9,716	**4,456**	**(3,366)**	**(510)**	**10,296**	**10,296**
Weighted average exercise price (RM)			5.06	3.94	3.94	5.00	4.95	4.95

The options outstanding at the end of the financial year have a remaining contractual life of 2.5 years.

(d) Share options exercised during the year

Options exercised during the financial year resulted in the issuance of 1,502,000 (2020: 3,366,000) ordinary shares of the Company at a weighted average price of RM3.55 (2020: RM3.94) each. The related weighted average share price at the date of exercise was RM4.13 (2020: RM4.83).

Notes to the Financial Statements
– 31 March 2021

22. Other reserve (cont'd)

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

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

	2021	2020
Fair value of share options at the following grant dates (RM):		
05.10.20	**0.56**	–
30.04.20	**0.54**	–
07.10.19	**–**	0.61
30.04.19	**–**	0.60
Share price (RM)	**3.89 - 4.00**	4.30 - 4.42
Exercise price (RM)	**3.55 - 3.60**	3.94 - 4.05
Expected volatility (%)	**25.0**	25.0
Expected life (years)	**2.50**	3.50
Risk free rate (%)	**1.71 - 2.35**	3.09 - 3.37
Expected dividend yield (%)	**5.0**	5.0

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

23. Retained earnings

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

24. Provision for heavy repairs

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

	Group	
	2021 RM'000	2020 RM'000
At beginning of the year	**25,712**	28,578
Utilised during the year	**(781)**	(2,866)
At end of the year	**24,931**	25,712
Analysed as:		
Non-current	**20,307**	19,003
Current	**4,624**	6,709
Total	**24,931**	25,712

Notes to the Financial Statements
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25. Deferred revenue

	Group	
	2021	**2020**
	RM'000	**RM'000**
Licence fee		
Licence fee received	**47,900**	47,900
Deferred revenue recognised to-date	**(34,754)**	(33,192)
Balance unrecognised	**13,146**	14,708
Licence fee recognised as revenue during the year (Note 4 and Note 9)	**1,562**	1,562

26. Deferred tax liabilities

	Group	
	2021	**2020**
	RM'000	**RM'000**
At beginning of the year	**182,821**	191,466
Recognised in profit or loss (Note 10)	**(4,168)**	(8,400)
Over provision in prior year (Note 10)	**–**	(171)
Recognised in other comprehensive loss (Note 10)	**–**	(74)
At end of the year	**178,653**	182,821

Presented after appropriate offsetting as follows:

Deferred tax liabilities	**198,975**	205,993
Deferred tax assets	**(20,322)**	(23,172)
	178,653	182,821

Notes to the Financial Statements
– 31 March 2021

26. Deferred tax liabilities (cont'd)

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

	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 2020	241	205,752	205,993	(3,530)	(6,171)	(224)	(1,156)	(12,091)	(23,172)	182,821
Recognised in profit or loss	12	(7,030)	(7,018)	375	188	(47)	(126)	2,460	2,850	(4,168)
At 31 March 2021	**253**	**198,722**	**198,975**	**(3,155)**	**(5,983)**	**(271)**	**(1,282)**	**(9,631)**	**(20,322)**	**178,653**
At 1 April 2019	258	217,029	217,287	(3,905)	(5,066)	(2,004)	(880)	(13,966)	(25,821)	191,466
Recognised in profit or loss	(17)	(11,277)	(11,294)	375	(1,105)	1,780	(276)	1,875	2,649	(8,645)
At 31 March 2020	241	205,752	205,993	(3,530)	(6,171)	(224)	(1,156)	(12,091)	(23,172)	182,821

Notes to the Financial Statements
– 31 March 2021

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

	Group	
	2021 RM'000	2020 RM'000
Current		
Secured:		
IMTN I	**100,000**	200,000
IMTN II	**100,000**	–
	200,000	200,000
Non-current		
Secured:		
IMTN I	**190,000**	290,000
Less: Unamortised discount for IMTN I	**(2,294)**	(4,550)
	187,706	285,450
IMTN II	**200,000**	300,000
Less: Unamortised discount for IMTN II	**(2,452)**	(4,709)
	197,548	295,291
Amount repayable after 12 months	**385,254**	580,741
Total IMTNs	**585,254**	780,741

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements
– 31 March 2021

28. Retirement benefit obligations

The Group and the Company operate an unfunded Retirement Benefit Scheme (the "Scheme") for eligible employees. Under the Scheme, eligible employees are entitled to retirement benefits of 2.5% on the last drawn monthly basic salary for each completed months of service on attainment of the retirement age of 60 (2020: 60).

