

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF PROLINTAS INFRA BUSINESS TRUST (“PROLINTAS INFRA BT” OR THE “TRUST”) DATED 6 MARCH 2024 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Electronic Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper/Printed Prospectus

Any applicant who is in doubt of the validity or integrity of the Electronic Prospectus should immediately request for a paper/printed copy of the Prospectus directly from Prolintas Managers Sdn Bhd (“**Prolintas Managers**” or the “**Trustee-Manager**”) or Boardroom Share Registrars Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from AmInvestment Bank Berhad, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

Prospective applicants should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

The IPO and distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Trustee-Manager, the Promoter, the Selling Unitholder, the Principal Adviser, the Lead Bookrunner, the Joint Bookrunners, the Managing Underwriter and the Joint Underwriters named in the Electronic Prospectus have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Units based on the Electronic Prospectus in any jurisdiction other than Malaysia. Accordingly, the Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase of, or invitation to subscribe for or purchase of the IPO Units in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves of and to observe such restrictions.

Close of Application

Applications will be accepted from **10.00 a.m.** on **6 March 2024 (Wednesday)** and will close at **5.00 p.m.** on **12 March 2024 (Tuesday)**. Any change to the timetable will be advertised by Prolintas Managers in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

PROSPECTUS



PROSPECTUS

PROLINTAS INFRA BUSINESS TRUST ("PROLINTAS INFRA BT")

(An Islamic business trust constituted in Malaysia under the Trust Deed dated 11 December 2023 and registered with the Securities Commission Malaysia ("SC") on 11 December 2023 that is managed by Prolintas Managers Sdn. Bhd. as Trustee-Manager ("Trustee-Manager"))

INITIAL PUBLIC OFFERING ("IPO") OF UP TO 468,700,000 UNITS IN PROLINTAS INFRA BT ("UNITS") IN CONJUNCTION WITH THE LISTING AND QUOTATION OF ALL ISSUED UNITS OF PROLINTAS INFRA BT ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING AN OFFER FOR SALE OF UP TO 468,700,000 EXISTING UNITS ("IPO UNITS") INVOLVING THE OFFERING OF:

- (i) UP TO 422,949,000 IPO UNITS TO INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY OF MALAYSIA (FORMERLY KNOWN AS MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY OF MALAYSIA) ("INSTITUTIONAL OFFERING") AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE"); AND
- (ii) UP TO 45,751,000 IPO UNITS TO THE DIRECTORS OF THE TRUSTEE-MANAGER AND THE COMPANIES HELD UNDER PROLINTAS INFRA BT ("TRUST GROUP"), ELIGIBLE EMPLOYEES OF THE TRUST GROUP, PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE TRUST GROUP AND THE MALAYSIAN PUBLIC ("RETAIL OFFERING") AT THE RETAIL PRICE OF RM0.95 PER IPO UNIT ("RETAIL PRICE"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AND THE OVER-ALLOTMENT OPTION (AS DEFINED IN THIS PROSPECTUS), THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- (A) THE RETAIL PRICE OF RM0.95 PER IPO UNIT; OR
- (B) THE INSTITUTIONAL PRICE.

NO UNITS WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

THE SC HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE IPO UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT, 2007.

THIS PROSPECTUS HAS BEEN REGISTERED BY AND LODGED WITH THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE UNITS BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE TRUSTEE-MANAGER AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS. THE SC MAKES NO REPRESENTATION ON THE ACCURACY OR COMPLETENESS OF THIS PROSPECTUS, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. TURN TO PAGE 46 FOR "RISK FACTORS".

LISTING SOUGHT: MAIN MARKET OF BURSA SECURITIES

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

THIS PROSPECTUS IS DATED 6 MARCH 2024

PROSPECTUS | PROLINTAS INFRA BUSINESS TRUST



TRUSTEE-MANAGER



PROLINTAS MANAGERS SDN. BHD.

(Registration No.: 202201019689 (1465386-M))
(Incorporated in Malaysia under the Companies Act 2016 on 2 June 2022)
(Holder of a Capital Markets Services Licence regulated by the SC)

Principal Adviser, Lead Bookrunner, Joint Bookrunner,
Managing Underwriter and Joint Underwriter



AMINVESTMENT BANK BERHAD

(Registration No.: 197501002220 (23742-V))
(A Participating Organisation of Bursa Securities)

Joint Bookrunners and Joint Underwriters (in alphabetical order)



CIMB INVESTMENT BANK BERHAD
(Registration No.: 197401001266 (18417-M))



MAYBANK INVESTMENT BANK BERHAD
(Registration No.: 197301002412 (15938-H))
(A Participating Organisation of Bursa Securities)

Joint Underwriter



RHB INVESTMENT BANK BERHAD
(Registration No.: 197401002639 (19663-P))
(A Participating Organisation of Bursa Securities)

All defined terms used in this Prospectus are defined under “Presentation of Financial and Other Information” and “Definitions” commencing on pages x and xiv of this Prospectus, respectively.

RESPONSIBILITY STATEMENTS

The Directors of the Trustee-Manager, the Promoter and the Selling Unitholder have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

The Directors of the Trustee-Manager and the Promoter confirm that the bases and assumptions relied on in the preparation of the future financial information (as set out in Section 16 of this Prospectus) are reasonable.

AmlInvestment Bank, being the Principal Adviser, the Lead Bookrunner and Joint Bookrunner for the Institutional Offering, and the Managing Underwriter and Joint Underwriter for the Retail Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO. AmlInvestment Bank, being the Principal Adviser, is satisfied that the bases and assumptions relied on in the preparation of the future financial information (as set out in Section 16 of this Prospectus) are reasonable.

It is to be noted that the role of CIMB IB and Maybank IB in the IPO is limited to being Joint Bookrunners for the Institutional Offering and Joint Underwriters for the Retail Offering. It is to be noted that the role of RHB IB is limited to being a Joint Underwriter for the Retail Offering.

STATEMENTS OF DISCLAIMER

Approval has been obtained from Bursa Securities for the listing and quotation of the Units being offered. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of the IPO, Prolintas Infra BT or the Units.

The valuation utilised for the purpose of the proposal should not be construed as an endorsement by the SC on the value of the Concession Companies.

This Prospectus has been registered by and lodged with the SC, who takes no responsibility for its contents. Investors should rely on their own evaluation to assess the merits and risks of the investment. Investors who are in any doubt as to the action to be taken should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers immediately.

NOTICE TO INVESTORS AND OTHER STATEMENTS

Investors are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 92A, 248, 249 and 357 of the CMSA.

The Units are offered to the public on the premise of full and accurate disclosure of all material information concerning the IPO, for which any of the persons set out in Section 236 of the CMSA, is responsible.

Prolintas Infra BT has been certified as being Shariah-compliant by the Shariah Adviser.

Investors should not take the agreement by the Managing Underwriter and the Joint Underwriters to underwrite the Units under the Retail Offering as an indication of the merits of the Units being offered.

This Prospectus has been prepared in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

This Prospectus is published solely in connection with the IPO. The Units are being offered solely on the basis of the information contained and representations made in this Prospectus. The Trustee-Manager, the Promoter, the Selling Unitholder, the Principal Adviser, the Lead Bookrunner, Joint Bookrunners, the Managing Underwriter and the Joint Underwriters have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by the Trustee-Manager, the Promoter, the Selling Unitholder, the Principal Adviser, the Lead Bookrunner, the Joint Bookrunners, the Managing Underwriter and/or the Joint Underwriters or any of their respective directors, or any other persons involved in the IPO.

The distribution of this Prospectus and the IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. The Trustee-Manager, the Promoter, the Selling Unitholder, the Principal Adviser, the Lead Bookrunner, the Joint Bookrunners, the Managing Underwriter and the Joint Underwriters have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia. No action has been taken to permit any offering of the Units based on this Prospectus in any jurisdiction other than Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of the Units in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of the Units in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

The Trustee-Manager will not, prior to acting on any acceptance in respect of the IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability whether or not any enquiry or investigation is made in connection to it.

It will be your sole responsibility to ensure that your application for the IPO would be in compliance with the terms of the IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. The Trustee-Manager will further assume that you had accepted the IPO in Malaysia and will be subject to the laws of Malaysia in connection to it.

However, the Trustee-Manager reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes that such acceptance may violate any law or applicable legal or regulatory requirements.

It will be your sole responsibility to consult your legal and/or other professional adviser on the laws to which the IPO or you are or might be subjected to. Neither the Trustee-Manager nor the Promoter, the Selling Unitholder, the Principal Adviser, the Lead Bookrunner, the Joint Bookrunners, the Managing Underwriter, the Joint Underwriters nor any other advisers in relation to the IPO will accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS/INTERNET APPLICATION

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

The internet is not a fully secure medium. Your Internet Application may be subject to risks of data transmission, computer security threats including viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions. If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper or printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper or printed copy of this Prospectus, the contents of the paper or printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC will prevail.

In relation to any reference in this Prospectus to third-party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

- (i) each of Prolintas Infra BT, the Trustee-Manager, the Promoter, the Selling Unitholder, the Principal Adviser, the Lead Bookrunner, the Joint Bookrunners, the Managing Underwriter and the Joint Underwriters does not endorse and is not affiliated in any way to the Third-Party Internet Sites. Accordingly, Prolintas Infra BT and the Trustee-Manager are not responsible for the availability of or the content or any data, file or other material provided on the Third-Party Internet Sites. You bear all risks associated with the access to or use of the Third-Party Internet Sites;
- (ii) each of Prolintas Infra BT, the Trustee-Manager, the Promoter, the Selling Unitholder, the Principal Adviser, the Lead Bookrunner, the Joint Bookrunners, the Managing Underwriter and the Joint Underwriters is not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. Each of Prolintas Infra BT, the Trustee-Manager, the Promoter, the Selling Unitholder, the Principal Adviser, the Lead Bookrunner, the Joint Bookrunners, Managing Underwriter and the Joint Underwriters is also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, file or other material provided by such parties; and
- (iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. Each of Prolintas Infra BT, the Trustee-Manager, the Promoter, the Selling Unitholder, the Principal Adviser, the Lead Bookrunner, the Joint Bookrunners, the Managing Underwriter and the Joint Underwriters is not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institution, you are advised that:

- (i) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and
- (iii) the Internet Participating Financial Institution is not liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or Date
Opening of the Institutional Offering	6 March 2024
Issuance of the Prospectus/Opening of the Retail Offering	10.00 a.m., 6 March 2024
Closing of the Retail Offering	5.00 p.m., 12 March 2024
Closing of the Institutional Offering	12 March 2024
Price Determination Date	13 March 2024
Balloting of applications for the IPO Units under the Retail Offering	14 March 2024
Transfer of the IPO Units to successful applicants	22 March 2024
Listing	25 March 2024

If there is any change to the timetable, the notice of changes will be advertised in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

References to “Trustee-Manager” are to “Prolintas Managers Sdn. Bhd.”, unless the context otherwise requires. Unless the context otherwise requires, references to “Management” are to the directors and senior management team of the Trustee-Manager as at the date of this Prospectus, and statements in this Prospectus as to beliefs, views, expectations, estimates and opinions of Prolintas Infra BT or the Trustee-Manager, are those of the Management.

All references to “Prolintas Infra BT” include references to the Trustee-Manager, in its capacity as the trustee-manager of Prolintas Infra BT, unless the context otherwise requires. All references to “Prolintas Infra BT Group” or “Trust Group” are to Prolintas Infra BT and its subsidiaries, taken as a whole. All references to “you” are to the prospective investors in Prolintas Infra BT.

All references to the “Selling Unitholder” and the “Promoter” are to “Projek Lintasan Kota Holdings Sdn. Bhd.”.

Any discrepancies in the tables between the amounts listed and the total amount in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the “Definitions” section and technical terms used in this Prospectus are defined in the “Glossary of Technical Terms” section. Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall, where applicable, include corporations. A reference to a section is a reference to the relevant section of this Prospectus.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of the stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of the stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of the stock exchange for the time being in force and unless otherwise specified, is a reference to an enactment by Malaysia.

Any reference to a date and time shall be a reference to a date and time in Malaysia, unless otherwise stated.

All references to the “LPD” in this Prospectus are to 7 February 2024, being the latest practicable date prior to the registration of this Prospectus with the SC.

The information on Prolintas Infra BT’s website or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on those information for the purposes of your decision whether or not to invest in the IPO Units.

This Prospectus includes statistical data provided by the Trustee-Manager and various third parties and cites third-party projections regarding the growth and performance of the industry in which Prolintas Infra BT operates and Prolintas Infra BT’s estimated market share. This data is taken or derived from information published by industry sources and from the Trustee-Manager’s internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from the Trustee-Manager or is extracted or derived from the Independent Market Research Report in Section 8 of this Prospectus prepared by Frost & Sullivan or from the Traffic Consultant’s Report as included in Section 18 of this Prospectus prepared by the Traffic Consultant. In compiling its data for the review, Frost & Sullivan and/or the Traffic Consultant relied on their research methodologies, industry sources, published materials, their private databanks and/or direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurances are or can be given that the projected figures will be achieved, and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION (Cont'd)

EBITDA and the related ratios presented in this Prospectus are supplemental measures of the Trust Group's performance and liquidity that are not required by or presented in accordance with the IFRS and MFRS. Furthermore, EBITDA is not a measure of the Trust Group's financial performance or liquidity under the IFRS and MFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with the IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of EBITDA between companies/trusts may not be possible. Other companies/trusts may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

The Trustee-Manager believes that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because the Trustee-Manager believes that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS and non- MFRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of the Trust Group's ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of the Trust Group's financial condition or results of operations, as reported under the IFRS and MFRS. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of the Trust Group's business.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts included in this Prospectus, including, without limitation, those regarding Prolintas Infra BT's financial position, business strategies and prospects are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Prolintas Infra BT's actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Trustee-Manager's present and future business strategies and the environment in which Prolintas Infra BT will operate in the future. Such forward-looking statements reflect the Trustee-Manager's current view with respect to future events and do not guarantee future performance. Forward-looking statements can be identified by the use of forward-looking terminologies including the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions, and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) estimated financial information regarding the future development and economic performance of Prolintas Infra BT's business;
- (ii) future financial position, earnings, cash flow, level of indebtedness and liquidity;
- (iii) potential growth opportunities;
- (iv) financing plans;
- (v) the Trustee-Manager's business strategy;
- (vi) the competitive position and the effects of competition on Prolintas Infra BT's investment portfolio;
- (vii) the amount and nature of future capital expenditures required by Prolintas Infra BT;
- (viii) the general industry environment; and
- (ix) regulatory environment and the effects of future regulation.

Actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond control, including, without limitation:

- (i) traffic volumes using the Highways held under Prolintas Infra BT's investment portfolio;
- (ii) finance costs, interest rates, tax rates and foreign exchange rates;
- (iii) future regulatory or government policy changes affecting Prolintas Infra BT;
- (iv) competitive environment of the industry in which Prolintas Infra BT operates;
- (v) reliance on licences, permits and approvals;
- (vi) general economic, business, social, political and investment environment where Prolintas Infra BT operates;
- (vii) continued availability of capital and financing;
- (viii) fixed or contingent obligations and commitments;
- (ix) changes in accounting standards and policies; and
- (x) other factors beyond control.

FORWARD-LOOKING STATEMENTS *(Cont'd)*

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on "Risk Factors" and Section 15.2 of this Prospectus on "Management's Discussion and Analysis of Financial Condition and Results of Operations". There is no assurance that the forward-looking statements made in this Prospectus will be realized. Such forward-looking statements are made only as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by Prolintas Infra BT, the Trustee-Manager, the Promoter, the Selling Unitholder or the advisers that such plans and objectives will be achieved. Should the Trustee-Manager become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of transfer of the IPO Units, the Trustee-Manager shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

SUBSIDIARIES OF PROLINTAS INFRA BT

DIRECT SUBSIDIARIES

AKLEH Co	:	Projek Lintasan Kota Sdn Bhd (199401034585 (320268-A))
GCE Co	:	Prolintas Expressway Sdn Bhd (199001010509 (202079-X))
LKSA Co	:	Projek Lintasan Shah Alam Sdn Bhd (200401015684 (654187-M))
SILK Co	:	Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd (199501042016 (371220-V))

SUBSIDIARY OF SILK CO

Manfaat Tetap	:	Manfaat Tetap Sdn Bhd (200701031331 (789358-A))
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HIGHWAYS WITHIN THE TRUST GROUP

AKLEH	:	Ampang – Kuala Lumpur Elevated Highway
GCE	:	Guthrie Corridor Expressway
LKSA	:	Lebuhraya Kemuning – Shah Alam
SILK	:	Sistem Lingkaran Lebuhraya Kajang

GENERAL

Accountants' Report	:	Accountants' Report dated 9 February 2024 issued by the Reporting Accountants
Act	:	Companies Act, 2016
ADA	:	Authorised Depository Agent
Admission	:	Admission of the Units to the Official List of the Main Market of Bursa Securities
AGM	:	Annual general meeting
AHAM	:	AHAM Asset Management Berhad (199701036457 (429786-T))
AIIMAN	:	AIIMAN Asset Management Sdn. Bhd. (199301001937 (256674-T))
AmlInvestment Bank or Principal Adviser	:	AmlInvestment Bank Berhad (197501002220 (23742-V))
Applicable Laws and Requirements	:	Any and all laws, legislations, regulations, guidelines, rules and official requirements, guidance notes, practice notes and similar instruments applicable to business trusts from time to time including but not limited to the CMSA, the BT Guidelines, the Listing Requirements, the Rules of Bursa Depository, the Rules on Take-Overs, Mergers and Compulsory Acquisitions and taxation laws, rulings and guidelines including any modification, amendment or re-enactment thereto or thereof from time to time