The amounts recognised in the financial statements are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Statements of financial position				
Present value of unfunded defined benefit obligations, net liability	**5,790**	5,224	**448**	405
Analysed as:				
Non-current:				
Later than 2 years but not later than 5 years	**744**	334	**95**	10
Later than 5 years	**5,046**	4,890	**353**	395
	5,790	5,224	**448**	405
Statements of comprehensive income				
Current service cost	**342**	315	**23**	22
Interest cost	**256**	232	**20**	18
Total, included in employee benefits expenses (Note 5)	**598**	547	**43**	40

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of the year	**5,224**	4,454	**405**	351
Recognised in profit or loss	**598**	547	**43**	40
Recognised in other comprehensive loss	**–**	321	**–**	14
Retirement benefits paid	**(32)**	(98)	**–**	–
At end of the year	**5,790**	5,224	**448**	405

Principal actuarial assumptions used:

	2021	**2020**
	%	**%**
Discount rate	**4.9**	4.9
Expected rate of employees' salary increases	**6.0**	6.0

Notes to the Financial Statements
– 31 March 2021

28. Retirement benefit obligations (cont'd)

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

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

29. Sundry payables

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Accrued profit element on IMTNs	**16,065**	21,333	**–**	–
Amount due to a related party	**2**	–	**–**	–
Retention sum	**399**	463	**–**	–
Sundry payables and accruals	**10,220**	12,537	**979**	711
Total sundry payables	**26,686**	34,333	**979**	711
Add: Amount due to a subsidiary (Note 18)	**–**	–	**389**	–
Amount due to an associate (Note 18)	**93**	–	**129**	–
IMTNs (Note 27)	**585,254**	780,741	**–**	–
Total financial liabilities carried at amortised costs	**612,033**	815,074	**1,497**	711

Amount due to a related party is unsecured, non-interest bearing and is repayable on demand.

Further details on related party transactions are disclosed in Note 33.

Notes to the Financial Statements
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30. Dividends

	Group and Company			
	Dividends in respect of year		Dividends recognised in year	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interim dividend for 2020: 10 sen per share on 530,877,618 ordinary shares declared on 28 August 2019 and paid on 27 September 2019	**–**	53,088	**–**	53,088
Interim dividend for 2020: 15 sen per share on 531,341,618 ordinary shares declared on 27 February 2020 and paid on 26 March 2020	**–**	79,701	**–**	79,701
Interim dividend for 2021: 10 sen per share on 532,765,618 ordinary shares declared on 27 August 2020 and paid on 29 September 2020	**53,277**	–	**53,277**	–
Interim dividend for 2021: 10 sen per share on 532,843,618 ordinary shares declared on 25 February 2021 and paid on 30 March 2021	**53,284**	–	**53,284**	–
	106,561	132,789	**106,561**	132,789

31. Segment information

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

(i) highway - tolling operations and highway maintenance; and

(ii) others - investment holding and dormant.

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

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

Notes to the Financial Statements

– 31 March 2021

31. Segment information (cont'd)

The analysis of group operations are as follows:

	Highway		Others		Eliminations			Consolidated	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**Notes**	**2021 RM'000**	**2020 RM'000**
Revenue									
Revenue from external customers	**392,827**	503,844	**–**	–	**–**	–		**392,827**	503,844
Inter-segment revenue	**–**	–	**70,900**	126,091	**(70,900)**	(126,091)	A	**–**	–
Total revenue	**392,827**	503,844	**70,900**	126,091	**(70,900)**	(126,091)		**392,827**	503,844
Results									
Segment results	**275,592**	359,791	**68,398**	123,257	**(69,839)**	(124,813)	A	**274,151**	358,235
Interest/profit income	**9,709**	18,079	**416**	855	**–**	–	A	**10,125**	18,934
Profit from operations	**285,301**	377,870	**68,814**	124,112	**(69,839)**	(124,813)		**284,276**	377,169
Finance costs	**(39,856)**	(52,722)	**–**	–	**–**	–	A	**(39,856)**	(52,722)
Share of result of an associate	**22,660**	18,436	**–**	–	**–**	–		**22,660**	18,436
Profit before tax	**268,105**	343,584	**68,814**	124,112	**(69,839)**	(124,813)		**267,080**	342,883
Income tax expense	**(60,995)**	(80,508)	**(309)**	(459)	**–**	–		**(61,304)**	(80,967)
Profit for the year	**207,110**	263,076	**68,505**	123,653	**(69,839)**	(124,813)		**205,776**	261,916
Other comprehensive loss									
Re-measurement loss on defined benefit plan	**–**	(307)	**–**	(14)	**–**	–		**–**	(321)
Income tax effect	**–**	74	**–**	–	**–**	–		**–**	74
Share of other comprehensive loss of an associate	**–**	(206)	**–**	–	**–**	–		**–**	(206)
Other comprehensive loss for the year, net of tax	**–**	(439)	**–**	(14)	**–**	–		**–**	(453)
Total comprehensive income for the year	**207,110**	262,637	**68,505**	123,639	**(69,839)**	(124,813)		**205,776**	261,463

Notes to the Financial Statements
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31. Segment information (cont'd)

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

	Highway 2021 RM'000	Highway 2020 RM'000	Others 2021 RM'000	Others 2020 RM'000	Eliminations 2021 RM'000	Eliminations 2020 RM'000	Notes	Consolidated 2021 RM'000	Consolidated 2020 RM'000
Assets and liabilities									
Segment assets	**1,792,599**	1,893,185	**58,980**	88,725	**(52,536)**	(52,346)	B	**1,799,043**	1,929,564
Investment in an associate	**216,555**	193,895	**-**	-	**-**	-		**216,555**	193,895
Consolidated total assets	**2,009,154**	2,087,080	**58,980**	88,725	**(52,536)**	(52,346)		**2,015,598**	2,123,459
Segment liabilities	**833,048**	1,048,083	**2,013**	1,228	**(508)**	(156)	B	**834,553**	1,049,155
Other information									
Capital expenditure	**733**	258	**-**	-	**-**	-	C	**733**	258
Depreciation (Note 13)	**594**	698	**6**	6	**-**	-		**600**	704
Amortisation (Note 12 & 14)	**74,018**	93,613	**-**	-	**(156)**	(183)	A	**73,862**	93,430
Other significant non-cash expenses:									
Share options granted under ESOS (Note 5)	**1,389**	1,508	**256**	271	**-**	-		**1,645**	1,779
Provision for retirement benefits (Note 28)	**555**	507	**43**	40	**-**	-		**598**	547

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:

	2021 RM'000	2020 RM'000
Highway development expenditure (Note 12)	**195**	113
Plant and equipment (Note 13)	**538**	145
	733	258

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

Notes to the Financial Statements
– 31 March 2021

32. Capital commitments

	Group 2021 RM'000	Group 2020 RM'000
Capital expenditure		
Approved and contracted for:		
- Highway development expenditure	**–**	265
- Plant and equipment	**–**	218
Approved but not contracted for:		
- Highway development expenditure	**7,509**	6,909
	7,509	7,392

33. Related party disclosures

(a) Sale and purchase of services

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

	2021 RM'000	2020 RM'000
Group		
Associate:		
- ESOS expenses charged to an associate	**549**	595
Other related parties: (*)		
- Other services rendered by other related parties	**52**	71
Company		
Subsidiaries:		
- ESOS expenses charged to a subsidiary	**1,389**	1,508
- Management fee charged to a subsidiary	**900**	1,091

(*) 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 2021 are disclosed in Note 18 and Note 29.

Notes to the Financial Statements
– 31 March 2021

33. Related party disclosures (cont'd)

(b) Compensation of key management personnel

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

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

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Salaries and other short-term employee benefit	**1,373**	1,880	**581**	702
Defined contribution plan	**137**	194	**58**	71
Defined benefit plan	**98**	91	**34**	31
Share options granted under ESOS	**460**	563	**126**	142
Estimated monetary value of benefits-in-kind	**21**	88	**9**	33
	2,089	2,816	**808**	979

The details of directors' remuneration are disclosed in Note 7.

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	
	2021 '000	**2020 '000**
At beginning of the year	**3,237**	2,634
Granted	**1,075**	1,149
Exercised	**(359)**	(546)
Forfeited/lapsed	**(157)**	–
At end of the year	**3,796**	3,237

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

34. Concession arrangement

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

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

The Concession Agreement provides that LITRAK will collect and retain all traffic tolls and will be responsible for all operating and maintenance costs incurred during the Concession Period. The collection of toll revenue commenced on 25 January 1999 and the toll rates applicable to the Concession Period are specified in the Concession Agreement.

Notes to the Financial Statements
– 31 March 2021

34. Concession arrangement (cont'd)

The Government may reduce the toll rates by giving at least two months notice to LITRAK. Should the Government reduce the toll rate below the agreed rates, the Government shall compensate LITRAK for any reduction in toll collections based on the basis and the formula specified in the Concession Agreement.

The Concession Agreement may be terminated by either the Government or LITRAK if either party fails to remedy its default within the period specified in the Concession Agreement.

The Government may terminate the Concession Agreement by expropriation of the Concession Company or the Concession at any time by giving three months written notice to LITRAK.

LITRAK shall hand over the Highway to the Government at the end of the Concession Period, in a well-maintained condition and shall make good any defects thereto at LITRAK's own expense within one year after the date of handing over.

Pursuant to the provisions of the Second Supplemental Concession Agreement executed between LITRAK and the Government on 4 September 2007 and via the Government Gazette No. P.U. (A) 443 dated 26 December 2006, the Government had revised the toll rates structure for LITRAK effective from 1 January 2007 to 31 December 2010.

In consideration of LITRAK agreeing to the above revised toll rate structure, the Government has agreed to provide LITRAK, with a sum of RM150 million cash compensation and a one-year extension to the Concession Period from 14 August 2029 extended to 14 August 2030.

The toll rates were scheduled to revert to those in the Concession Agreement from 1 January 2011 onwards, but the Government decided to defer the toll rate increase and shall compensate LITRAK in accordance with the provisions of the Concession Agreement.

Pursuant to Government Gazette No. P.U. (A) 243 dated 12 October 2015, the toll rates payable by users of LDP, deferred since 1 January 2011, have been increased effective 15 October 2015 for the following classes of vehicles:

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 effective from 1 January 2016. The Government has decided to defer the increase until further notice. Based on past experience with the Government, the Group is optimistic that terms of the Concession Agreement will continue to be observed by all parties concerned.

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

Notes to the Financial Statements
– 31 March 2021

35. Fair value of financial instruments

The carrying amounts of the financial instruments of the Group and of the Company are a reasonable approximation of their fair value except for the following:

	Group	
	Carrying amount RM'000	Fair value RM'000
Financial liabilities:		
At 31 March 2021		
IMTN I (Note 27)	**287,706**	**297,555**
IMTN II (Note 27)	**297,548**	**308,074**
At 31 March 2020		
IMTN I (Note 27)	485,450	499,639
IMTN II (Note 27)	295,291	310,992

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(a) Sundry receivables, amounts due from/(to) subsidiaries, amount due from/(to) an associate and sundry payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(b) IMTNs

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of IMTN at the reporting date.