DEFINITIONS *(Cont'd)*

Application	:	Application for the IPO Units by way of Application Form, Electronic Application or Internet Application
Application Forms	:	Application form for the application for the IPO Units under the Retail Offering accompanying this Prospectus
ASB	:	Amanah Saham Bumiputera
Assets	:	Means the entire assets of Prolintas Infra BT, and all of its permissible investments (as set out in Section 12.10.1 of this Prospectus) in the nature of assets in accordance with the approved accounting standards and generally accepted accounting practices in Malaysia, for the time being held or deemed to be held by the Trustee-Manager pursuant to the Trust Deed
ATM	:	Automated teller machine
Auditors Reporting Accountants	or :	Ernst & Young PLT
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Application in respect of the payment for the IPO Units
BPMB	:	Bank Pembangunan Malaysia Berhad (197301003074 (16562-K))
BNM	:	Bank Negara Malaysia
Board or Board of Directors	:	Board of Directors of the Trustee-Manager
Book Closing Date	:	The specified time and date set by the Trustee-Manager for the purpose of determining the Unitholders' entitlement to the Distributions, new Units or other distributions or entitlements
BT Guidelines	:	Business Trusts Guidelines issued on 28 December 2012 by the SC, as amended from time to time
Bumiputera	:	In the context of: <ul style="list-style-type: none">(i) individuals, Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia;(ii) companies, a company which fulfils, amongst others, the following criteria or such other criteria as may be imposed by the MITI:<ul style="list-style-type: none">(a) registered under the Act or Companies Act 1965 as a private company;(b) its shareholders are 100% Bumiputera; and(c) its board of directors (including its staff) are at least 51% Bumiputera; and(iii) cooperatives, a cooperative whose shareholders or cooperative members are at least 95% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))

DEFINITIONS *(Cont'd)*

Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
CA or Concession Agreement(s)	:	The concession agreements entered into between the Government and each of the Concession Companies (and as supplemented by supplemental concession agreements thereafter)
CAGR	:	Compound Annual Growth Rate
CCC	:	Certificate of Completion and Compliance
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CIMB IB	:	CIMB Investment Bank Berhad (197401001266 (18417-M))
CMSA	:	Capital Markets and Services Act, 2007
CMSL	:	Capital Markets and Services Licence
Concession Companies	:	Collectively AKLEH Co, GCE Co, LKSA Co and SILK Co
Cornerstone Investors	:	Collectively, PNB (on behalf of the unit trust funds managed or established by PNB and/or its subsidiaries, which may participate in the Initial Public Offering of Prolintas Infra BT), AHAM Asset Management Berhad, AIIAN Asset Management Sdn Bhd, Lembaga Tabung Haji, Maybank Asset Management Sdn Bhd, Maybank Islamic Asset Management Sdn Bhd, Kenanga Investors Berhad and Kenanga Islamic Investors Berhad
DASH	:	Damansara-Shah Alam Elevated Expressway
Director(s)	:	Director(s) of the Trustee-Manager and within the meaning given in Section 2 of the CMSA
Distributable Amount	:	The amount available for distribution to the Unitholders and having the meaning as set out in Section 15.4 "Distributable Amount" of this Prospectus
Distributions	:	The amount of distribution to be paid to the Unitholders and having the meaning as set out in Section 12.9 "Distributions" of this Prospectus
DPU	:	Distribution per Unit
EBITDA	:	Earnings before interest, taxes, depreciation and amortisation
Electronic Application	:	Application for the IPO Units under the Retail Offering through a Participating Financial Institution's ATM
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium including, but not limited to compact disc read only memory (CD-ROM)
Eligible Persons	:	Collectively, the Directors and key senior management of Prolintas Managers, eligible employees of the Trust Group and persons who have contributed to the success of the Trust Group
EPU	:	Earnings per Unit

DEFINITIONS *(Cont'd)*

ESG	:	Environmental, social and governance
Excess Unit(s)	:	IPO Unit(s) not taken up by the Eligible Persons under the Pink Form Allocation, which will be subject to clawback and reallocation provisions as detailed in Section 4.3.3 of this Prospectus
Final Retail Price	:	Final price per IPO Unit to be paid by the investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
Forecast Year 2024	:	1 January 2024 to 31 December 2024
FPE	:	Financial period ended or where the context otherwise requires, financial period ending 30 September
Frost & Sullivan or IMR	:	Frost & Sullivan GIC Malaysia Sdn Bhd (200701010645 (768648-K))
FYE	:	Financial year ended or where the context otherwise requires, financial year ending 31 December
Government	:	Government of Malaysia
GP	:	Gross profit
GST	:	Goods and services tax
HDE	:	Highway development expenditure
IC	:	Interpretations Committee
ICMPS Guidelines	:	Guidelines on Islamic Capital Market Products and Services issued on 28 November 2022 by the SC, as amended from time to time
IFRS	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMR Report	:	Independent market research report dated 9 February 2024 prepared by Frost & Sullivan
Independent Valuer or KPMG	:	KPMG Corporate Advisory Sdn Bhd (200101031627 (567386-P))
Initial Public Offering or IPO	:	Collectively, the Institutional Offering and the Retail Offering
Institutional Offering	:	Offering of up to 422,949,000 IPO Units at the Institutional Price, subject to the clawback and reallocation provisions and the Over-allotment Option, to institutional and selected investors, including Bumiputera investors approved by the MITI
Institutional Price	:	Price per IPO Unit to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Application	:	Application for IPO Units under the Retail Offering through an Internet Participating Financial Institution

DEFINITIONS *(Cont'd)*

Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Application
IPO Units	:	Existing Units to be offered by the Promoter pursuant to the Offer for Sale
IRB	:	Inland Revenue Board of Malaysia
Islamic Financing	:	The Islamic financing to refinance the outstanding debt of the Concession Companies, working capital and additional capital expenditure required of up to RM2,700 million. Further details as set out in Section 6.1.8(ii) of this Prospectus
ISO	:	International Organisation for Standardisation
Issuing House	:	Malaysian Issuing House Sdn Bhd (199301003608 (258345-X))
Joint Bookrunners	:	AmlInvestment Bank, CIMB IB and Maybank IB
Joint Underwriters	:	AmlInvestment Bank, CIMB IB, Maybank IB and RHB IB
Klang Valley	:	Area covering the federal territories of Kuala Lumpur and Putrajaya, and 9 municipalities located in the state of Selangor: Shah Alam, Petaling Jaya, Klang, Kajang, Subang Jaya, Selayang, Ampang Jaya, Kuala Langat and Sepang
LAT	:	Loss after tax
LBT	:	Loss before tax
Lead Bookrunner	:	AmlInvestment Bank
Listing	:	The admission of Prolintas Infra BT to the Official List and listing and quotation of 1,100,000,000 Units on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Lock-Up Deeds	:	The lock-up deeds dated 14 February 2024 entered into between the Trustee-Manager and the Selling Unitholder in favour of the Joint Bookrunners, further details of which are set out in Section 4.9.3 of this Prospectus
LPD	:	7 February 2024, being the latest practicable date prior to the registration of this Prospectus with the SC
LRT	:	Light Rail Transit
LTH	:	Lembaga Tabung Haji (ACT 5351995)
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia, but excluding directors of the Trust Group, the Substantial Unitholders and persons connected with either of them
Managing Underwriter	:	AmlInvestment Bank

DEFINITIONS *(Cont'd)*

Market Day	:	A day on which Bursa Securities is open for trading in securities
MASB	:	Malaysian Accounting Standards Board
Master Cornerstone Placement Agreement	:	The master cornerstone placement agreement dated 14 February 2024 entered into between the Trustee-Manager, the Selling Unitholder, the Lead Bookrunner, the Joint Bookrunners and the Cornerstone Investors as details in Section 4.3.1 of this Prospectus
Maybank IB	:	Maybank Investment Bank Berhad (197301002412 (15938-H))
MCCG	:	Malaysian Code on Corporate Governance
MCO	:	Movement Control Order
MFRS	:	Malaysian Financial Reporting Standards
MHA	:	Malaysian Highway Authority (<i>Lembaga Lebuhraya Malaysia</i>)
MIA	:	Malaysian Institute of Accountants
Ministry of Works	:	Ministry of Works (<i>Kementerian Kerja Raya</i>)
MITI	:	Ministry of Investment, Trade and Industry of Malaysia (formerly known as Ministry of International Trade and Industry of Malaysia)
N/A	:	Not applicable
NA	:	Net assets
NRIC	:	Malaysian National Registration Identity Card
Offer for Sale	:	Offer for sale of up to 468,700,000 IPO Units by the Promoter under the Institutional Offering and Retail Offering
Official List	:	A list specifying all securities listed on Bursa Securities
O&M	:	Operation and maintenance
O&M Services	:	Operation and maintenance services including, amongst others, routine maintenance services, ad-hoc repair and maintenance services and toll operation services.
Ordinary Resolution	:	A resolution at a meeting of the Unitholders convened and held in accordance with the Trust Deed and to be approved by a simple majority of votes validly cast of those present and entitled to vote
Over-allotment Option	:	The over-allotment option to be granted by the Promoter to the stabilising manager, being AmlInvestment Bank (on behalf of other placement managers to be determined later, if any)
Over-allotment Option Provider	:	PLKH
Participating Financial Institution(s)	:	Participating financial institution(s) for the Electronic Application
PAT	:	Profit after taxation

DEFINITIONS *(Cont'd)*

PBT	:	Profit before taxation
PCSSSB	:	Prolintas Corporate Shared Services Sdn Bhd (202201019286 (1464983-H))
Period Review	Under :	Collectively, FYE 2020, FYE 2021, FYE 2022 and FPE 2023
PHSSB	:	Prolintas Highway Services Sdn Bhd (201701006905) (1221070-V))
Pink Application Form	:	Application form for the application of the IPO Units under the Retail Offering by the Eligible Persons accompanying this Prospectus
Pink Allocation Form	:	The allocation of 18,251,000 IPO Units to Eligible Persons under the Retail Offering
Placement Agreement	:	The placement agreement to be entered into by the Trustee-Manager, the Selling Unitholder, the Lead Bookrunner and the Joint Bookrunners in respect of such number of IPO Units to be offered under the Institutional Offering
PLKH or Promoter	:	Projek Lintasan Kota Holdings Sdn Bhd (199501002180 (331374-X))
PLKH Group	:	Collectively, PLKH and its subsidiaries
PNB	:	Permodalan Nasional Berhad (197801001190 (38218-X))
Pre-IPO Acquisition	:	Acquisition by Prolintas Managers (on behalf of Prolintas Infra BT) of the share capital of the Concession Companies from PLKH in connection with the Listing. Further details as set out in Section 6.1.8(i) of this Prospectus
Pre-IPO Reorganisation	:	The pre-IPO reorganisation of employees between Turnpike and the respective Concession Companies under the Trust Group by Prolintas Managers in connection with the Listing. Further details as set out in Section 6.1.8(iii) of this Prospectus
Pre-IPO Restructuring	:	Collectively, the Pre-IPO Acquisition, Islamic Financing and Pre-IPO Reorganisation
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Profit and Cash Flows Forecast	:	The forecasted statement of comprehensive income and statement of cash flows for Forecast Year 2024 of the Trust Group
Prolintas Infra BT Group or the Trust Group	:	Collectively, Prolintas Infra BT, AKLEH Co, GCE Co, LKSA Co, SILK Co and Manfaat Tetap
Prolintas Infra BT or the Trust	:	Prolintas Infra Business Trust, an Islamic business trust constituted in Malaysia under the Trust Deed and registered with the SC on 11 December 2023
Promoter	:	Projek Lintasan Kota Holdings Sdn Bhd (199501002180 (331374-X))
Proposals	:	Collectively, the IPO and Listing
Prospectus	:	This Prospectus dated 6 March 2024 issued by the Trustee-Manager

DEFINITIONS *(Cont'd)*

Prospectus Guidelines	:	Prospectus Guidelines issued by the SC on 28 December 2012 (and revised on 30 June 2022), as amended from time to time
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Retail Offering	:	Offer for sale by the Promoter of IPO Units at an IPO price to be determined later, to be allocated in the following manner: (a) offer for sale of 18,251,000 Units to Eligible Persons; and (b) offer for sale of 27,500,000 Units to the Malaysian Public.
Retail Price	:	Initial price of RM0.95 per IPO Unit to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.5.1 of this Prospectus
Retail Underwriting Agreement	:	The retail underwriting agreement dated 14 February 2024 entered into between the Trustee-Manager, the Selling Unitholder, the Managing Underwriter and the Joint Underwriters for the underwriting of the IPO Units under the Retail Offering
RHB IB	:	RHB Investment Bank Berhad (197401002639 (19663-P))
RM and sen	:	Ringgit Malaysia and sen
Rules of Bursa Depository	:	The rules of Bursa Depository as issued under the SICDA
SAC	:	Shariah Advisory Council of the SC
SBA	:	Sale of business agreement dated 11 December 2023 entered into between Prolintas Managers (on behalf of Prolintas Infra BT) and PLKH to acquire the entire issued share capital of the respective Concession Companies for an aggregate purchase consideration of RM1,100 million, which will be fully satisfied via the issuance of 1,100,000,000 new Units at an issue price of RM1.00 per Unit in connection with the Pre-IPO Acquisition
SC	:	Securities Commission Malaysia
SCA(s)	:	Supplemental Concession Agreement(s)
SCA(s) 2022	:	The supplemental Concession Agreement(s) entered into between the Government and each of the Concession Companies dated 12 October 2022
Selling Unitholder	:	PLKH
Shariah Adviser or Amanie	:	Amanie Advisors Sdn Bhd (200501007003 (684050-H))
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SKPL	:	Sijil Kesempurnaan Pembinaan Lebuhraya (Certificate Of Completion For Highway Construction)

DEFINITIONS *(Cont'd)*

Special Resolution	:	A resolution passed by Unitholders holding in aggregate not less than 75% of the voting rights of all the Unitholders who being entitled to do so, vote in person or by proxy present at a meeting; provided that for the purpose of the winding-up of Prolintas Infra BT, a Special Resolution means a resolution approved by a majority of Unitholders holding in aggregate not less than 75% of the value of the Units held by the Unitholders at the meeting, who being entitled to do so, vote in person or by proxy on a poll at the meeting
Stabilising Manager	:	AmlInvestment Bank
Strathairlie Interchange	:	An interchange known as Strathairlie Interchange which is required to be built on GCE pursuant to the Concession Agreement for GCE
Substantial Unitholders	:	PLKH, PNB, ASB, YPB, LTH, AHAM and AIIMAN, being persons who have an interest in the Units, the nominal amount of which is not less than 5.0% of the aggregate nominal amount of all Units in Prolintas Infra BT
SUKE	:	Sungai Besi-Ulu Kelang Elevated Expressway
Toll Restructuring	:	The toll restructuring exercise carried out by the Government and the Concession Companies through the respective SCAs 2022 to, amongst others, reduce the toll rates and extend the toll concession periods
Traffic Consultant	:	Perunding Trafik Klasik Sdn. Bhd. (199401014880 (300560-H))
Traffic Consultant Report	:	Traffic consultant report dated 9 February 2024 prepared by the Traffic Consultant
Trust Deed	:	Trust Deed dated 11 December 2023 constituting Prolintas Infra BT
Trustee-Manager or Prolintas Managers	:	Prolintas Managers Sdn. Bhd. (202201019689 (1465386-M))
Turnpike	:	Turnpike Synergy Sdn Bhd (201101036173 (964307-M))
Unit(s)	:	Undivided interest in Prolintas Infra BT as provided in the Trust Deed
Unitholders' Meeting	:	A meeting of Unitholders and having the meaning as set out in Section 12.11 "Meeting of Unitholders" of this Prospectus
Unit Lending Agreement	:	The agreement entered into by the Over-allotment Option Provider and the Stabilising Manager under which the Over-allotment Option Provider will lend the Units to the Stabilising Manager to cover over-allotments, if any, under the Over-allotment Option
Unitholder(s)	:	Holder(s) of Prolintas Infra BT Unit(s)
Unit Registrar	:	Boardroom Share Registrars Sdn Bhd (199601006647 (378993-D))
Year 2023	:	1 January 2023 to 31 December 2023
YPB	:	Yayasan Pelaburan Bumiputra (197801000107 (37113-P))
y-o-y	:	year-on-year

GLOSSARY OF TECHNICAL TERMS

AADT	: Average annual daily traffic
ADT	: Average daily traffic
ALB	: Automatic Lane Barrier, to block users from passing through before payment has been made at a toll plaza
CCTV	: Closed-circuit television, a video surveillance system to monitor activity in an area or building, using a television system in which signals are transmitted from a television camera to the receivers by cables or telephone links forming a closed circuit
Corrective or curative maintenance	: Maintenance task performed to identify, record and repair any defect/damage to restore the condition of an asset or rectify faulty equipment to an operational condition so it can perform its intended function
Closed toll system	: A system where road users are charged at the exit of the highway where the toll rate is normally dependent upon the distance travelled
C&S	: Civil and structure, areas related to road structure and buildings
E&E	: Electrical and Electronics, areas related to electrical and electronic system
ETC	: Electronic Toll Collection, which collects tolls from road users via third-party electronic payment systems or method
Interchange	: A structure that connects two or more highways or roads, allowing traffic to transfer from one roadway to another without stopping. It typically involves a combination of ramps, bridges, tunnels, and other structures to facilitate the movement of vehicles in different directions
LED	: Light emitting diode, a semiconductor device that emits light
Mainline length	: Mainline length is the length from point to point on the highway excluding the interchange(s), ramps and junctions
Open toll system	: A system where road users are charged a fixed toll rate once they pass through the toll plaza
PCA	: Pavement Condition Assessment, periodic assessment and reporting of pavement condition
PERONDA	: PROLINTAS Emergency Response & Patrol Team, a team that patrols at the Highways within the Trust Group
PRIME	: PROLINTAS Integrated Maintenance Escalations, a reporting system for maintenance of assets apart from roads
Preventive maintenance	Maintenance works to prevent major issues of highway assets failure that are repetitive, cyclical or periodic in nature
RFID	: Touch 'n Go RFID, a sticker that is embedded with a radiofrequency identification chip
Routine maintenance	: Maintenance works are performed to maintain the safety of road users, traffic comfort, uninterrupted traffic flow as well as maintain functionality and aesthetics of the assets, that are repetitive, cyclical or periodic in nature