(c) Investment securities

Fair value is determined directly by reference to the published market bid price at the reporting date.

Fair value hierarchy

The fair value measurement hierarchies used to measure financial assets and financial liabilities carried at fair value in the statements of financial position are as follows:

Level 1 – unadjusted quoted market prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted market prices that are observable either directly or indirectly

Level 3 – inputs that are significant to the fair value measurement are unobservable

Notes to the Financial Statements
– 31 March 2021

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

Fair value hierarchy (cont'd)

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

	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 2021					
Assets measured at fair value					
Investment securities	19	**4,672**	**4,672**	**–**	**–**
Liabilities for which fair values are disclosed					
IMTN I	27	**297,555**	**–**	**297,555**	**–**
IMTN II	27	**308,074**	**–**	**308,074**	**–**
31 March 2020					
Assets measured at fair value					
Investment securities	19	14,930	14,930	–	–
Liabilities for which fair values are disclosed					
IMTN I	27	499,639	–	499,639	–
IMTN II	27	310,992	–	310,992	–
Company					
31 March 2021					
Assets measured at fair value					
Investment securities	19	**4,672**	**4,672**	**–**	**–**
31 March 2020					
Assets measured at fair value					
Investment securities	19	14,930	14,930	–	–

Notes to the Financial Statements
– 31 March 2021

36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest 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 rate risk

Interest/profit rate risk is the risk that the fair value or future cash flows of the Group's and Company's financial instruments will fluctuate because of changes in market interest/profit rates.

The Group obtains its external fundings through the issuance of IMTNs and the profit element for IMTNs are based on fixed rates. The information relating to the interest rates, profit element and maturity dates of these IMTNs are disclosed in Note 27.

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	
	2021	**2020**
	RM'000	**RM'000**
Fixed rate financial liabilities	**585,254**	780,741

Fixed rate financial liabilities comprise the IMTNs as described further in Note 27. The weighted average interest rate/profit element of these instruments is 6.0% (2020: 6.0%). The rate is fixed up to maturity of the IMTNs.

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate financial assets *	**467,748**	540,069	**3,065**	21,147

* 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.

The Group has no exposure to significant interest rate risk as the fixed rate debts were entered into by the Group in order to minimise fluctuations in interest rates.

Notes to the Financial Statements

– 31 March 2021

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

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage the debt maturity profile as disclosed in the analysis below, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash and cash convertible instrument to ensure sufficient cash being kept to meet debt service obligation and covenants, highway enhancement expenses, operating expenses and distribution to shareholders. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2021			
	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	Total RM'000
Group				
Financial liabilities:				
Sundry payables	10,621	–	–	10,621
IMTNs				
- principal	200,000	200,000	190,000	590,000
- profits	29,000	17,300	5,700	52,000
Total undiscounted financial liabilities	239,621	217,300	195,700	652,621
Company				
Financial liabilities:				
Sundry payables, representing total undiscounted financial liabilities	979	–	–	979

Notes to the Financial Statements
– 31 March 2021

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

(b) Liquidity risk (cont'd)

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

	2020			
	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	Total RM'000
Group				
Financial liabilities:				
Sundry payables	13,000	–	–	13,000
IMTNs				
- principal	200,000	200,000	390,000	790,000
- profits	40,500	29,000	23,000	92,500
Total undiscounted financial liabilities	253,500	229,000	413,000	895,500
Company				
Financial liabilities:				
Sundry payables, representing total undiscounted financial liabilities	711	–	–	711

(c) Credit risk

The carrying amounts of sundry receivables and amount due from an associate represent the Group's maximum exposure to credit risk. The risk in relation to the amount due from the Government as compensation for the imposition of toll rates lower than those as provided for under the Concession Agreement is sovereign in nature. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company do not have any significant exposure to a single counterparty nor do they have any major concentration of credit risk related to any financial instruments other than as disclosed in Note 17.

Notes to the Financial Statements
– 31 March 2021

37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, refinance existing IMTNs, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2021 and 31 March 2020.

The IMTNs of the Group as mentioned in Note 27 is taken by a subsidiary of the Group. These IMTNs are subjected to several financial covenants including maintaining a prescribed debt equity ratio of no more than 90:10 and finance service cover ratio of no less than 1.2 times. The subsidiary company has complied with these covenants during the reporting period.

38. Significant and subsequent events

Covid-19 pandemic

On 11 March 2020, the World Health Organisation ("WHO") declared Covid-19 a worldwide pandemic. With widespread concerns about the ongoing Covid-19 pandemic, the Government had implemented Movement Control Order ("MCO") on 18 March 2020, to cope with Covid-19 pandemic. This was revised to Conditional MCO ("CMCO") from 4 May 2020 followed by a more relaxed Recovery MCO ("RMCO") effective from 10 June 2020 to 13 October 2020.