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

RSAs	: Rest and service areas, areas at the highway that provide facilities such as food and beverage stalls, retail outlets, public washrooms, prayer rooms, and parking lots
S3	: Smart Surveillance System, a fully integrated artificial intelligence and machine-learning based system used to detect and notify as well as mobilises the relevant parties and assets to address road incidents
SDWAN	: Software Defined Wide Area Network, a technology using Internet Protocol Virtual Private Network (IPVPN), which allows a remote and secured interconnectivity
TMC	: Traffic Management Centre, traffic control centre located at each of the Highways within the Trust Group
Toll lanes	: Lanes that are in operation for toll collection
VMS	: Variable Message Signs, a digital display system where traffic information can be updated and conveyed to the public quickly
Urban highways	: Highways that start and end in the same urban area or highways that connect different urban areas

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1. CORPORATE DIRECTORY

TRUSTEE-MANAGER : Prolintas Managers Sdn. Bhd.
(202201019689 (1465386-M))

REGISTERED OFFICE & BUSINESS OFFICE : 12th Floor Menara PNB,
201-A Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia.
Tel. No: +603 2164 2450
Website: <https://www.prolintasinfra.com.my>
Email: info@prolintasmanagers.com.my

BOARD OF DIRECTORS OF THE TRUSTEE-MANAGER

Name	Designation	Nationality	Address
Dato' Ikmal Hijaz Bin Hashim	Non-Independent Non-Executive Chairman	Malaysian	No. 15, Jalan Teratak, U8/95C, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia
Dato' Mohammad Azlan Bin Abdullah	Non-Independent Non-Executive Director	Malaysian	11, Jalan Setia Duta U13/21D, Bandar Eco Setia, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia
Dato' Abdul Mutalib Bin Alias	Independent Non- Executive Director	Malaysian	No. 69, Jalan PJU 1A/36, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Datuk Syed Azmi Bin Syed Othman	Independent Non- Executive Director	Malaysian	32, Jalan Bola Lisut, 13/17, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan, Malaysia
Nik Fazila Binti Nik Mohamed Shihabuddin	Independent Non- Executive Director	Malaysian	53, Jalan 1/27D, Seksyen 6, Wangsa Maju, 53300 Kuala Lumpur, Malaysia
Datin Nona Binti Salleh	Independent Non- Executive Director	Malaysian	No.10 Jalan Dutamas Mawar 1, Changkat Kiara Rimbun, 50480 Kuala Lumpur, Malaysia
Malik Parvez Ahmad Bin Nazir Ahmad	Non-Independent Executive Director	Malaysian	No.2, Montana Melawati, Desa Melawati, 53100 Kuala Lumpur, Malaysia

AUDIT COMMITTEE

Name	Designation	Directorship
Nik Fazila Binti Nik Mohamed Shihabuddin	Chairman	Independent Non-Executive Director
Dato' Abdul Mutalib Bin Alias	Member	Independent Non-Executive Director
Datuk Syed Azmi Bin Syed Othman	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

GOVERNANCE, RISK AND INTEGRITY COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Datin Nona Binti Salleh	Chairman	Independent Non-Executive Director
Dato' Mohammad Azlan Bin Abdullah	Member	Non-Independent Non-Executive Director
Dato' Abdul Mutalib Bin Alias	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Dato' Abdul Mutalib Bin Alias	Chairman	Independent Non-Executive Director
Dato' Mohammad Azlan Bin Abdullah	Member	Non-Independent Non-Executive Director
Datuk Syed Azmi Bin Syed Othman	Member	Independent Non-Executive Director

TENDER COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Datuk Syed Azmi Bin Syed Othman	Chairman	Independent Non-Executive Director
Nik Fazila Binti Nik Mohamed Shihabuddin	Member	Independent Non-Executive Director
Datin Nona Binti Salleh	Member	Independent Non-Executive Director

INVESTMENT COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Datin Nona Binti Salleh	Chairman	Independent Non-Executive Director
Dato' Mohammad Azlan Bin Abdullah	Member	Non-Independent Non-Executive Director
Nik Fazila Binti Nik Mohamed Shihabuddin	Member	Independent Non-Executive Director

KEY SENIOR MANAGEMENT OF THE TRUSTEE-MANAGER

<u>Name</u>	<u>Designation</u>	<u>Nationality</u>	<u>Address</u>
Malik Parvez Ahmad Bin Nazir Ahmad	Chief Executive Officer	Malaysian	No.2, Montana Melawati, Desa Melawati, 53100 Kuala Lumpur, Malaysia
Azmee Bin Nin	General Manager (Highway Operations)	Malaysian	11A, Jalan Subang Permai U6/1, Desa Subang Permai, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia
Mukholisah Binti Mohd Majid	Financial Controller	Malaysian	1423, Jalan TBK 7/3-1, Kepayang Heights, Taman Bukit Kepayang, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES OF THE TRUSTEE-MANAGER	:	Nurdiana Binti Kamarudin LS0009805 (SSM PC No. 202108000224) No. 33, Jalan 4/14, Garden Heights, Bandar Tasik Puteri, 48020 Rawang, Selangor Darul Ehsan, Malaysia	
		Leong Shiak Wan MAICSA 7012855 (SSM PC No. 202008002757) c/o Boardroom Corporate Services Sdn Bhd 12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia	
		Zuriati Binti Yaacob LS0009971 (SSM PC No. 202008003191) c/o Boardroom Corporate Services Sdn Bhd 12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia	
SELLING UNITHOLDER	:	Projek Lintasan Kota Holdings Sdn Bhd 12th Floor Menara PNB, 201-A Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia	
AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young PLT Level 23A Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia Tel. No.: +603 7495 8000	
		Partner-in-charge 1: Najihah Binti Khalid Professional qualification: Association of Chartered Certified Accountants (ACCA) (MIA membership No.: 32919)	
		Partner-in-charge 2: Ahmad Zahirudin Bin Abdul Rahim Professional qualification: Institute of Chartered Accountants in England and Wales (ICAEW) (MIA membership No.: 15121)	
PRINCIPAL ADVISER, MANAGING UNDERWRITER AND LEAD BOOKRUNNER	:	AmInvestment Bank Berhad Level 22, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur, Malaysia Tel. No.: +603 2036 2633	
JOINT UNDERWRITERS <i>(in alphabetical order)</i>	:	AmInvestment Bank Berhad Level 22, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur, Malaysia Tel. No.: +603 2036 2633	CIMB Investment Bank Berhad 17 th Floor, Menara CIMB No.1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur, Malaysia Tel. No.: +603 2261 8888

1. CORPORATE DIRECTORY (Cont'd)

	Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur, Malaysia Tel. No.: +603 2059 1888	RHB Investment Bank Berhad Level 13, Tower 3, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur, Malaysia Tel. No.: +603 9287 3888
JOINT BOOKRUNNERS <i>(in alphabetical order)</i>	AmInvestment Bank Berhad Level 22, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur, Malaysia Tel. No.: +603 2036 2633	CIMB Investment Bank Berhad 17 th Floor, Menara CIMB No.1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur, Malaysia Tel. No.: +603 2261 8888
	Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur, Malaysia Tel. No.: +603 2059 1888	
LEGAL ADVISERS	<i>To the Trustee-Manager</i>	<i>To the Lead Bookrunner, Joint Bookrunners, Managing Underwriter and Joint Underwriters</i>
	Kadir, Andri & Partners Suite A-38-8, Level 38 Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur, Malaysia Tel. No.: +603 2780 2888	Rahmat Lim & Partners Suite 33.01, Level 33, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia Tel. No.: +603 2299 3888 Fax: +603 2287 1616
INDEPENDENT MARKET RESEARCHER	Frost & Sullivan GIC Malaysia Sdn Bhd Level 6.06, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya Selangor Darul Ehsan, Malaysia Tel. No.: +603 2023 2000 Fax: +603 2023 2100 Name of signing partner: Narciso Podda (Director, Business & Financial Services) <i>(See Section 8 of this Prospectus for the profile of the firm and signing partner)</i>	
INDEPENDENT VALUER	KPMG Corporate Advisory Sdn Bhd Level 10, KPMG Tower 8, First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan, Malaysia Tel. No.: +603 7721 3388 Fax: +603 7721 7677 <i>(See Section 19 of this Prospectus for the profile of the firm and signing partner)</i>	

1. CORPORATE DIRECTORY (Cont'd)

- TRAFFIC CONSULTANT** : **Perunding Trafik Klasik Sdn Bhd**
L13A-01-02, Level 13A, PJX-HM Shah Tower
16A Persiaran Barat,
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel No.: +603 7932 3266
Fax: +603 7932 3261
(See Section 18 of this Prospectus for the profile of the firm and signing partner)
- TAXATION ADVISER** : **Ernst & Young Tax Consultants Sdn Bhd**
Level 23A, Menara Milenium
Jalan Damaniela, Pusat Bandar Damansara
50490, Kuala Lumpur, Malaysia
Tel No.: +603 7495 8000
Fax: +603 2095 5332
Partner-in-charge: Farah Rosley
- UNIT REGISTRAR** : **Boardroom Share Registrars Sdn. Bhd**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel No: +603 7890 4700
Fax: +603 7890 4670
- ISSUING HOUSE** : **Malaysian Issuing House Sdn. Bhd**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel No: +603 7890 4700
Fax: +603 7890 4680
- SHARIAH ADVISER** : **Amanie Advisors Sdn Bhd**
Level 13A-2
Menara Tokio Marine,
189, Jln Tun Razak,
50400 Kuala Lumpur, Malaysia
Tel. No.: +603 2161 0260
- LISTING SOUGHT** : Main Market of Bursa Securities
- SHARIAH STATUS** : Islamic business trust

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

- (i) The SC has, via its letter dated 17 November 2023, approved the application by Prolintas Managers for a CMSL for the regulated activity of fund management in relation to asset management restricted to business trust subject to fulfilment of the conditions as stipulated therein.

Consequential to the approval, the SC also approved the individual appointments of Prolintas Managers, including the licensed director, chief executive, responsible person for compliance and the Capital Markets Services Representative's Licence for the regulated activity of fund management in relation to asset management restricted to business trust ("**CMSRL**").

Upon fulfilment of the conditions stipulated by the SC in the letter dated 17 November 2023, the SC has on 7 December 2023 granted the CMSL to Prolintas Managers and the CMSRL to Dato' Mohammad Azlan Bin Abdullah and Malik Parvez Ahmad Bin Nazir Ahmad.

- (ii) The SC has, via its letter dated 1 December 2023, approved the following:
- (A) The establishment and listing of Prolintas Infra BT, an Islamic business trust, on the Main Market of Bursa Securities under Section 214(1) of the CMA, subject to the conditions below:

No	Details of conditions imposed	Status of compliance
(a)	Prolintas Managers to get an approval from the SC for it to be licensed for fund management in relation to asset management, restricted to business trust, pertaining to the registration of Prolintas Infra BT; and	Complied
(b)	AmlInvestment Bank and Prolintas Managers to fully comply with the requirements of the BT Guidelines and Prospectus Guidelines pertaining to the establishment and operation of Prolintas Infra BT as a business trust as well as the implementation of the Listing.	To be complied

- (B) The SC has also, via the same letter, approved the resultant unitholding structure of Prolintas Infra BT under the Bumiputera equity requirement for public listed companies pursuant to the Listing. The effects of the Listing on the unitholding structure of Prolintas Infra BT are as follows:

Category of Unitholders	After the IPO	
	No. of Units	% of total Units in issue
Bumiputera		
- Bumiputera investors to be approved by MITI	(1)137,500,000	12.50
- Bumiputera public investors via balloting	(1)13,750,000	1.25
Total Bumiputera	151,250,000	13.75
Non-Bumiputera	948,750,000	86.25
Total Malaysian	1,100,000,000	100.0
Foreigners	-	-
Total	1,100,000,000	100.0

Note:

- (1) Assuming all Units allocated to Bumiputera investors to be approved by MITI and Bumiputera public investors via balloting are fully subscribed.

2. INTRODUCTION (Cont'd)

- (iii) Upon fulfilling the terms and conditions stipulated by the SC in the letter dated 1 December 2023, the SC has, via its letter dated 11 December 2023, approved the registration of Prolintas Infra BT under Section 256K(2) of the CMSA.
- (iv) The MITI has, via its letter dated 13 December 2023, stated that it has taken note and has no objection for Prolintas Infra BT to implement the Listing. The MITI also noted that 137,500,000 Units, representing 12.50% of total Units of the Trust are Units allocated for Bumiputera investors approved by MITI. Therefore, Prolintas Infra BT will be in compliance with the 12.5% Bumiputera equity requirement.
- (v) Bursa Securities has, via its letter dated 7 February 2024, approved the admission of Prolintas Infra BT to the Official List of the Main Market and for the listing and quotation for 1,100,000,000 Units under the "Business Trust" sector of the Main Market of Bursa Securities. The conditions imposed by Bursa Securities and the status of compliance are as follows:

<u>Details of condition imposed</u>	<u>Status of compliance</u>
Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, Prolintas Infra BT is advised to include the Stock Code, Stock Short Name and ISIN code upon making the announcement on timetable for the IPO;	To be complied
Make an immediate announcement upon the closing date of the offer that the IPO of Prolintas Infra BT is subject to stabilisation action; and	To be complied
To furnish Bursa Securities a copy of the schedule of distribution showing compliance to the unit spread requirements based on the entire units of Prolintas Infra BT on the first day of Listing.	To be complied

2.2 RELIEFS AND VARIATION

Reliefs and variation from the BT Guidelines

- (i) The SC has, via its letter 1 December 2023, approved the reliefs sought by the Trustee-Manager from having to comply with certain requirements under the BT Guidelines. The details of the reliefs sought are as follows:

<u>Reference</u>	<u>Details of the reliefs granted</u>
Paragraphs 9.20 of the BT Guidelines	Relief to allow for the placement of IPO Units under the Institutional Offering to identified persons connected to the placement agents.
Paragraph 9.22(a) of the BT Guidelines	Relief to allow for the placement of IPO Units under the Institutional Offering, to identified funds managed or established by PNB, ASB, their subsidiaries and persons connected to them.

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2. INTRODUCTION (Cont'd)

2.3 MORATORIUM ON UNITS

In accordance with the BT Guidelines, the Units held by PLKH, being the moratorium provider, as at the date of the Listing will be placed under moratorium. In this respect, the Units that are subject to moratorium are set out below:

	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
	No. of Units	(1)%	No. of Units	(1)%
PLKH	631,300,000	57.4	561,000,000	51.0

Note:

(1) Based on the total number of 1,100,000,000 Units of Prolintas Infra BT upon Listing.

PLKH has fully accepted the moratorium. It is not allowed to sell, transfer or assign any part of its holding in the Units as at the date of the Listing for a period of six months from the date of Listing.

The above moratorium restrictions are specifically endorsed on the certificates representing the Units held by PLKH which are under moratorium to ensure that the Unit Registrar does not register any sale, transfer or assignment that contravenes such restriction.

The following persons are not allowed to sell, transfer or assign their entire shareholdings in respect of the following entities for a period of six months from the date of Listing:

- (i) the direct shareholders of PLKH, namely PNB and ASB, in respect of their respective shareholding in PLKH.

The above restrictions do not apply:

- (i) in respect of the Units that may be sold pursuant to the Over-allotment Option to be granted by the Over-allotment Option Provider to the Stabilising Manager; and
- (ii) to the transfer of the Units by the Over-allotment Option Provider as contemplated under the Unit Lending Agreement, provided that the restriction will apply to the Units returned to the Over-allotment Option Provider pursuant to the Unit Lending Agreement.

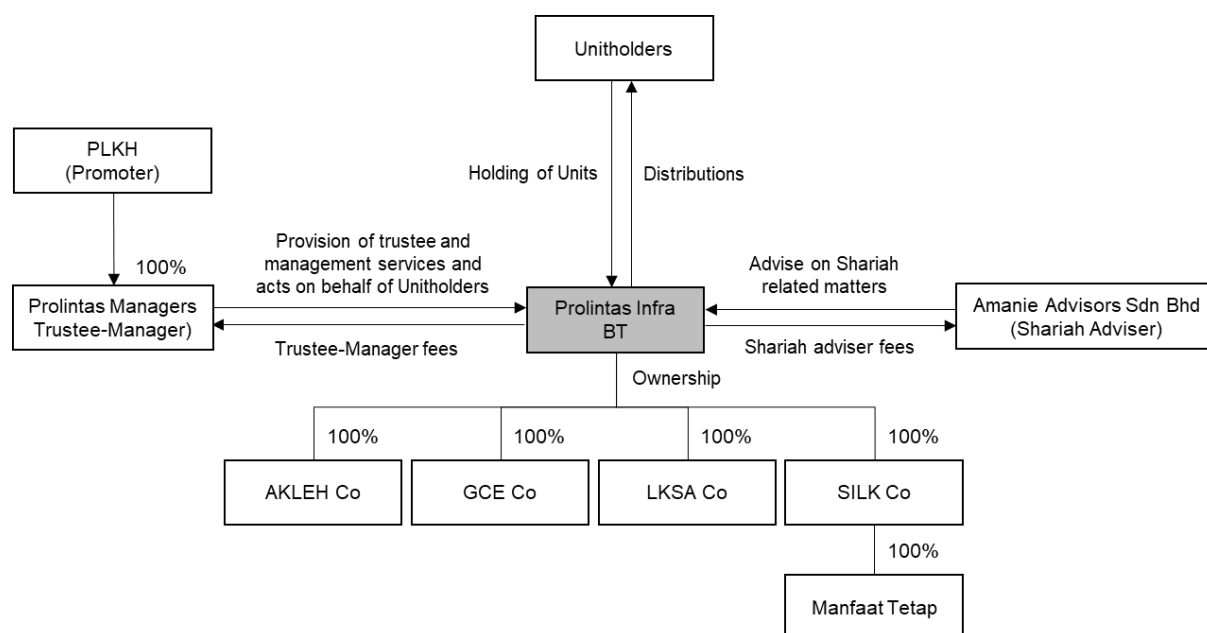
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3. PROSPECTUS SUMMARY

This Prospectus Summary is only a summary of the salient information on the IPO and the Prolintas Infra BT Group. It does not contain all the information that may be important to you. Investors should read and understand the whole Prospectus prior to deciding on whether to invest in the Units. There are fees and expenses involved and investors are advised to consider them before investing in Prolintas Infra BT.