However, due to resurgence in Covid-19 cases in October 2020, the Government had re-implemented CMCO until 12 January 2021. Following a further significant increase in the daily-recorded number of Covid-19 cases, the Government had in January 2021 reintroduced the MCO which was in effect until 4 March 2021. The MCO was subsequently revised to CMCO up to 5 May 2021. Due to the surge in the number of new Covid-19 infections, the Government has reinstated the MCO from 6 May 2021 and subsequent to that, this has been replaced with Full MCO ("FMCO") from 1 June 2021 to 14 June 2021. On 15 June 2021, the Government has implemented Phase 1 of the National Recovery Plan ("NRP"). The FMCO under the NRP was extended from 15 June 2021 to 28 June 2021 and this was further extended from 29 June 2021 onwards. Subsequently, the Government had imposed Enhanced MCO ("EMCO") in Selangor's major sub-districts and several Kuala Lumpur localities from 3 July 2021 and subsequently lifted on 16 July 2021. At this juncture, both Selangor and Kuala Lumpur will remain under Phase 1 of the NRP until further notice.

The Group is of the view that the tollable traffic volume will return to normal when the movement restrictions are fully lifted. The Group is also taking the necessary steps to mitigate the risks arising from the Covid-19 pandemic, including the prudent management of its cash flows from its operating, investing and financing activities.

Analysis of Shareholdings
As at 31 July 2021

Total Number of Issued Shares : 532,843,618 Ordinary Shares
Class of Shares : Ordinary Shares
Voting Rights : 1 vote per share on a poll
Number of Shareholders : 6,946

Distribution of Shareholdings

Holdings	No. of Holders	%	Total Holdings	%
Less than 100	138	1.99	1,886	0.00
100 - 1,000	2,158	31.07	1,530,445	0.29
1,001 - 10,000	3,853	55.47	13,315,985	2.50
10,001 - 100,000	677	9.75	19,912,117	3.74
100,001 - 26,642,180	117	1.68	231,985,285	43.54
26,642,181* and above	3	0.04	266,097,900	49.94
Total	**6,946**	**100.00**	**532,843,618**	**100.00**

*5% of the issued shares.

Substantial Shareholders

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Gamuda Berhad	230,057,300	43.18	–	–
2. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	45,040,600	8.45	–	–
3. Employees Provident Fund Board	34,577,900*	6.49	–	–

* Include shares held through nominee companies.

Directors' Interests

Shares Held in the Company

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Ir Haji Yusoff bin Daud	200,000	0.04	328,499[1]	0.06
2. Datin Lee Choi Chew	20,000	0.00	–	–
Total	**220,000**	**0.04**	**328,499**	**0.06**

[1] Deemed interest through Irama Duta Sdn Bhd.

Share Options Held in the Company

Name	No. of Options
1. Ir Haji Yusoff bin Daud	600,000
2. Dato' Haji Azmi bin Mat Nor	60,000
3. Datin Lee Choi Chew	40,000
4. Puan Nazli binti Mohd Khir Johari	60,000

Analysis of Shareholdings

As at 31 July 2021

30 Largest Shareholders

Name	No. of Shares	%
1. Gamuda Berhad	176,612,500	33.15
2. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	45,040,600	8.45
3. Gamuda Berhad	44,444,800	8.34
4. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	25,879,700	4.86
5. AmanahRaya Trustees Berhad - Amanah Saham Malaysia 3	24,585,900	4.61
6. Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn Bhd	16,754,100	3.14
7. AmanahRaya Trustees Berhad - Public Islamic Dividend Fund	16,593,500	3.11
8. AmanahRaya Trustees Berhad - Amanah Saham Malaysia	14,569,750	2.73
9. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera 3-Didik	12,516,600	2.35
10. Cartaban Nominees (Tempatan) Sdn Bhd - Prulink Equity Fund	12,369,700	2.32
11. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera 2	10,100,000	1.90
12. Gamuda Berhad	9,000,000	1.69
13. Maybank Nominees (Tempatan) Sdn Bhd - Public Ittikal Fund	5,750,000	1.08
14. Kumpulan Wang Persaraan	5,436,800	1.02
15. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	5,385,200	1.01
16. Yii Khing Sing	5,353,922	1.00
17. Permodalan Nasional Berhad	4,142,200	0.78
18. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	3,313,000	0.62
19. Maybank Nominees (Tempatan) Sdn Bhd - National Trust Fund	3,279,500	0.62
20. Cartaban Nominees (Tempatan) Sdn Bhd - Prulink Equity Income Fund	3,210,200	0.60
21. Lim Chin Ann	3,000,000	0.56
22. Dato' Goon Heng Wah	2,527,522	0.47
23. Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn Bhd	1,970,000	0.37
24. Cartaban Nominees (Tempatan) Sdn Bhd - Participating Fund	1,936,600	0.36
25. AmanahRaya Trustees Berhad - Public Smallcap Fund	1,892,300	0.36
26. AmanahRaya Trustees Berhad - Public Islamic Select Tresaure Fund	1,855,400	0.35
27. Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Insurance (Malaysia) Berhad	1,794,000	0.34
28. DB (Malaysia) Nominee (Tempatan) Sdn Bhd - Eastspring Investments Equity Income Fund	1,657,900	0.31
29. Lembaga Tabung Angkatan Tentera	1,452,100	0.27
30. CIMB Group Nominees (Tempatan) Sdn Bhd - Lembaga Tabung Haji	1,413,400	0.27
Total	**463,837,194**	**87.05**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 26th Annual General Meeting (AGM) of Lingkaran Trans Kota Holdings Berhad will be conducted fully virtual through online meeting platform via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia, on Thursday, 30 September 2021 at 11.00 a.m. for the purpose of transacting the following businesses:

1. To receive the Report of the Directors and the Audited Financial Statements for the financial year ended 31 March 2021 together with the Report of the Auditors thereon.