3.1 OVERVIEW OF PROLINTAS INFRA BT

Prolintas Infra Business Trust is an Islamic business trust constituted under the laws of Malaysia under the Trust Deed and registered with the SC on 11 December 2023 and is managed by Prolintas Managers, the Trustee-Manager. The following diagram illustrates the relationship between Prolintas Infra BT, the Trustee-Manager, the Shariah Adviser and the Unitholders upon the Listing:



(I) SUMMARY OF PROLINTAS INFRA BT

Deed and governing law : Deed dated 11 December 2023 governed by the laws of Malaysia

Total Issue Size : 1,100,000,000 Units

Investment Policy and Objectives : The objectives of the Trust are to provide Unitholders with stable Distributions per Unit with the potential for sustainable long term growth of such Distributions.

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3. PROSPECTUS SUMMARY (Cont'd)

Key investment strategies : (i) Organic growth through proactive management

The Trustee-Manager will focus on organic growth of the Highways with value-added services such as petrol stations, convenience stores and electric vehicle charging stations along the Highways.

The Trustee-Manager is also focused on realising cost efficiencies within the Trust Group. The Trustee-Manager also intends to focus on strengthening internal processes and systems to improve the utilisation of resources and reduce costs in order to achieve sustainable long-term growth.

(ii) Capital and risk management

The Trustee-Manager targets to optimise returns to investors while ensuring financial prudence. To achieve this goal, the Trustee-Manager intends to optimise the capital structure and cost of capital of the Trust Group. The optimal capital structure may comprise an appropriate combination of debt and equity in funding acquisitions of other highways into the Trust.

(iii) Strategic growth via the acquisition of income-generating highways

The Trustee-Manager intends to source and selectively acquire future highway assets with the objective of delivering strong returns to Unitholders.

Currently, the Promoter, PLKH, is managing and operating two highways, DASH and SUKE which commenced operations in October 2022 and September 2022, respectively. Prolintas Infra BT has been granted the right of first refusal over potential future acquisitions of income-generating highway assets from the Promoter pursuant to the terms of the SBA. This gives Prolintas Infra BT priority access to the Promoter's assets, providing a potential expansion of its portfolio. The injection of DASH and SUKE to the Trust, if any, is expected to be within the medium to long term (i.e., beyond 5 years from Listing).

Permissible investments : Subject to the provisions of the Trust Deed, the Applicable Laws and Requirements and compliance on Shariah requirements, the Trust may only invest in the following investments, directly or indirectly, subject to the provisions of the BT Guidelines:

- (a) a Shariah-compliant portfolio of investments, namely, shares, units, securities, instruments, partnership interests, any other form of economic or participatory interests, and/or any other equity and/or ownership interests, in any corporation, business, firm, partnership, trust and/or other form of entity (incorporated or otherwise) which develops, operates and/or maintains tolled highways, and/or assets comprised in the business of the development, operation and/or maintenance of tolled highways, and other related businesses, assets, undertakings and/or activity which is associated with, ancillary to or incidental to the development, operation and/or maintenance of tolled highways;
- (b) cash, Islamic deposits and Islamic money market instruments; and/or

3. PROSPECTUS SUMMARY (Cont'd)

- (c) any other Shariah-compliant units, securities, instruments, partnership interests and/or any other form of economic or participatory interests, and/or investment products as may be permitted by the SC.

Distribution policy : **No inference should be made from any of the following statements as to the Trust Group's actual ability to pay distributions in future.**

For the Period Under Review and up to the LPD, the Concession Companies have not declared and/or paid dividends to its shareholder (i.e., PLKH) save as disclosed below and as disclosed in Section 15.4 of the Prospectus:

	<u>FYE 2020</u>	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>From 1 January 2023 up to the LPD</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
Dividends paid	-	⁽¹⁾ 27,000	⁽²⁾ 23,400	-

Notes:

- (1) A final single tier dividend of RM0.15 per share of GCE Co in respect of FYE 2020, declared on 21 June 2021 and paid on 29 June 2021.
- (2) A final single tier dividend of RM0.13 per share of GCE Co in respect of FYE 2021, declared on 17 May 2022 and paid on 29 June 2022.

Since the establishment of the Trust, there have not been any distributions made on the Units.

Upon Listing, it is the intention of the Trustee-Manager to provide its Unitholders with stable and sustainable distributions, which is reflective of its underlying financial performance. In that respect, the Trustee-Manager intends to distribute yearly distributions of at least 90% of the Trust Group's Distributable Amount. Based on Forecast Year 2024, the Distributable Amount for the Trust Group is forecasted to be approximately RM68.7 million, whereas 90% thereof is RM61.8 million. Nevertheless, for FYE 2024, the Trustee-Manager will distribute a total Distribution of RM70.0 million, which is further illustrated in Section 16.4 of this Prospectus. The total Distribution will be paid out in two tranches in FYE 2024 and in FYE 2025 respectively. Any proposed distributions as may be determined by the Trustee-Manager will take into consideration, the Trust and/or Trust Group's funding requirements, financial position, business prospects and expected financial performance, projected levels of capital expenditure and other investment plans, working capital requirements.

Further details of the Trust Group's distribution policy are set out in Section 15.4 of this Prospectus.

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3. PROSPECTUS SUMMARY (Cont'd)

Set out below the reconciliation of the Trust Group's PBT to proposed distributions for Forecast Year 2024:

	Forecast Year 2024
	(RM'000)
Profit before tax	23,069
Adjusted for:	
Add: Amortisation of highway development expenditure	47,201
Add: Unwinding discount in relation to lane widening on SILK and construction of Strathairlie Interchange on GCE	11,690
Less: Income tax paid	(13,198)
Less: Capital expenditure for upgrading and development works which is not funded by debt/Islamic financing (including lane widening on SILK and construction of Strathairlie Interchange on GCE)	(10,137)
Add: Listing expenses	10,080
Distributable Amount	68,705
Add: Utilisation of existing cash balance of the Trust Group	1,295
Distributions	70,000

3.2 PARTICULARS OF THE IPO AND PLAN OF DISTRIBUTION

The IPO : Up to 468,700,000 Units in Prolintas Infra BT comprising an Offer for Sale, representing up to about 42.61% of the total Units in issue.

Institutional Offering : Institutional Offering at the Institutional Price is payable in full upon allocation and determined by way of bookbuilding.

The Institutional Offering involves the offering of up to 422,949,000 IPO Units, representing up to about 38.45% of the total Units in issue, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.5 of this Prospectus respectively, at the Institutional Price to the following persons:

- (i) up to 137,500,000 IPO Units, in aggregate, representing up to about 12.50% of the total Units in issue to Bumiputera investors approved by the MITI; and
- (ii) up to 285,449,000 IPO Units, in aggregate, representing up to about 25.95% of the total Units in issue to institutional and selected investors (other than Bumiputera investors approved by the MITI).

Further information on the Institutional Offering is set out in Section 4.3.1 of the Prospectus.

Retail Offering : Retail Offering at the Retail Price of RM0.95 per Unit is payable in full upon application. If the Final Retail Price is less than the Retail Price, the difference will be refunded to the investors.

3. PROSPECTUS SUMMARY (Cont'd)

The Retail Offering involves the offering of up to 45,751,000 IPO Units, representing about 4.16% of the total Units in issue, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus, at the Retail Price to be allocated in the following manner:

- (i) **Allocation to the Eligible Persons**
18,251,000 IPO Units, representing about 1.66% of the total Units in issue, are reserved for application by the Eligible Persons.
- (ii) **Allocation via balloting to the Malaysian Public**
27,500,000 IPO Units, representing about 2.50% of the total Units in issue, are reserved for application by the Malaysian Public of which 13,750,000 Units have been set aside for application by Bumiputera citizens, individuals, companies, co-operatives, societies and institutions.

Further information on the Retail Offering is set out in Section 4.3.2 of the Prospectus.

Use of Proceeds : As Prolintas Infra BT will not be issuing any new Units for the IPO, the Trust will not receive any proceeds from the IPO. The estimated listing expenses (including expenses for the Pre-IPO Restructuring but excluding expenses related to the Offer for Sale by the Selling Unitholder) of approximately RM9.48 million to be incurred will be funded through internally generated funds of the Trust Group. Further information on the use of proceeds from the Offer for Sale is set out in Section 4.7 of the Prospectus.

Moratorium on Units : In accordance with the BT Guidelines, the Units held by PLKH, being the moratorium provider, as at the date of the Listing will be placed under moratorium. In this respect, the Units that are subject to moratorium are set out below:

	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
	No. of Units	⁽¹⁾%	No. of Units	⁽¹⁾%
PLKH	631,300,000	57.4	561,000,000	51.0

Note:

(1) Based on the total number of 1,100,000,000 Units of Prolintas Infra BT upon Listing.

PLKH has fully accepted the moratorium. It is not allowed to sell, transfer or assign any part of its holding in the Units as at the date of the Listing for a period of six months from the date of Listing.

The direct shareholders of PLKH, namely PNB and ASB, are not allowed to sell, transfer or assign their entire shareholdings in PLKH for a period of six months from the date of Listing.

Further information on the moratorium is set out in Section 2.3 of the Prospectus.

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3. PROSPECTUS SUMMARY *(Cont'd)*

3.3 INFORMATION ON PROLINTAS INFRA BT TRUST GROUP

The Trust had on 21 December 2023 completed the Pre-IPO Acquisition and formed the Trust Group. The Trust Group is principally involved in the:

- (i) construction, toll collection, operation and maintenance of the Highways; and
- (ii) provision of ancillary facilities to complement the operation of the Highways and enhance road users' experience and convenience.

The summary of the Highways held by the Trust Group (through the Concession Companies) are as follows:

	AKLEH	GCE	LKSA	SILK
Date of Concession Agreement	16 May 1996	18 July 2000	27 November 2006	8 October 1997
Expiry of concession	15 May 2037	31 May 2062	31 July 2062	31 July 2062
Remaining tenure as at the LPD	13 years 3 months	38 years 4 months	38 years 6 months	38 years 6 months
Mainline length	7.4 km	25.0 km	14.7 km	37.0 km
Location	Kuala Lumpur	Selangor	Selangor	Selangor
Name of toll plaza(s)	<ul style="list-style-type: none"> ▪ Datuk Keramat Toll Plaza 	<ul style="list-style-type: none"> ▪ Bukit Jelutong Toll Plaza ▪ Elmina Toll Plaza ▪ Lagong Toll Plaza 	<ul style="list-style-type: none"> ▪ Seri Muda Toll Plaza ▪ Alam Impian Toll Plaza 	<ul style="list-style-type: none"> ▪ Sungai Long Toll Plaza ▪ Bukit Kajang Toll Plaza ▪ Sungai Ramal Toll Plaza ▪ Sungai Balak Toll Plaza

Further details of the Trust Group's history and business are set out in Sections 6 and 7 of this Prospectus.

3.4 COMPETITIVE STRENGTHS AND INVESTMENT HIGHLIGHTS

The Trust Group's competitive strengths and investment highlights are as follows:

- (i) **The Trust Group's average remaining concession period of approximately 32 years provides long-term visibility on future toll revenue and cash flow, translating into sustainable distribution for Unitholders**

The Trust Group comprises highway infrastructure assets that generate significant cashflows (i.e. toll revenue) with an average remaining concession period of approximately 32 years, as at the LPD. While the Trust Group has deposits, cash and bank balances of RM348.5 million as at 30 September 2023, the Trust Group's profits are impacted by non-cash expenses such as amortisation of HDE. A business trust structure allows the Trustee-Manager to distribute income to the Unitholders from the cashflow generated without being constrained by accounting profits.

- (ii) **The Trust Group's Highways are located in high traffic areas**

The Highways are strategically situated across Klang Valley serving almost half a million road users every day. Moving forward, population growth as well as the development of townships and corridors near the Highways will contribute to the increase in traffic for the Highways.

3. PROSPECTUS SUMMARY (Cont'd)

(iii) Opportunity to invest in highway concession business which has high barrier to entry

The Trust Group operates in a highly regulated environment requiring long-term concessions to be granted by the Government, which requires the operator to demonstrate amongst others financial strength and specific experience and capabilities. The Trust Group has secured exclusive rights to operate and maintain the Highways within their designated areas, which allows it to capitalise on the traffic volume and generate sustainable revenues without facing direct competition from other players.

(iv) The Trustee-Manager is led by qualified and experienced Board and senior management team from reputable Promoter with proven track record

The Trustee-Manager is led by accomplished board of directors and supported by an experienced senior management team. PLKH as the Promoter has a proven track record and extensive experience in both highway construction and highway management.

(v) Operational excellence through ISO-compliant management systems

The Highways have received numerous ISO certifications which are a global standard management system. The ISO certifications allow the Trust Group to standardise the operation of Highways by improving the consistency and efficiencies in operations, as well as describing the Trust Group's processes using business metrics.

(vi) Adoption of innovative technologies to enhance the performance of the Highways' operations

The Trust Group adopts innovative technologies to seek to enhance the operations of the Concession Companies and to improve customer experience, leveraging Artificial Intelligence (AI) and Internet of Things (IoT), online reporting systems and mobile application.

(vii) The Trust Group is committed to corporate sustainability and the implementation of initiatives that focuses on ESG

The Trust Group has a strategic focus in the area of corporate sustainability. The Highways has several initiatives that cuts across the subjects of Environmental stewardship, Social responsibility, and Governance, ethics, & compliance. The integration of such areas into the strategic decision-making and day-to-day operations of the Trust Group ensures steadfast alignment with the Sustainability Guide provided by Bursa Securities and the United Nations Development Goals.

Further details on the Trust Group's competitive strengths and investment highlights are set out in Section 7.2 of this Prospectus.

3.5 RISK FACTORS

An investment in the Units involves several risks, many of which are beyond the Trust Group's control. You should carefully consider all information contained in this Prospectus, including all the risk factors, before deciding to invest in the Units. A summary of the key risks faced by the Trust Group is set out below:

- (i) Expiration or early termination of the Concession Agreements will adversely affect the businesses and financial performance of the Trust Group.
- (ii) Traffic volumes, and thus toll revenues of the Highways, depends primarily on factors outside the control of the Trust Group.

3. PROSPECTUS SUMMARY (Cont'd)

- (iii) The Trust Group's expenses including capital expenditure and costs of operations and maintenance of the Highways, may be affected by events outside the Trust Group's control.
- (iv) Rapid traffic growth could result in increased traffic congestion and commuting times on the Highways, which may result in users using alternative routes or alternative forms of transportation.
- (v) The Trust Group's results may be affected by competing routes of comparable quality and developments relating to alternative modes of transportation.
- (vi) The Trust Group may face risks relating to non-compliance with laws, regulations and guidelines governing its business and operations.
- (vii) Toll rates are outside the Trust Group's control and compensation arrangements may not result in the relevant Concession Company receiving equal the amount of toll revenue lost as a result of the lower toll rates.
- (viii) The ability of the Trust Group to pay distributions may be adversely affected by its current or future financing agreements or any interest rate fluctuation.
- (ix) The loss of any key personnel or the Trust Group's inability to replace such individuals, could have a material adverse effect on the operations and prospects of the Trust Group.
- (x) The operations of the Highways may be affected by pandemics of infectious disease (such as COVID-19) or other health epidemics, natural disasters, terrorist attacks, armed conflicts and other events beyond the Trust Group's control.
- (xi) The Trust Group's operations are subject to Government regulation which may limit the activities of the Trust Group, result in high compliance costs and result in penalties being imposed for non-compliances.
- (xii) The actual performance of Prolintas Infra BT could differ materially from the forward-looking statements in this Prospectus and Profit and Cash Flows Forecast, which are based on a number of assumptions and subject to uncertainties and contingencies which are outside of the Trustee-Manager's control.

Please refer to Section 5 of this Prospectus for further details and the full list of risk factors relating to the business and operations of the Trust Group, the industry in which the Trust Group operates in, and investment in the Units and the Listing.

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3. PROSPECTUS SUMMARY (Cont'd)

3.6 PROMOTER AND SUBSTANTIAL UNITHOLDERS

The following table sets out the direct and indirect shareholdings of the Promoter and Substantial Unitholders of the Trust before and after the IPO:

Name	Nationality/ Country of Incorporation	Unitholding immediately prior to the IPO				After the IPO							
		Direct		Indirect		Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised			
		No. of Units	(1)%	No of Units	(1)%	No. of Units	(2)%	No. of Units	(2)%	No. of Units	(2)%	No. of Units	(2)%
Promoter and Substantial Unitholder													
PLKH	Malaysia	1,100,000,000	100.0	-	-	631,300,000	57.4	-	-	561,000,000	51.0	-	-
Substantial Unitholders													
PNB	Malaysia	-	-	⁽³⁾ 1,100,000,000	100.0	-	-	⁽³⁾ 631,300,000	57.4	-	-	⁽³⁾ 561,000,000	51.0
ASB	Malaysia	-	-	⁽³⁾ 1,100,000,000	100.0	-	-	⁽³⁾ 631,300,000	57.4	-	-	⁽³⁾ 561,000,000	51.0
YPB	Malaysia	-	-	⁽⁴⁾ 1,100,000,000	100.0	-	-	⁽⁴⁾ 631,300,000	57.4	-	-	⁽⁴⁾ 561,000,000	51.0
LTH ⁽⁵⁾	Malaysia	-	-	-	-	60,000,000	5.5	-	-	60,000,000	5.5	-	-
AIIMAN ⁽⁵⁾	Malaysia	-	-	-	-	58,900,000	5.4	-	-	58,900,000	5.4	-	-
AHAM ⁽⁵⁾	Malaysia	-	-	-	-	11,100,000	1.0	⁽⁶⁾ 58,900,000	5.4	11,100,000	1.0	⁽⁶⁾ 58,900,000	5.4

Notes:

- (1) Based on the total number of 1,100,000,000 Units of Prolintas Infra BT after the Pre-IPO Acquisition.
- (2) Based on the total number of 1,100,000,000 Units of Prolintas Infra BT after the IPO.
- (3) Deemed interested by virtue of the direct interest in PLKH pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of the direct interest in PNB pursuant to Section 8(4) of the Act.
- (5) LTH, AIIMAN and AHAM will emerge as Substantial Unitholders after the IPO pursuant to the respective cornerstone placement agreements entered into between the Trustee-Manager, the Selling Unitholder, the Lead Bookrunner, the Joint Bookrunners and the Cornerstone Investors.
- (6) Deemed interested by virtue of the direct interest in AIIMAN pursuant to Section 8(4) of the Act.