2. To re-elect the following Directors who are retiring by rotation in accordance with Clause 100 of the Company's Constitution and being eligible, offer themselves for re-election:

   (i) Ir Haji Yusoff bin Daud (Resolution 1)
   (ii) Datin Lee Choi Chew (Resolution 2)

3. To approve the payment of Directors' fees of RM379,800 for the financial year ended 31 March 2021. (Resolution 3)

4. To approve the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM104,000 for the period from 30 September 2021 until the next AGM of the Company to be held in 2022. (Resolution 4)

5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

6. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

LIM SOO LYE
CHIEW TENG JUAN
Company Secretaries

Subang Jaya
30 August 2021

Notice of Annual General Meeting

Notes:

1. Virtual AGM

In support of the Government of Malaysia's ongoing efforts to contain the spread of Covid-19 and as part of the Group's safety measures, the 26th AGM will be conducted fully virtual through online meeting platform via TIIH Online website. The members are advised to follow the procedures as set out in the Administrative Guide sent out together with this notice on the registration and voting process for the AGM.

2. General Meeting Record of Depositors

For the purpose of determining a member's eligibility to attend and vote at the 26th AGM, the Company shall obtain a General Meeting Record of Depositors as at 24 September 2021 from Bursa Malaysia Depository Sdn Bhd in accordance with Clause 73 of the Company's Constitution and Paragraph 7.16(2) of Bursa Malaysia's Main Market Listing Requirements. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.

3. Appointment of Proxy

a. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.

b. A member shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his stead.

c. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

d. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

e. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.

f. In the case of a corporate member, the instrument appointing a proxy must be executed under its Common Seal or the hand of its attorney.

g. The instrument appointing a proxy must be deposited/submitted via the following ways not less than 48 hours before the time set for holding the AGM or any adjournment thereof:

(i) By hardcopy form

The Proxy Form must be deposited with Tricor Investor & Issuing House Services Sdn Bhd (Tricor) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic form

The Proxy Form can be electronically submitted/lodged via Tricor's TIIH Online at https://tiih.online. Please refer to the Administrative Guide for the procedures on electronic lodgement of proxy form.

h. Pursuant to Paragraph 8.29A of Bursa Malaysia's Main Market Listing Requirements, all resolutions set out in the Notice of AGM will be put to vote by poll.

4. Explanatory Notes on Notice of AGM

a. Audited Financial Statements

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 (CA 2016) for discussion only. The statements do not require shareholders' approval and hence, will not be put forward for voting.

b. Resolutions 1 and 2 – Re-election of Directors in accordance with Clause 100 of the Company's Constitution

Pursuant to Clause 100 of the Company's Constitution, Ir Haji Yusoff bin Daud and Datin Lee Choi Chew shall retire by rotation at the forthcoming 26th AGM and being eligible, have offered themselves for re-election. The Board via the annual evaluation is satisfied that Ir Haji Yusoff bin Daud and Datin Lee Choi Chew continue to demonstrate the necessary commitment to be fully effective members of the Board and therefore recommended that they be re-elected as Directors of the Company.

Please refer to page 4 and page 6 of the Annual Report 2021 for the profiles of Ir Haji Yusoff and Datin Lee.

Notice of Annual General Meeting

c. Resolutions 3 and 4 – Directors' Fees and Benefits

Section 230(1) of the CA 2016 provides that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at the Company's 26th AGM for payment of Directors' fees and benefits to Non-Executive Directors under Resolutions 3 and 4.

In view of the Group's profitability has dropped significantly arising from the Covid-19 pandemic and the ensuing movement control orders implemented by the Government since 18 March 2020, the Group has initiated various cost cutting measures including one year salary reduction for the Executive Director and key management staff, no bonus for calendar year 2020 and no increment for calendar year 2021.

In solidarity with the Group, the Non-Executive Directors of the Company have also voluntarily decided to reduce their fees for financial year ended 31 March 2021 by 10% as follows:

	Before 10% Reduction (RM)	After 10% Reduction (RM)
Directors' fees	340,000	306,000
Audit and Risk Management Committee fees	82,000	73,800
	422,000	**379,800**

The Board is of the view that the proposed payment is reflective of their responsibilities and performances during the financial year ended 31 March 2021.

Shareholders' approval is also being sought under Resolution 4 for the proposed payment of Directors' benefits which comprise solely of estimated meeting allowances of up to RM104,000 to Non-Executive Directors for the period from 30 September 2021 until the next AGM of the Company to be held in 2022.

In determining the estimated meeting allowances payable to the Non-Executive Directors, the Board had considered the number of scheduled meetings and other factors which may call for additional meetings of the Board and its Board Committees as well as the number of Non-Executive Directors involved in the meetings. Resolution 4 if passed, will facilitate the payment of meeting allowances to Non-Executive Directors as and when meetings are held.

The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid such allowances upon them discharging their responsibilities and rendering their services to the Company. In the event that the payment of meeting allowances during the aforesaid period exceeded the estimated amount sought, shareholders' approval will be sought at the next AGM.

d. Resolution 5 – Re-appointment of Auditors

Messrs Ernst & Young PLT shall be retiring at the forthcoming 26th AGM of the Company and have expressed their willingness to be re-appointed as auditors of the Company for the financial year ending 31 March 2022. The Audit and Risk Management Committee has assessed the suitability and independence of Messrs Ernst & Young PLT as auditors of the Company. The Board on the recommendation of the Audit and Risk Management Committee, recommended that Messrs Ernst & Young PLT be re-appointed as auditors of the Company.