Further details of the Promoter and the Substantial Unitholders of the Trust are set out in Section 9 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.7 TRUSTEE-MANAGER, DIRECTORS AND KEY SENIOR MANAGEMENT

Prolintas Managers is the Trustee-Manager for Prolintas Infra BT and is responsible for safeguarding the interest of the Unitholders of Prolintas Infra BT and for carrying out Prolintas Infra BT's investment and financing strategies, alongside with the overall management of the Concession Companies and/or assets held on trust for the Unitholders.

Prolintas Managers is a wholly-owned subsidiary of PLKH. As at the LPD, the Directors and key senior management of the Trustee-Manager are as follows:

Name	Designation
<u>Directors</u>	
Dato' Ikmal Hijaz Bin Hashim	Non-Independent Non-Executive Chairman
Dato' Mohammad Azlan Bin Abdullah	Non-Independent Non-Executive Director
Dato' Abdul Mutalib Bin Alias	Independent Non-Executive Director
Datuk Syed Azmi Bin Syed Othman	Independent Non-Executive Director
Nik Fazi'a Binti Nik Mohamed Shihabuddin	Independent Non-Executive Director
Datin Nona Binti Salleh	Independent Non-Executive Director
Malik Parvez Ahmad Bin Nazir Ahmad	Non-Independent Executive Director
<u>Key senior management</u>	
Malik Parvez Ahmad Bin Nazir Ahmad	Chief Executive Officer
Azmee Bin Nin	General Manager (Highway Operations)
Mukholisah Binti Mohd Majid	Financial Controller

Further details of the Trustee-Manager, directors and key senior management are set out in Section 10 of this Prospectus.

3.8 SUMMARY OF FINANCIAL INFORMATION OF THE TRUST GROUP

All the entities included in the Trust Group have been under the common control of PLKH for the Period Under Review. The combined financial statements of the Trust Group have been prepared as if the Trust Group has operated as a single economic entity throughout the Period Under Review and have been prepared from the books and records maintained by each entity. The key financial information of the Trust Group for the Period Under Review are as follows:-

	<u>Audited</u>			<u>Unaudited</u>	<u>Audited</u>
	<u>FYE 2020</u>	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FPE 2022</u>	<u>FPE 2023</u>
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	394,372	365,800	384,161	285,315	228,570
EBITDA ⁽¹⁾	307,979	259,452	268,857	203,216	165,349
PBT / (LBT)	6,699	26,028	(4,333)	(1,153)	(85,599)
Income tax credit/(expense)	745	⁽²⁾ 113,937	(9,228)	(8,445)	⁽³⁾ (171,352)
PAT/(LAT) attributable to:					
- The owners	9,934	142,649	(11,283)	(7,942)	(241,253)
- Non-controlling interest	(2,490)	(2,684)	(2,278)	(1,656)	(15,698)
Net cash flow from operating activities	46,662	80,504	236,271	216,452	78,697
Deposits, cash and bank balances	237,011	251,793	315,382	284,692	348,469
Key financial ratios:					
EBITDA margin ⁽⁴⁾ (%)	78.1	70.9	70.0	71.2	72.3
PBT margin ⁽⁵⁾ (%)	1.7	7.1	(1.1)	(0.4)	(37.4)
PAT margin ⁽⁶⁾ (%)	1.9	38.3	(3.5)	(3.4)	(112.4)

3. PROSPECTUS SUMMARY (Cont'd)

	Audited			Unaudited	Audited
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Current ratio ⁽⁷⁾ (times)	1.6	1.3	1.1	-	1.5
Gearing ratio ⁽⁸⁾ (times)	14.8	8.5	9.5	-	N/A
Interest coverage ratio ⁽⁹⁾ (times)	2.3	1.9	2.0	-	1.7

Notes:

- (1) Computed based on PBT/(LBT) plus (i) amortisation of HDE, (ii) impairment loss on HDE and (iii) finance cost, less (i) amortisation of deferred income and (ii) other income.
- (2) The increase in income tax credit in FYE 2021 was mainly due to a tax credit arising from SILK Co's carried forward unutilised business losses amounting to RM125.9 million.
- (3) The Trust Group recorded a higher tax expense in FPE 2023, which was mainly attributable to the reversal of deferred tax assets previously recognised of RM184.7 million arising from unutilised business losses from both LKSA Co and SILK Co due to insufficient future taxable profits which is projected based on the SCAs 2022.
- (4) Computed based on EBITDA divided by revenue.
- (5) Computed based on PBT/(LBT) divided by revenue.
- (6) Computed based on PAT/(LAT) divided by revenue.
- (7) Computed based on current assets divided by current liabilities.
- (8) Computed based on total financing / borrowings (including lease liabilities and accrued finance cost on Sukuk Mudharabah) over the total equity as at the end of the respective financial year.
- (9) Computed based on the EBITDA divided by the finance costs on financing / borrowings.

Further details on the Trust Group historical financial information are set out in Section 15 of this Prospectus.

3.9 PROFIT AND CASH FLOWS FORECAST

The Profit and Cash Flows Forecast reflects, amongst others, the financial effects arising from the Toll Restructuring, the Pre-IPO Reorganisation as well as the Proposals. The following is an extract from Section 16 of this Prospectus:

	Forecast Year 2024
	(RM'000)
Revenue	310,156
EBITDA ⁽¹⁾	206,990
PBT / (LBT)	23,069
Income tax (expense)	(14,791)
PAT/(LAT)	8,278
Net cash flow from operating activities	47,009

Key financial ratios:

EBITDA margin ⁽²⁾ (%)	66.7
PBT margin ⁽³⁾ (%)	7.4
PAT margin ⁽⁴⁾ (%)	2.7

Notes:

- (1) Computed based on PBT/(LBT) plus (i) amortisation of HDE, (ii) impairment loss on HDE and (iii) finance cost, less (i) amortisation of deferred income and (ii) other income.
- (2) Computed based on EBITDA divided by revenue.
- (3) Computed based on PBT/(LBT) divided by revenue.
- (4) Computed based on PAT/(LAT) divided by revenue.

Further details of the Profit and Cash Flows Forecast are set out in Section 16 as well as Annexures A (I) and (II) of this Prospectus. The actual performance of Prolintas Infra BT could differ materially from the forward-looking statements in this Prospectus and the Profit and Cash Flows Forecast, which are based on a number of assumptions and subject to uncertainties and contingencies which are outside of the Trustee-Manager's control. As the actual results may differ materially from the forecasts, investors are advised to read and understand the assumptions, uncertainties and contingencies underlying the Profit and Cash Flows Forecast as set out in Section 16.7 "Bases and Assumptions" of this Prospectus for further details. The Trust Group's ability to achieve the abovementioned Profit and Cash Flows Forecast is subject to events and circumstances assumed which may not occur as expected, or events and circumstances not anticipated which may arise.

3.10 NON-COMPLIANCES

3.10.1 Non-compliance with the Concession Agreements

Save as disclosed below, as at the LPD, the Trust Group is in compliance with and not in breach of the material terms of the Concession Agreements. Further details are set out in Section 7.21.1 of this Prospectus.

(i) Construction of Strathairlie Interchange on GCE

A diamond interchange known as Strathairlie Interchange which is required to be built on GCE not later than 2011 pursuant to the CA has not yet been built. As at the LPD, the MHA is aware of the said non-compliance and has been exchanging correspondence with GCE Co in relation to this matter since 2015. The MHA has confirmed that there is valid basis to enter into a supplemental CA with GCE Co for changes to the work programme and design configuration of the Strathairlie Interchange. The draft supplementary CA has been sent by GCE Co via email on 25 January 2023 and is currently still being reviewed by the MHA.

(ii) Upgrading works (lane widening) for SILK

Upgrading works (lane widening) from the UNITEN interchange to the Sungai Ramal Interchange on SILK which are required pursuant to the CA had not been implemented within the timeframe provided in the CA. At the time that PLKH completed the acquisition of SILK Co in 2017, it was noted that 51% of the upgrading works had been completed and the remaining 49% of works were to be undertaken in 3 stages, i.e. Phase 1, Phase 2 and Phase 3.

Phase 1 was completed in 2015 and Phase 2 of the upgrading works has commenced in 2021. SILK Co had, on 7 November 2022, submitted a revised construction work program to MHA for the remaining stages of Phase 2, which has been approved by the MHA. Under the revised construction work programme, Phase 2 is scheduled to be completed on 14 June 2025. As at the LPD, Phase 2 is in progress (currently at Stage 4 out of 5) and SILK Co has appointed the design consultant for Phase 3 on 22 August 2023. The construction work programme for Phase 3 works has yet to be approved by MHA.

3.10.2 Non-compliance with relevant laws, regulations, rules and requirements

Save for the non-compliances set out below (in respect of which the Board wishes to highlight the issues set out in sub-paragraphs (ii), (iii) and (iv) below are issues which collectively impact the highway operator industry), as at the LPD, the Trust Group is in compliance with the relevant laws, regulations, rules and requirements governing conduct of the business of the Trust Group. Further details are set out in Section 7.23 of this Prospectus.

(i) **Absence of advertisement licences**

The Concession Companies do not hold advertisement licenses issued by the relevant local authority for a total of 52 advertisement structures erected along the Highways, out of which 14 structures are owned by LKSA Co and 1 advertisement structure is owned by AKLEH Co. Historically, the local authorities had requested for the Concession Companies to apply for business license in which the first stage of the application is to be made to MHA.

As at the LPD, MHA's final approval has been obtained for 4 structures owned by LKSA Co. Conditional approval has been obtained for 9 structures owned by LKSA Co and 1 structure owned by AKLEH Co. As at the LPD, 1 structure owned by LKSA Co is currently undergoing an appeal to MHA to obtain approval.

The remaining 37 structures are owned by third party vendors, out of which 9 are still pending MHA approval and 3 are undergoing appeal to MHA to obtain approval.

That being said, the MHA had issued a letter dated 16 October 2023 to (among others) the Concession Companies informing of MHA's position that MHA approval for such advertisement structures is no longer subject to any condition that the relevant planning permissions and structure licences from the respective local authorities need to be obtained.

This is based on a letter dated 28 August 2023 issued by the Ministry of Works to all State governments, local authorities and district offices, informing that it is the position of the Ministry of Works that such advertisement structures fall under the purview of the Ministry of Works and are not within the jurisdiction of the respective local authorities and, therefore, the permissions and licences for such advertisement structures from local authorities are no longer required for the same. As at the LPD, none of the Concession Companies have received any notification from the respective local authorities on this matter.

(ii) **Outstanding land premium**

The MHA had forwarded to SILK Co a Notice 5A dated 2 July 2014 from the Pejabat Daerah/Tanah Hulu Langat ("**PDT Hulu Langat**") for the payment of RM6,958,011.00 being the cost of land premium and related costs for a specified area located at KM26.7 of SILK ("**Affected Area**"). The Notice 5A, which remains unpaid, has lapsed on 31 December 2021 and SILK Co has not received a fresh Notice 5A from PDT Hulu Langat as at the LPD.

SILK Co had entered into a licence agreement with Petronas Dagangan Berhad ("**PDB**"), pursuant to which PDB is responsible to bear the cost and expense of all necessary permits, approvals, rates, taxes, assessment, duties and impositions by relevant authorities. On 18 July 2023, SILK Co has, via its solicitors, issued a notice to PDB demanding that PDB makes the necessary arrangement to pay the "premiums" imposed in respect of the Affected Area. Further to a meeting between PDB and SILK Co, PDB issued a letter on 16 August 2023 to explain that the issue regarding payment of land premium for highway sites is being discussed on an industrial level by all oil companies with the MHA and Ministry of Works. As such, PDB has requested for more time to provide a response as until any decisions are made consensually between the relevant parties on the subject of land premium payments, PDB will not be able to respond to the SILK Co's demands.

(iii) Absence of planning permission and CCC

As at the LPD, a total of 35 buildings and structures along the Highways (including administration buildings, toll plazas, RSAs and lay-bys) do not have planning permission and have also not been issued with CCCs. The MHA has issued SKPL for all the Highways, which contains a number of confirmations from professional engineer and also the MHA, including that the highway / ancillary facility is safe for public use. In the past, in practice, the local authorities have accepted the SKPL in lieu of a CCC for the purposes of a business premise license application by the vendors operating in the RSAs of the Highways. However, the Concession Companies have noted that in recent years (2018-2019), the local authorities have begun to emphasise on such requirement.

The Concession Companies understand this matter to be a collective issue faced by all local highway concession companies. The Ministry of Works has, vide its letter dated 28 July 2023, confirmed that the issue of the requirement of planning permission and CCC for buildings and structures on existing highways including the Highways is an issue which is currently under discussion and engagement between the relevant parties (i.e., the highway concession companies, local authorities and the Ministry of Works). Meanwhile, the Ministry of Works has confirmed that the issuance of the SKPL for the Highways affirms that the Highways and its ancillary facilities have been completed in accordance with the requirements of the relevant Concession Agreements.

(iv) Absence of airspace permits for elevated parts of the Highways

Pursuant to the provisions of the Concession Agreements, the relevant Concession Company shall, as soon as practicable, inform the Government of the exact site and location of elevated parts of the Highways for the Government to procure the air space permits in accordance with Section 75A of the National Land Code. The issuance of air space permits is subject to the full land reservation of the relevant highways having been completed and gazetted. As at the LPD, the land reservation status of the Highways has only been partially completed. The land reservation process takes time as it is a complex task which involves separate engagements with multiple Federal and State government authorities and agencies.

3.11 FEES AND EXPENSES IN RESPECT OF THE TRUST

The Trustee-Manager is entitled under the Trust Deed to the following management Fees (exclusive of any applicable tax on service). The Trustee-Manager may elect to receive the Trustee-Manager's fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine). The Trustee-Manager's fees are as summarised below:

Payable by Prolintas Infra BT	Amount payable
(i) Base Fee	The base fee (exclusive of any applicable tax on services) is a fixed fee of RM8.0 million per annum, which is subject to increase each year by such percentage representing the percentage increase (if any) in the Malaysia Composite Consumer Price Index.

3. PROSPECTUS SUMMARY (Cont'd)

Payable by Prolintas Infra BT	Amount payable
(ii) Performance Fee	The Trustee-Manager is entitled to receive a performance fee (exclusive of any applicable tax on services) of 10% per annum of the increase in DPU in a financial year as compared to the DPU in the preceding financial year. In the event that the actual DPU in a financial year is less than the DPU in the preceding financial year, such deficit shall be brought forward to the subsequent period(s) and shall be set off from any excess DPU before any Performance Fee can be paid.
(iii) Acquisition Fee	The acquisition fee of up to 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) (exclusive of any applicable tax on services) of the acquisition price.
(iv) Divestment Fee	A divestment fee of 0.5% (exclusive of any applicable tax on services) of the sale price.

Further details of the Trustee-Manager's fees are as set out in Section 10.6.1 of this Prospectus.

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4. DETAILS OF THE IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative times and/or dates:

Event	Time and/or Date
Opening of the Institutional Offering	6 March 2024
Issuance of the Prospectus/Opening of the Retail Offering	10.00 a.m., 6 March 2024
Closing of the Retail Offering	5.00 p.m., 12 March 2024
Closing of the Institutional Offering	12 March 2024
Price Determination Date	13 March 2024
Balloting of applications for the IPO Units under the Retail Offering	14 March 2024
Transfer of the IPO Units to successful applicants	22 March 2024
Listing	25 March 2024

In the event there is any change to the timetable, the notice of changes will be published on Bursa Securities' website and advertised in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

4.2 RATIONALE FOR BUSINESS TRUST STRUCTURE

The Trust Group comprises highway infrastructure assets that generate significant cashflows (i.e. toll revenue). While the Trust Group has deposits, cash and bank balances of RM348.5 million as at 30 September 2023, the Trust Group's profits are impacted by non-cash expenses such as amortisation of HDE. A business trust structure allows the Trustee-Manager to distribute income to the Unitholders from the cashflow generated by the business without being constrained by accounting profits.

The listing and quotation for the Units on the Main Market of Bursa Securities will enhance liquidity as compared to the illiquid nature of the underlying assets (i.e., the Highways held by the Concession Companies) and provide investors an opportunity to invest in a business trust which generally provides stable distribution of income and potential capital appreciation on investment in the Units.

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4. DETAILS OF THE IPO (Cont'd)

4.3 PARTICULARS OF THE IPO AND PLAN OF DISTRIBUTION

The IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, the IPO Units are expected to be allocated or transferred in the manner described below, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.5 of this Prospectus.

The IPO consists of the Institutional Offering and the Retail Offering, totalling up to 468,700,000 IPO Units, representing up to about 42.61% of the total Units in issue.

4.3.1 Institutional Offering

Institutional Offering at the Institutional Price is payable in full upon allocation and determined by way of bookbuilding.