5. Statement Accompanying Notice of AGM

There is no individual standing for election as Director (excluding Directors standing for re-election) at the forthcoming 26th AGM of the Company.

Administrative Guide

26th Annual General Meeting (AGM)

Day & Date	:	Thursday, 30 September 2021
Time	:	11.00 a.m.
Online Meeting Platform	:	TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia

MODE OF MEETING

In support of the Government of Malaysia's ongoing efforts to contain the spread of Covid-19 and as part of the Group's safety measures, the 26th AGM of the Company will be conducted entirely through online meeting platform via TIIH Online website. This is in line with the latest Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, including any amendment that may be made from time to time.

REMOTE PARTICIPATION AND VOTING FACILITIES (RPV)

Shareholders are to attend, speak (in the form of real time submission of typed texts to the Board of Directors of the Company (Board)) and vote (collectively, "participate") remotely at the 26th AGM of the Company using RPV provided by Tricor Investor & Issuing House Services Sdn Bhd (Tricor) via its **TIIH Online** website at https://tiih.online.

Shareholders who appoint proxies to participate via RPV in the 26th AGM of the Company must ensure that the duly executed Proxy Forms are deposited either by hardcopy or electronic means no later than **Tuesday, 28 September 2021 at 11.00 a.m.** in the following manner:

a. at **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur; OR

b. lodge electronically via Tricor's **TIIH Online** website at https://tiih.online. Please refer to the Administrative Guide for the procedures on electronic lodgement of proxy form.

Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative at **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, no later than **Tuesday, 28 September 2021 at 11.00 a.m.** in order to participate via RPV in the 26th AGM of the Company.

Attorneys appointed by power of attorney must deposit their power of attorney at **Tricor Investor & Issuing House Services Sdn Bhd,** Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, no later than **Tuesday, 28 September 2021 at 11.00 a.m.** in order to participate via RPV in the 26th AGM of the Company.

A shareholder who has appointed a proxy or attorney or corporate representative to attend, participate, speak and vote at the 26th AGM of the Company via RPV must request his/her proxy to register himself/herself for RPV at Tricor's TIIH Online website at https://tiih.online.

As the 26th AGM of the Company is a fully virtual AGM, members who are unable to participate in this AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

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Shareholders/proxies/corporate representatives/attorneys who wish to participate in the 26th AGM of the Company using the RPV are to follow the requirements and procedures as summarised below:

	Procedure	Action BEFORE THE DAY OF AGM
(a)	Register as a user with TIIH Online	• Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services". Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one working day and you will be notified via email. • If you are already a user with TIIH Online, you are not required to register again. You will receive an email to notify you that the remote participation is available for registration at TIIH Online.
(b)	Submit your request	• **Registration is open from Monday, 30 August 2021 until the day of 26th AGM Thursday, 30 September 2021.** Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 26th AGM to ascertain their eligibility to participate in the 26th AGM using RPV. • Log in with your user ID and password and select the corporate event: **"(REGISTRATION) LITRAK 26TH AGM"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an email to notify that your registration for remote participation has been received and will be verified. • After verification of your registration against the General Meeting Record of Depositors dated 24 September 2021, the system will send you an email after 28 September 2021 to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email. *(Note: Please allow sufficient time for approval as a new user of TIIH Online as well as the registration for RPV in order for you to log into TIIH Online and participate in the 26th AGM remotely.)*
	Procedure	**Action ON THE DAY OF AGM (Thursday, 30 September 2021)**
(c)	Log into TIIH Online	• Log in with your user ID and password for remote participation at the AGM at any time from **10.00 a.m.** i.e. 1 hour before the commencement of the AGM at **11.00 a.m. on Thursday, 30 September 2021**.
(d)	Participate through Live Streaming	• Select the corporate event: **"(LIVE STREAMING MEETING) LITRAK 26TH AGM"** to engage in the proceedings of the AGM remotely. • If you have any question for the Chairman/ Board, you may use the query box to transmit your question. The Chairman/ Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be emailed to you at the earliest possible, after the meeting.

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	Procedure	Action ON THE DAY OF AGM (Thursday, 30 September 2021)
(e)	Online Remote Voting	• Voting session commences from 11.00 a.m. on Thursday, 30 September 2021 until a time when the Chairman announces the end of the session. Select the corporate event: **"(REMOTE VOTING) LITRAK 26TH AGM"** or if you are on the live stream meeting page, you can select **"GO TO REMOTE VOTING PAGE"** button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f)	End of remote participation	• Upon the announcement by the Chairman on the closure of the 26th AGM, the Live Streaming will end.

Note to users of the RPV:

1. Should your application to join the meeting be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or email to tiih.online@my.tricorglobal.com for assistance.

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your Proxy Form electronically via Tricor's **TIIH Online** website are summarised below:

	Procedure	Action
I.	**Steps for Individual Members**	
(a)	Register as a User with Tricor's TIIH Online website	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please do refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
(b)	Proceed with submission of Form of Proxy	• After the release of the Notice of Meeting by the Company, log in with your user name (i.e. email address) and password. • Select the corporate event: **"LITRAK 26TH AGM – Submission of Proxy Form"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. • Review and confirm your proxy(ies) appointment. • Print Form of Proxy for your record.