The Institutional Offering involves the offering of up to 422,949,000 IPO Units, representing up to about 38.45% of the total Units in issue, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.5 of this Prospectus, at the Institutional Price to the following persons:

- (i) up to 137,500,000 IPO Units, in aggregate, representing up to about 12.50% of the total Units in issue to Bumiputera investors approved by the MITI; and
- (ii) up to 285,449,000 IPO Units, in aggregate, representing up to about 25.95% of the total Units in issue to institutional and selected investors (other than Bumiputera investors approved by the MITI).

As part of the Institutional Offering, on 14 February 2024, the Trustee-Manager and the Selling Unitholder, entered into a Master Cornerstone Placement Agreement with the Lead Bookrunner, the Joint Bookrunners and the Cornerstone Investors where the Cornerstone Investors have agreed to acquire, subject to the terms of the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements, an aggregate of 299,850,000 IPO Units, representing approximately 27.3% of the issued Unit capital at RM0.95 per IPO Unit or the Institutional Price, whichever is lower.

The cornerstone placement agreements are conditional upon, among others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.

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4. DETAILS OF THE IPO (Cont'd)

4.3.2 Retail Offering

Retail Offering at the Retail Price of RM0.95 per Unit is payable in full upon application. If the Final Retail Price is less than the Retail Price, the difference will be refunded to the investors.

The Retail Offering involves the offering of up to 45,751,000 IPO Units, representing about 4.16% of the total Units in issue, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus, at the Retail Price to be allocated in the following manner:

(i) Allocation to the Eligible Persons

18,251,000 IPO Units, representing about 1.66% of the total Units in issue, are reserved for application by the Eligible Persons in the following manner:

Eligible Persons⁽¹⁾	No. of Eligible Persons	Aggregate no. of Units allocated
The Directors and key senior management of Prolintas Managers ⁽²⁾	9	1,650,000
Eligible employees of the Trust Group ⁽³⁾	Up to 336	3,871,000
Persons who have contributed to the success of the Trust Group ⁽⁴⁾	Up to 464	12,730,000
Total	809	18,251,000

Notes:

- (1) Subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.5 of this Prospectus, all the Eligible Persons are eligible to apply for any amount of Excess Units (as defined below) made available to the Eligible Persons over and above their pre-determined allocation.
- (2) The criteria for allocation to the Directors and key senior management are based on, amongst others, their respective roles and responsibilities in, and contribution to the Trust Group and they collectively will be allocated a total of 1,650,000 Units as follows:

Name	No. of Units allocated
Directors	
Dato' Ikmal Hijaz Bin Hashim (Non-Independent Non-Executive Chairman)	300,000
Dato' Abdul Mutalib Bin Alias (Independent Non-Executive Director)	250,000
Datuk Syed Azmi Bin Syed Othman (Independent Non-Executive Director)	250,000
Nik Fazila Binti Nik Mohamed Shihabuddin (Independent Non-Executive Director)	250,000
Datin Nona Binti Salleh (Independent Non-Executive Director)	250,000
Dato' Mohammad Azlan Bin Abdullah (Non-Independent Non-Executive Director)	100,000

4. DETAILS OF THE IPO (Cont'd)

	<u>Name</u>	<u>No. of Units allocated</u>
	Key Senior Management	
	Malik Parvez Ahmad Bin Nazir Ahmad (Non-Independent Executive Director / Chief Executive Officer)	100,000
	Azmee Bin Nin (General Manager (Highway Operations))	80,000
	Mukholisah Binti Mohd Majid (Financial Controller)	70,000
(3)	The allocation to the eligible employees of the Trust Group is to be made to full-time confirmed employees of the Trust Group based on length of service, performance, job grade and their past contributions to the Trust Group leading up to the Listing.	
(4)	Persons who have contributed to the success of the Trust Group include the directors and employees of the PLKH Group. The criteria for allocation is based on, amongst others, their contributions to the success of the Trust Group, length of service, performance, and job grade.	

(ii) Allocation via balloting to the Malaysian Public

27,500,000 IPO Units, representing about 2.50% of the total Units in issue, are reserved for application by the Malaysian Public of which 13,750,000 Units have been set aside for application by Bumiputera citizens, individuals, companies, co-operatives, societies and institutions. Any Units not subscribed by such Bumiputera investors will be made available for application by other Malaysian investors under the Retail Offering.

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4. DETAILS OF THE IPO (Cont'd)

In summary, the IPO Units will be allocated subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.5 of this Prospectus, in the following manner:

Category	Offer for Sale	
	No. of Units	% of total Units in issue
Retail Offering:		
Eligible Persons:		
- The Directors and key senior management of the Trustee-Manager	1,650,000	0.15
- Eligible employees of the Trust Group	3,871,000	0.35
- Persons who have contributed to the success of the Trust Group	12,730,000	1.16
Sub-total	18,251,000	1.66
Malaysian Public (via balloting)		
- Bumiputera	13,750,000	1.25
- Non-Bumiputera	13,750,000	1.25
Sub-total	45,751,000	4.16
Institutional Offering:		
- Private placement to Bumiputera investors approved by the MITI	137,500,000	12.50
- Private placement to other institutional and selected investors	285,449,000	25.95
Sub-total	422,949,000	38.45
Total	468,700,000	42.61

The completion of the Retail Offering and the Institutional Offering are inter-conditional. The IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.3.4 of this Prospectus.

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4. DETAILS OF THE IPO (Cont'd)

4.3.3 Clawback and reallocation

The Institutional Offering and the Retail Offering will be subject to the following clawback and reallocation provisions:

- (i) if the IPO Units allocated to Bumiputera investors approved by the MITI (“**MITI Tranche**”) are under-subscribed, such IPO Units which are not taken up will be allocated to other Malaysian institutional investors under the Institutional Offering.

If after the above reallocation, the MITI Tranche is still under-subscribed under the Institutional Offering, and there is a corresponding over-subscription for the IPO Units by the Malaysian Public under the Retail Offering, the IPO Units will be clawed back from the MITI Tranche and allocated firstly, to the Bumiputera public investors under the Retail Offering, and thereafter to the Malaysian Public under the Retail Offering;

- (ii) if the IPO Units allocated to the Eligible Persons are under-subscribed, such IPO Units may be allocated to the other institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Joint Bookrunners and Trustee-Manager;
- (iii) subject to items (i) and (ii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, the IPO Units may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iv) subject to item (ii) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, the IPO Units may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

The IPO Units not taken up by the Eligible Persons (“**Excess Units**”) will be made available for application by the other Eligible Persons who have applied for Excess Units over and above their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

- (a) firstly, allocation on a pro-rata basis to the Directors and eligible employees of the Trust Group who have applied for the Excess Units based on the number of Excess Units applied for;
- (b) secondly, allocation of any surplus Excess Units after (a) above on a pro-rata basis to persons who have contributed to the success of the Trust Group who have applied for the Excess Units based on the number of Excess Units applied for; and
- (c) thirdly, to minimise odd lots.

4. DETAILS OF THE IPO (Cont'd)

The Board reserves the right to allot Excess Units applied in such manner as it may deem fit and expedient in the best interest of the Trust Group, subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in items (a) to (c) above is achieved. The Board also reserves the right to accept or reject any application for Excess Units, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess Units thereafter, such balance will be made available for clawback and reallocation as described in item (ii) above. Any IPO Units under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters, subject to the clawback and reallocation provisions.

To the best of the knowledge and belief of the Trustee-Manager, save for LTH and ALLMAN, there is no person who intends to subscribe for more than 5.0% of the IPO Units.

4.3.4 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under the IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Units will be the number of Units required to be held by the public Unitholders to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, Prolintas Infra BT is required to have a minimum of 25.0% of Units held by at least 1,000 public Unitholders, each holding not less than 100 Units at the point of the Listing.

If the above requirement is not met, we may not be able to proceed with the Listing. See Section 5.3.4 of this Prospectus for details in the event there is a delay in or termination of the Listing.

4.3.5 Over-allotment Option

The Over-allotment Option Provider may grant an Over-allotment Option to the Stabilising Manager (on behalf of the placement manager(s)) and may together with the Trustee-Manager appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may at its absolute discretion, over-allot the Units (on behalf of the placement manager(s)) and subsequently, effect transactions to stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market.

Such transactions consist of bids or purchases to peg, fix or maintain the price of the Units. If the Stabilising Manager creates a short position in the Units in connection with the Institutional Offering, the Stabilising Manager may reduce that short position by purchasing Units in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-allotment Option.

If granted, the Over-allotment Option will be exercisable in whole or in part by the Stabilising Manager, on one or more occasions, by giving written notice to the Over-allotment Option Provider at any time, within 30 days from the date of the Listing, to purchase from the Over-allotment Option Provider up to an aggregate of 70,300,000 Units, representing up to about 6.39% of the total number of Units offered, solely for purposes of covering over-allotments of the Units (if any).

4. DETAILS OF THE IPO (Cont'd)

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the placement manager(s)) enter into the Unit Lending Agreement with the Over-allotment Option Provider to borrow up to an aggregate of 70,300,000 Units to cover the over-allotments. Any Units that may be borrowed by the Stabilising Manager under the Unit Lending Agreement will be returned by the Stabilising Manager to the Over-allotment Option Provider either through the purchase of Units in the open market by the Stabilising Manager in the conduct of the stabilisation activities or deemed returned through the exercise of the Over-allotment Option by the Stabilising Manager, or a combination of both. The exercise of the Over-allotment Option will not increase the total number of Units issued and is not intended to constitute an offer for sale of the Units by the Over-allotment Option Provider under the IPO.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market of Bursa Securities and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder. The number of Units that the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may buy to undertake stabilising action shall not exceed an aggregate of 70,300,000 Units, representing up to about 6.39% of the total number of IPO Units offered. However, there is no obligation on the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) to undertake such stabilising action. Such stabilising actions may commence on or after the commencement of trading of the Units on the Main Market of Bursa Securities and, if commenced, may be discontinued at any time and cannot be effected after the earlier of: (i) the date falling 30 days from the commencement of trading of the Units on the Main Market of Bursa Securities; or (ii) the date when the Stabilising Manager has bought on the Main Market of Bursa Securities an aggregate of 70,300,000 Units, representing up to about 6.39% of the total number of IPO Units offered to undertake the stabilisation action.

Neither Prolintas Infra BT, the Trustee-Manager, the Over-allotment Option Provider nor the Stabilising Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of Units. In addition, neither Prolintas Infra BT, the Trustee-Manager, the Over-allotment Option Provider nor the Stabilising Manager makes any representation that the Stabilising Manager will engage in such transactions, or that such transactions once commenced, will not be discontinued without notice (unless such notice is required by law).

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4. DETAILS OF THE IPO (Cont'd)

4.4 SELLING UNITHOLDER

The IPO Units to be offered by the Selling Unitholder and their respective direct Unitholdings before and after the IPO and their material relationship with the Trust Group within the past three years are as follows:

Name	Material relationship with the Trust Group	Unitholding immediately prior to the IPO		Units offered pursuant to the Offer for Sale		Unitholding after the IPO assuming the Over-allotment Option is not exercised		Over-allotment Option		Unitholding after the IPO assuming the Over-allotment Option is fully exercised	
		No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾	No. of Units	% ⁽²⁾	No. of Units	% ⁽²⁾	No. of Units	% ⁽²⁾
PLKH	Promoter and Substantial Unitholder	1,100,000,000	100.0	468,700,000	42.6	631,300,000	57.4	70,300,000	6.4	561,000,000	51.0

Notes:

(1) Based on the total number of 1,100,000,000 Units of Prolintas Infra BT after the Pre-IPO Acquisition.

(2) Based on the total number of 1,100,000,000 Units of Prolintas Infra BT after the IPO.

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4. DETAILS OF THE IPO (Cont'd)

4.5 BASIS OF ARRIVING AT THE PRICE OF THE IPO UNITS AND REFUND MECHANISM

4.5.1 Retail Price

The Retail Price was determined and agreed upon between the Directors and the Selling Unitholder in consultation with the Joint Bookrunners, after taking into consideration the following factors:

- (i) the forecast distribution yield of Prolintas Infra BT;
- (ii) the future prospects of Prolintas Infra BT;
- (iii) Prolintas Infra BT's competitive strengths as outlined in Section 7.2 of this Prospectus;
- (iv) the overview and future outlook of the highway industry in which Prolintas Infra BT operates in, as described in the IMR Report in Section 8 of this Prospectus; and
- (v) the prevailing market conditions including market performance of key global indices and companies involved in similar business listed on the stock exchange and current market trends as well as investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

- (i) the Retail Price; or
- (ii) the Institutional Price.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. See Section 4.5.3 of this Prospectus for details of the refund mechanism.

The Final Retail Price and the Institutional Price will be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for the IPO Units.

4.5.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of IPO Units they would be prepared to acquire and the price they would be prepared to pay for IPO Units in respect of the Institutional Offering. This bookbuilding process will commence on 6 March 2024 and will end on 12 March 2024 or such other dates as the Trustee-Manager and the Joint Bookrunners may decide at their absolute discretion. Upon completion of the bookbuilding process, the Institutional Price will be fixed by the Directors and the Selling Unitholder in consultation with the Joint Bookrunners on the Price Determination Date.

4.5.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. The refund will be made:

4. DETAILS OF THE IPO (Cont'd)

- (i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or
- (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institution for applications made via the Electronic Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institution for applications made via the Internet Application,

within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 21.9 of this Prospectus.

4.5.4 Expected market capitalisation

Based on the Retail Price and the listing of 1,100,000,000 Units, the total market capitalisation of Prolintas Infra BT upon the Listing would be approximately RM1,045 million.

You should note that the market price of Units upon the Listing is subject to the vagaries of market forces and other uncertainties. You are also reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.

4.6 DILUTION

Dilution is the amount by which the price paid by retail, institutional and selected investors for the Units exceeds the Trust Group's pro forma consolidated NA per Unit after the IPO. The following table illustrates the dilution effect on the Trust Group's pro forma consolidated NA as at 30 September 2023 on a per Unit basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

		<u>RM</u>
Final Retail Price / Institutional Price	A	0.95
Pro forma consolidated NA per Unit as at 30 September 2023, after adjusting the Pre-IPO Restructuring but before adjusting for the Listing	B	0.55
Pro forma consolidated NA per Unit as at 30 September 2023, after adjusting the Pre-IPO Restructuring and the expenses in relation to the Listing	C	0.54
(Decrease) in consolidated NA per Unit to the existing Unitholders	C – B	(0.01)
Dilution in pro forma consolidated NA per Unit to retail/institutional and selected investors	A – C	0.41
Dilution in pro forma consolidated NA per Unit to retail/institutional and selected investors as a percentage to the Retail Price/Institutional Price	(A – C) / A	43.2%

Save for the Pre-IPO Restructuring as disclosed in Section 6.1.8 of this Prospectus, none of the Substantial Unitholders, the Directors, the key senior management or persons connected to them had acquired, obtained the right to acquire and/or subscribed for the Units in Prolintas Infra BT since its inception up to the LPD.

4. DETAILS OF THE IPO (Cont'd)

4.7 USE OF PROCEEDS

As Prolintas Infra BT will not be issuing any new Units for the IPO, the Trust will not receive any proceeds from the IPO. The total gross proceeds from the Offer for Sale based on the Institutional Price of up to approximately RM445.3 million will accrue entirely to the Selling Unitholder. The Selling Unitholder will bear its own expenses including, but not limited to, the placement fee and underwriting fee in relation to the Offer for Sale which is estimated to be approximately up to RM10.2 million.

The estimated listing expenses (including expenses for the Pre-IPO Restructuring but excluding expenses related to the Offer for Sale by the Selling Unitholder) of approximately RM9.48 million to be incurred will be funded through internally generated funds of the Trust Group. The expenses are anticipated to be fully settled within one month from the completion of the Listing. The breakdown of the estimated expenses in relation to the Pre-IPO Restructuring and Proposals is as follows:

Estimated listing expenses	(RM'000)
Professional fees ⁽¹⁾	8,450
Fees payable to authorities	640
Fees and expenses relating to printing of Prospectus, roadshow, investor relations and advertising	690
Miscellaneous expenses and contingencies	300
Total	10,080

Note:

(1) Includes the professional fees for, amongst others, the Principal Adviser, legal advisers, company secretaries, Reporting Accountants, IMR, internal controls consultant, Issuing House and Unit Registrar.

4.8 BROKERAGE, COMMISSIONS AND OTHER FEES AND CHARGES

4.8.1 Expenses related to the Offer for Sale

All expenses related to the Offer for Sale including the brokerage fee, underwriting commission and the placement fee shall be borne by the Selling Unitholder.

(i) Brokerage fee

The Selling Unitholder will bear the brokerage fee relating to the IPO Units made available for application under the Retail Offering at the rate of 1.00% of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Lead Bookrunner and the Joint Bookrunners are entitled to charge brokerage to successful applicants under the Institutional Offering. For the avoidance of doubt, the brokerage commission under the Institutional Offering will not be payable by the Trust or the Selling Unitholder.

4. DETAILS OF THE IPO (Cont'd)

(ii) Underwriting commission

As stipulated under the Retail Underwriting Agreement, the Managing Underwriter and the Joint Underwriters have agreed to underwrite up to 45,751,000 IPO Units under the Retail Offering for a managing underwriting commission of 0.25% and an underwriting commission of up to 1.75% (exclusive of applicable tax) respectively of the Retail Price multiplied by the total number of IPO Units underwritten under the Retail Offering which shall be paid by the Selling Unitholder, in accordance with the terms of the Retail Underwriting Agreement.

(iii) Placement fee

The Selling Unitholder will pay the Lead Bookrunner and the Joint Bookrunners a lead bookrunner fee of 0.25% and placement fee and selling commission of up to 1.75% (exclusive of applicable tax) respectively of the Institutional Price multiplied by the number of IPO Units sold to institutional and selected investors in accordance with the terms of the Placement Agreement.