Administrative Guide

	Procedure	Action
II.	**Steps for Corporation or Institutional Members**	
(a)	Register as a User with Tricor's TIIH Online website	• Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional member selects **"Create Account by Representative of Corporate Holder"**. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. *(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Tricor [refer to Enquiry section below] if you need clarifications on the user registration.)*
(b)	Proceed with submission of Form of Proxy	• Log in to Tricor's TIIH Online website at https://tiih.online. • Select the corporate event: **"LITRAK 26TH AGM - Submission of Proxy Form"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

VOTING PROCEDURE

The voting at the 26th AGM of the Company will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia's Main Market Listing Requirements.

To facilitate the voting process, the Company has appointed Tricor as the Poll Administrator to conduct the poll by way of online remote voting and Coopers Professional Scrutineers Sdn Bhd as the Scrutineers to verify the poll results. (Please refer to "Online Remote Voting" under item (e) in the table above on the procedure for online remote voting).

Upon completion of the voting session for the 26th AGM of the Company, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend the 26th AGM of the Company, only the Company's members whose names appear in the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd on **24 September 2021** shall be entitled to attend the said meeting or appoint proxies to attend on their behalf.

The hardcopy Proxy Form duly completed and signed must be deposited at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur no later than **Tuesday, 28 September 2021 at 11.00 a.m.** or not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Administrative Guide

You may also submit the Proxy Form electronically via Tricor's TIIH Online at https://tiih.online no later than **Tuesday, 28 September 2021 at 11.00 a.m.** or not less than 48 hours before the time for holding the meeting or any adjournment thereof. Please refer to the Electronic Lodgement of Proxy Form above for further information on submission via TIIH Online.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF THE COMPANY

Shareholders may submit questions for the Board of the Company in advance of the 26th AGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to log in, pose questions and submit electronically no later than **Tuesday, 28 September 2021 at 11.00 a.m.** The Board will endeavour to answer the questions received at the 26th AGM of the Company.

NO GIFT VOUCHERS

There will be **no distribution** of gift vouchers for the AGM of the Company since the meeting will be conducted on a fully virtual basis.

The Board of Lingkaran Trans Kota Holdings Berhad would like to thank all its shareholders for their kind co-operation and understanding on this matter.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the AGM of the Company.

ENQUIRY

If you have any enquiry on the above, please contact the following officers during office hours from 9.00 a.m. to 5.30 p.m., Monday to Friday (except public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line	: +603-2783 9299
Fax Number	: +603-2783 9222
Email	: is.enquiry@my.tricorglobal.com
Contact persons	: Ms Christine Cheng +603-2783 9265 (Christine.Cheng@my.tricorglobal.com) Mr Ang Wai Meng +603-2783 9281 (Wai.Meng.Ang@my.tricorglobal.com) En Zulkifli bin Mohd Yusof +603-2783 9249 (Zulkifli@my.tricorglobal.com)

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Proxy Form

CDS Account No.	No. of Shares Held

LITRAK
LINGKARAN TRANS KOTA HOLDINGS BERHAD
199501006186 (335382-V)

*I/We ____

*NRIC/Passport/Company No. ____________________ Phone No. ____________________

Address ____

being *a member/members of Lingkaran Trans Kota Holdings Berhad, hereby appoint:

Full Name (In Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

*and/failing whom,

Full Name (In Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 26th Annual General Meeting (AGM) of the Company, to be held as a fully virtual meeting through Online Meeting Platform via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia, on Thursday, 30 September 2021 at 11.00 a.m. and at any adjournment thereof and to vote as indicated below:

No.	Resolution	For	Against
1.	Re-election of Ir Haji Yusoff bin Daud as a Director		
2.	Re-election of Datin Lee Choi Chew as a Director		
3.	Approval of Directors' fees		
4.	Approval of Directors' benefits		
5.	Re-appointment of Messrs Ernst & Young PLT as Auditors		

(Please indicate with 'X' in the appropriate spaces how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit)

Dated this ________________ day of ________________ 2021.

____

Signature

Notes:

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.
2. A member shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.
6. In the case of a corporate member, the instrument appointing a proxy must be executed under its Common Seal or the hand of its attorney.
7. The instrument appointing a proxy must be deposited/submitted via the following ways not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof:

   (i) By hardcopy form

   The Proxy Form must be deposited with Tricor Investor & Issuing House Services Sdn Bhd (Tricor) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) By electronic form

   The Proxy Form can be electronically submitted/lodged via Tricor's TIIH Online at https://tiih.online. Please refer to the Administrative Guide for the procedures on electronic lodgement of proxy form.
8. For the purpose of determining a member's eligibility to attend and vote at the 26th AGM, the Company shall obtain a General Meeting Record of Depositors as at 24 September 2021 from Bursa Malaysia Depository Sdn Bhd in accordance with Clause 73 of the Company's Constitution and Paragraph 7.16(2) of Bursa Malaysia's Main Market Listing Requirements. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.

Delete where not applicable.

STAMP

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

[197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

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LINGKARAN TRANS KOTA HOLDINGS BERHAD
199501006186 (335382-V)

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