4.8.2 Fees and charges payable directly by Unitholders

The following is a summary of the amount of certain fees and charges payable by the Unitholders in connection with the purchase, sale and holding of their investments in Prolintas Infra BT or trading of the Units (so long as the Units are listed):

	Payable by the Unitholders directly	Amount payable
(a)	Bursa Securities clearing fee	0.03% of the transaction value, subject to a maximum of RM1,000.00 per transaction
(b)	Brokerage	A percentage of the transaction value prescribed by or negotiated with the ADAs, subject to a minimum of RM40.00 per transaction save for (i) online routed retail transactions, (ii) transactions executed in less than a board lot and (iii) transactions paid with cash upfront, for which the minimum brokerage fees are fully negotiable
(c)	Stamp duty	RM1.00 for every RM1,000.00 or fractional part of the transactional value, subject to a maximum of RM1,000.00 per transaction

4.9 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.9.1 Underwriting

The Trustee-Manager and Selling Unitholder have entered into the Retail Underwriting Agreement with the Managing Underwriter and the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite up to 45,751,000 IPO Units under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.8.1(ii) of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

4. DETAILS OF THE IPO (Cont'd)

Unless waived by the Managing Underwriter upon consultation with, and on behalf of, the Joint Underwriters, the obligations of the Joint Underwriters to underwrite the underwritten Units is conditional upon:

- (i) the Joint Underwriters receiving a certificate in the form or substantially in the form agreed in the Retail Underwriting Agreement from the Trustee-Manager dated the date of registration of the Prospectus and next, from the Trustee-Manager, dated the closing date of the Retail Offering (“**Closing Date**”);
- (ii) the Joint Underwriters receiving a certificate in the form or substantially in the form agreed in the Retail Underwriting Agreement, from the Selling Unitholder dated the date of registration of the Prospectus and next, from the Selling Unitholder, dated the Closing Date;
- (iii) the Retail Underwriting Agreement has been duly stamped;
- (iv) the issue of the Prospectus not later than 1 calendar month after the date of the Retail Underwriting Agreement or such later date as the Managing Underwriter, acting for and on behalf of the Joint Underwriters, and the Trustee-Manager may from time to time agree in writing;
- (v) the registration of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the IPO with the SC together with copies of all documents required under the CMSA;
- (vi) the delivery to each Joint Underwriter prior to the date of registration of the Prospectus with the SC of:
 - (a) a certified true copy by the authorised officers of the Trustee-Manager of all the relevant resolutions of the Directors and if applicable, its shareholders; and
 - (b) a certified true copy by the company secretary of the Selling Unitholder of all the relevant resolutions of its directors and if applicable, its shareholders,approving the Retail Underwriting Agreement, the Prospectus, the IPO, the Listing, authorising the execution of the Retail Underwriting Agreement and the issuance of the Prospectus, approving the allotment and issue and/or transfer of the IPO Units under the IPO, and confirming that the respective directors of the Trustee-Manager and the Selling Unitholder, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus;
- (vii) all the resolutions referred to in paragraph 4.9.1(vi) above remaining in full force and effect as at the Closing Date and none having been rescinded or revoked or varied;
- (viii) all the approvals in relation to the IPO and as contained in the resolutions referred to in paragraph 4.9.1(vi) above, unless otherwise waived, remaining in full force and effect as at the Closing Date and that all conditions to the approvals (except for any which can only be complied with after the IPO has been completed) have been complied with or otherwise waived by Bursa Securities or the SC as the case may be;

4. DETAILS OF THE IPO (Cont'd)

- (ix) the approval-in-principle of Bursa Securities for the Listing being obtained on terms acceptable to the Joint Underwriters and the approvals of the SC and Bursa Securities remaining in full force and effect and that all conditions (except for any which can only be complied with after the IPO has been completed) have been complied with;
- (x) the execution and due stamping of the Placement Agreement, Master Cornerstone Placement Agreement and the individual cornerstone placement agreements and none of the Placement Agreement, Master Cornerstone Placement Agreement and the individual cornerstone placement agreements having been terminated or rescinded pursuant to the provisions thereof and such agreements remaining in full force and effect and no breach in respect of such agreements has occurred;
- (xi) the IPO has not been prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any jurisdiction within which IPO Units are offered and all consents, approvals, authorisations or other orders required by the Trustee- Manager and/or the Selling Unitholder under such laws for or in connection with the IPO and/or Listing have been obtained and are in force up to the Closing Date;
- (xii) the execution and due stamping of the Lock-Up Deeds and the undertakings contained in the Lock-Up Deeds remain in full force and effect and have not been breached;
- (xiii) the execution and due stamping of the Unit Lending Agreement and the same not having been terminated or rescinded pursuant to the provisions thereof;
- (xiv) the completion of the SBA in accordance with its terms;
- (xv) there not being, in the reasonable opinion of any 2 or more Joint Underwriters who have agreed to underwrite, in aggregate 50% or more of the total underwritten Units ("**Majority Joint Underwriters**"), on or prior to the Closing Date, any change or development likely to involve a prospective adverse and material change in the condition (financial, business, operations, profit forecasts, prospects or otherwise) of Prolintas Infra BT, the Trustee-Manager or the Selling Unitholder from that set out in the Prospectus;
- (xvi) the Majority Joint Underwriters having been reasonably satisfied that the Trustee-Manager and the Selling Unitholder have complied with and that the IPO is in compliance with the policies, guidelines and requirements of Bursa Securities and/or the SC and all revisions, amendments, and/or supplements thereto unless otherwise waived or exempted by Bursa Securities and the SC;
- (xvii) there not having occurred on or prior to the Closing Date, any event or discovery of any material fact or circumstances or omission of any material facts or development rendering any representations, warranties and undertakings of the Trustee-Manager and/or the Selling Unitholder under the Retail Underwriting Agreement to be untrue, inaccurate, misleading or incorrect, or not complied with, in any respect;
- (xviii) there not having occurred on or prior to the Closing Date any breach of and/or failure to perform any of the undertakings by the Trustee-Manager and/or the Selling Unitholder contained in the Retail Underwriting Agreement (unless so waived in accordance with the terms of the Retail Underwriting Agreement);

4. DETAILS OF THE IPO (Cont'd)

- (xix) each of the Retail Underwriting Agreement, the Placement Agreement, Lock-Up Deeds, the Trust Deed, the SBA, the Master Cornerstone Placement Agreement and each individual cornerstone placement agreement (collectively, the “**Transaction Documents**”) is in full force and effect (and not amended or supplemented), there shall not have occurred on or prior to the Closing Date any material breach or material non-compliance by any of the parties thereto of their obligations and agreements under the respective Transaction Documents (unless so waived in accordance with the terms of such agreements);
- (xx) no stop order or similar order has been issued by the SC or any court or other judicial, governmental or regulatory authority in relation to the IPO; and
- (xxi) the Majority Joint Underwriters having been reasonably satisfied that arrangements have been made by the Trustee-Manager and the Selling Unitholder to ensure payment of the expenses under the Retail Underwriting Agreement.

The Managing Underwriter may (upon consultation with, and on behalf of, the Joint Underwriters), in its sole discretion by notice in writing to Trustee-Manager and the Selling Unitholder setting out the grounds for such termination given at any time before the Listing Date, terminate, cancel and withdraw the Joint Underwriters' respective underwriting commitment upon the occurrence of any of the following:

- (i) there is any breach by the Selling Unitholder or the Trustee-Manager of any of the representations, warranties or undertakings contained in which is contained in any certificate under or in connection with the Retail Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within 7 days from receipt of the notice of such breach being given to the Trustee-Manager or the Selling Unitholder by the Managing Underwriter or by the Closing Date, whichever is the earlier; or
- (ii) there is a breach or failure on the part of the Trustee-Manager or the Selling Unitholder to perform any of its obligations contained in the Retail Underwriting Agreement which is not capable of remedy or, if capable of remedy, is not remedied within 7 days from receipt of the notice of such breach being given to the Trustee-Manager or the Selling Unitholder by the Managing Underwriter (upon consultation with, and on behalf of the Joint Underwriters) or by the Closing Date, whichever is the earlier;
- (iii) there is withholding of information of a material nature from the Joint Underwriters which is required to be disclosed pursuant to the Retail Underwriting Agreement which, in the reasonable opinion of the Managing Underwriter, would have a Material Adverse Effect, or materially and adversely affect the success of the IPO, or the distribution or the sale of the IPO Units issued or to be issued under the IPO; or
- (iv) in the event that the Listing does not take place by 1 April 2024 or is withdrawn or not procured or procured but subject to conditions not acceptable to the Managing Underwriter and provided the withdrawal or the imposition of the unacceptable conditions is not due to any breach or default on the part of any of the Joint Underwriters under the Retail Underwriting Agreement;
- (v) the Closing Date does not occur by 19 March 2024, subject to the extension of Closing Date which is approved by the Managing Underwriter; or

4. DETAILS OF THE IPO (Cont'd)

- (vi) the occurrence of any of the following events:
- (a) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the reasonable opinion of the Managing Underwriter is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of the IPO Units or a material adverse effect on the Listing or the IPO. For the avoidance of doubt, and without prejudice to the foregoing, if the FTSE Bursa Malaysia KLCI Index (“**Index**”) is, at the close of normal trading on Bursa Securities, on any Market Day:
 - I. on or after the date of this Agreement; and
 - II. prior to the Listing Date,
 - lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of this Agreement and remains at or below that level for at least 3 consecutive Market Days or any other adverse change in the market conditions which the Managing Underwriter agrees to be sufficiently material and adverse to render it to be a terminating event, it shall be deemed a material adverse change in the stock market condition;
 - (b) any new law or change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by the court/authorities (including those relating to taxation) which in the view of the Managing Underwriter has/likely to have a Material Adverse Effect or the effect of making any obligations under the Retail Underwriting Agreement incapable of performance in accordance with its terms or the effect of prejudicing the success of the IPO;
 - (c) there is a change or development in taxation in Malaysia materially and adversely affecting the Trustee-Manager, Prolintas Infra BT, the Trust Group, the IPO Units or the allotments and/or transfers thereof or an announcement of such change or development;
 - (d) any force majeure event which is any event or series of events beyond the reasonable control of the parties hereto including (without limitation) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes and/or volcanic eruptions), acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock-outs, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents or the occurrence of any other calamity or crisis, epidemic, pandemic or outbreak of infectious disease, the escalation of the current pandemic (which includes, but is not limited to, COVID-19 pandemic), the imposition of lockdowns or similar measures to control the spread of such epidemic, pandemic or outbreak of infectious disease, which in the view of the Managing Underwriter as or is likely to have the effect of making any material part of the Retail Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the IPO or pursuant to the underwriting of the underwritten Units;

4. DETAILS OF THE IPO (Cont'd)

- (e) any imposition of moratorium, suspension or restriction on trading of securities on Bursa Securities or any moratorium on banking activities or foreign exchange rating or securities settlement or clearing services in or affecting Malaysia for 3 consecutive Market Days or more;
- (f) the trading in units, shares or securities generally on Bursa Securities has been limited or suspended or minimum prices have been established on Bursa Securities;
- (g) any government requisition or occurrence of any other nature whatsoever which in the view of the Managing Underwriter is likely to have a Material Adverse Effect or a material adverse effect on the success of the IPO;
- (h) the Institutional Offering and/or the Retail Offering is/are stopped or delayed by the Trustee-Manager or the Selling Unitholder or any governmental, statutory or regulatory body having authority, jurisdiction or control over any party under the Retail Underwriting Agreement for any reason whatsoever (unless such delay has been approved by the Managing Underwriter);
- (i) any of the approvals referred to in paragraph 4.9.1 (vi) above being revoked or otherwise not remaining in full force and effect;
- (j) any commencement of legal proceedings, formal investigations, enquiries or action against the Trustee-Manager, Prolintas Infra BT, the Trust Group or any of their directors or executive officers, which would have or is likely to have a Material Adverse Effect or in the sole opinion of the Managing Underwriter, make it impracticable to market the Initial Public Offering or to enforce contracts to issue, allot and/or transfer the IPO Units or has the effect of preventing the Listing;
- (vii) there is any change or development or event that has a Material Adverse Effect;
- (viii) if the SC or any other relevant regulatory authority issues an order pursuant to Malaysian laws such as to make it, in the opinion of the Managing Underwriter, impracticable to market the IPO or to enforce contracts to issue, allot and/or transfer the IPO Units or has the effect of preventing the Listing; or
- (ix) any statements contained in the Prospectus and the Application Forms (“**IPO Documents**”) has become or been discovered to be untrue, inaccurate or misleading in any respect or matters have arisen or have been discovered which would, if any of the IPO Documents were to be issued at that time, constitute a material omission therefrom;
- (x) the Selling Unitholder or the Trustee-Manager, as applicable, is prohibited by any applicable laws or regulations from issuing or selling the IPO Units pursuant to the terms of the IPO Documents, the Placement Agreement and the Retail Underwriting Agreement;
- (xi) any one of the Transaction Documents (i) having been terminated or rescinded in accordance with its terms thereof; (ii) ceased to have any effect whatsoever, or (iii) varied or supplemented upon terms and such variation or supplementation would have or likely to have a Material Adverse Effect; or
- (xii) the SBA having been terminated or rescinded in accordance with the terms thereof.

4. DETAILS OF THE IPO (Cont'd)

“Material Adverse Effect” means in the reasonable opinion of the Majority Joint Underwriters, any event or change, or any development involving a material adverse effect or change or any development that will or is likely to materially and adversely affect or prejudice whether individually or in the aggregate, and whether or not arising in the ordinary course of business on, any of the following:

- (a) the condition (financial or otherwise), general affairs, contractual commitments, management, unitholders' equity, liquidity, prospects, earnings, business, undertakings, assets, liabilities, properties or results of operations of Prolintas Infra BT or the Trust Group (including the Highways);
- (b) the ability of Prolintas Infra BT or the Trust Group to conduct its businesses and to own or lease its assets and properties as described in the Prospectus;
- (c) the ability of the Trustee-Manager and the Selling Unitholder to perform their respective obligations under or with respect to, or to consummate, the transactions to which it is a party as contemplated by the Prospectus or the Transaction Documents; or
- (d) the IPO including but not limited to the success of the IPO and the distribution or sale of the IPO Units pursuant to the IPO.

4.9.2 Placement

The Trustee-Manager and the Selling Unitholder expect to enter into the Placement Agreement with the Lead Bookrunner and the Joint Bookrunners in relation to the placement of up to 422,949,000 IPO Units under the Institutional Offering, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.3.3 and 4.3.5 of this Prospectus, respectively. The Trustee-Manager and the Selling Unitholder will be requested to give various representations, warranties and undertakings, and to indemnify the Lead Bookrunner and the Joint Bookrunners against certain liabilities in connection with the IPO.

4.9.3 Lock-up arrangement

- (i) Trustee-Manager

The Trustee-Manager has agreed that, for a period beginning from the date of the lock-up deed until the date falling 6 months after the date of the Listing (**“Lock-Up Period”**), it shall not and will procure that its subsidiaries, affiliates, nominees and/or trustees holding Units on trust for or on the Trustee-Manager's behalf shall not, without the prior written consent of each of the Joint Bookrunners, directly or indirectly, conditionally or unconditionally:

- (a) issue, allot, offer, sell, contract to sell, assign, grant any option to purchase, grant security over, encumber, pledge, mortgage, charge, lend, create, subscribe for, hypothecate, transfer or otherwise dispose or agree to dispose of any legal or beneficial interest (including by the creation of or an agreement to create or selling or granting or agreeing to sell or grant any option or contract to purchase or any warrant or right to purchase) in any Units (or any securities convertible into or exchangeable or exercisable for, or that represent the rights to receive or are substantially similar to the Units) or contracting to do so whether any such transaction is to be settled by delivery of Units or such other securities, in case or otherwise;

4. DETAILS OF THE IPO (Cont'd)

- (b) enter into any swap, hedge, derivative or any other arrangement or agreement or any transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of or incidents of ownership of any Units (or any securities convertible into or exchangeable or exercisable for, or that represent the right to receive or are substantially similar to the Units) whether such swap, hedge or transaction is to be settled by delivery of Units or other securities, in cash or otherwise;
- (c) deposit any Units (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase Units or that represent the right to receive or are substantially similar to, the Units) in any depository receipt facility whether any such transaction described above is to be settled by delivery of the Units or such other securities, in cash or otherwise;
- (d) do or announce any intention to do any of the above or an offering or sale of any Units or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase Units or that represent the right to receive or are substantially similar to, such Units (or any interest therein or in respect thereof);
- (e) save for such stabilising action permissible under law, take any action which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of the Units; or
- (f) enter into or effect any transaction which is designed or which may reasonably be expected to result or have the same economic effect as any of the transactions described in paragraphs (a) to (e) above;

and such restriction shall apply to all Units (or any interest therein) held by the Trustee-Manager at the date of Listing.

The restrictions in Section 4.9.3(i) above do not apply to (1) the issuance of the Units to be offered under the IPO; (2) the Units issued to the Trustee-Manager in payment of any Trustee-Manager's fee pursuant to the Trust Deed; or (3) the transfer, sale or disposal of the Units to a custodian, trustee, wholly-owned subsidiary or nominee for the Trustee-Manager ("**Permitted Transferee**") provided that the Trustee-Manager procures that the Permitted Transferee executes and delivers to the Joint Bookrunners a written undertaking to the effect that the Permitted Transferee recognises and will comply with the restrictions set forth in the lock-up deed to remain in effect for the remainder of the Lock-up Period, and if any time prior to the expiration of the restrictions on transfer, any Permitted Transferee that is a wholly-owned subsidiary will cease to be a wholly-owned subsidiary of the Trustee-Manager, such wholly-owned subsidiary shall, before such cessation, transfer any Units held by it to the Trustee-Manager or another Permitted Transferee which has delivered a written undertaking to the effect that it recognises and will comply with the restrictions to remain in effect for the remainder of the Lock-up Period.

(ii) Selling Unitholder

The Selling Unitholder has agreed that, for a period beginning from the date of the lock-up deed until the date falling 6 months after the date of the Listing ("**Lock-Up Period**"), it shall not and will procure that its subsidiaries, affiliates, nominees and/or trustees holding Units on trust for or on the Trustee-Manager's behalf shall not, without the prior written consent of each of the Joint Bookrunners, directly or indirectly, conditionally or unconditionally:

4. DETAILS OF THE IPO (Cont'd)

- (a) offer, sell, contract to sell, assign, grant any option to purchase, grant security over, encumber, pledge, mortgage, charge, lend, create, subscribe for, hypothecate, transfer or otherwise dispose or agree to dispose of any legal or beneficial interest (including by the creation of or an agreement to create or selling or granting or agreeing to sell or grant any option or contract to purchase or any warrant or right to purchase) in any Units (or any securities convertible into or exchangeable or exercisable for, or that represent the rights to receive or are substantially similar to the Units) or contracting to do so whether any such transaction is to be settled by delivery of Units or such other securities, in case or otherwise;
- (b) enter into any swap, hedge, derivative or any other arrangement or agreement or any transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of or incidents of ownership of any Units (or any securities convertible into or exchangeable or exercisable for, or that represent the right to receive or are substantially similar to the Units) whether such swap, hedge or transaction is to be settled by delivery of Units or other securities, in cash or otherwise;
- (c) deposit any Units (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase Units or that represent the right to receive or are substantially similar to, the Units) in any depository receipt facility whether any such transaction described above is to be settled by delivery of the Units or such other securities, in cash or otherwise;
- (d) do or announce any intention to do any of the above or an offering or sale of any Units or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase Units or that represent the right to receive or are substantially similar to, such Units (or any interest therein or in respect thereof);
- (e) save for such stabilising action permissible under law, take any action which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of the Units; or
- (f) enter into or effect any transaction which is designed or which may reasonably be expected to result or have the same economic effect as any of the transactions described in paragraphs (a) to (e) above;

and such restriction shall apply to all Units (or any interest therein) held by the Selling Unitholder at the date of Listing.

The restrictions in Section 4.9.3(ii) above do not apply to (1) the offer, transfer and sale of any Units by the Selling Unitholder under the IPO; or (2) the grant of the Over-Allotment Option pursuant to the Unit Lending Agreement and the transfer of up to an aggregate of 70,300,000 Units pursuant to the Over-Allotment Option provided that the restrictions shall apply to the Units returned pursuant to the Unit Lending Agreement.

4. DETAILS OF THE IPO (Cont'd)

4.10 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon the Listing, the Units will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of the IPO Units.

Beneficial owners of Units are required under the Rules of Bursa Depository to maintain the Units in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as Unitholders in respect of the number of Units credited to their respective securities accounts.

Transactions in Units under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Units sold and the buyer's CDS account being credited with the number of Units acquired. No transfer stamp duty is currently payable for Units that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Units held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of units listed on Bursa Securities is normally done in "board lots" of 100 Units. Investors who desire to trade less than 100 Units are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

It is expected that the Units will commence trading on Bursa Securities about 10 Market Days after the close of the Institutional Offering. Subscribers of the Units will not be able to sell or otherwise deal in the Units (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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5. RISK FACTORS

An investment in the Units involves a number of risks. Prospective investors should rely on their own evaluation and carefully consider all the information contained in this Prospectus, including the risks described below before deciding to invest in the Units, as these may, among other things, adversely affect the trading price of the Units and the ability of Prolintas Infra BT to make distributions to Unitholders. If any of the risks described below actually occurs, the business, performance, financial condition, results of operations and prospects of Prolintas Infra BT could be negatively affected, the trading price of the Units could decline and investors may lose all or part of their investment.

A business trust is a hybrid structure combining elements of a company and a unit trust scheme (where the operation or management of the scheme and its property or assets is managed by a trustee-manager). It should be noted that business trusts levy certain fees, including management fees, performance fee, acquisition and divestment fees payable to the trustee-manager. Investors should be aware that the price of Units, and the income from them, may fall or rise. Investors should also note that they may not get back their original investment.

5.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE TRUST GROUP

5.1.1 Expiration or early termination of the Concession Agreements

The Trust Group's concession rights to collect tolls from the Highways were granted by the Government under the respective Concession Agreements. The Trust Group's businesses and operations and hence, its financial performance, will be adversely affected if, notwithstanding the legality of the Concession Agreements, the Government were to terminate the Concession Agreements prior to the expiry of their respective terms. The Government may terminate the corresponding Concession Agreement if the relevant Concession Company does not perform its obligations in accordance with the terms of the Concession Agreement and fails to remedy the breach within the stipulated period of time after notification by the Government or via expropriation of a Concession Company if the Government considers such expropriation to be in the national interest. Save as disclosed in Section 7.21 of this Prospectus, as at the LPD, the Concession Companies are in compliance with the terms of the Concession Agreements. The revenue from toll collection contributed 76.8% and 93.9% of the total revenue of the Trust Group for FYE 2022 and FPE 2023 respectively. The toll collection revenue contribution for FYE 2022 and FPE 2023, and the concession expiry of each of the Highways are as follows:

Concession Companies	Toll collection revenue contribution for FYE 2022		Toll collection revenue contribution for FPE 2023		Expiry of concession pursuant to the SCAs 2022
	RM'000	%	RM'000	%	
AKLEH Co	33,204	11.2	23,848	11.1	15 May 2037
GCE Co	88,270	30.0	64,027	29.8	31 May 2062
LKSA Co	42,018	14.2	30,389	14.2	31 July 2062
SILK Co	131,676	44.6	96,463	44.9	31 July 2062
Total	295,168	100.0	214,727	100.0	

Upon the termination of the Concession Agreement, the relevant Concession Company will be required to transfer the Highway and all of its assets to the Government with compensation paid to the relevant Concession Company contingent upon which clause of the Concession Agreement was used as the basis of termination. For termination via Government expropriation, a specific formula for each Concession will be used to calculate compensation payable to the relevant Concession Company.

5. RISK FACTORS (Cont'd)

For termination pursuant to breaches of the Concession Agreement by the relevant Concession Company, compensation paid to the relevant Company (if any), will be when the value of completed works exceeds the amount owed to the Government by the relevant Concession Company. At the expiration of the Concession Agreement, the Concession Company is expected to be left with virtually no assets as the relevant Concession Company will be required to transfer the Highway and all of its assets to the Government with without compensation (which could lead to its liquidation), unless the relevant Concession Company acquires additional assets.

5.1.2 The volume of traffic on the Highways depends primarily on factors outside of Prolintas Infra BT's control

The projections of traffic volumes on the Highways as set out under Section 18 "Traffic Consultant's Report" of this Prospectus were prepared by the Traffic Consultant in its expert capacity as traffic consultant for the Proposals. These projections were made subject to certain bases and assumptions and represent the independent assessments of the Traffic Consultant prepared using such analytical methods and models as were considered appropriate in its best professional judgment and experience based on all material and relevant reference and resources available to the best of its knowledge and belief.

There can be no assurance that the bases and assumptions used in developing these projections will prove to be accurate. The level of traffic on a given highway is influenced heavily by its integration into other parts of the local road system and other road networks. It should also be noted that traffic volumes, and thus toll revenues of the Highways, may be affected by a number of factors including:

- toll rates;
- the level of commercial, industrial and residential development in areas served by the Highways;
- the quality and proximity of alternative routes;
- fuel prices;
- interconnections between the Highways and adjoining road systems;
- development of alternative modes of transport;
- traffic control regulations (e.g. measures to promote the use of public transportation, restrictions on entry of heavy vehicles into the city during peak hours, movement control restrictions, etc.);
- the growth in the number of vehicles;
- the affordability of automobiles to Malaysian consumers, including the availability of financing;
- changes in working trends such as increase in remote working practices; and
- general economic conditions.

Most of these factors are outside of the control of the Trust Group. Adverse trends affecting any of these factors could have a material adverse effect on traffic volumes, and in turn on the business, operations, financial conditions and prospects of the Trust Group. This may include the recognition of impairment of highway development expenditure and goodwill recognised by the Trust Group.

Further, changes in the Trust Group's traffic volume will impact its toll collection revenue and consequently, its Distributable Amount to Unitholders. For illustrative purposes, an increase / decrease in traffic volume of 2.50% in Forecast Year 2024 would increase / decrease:

- the toll collection revenue by RM7.64 million; and
- the Distributable Amount by RM 6.89 million.

5. RISK FACTORS (Cont'd)

5.1.3 The Trust Group's expenses including capital expenditure and costs of operations and maintenance of the Trust Group's Highways, may be affected by events outside the Trust Group's control

As an operator of tolled highways, the Trust Group is responsible at its own cost for the operation and maintenance of the Highways throughout the operating concession period. The continuing repair and maintenance of any highway involves significant expenditure which may be affected by events outside the control of the Trust Group. In addition, traffic flows may potentially be affected as certain maintenance works may require traffic diversions or other traffic management protocols to be implemented. There may also be capital costs in implementing any system changes likely to be necessitated by proposals by the Government for new toll collection arrangements affecting tolled highways in Malaysia, the cost of which may be borne solely by the concession company. Cost overruns may also occur due to engineering requirements, land acquisition cost, adverse site conditions, increases in prices of raw materials and delays in the implementation of the works.

Factors which may lead to increased operating costs and capital expenditures include standards of maintenance or road safety applicable to the Highways prescribed by the MHA or other relevant regulatory authorities becoming more stringent and increases in the cost of materials, labour and supplies. Additionally, if traffic volume is higher than anticipated, or the conditions of the Highways deteriorate earlier than anticipated, the Trust Group may need to increase the frequency of maintenance works. Increases in operating costs may reduce the profits of the Trust Group and could adversely affect the business, operations, financial condition and prospects of the Trust Group. This may include the recognition of impairment of highway development expenditure and goodwill recognised by the Trust Group.

There can be no assurance that significant costs will not be involved or that the revenues and/or cash flow generated from the operation of the Highways and earnings and financial position of the Trust Group may not be adversely affected.

5.1.4 Rapid traffic growth could result in increased congestion and travel times on the Highways which result in users using alternative routes

Factors such as population growth or increase in the level of development in the areas served by the Highways may lead to an increase in traffic on the Highways. Increased traffic could result in increased traffic congestion and commuting times on the Highways, in particular during peak travelling hours. If the travel times on the Highways are no less than competing routes which do not impose tolls, motorists may choose to drive on such alternative routes or opt for an alternative form of transportation such as public transportation. If the number of users of the Highways decline, this would negatively impact the toll collection of the Trust Group, which would adversely affect Prolintas Infra BT's business, operations and financial performance.

In addition, there are limits to the number of vehicles that can efficiently use the Highways in any given period. As the traffic volume on the Highways approaches their respective capacity limits, increase in costs or decline in traffic growth could occur. There is no assurance that the traffic growth of the Highways in the future will not adversely affect the effectiveness of the Highways. In future, the Trust Group may need to undertake carriageway lane additions or extensions if traffic volume approaches capacity limits in particular areas and such extensions would require significant capital expenditure to be undertaken by the Trust Group.

5. RISK FACTORS (Cont'd)

5.1.5 The Trust Group's results of operations may be affected by competing roads and alternative modes of transportation

The Trust Group's results may in the future be affected by competing routes of comparable quality and alternative modes of transportation. At present, the Highways compete with, amongst others, routes such as Jalan Ampang (being the competing route to AKLEH) and New Klang Valley Expressway (being an alternative route to GCE). The future Putrajaya Bangi Expressway is expected to be an alternative route to SILK, in addition to present alternative toll-free routes.

Although the Trust Group believes that there are significant practical and commercial barriers to effective direct competition with its Highways, there can be no assurance that existing roads or modes of transportation will not significantly improve their services or reduce their charges, or that alternative roads will not be built which may charge lower tolls or provide more direct access to locations served by the Highways, which may adversely affect the results of operations of the Trust Group.

The Trust Group's business may also be adversely affected by developments relating to other modes of transportation in Malaysia, such as the development and construction of the Mass Rapid Transit (MRT) rail system network, with the MRT3 Circle Line which is the final piece to complete Kuala Lumpur's urban rail network, with phase 1 estimated to be open in 2028 subject to land acquisition process, and phase 2 estimated to be open in 2030. The development of such alternative modes of transportation could reduce traffic volume on the Highways.

5.1.6 The Trust Group may face risks relating to non-compliance with laws, regulations and guidelines governing the business and operations of the Trust Group

As disclosed in Section 7.23 of this Prospectus, the Trust Group has highlighted the following non-compliance with the relevant laws, regulations, rules and requirements governing conduct of the business of the Trust Group:

(i) **A number of buildings and structures along the Highways did not obtain planning permission and have not been issued with CCCs**

As at the LPD, the Trust Group has not obtained planning permission for a total of 35 buildings and structures along the Highways (including administration buildings, toll plazas, RSAs and lay-bys). These buildings and structures have also not been issued with CCCs.

The MHA has issued SKPL for all the Highways. The SKPL, among others, contains a confirmation from a professional engineer that the highway / ancillary facility (i.e. administration buildings, toll plazas, RSAs and lay-bys) has been examined and the relevant highway / facility has been constructed according to standards, specifications and designs (*piawaian, spesifikasi dan reka bentuk*) which have been approved by MHA and high quality engineering practices (*amalan kejuruteraan yang bermutu tinggi*); and that the highway / ancillary facility is safe for public use. The SKPL also contains a confirmation by MHA that the relevant portion of the highway / facility is suitable and safe to be open for public use (*sesuai dan selamat dibuka untuk kegunaan awam*) subject to certain conditions (including for example, the conduct of sound tests).

5. RISK FACTORS (Cont'd)

In the past, in practice, the local authorities have accepted the SKPL in lieu of a CCC for the purposes of a business premise license application by the vendors operating in the RSAs of the Highways. However, the Concession Companies have noted that in recent years (2018-2019), the local authorities have begun to emphasise on the requirement for planning permission and CCC for the construction of new structures on the Highways including for the construction of the Elmina Northbound Petrol Station on GCE, in respect of which GCE Co has duly obtained planning permission on 28 June 2023 from Majlis Bandaraya Shah Alam.

The Concession Companies understand this matter to be a collective issue faced by all local highway concession companies and an industry wide risk. Notwithstanding the recent emphasis taken by the local authorities on the requirement for planning permission and CCCs for construction of new structures on the Highways, the Ministry of Works has, vide its letter dated 28 July 2023, confirmed that the issue of the requirement of planning permission and CCC for buildings and structures on existing highways including the Highways is an issue which is currently under discussion and engagement between the relevant parties (i.e., the highway concession companies, local authorities and the Ministry of Works). Meanwhile, the Ministry of Works has confirmed that the issuance of the SKPL for the Highways affirms that the Highways and its ancillary facilities have been completed in accordance with the requirements of the relevant Concession Agreements.

In the event that the local authorities require existing structures on the Highways to obtain a CCC, notwithstanding that the business operations of the Trust Group will not be disrupted, we estimate that approximately RM13.1 million is required to procure the issuance of the relevant planning permissions and CCCs for the 35 buildings and structures and it would take approximately three years to complete the rectification process.

In respect of Shah Alam Urban Park which is a marquee tent located along LKSA (which is not covered under the SKPL issued by MHA for LKSA), LKSA Co is in the process of applying for planning permission and the requisite CCC from Majlis Bandaraya Shah Alam. It should be noted that PHSSB has been granted a lease by the Federal Land Commissioner in respect of the area known as Shah Alam Urban Park. PHSSB has sub-leased the area at Shah Alam Urban Park to a third-party operator, which is currently using the location as an event space. The planning permission application was made to Majlis Bandaraya Shah Alam on 25 July 2023 and is currently pending approval.

As at the LPD, the Concession Companies have not received any notice of enforcement or faced any enforcement action from any local authorities for the lack of planning permission and/or CCCs in respect of their buildings and structures on their Highways. However, there is no assurance that the Trust Group will not be subject to enforcement actions by the relevant authorities, including cessation, relocation and/or the imposition of monetary penalties. The potential maximum penalty to be imposed by the relevant authorities, if any, for 35 buildings and structures is estimated at approximately RM26.3 million or 18.0% of the profit from operations of the Trust Group for the FYE 2022. The potential maximum penalty, if any, and cost to rectify is approximately RM39.4 million or 27.0% of the Trust Group's profit from operations for the FYE 2022.

5. RISK FACTORS (Cont'd)

5.1.7 Toll rates in respect of the Highways are outside the Trust Group's control and compensation arrangements may not result in the relevant Concession Company receiving equal the amount of toll revenue lost as a result of the lower toll rates

The Trust Group derives substantially all of its revenue from toll collection from vehicles using the Highways. The present toll structures which are applicable to the Highways as disclosed in Section 7.1 of this Prospectus have been approved under the respective Concession Agreements as amended by the SCAs 2022 by the Government.

Separately, the Government has also, in the past, imposed toll rates lower than the agreed toll rates for a variety of reasons including economic difficulties and negative consumer perceptions of increases in toll rates especially after hikes in fuel prices. The Government has also, from time to time, announced waivers or discounts on toll rates during festive periods and special events such as the federal election to reduce the costs of travel for road users. Although the Government is required under the Concession Agreements to compensate the relevant Concession Company if the Government-imposed toll rates in any period are lower than those agreed pursuant to the terms of the Concession Agreements, these compensation arrangements may not result in the relevant Concession Company receiving equal the amount of toll revenue lost as a result of the lower toll rates. Furthermore, any non-cash incentives that may form part of the Government's compensation may also adversely affect the toll revenues and cash flows of the Trust Group.

There can be no assurance that the Government, will not seek to alter the form, substance, timing or level of compensation payable under the Concession Agreements. Should such event occur, revenue and cash flow generated from the operation of the Highways may be adversely affected.

5.1.8 The Trust Group's takaful coverage may be inadequate to insure against all potential risks relating to the operation and maintenance of the Highways

The Trust Group maintains various takaful policies covering, amongst others, all-risks takaful (insurance) on equipment, fire and allied perils, material damage on the Highways and loss of revenue and/or cash flow generated from the operation of the Highways. As at the LPD, the Trust Group's various takaful policies provide it with coverage of up to about RM4.41 billion in aggregate. As at the LPD, the Trust Group's total assets were about RM2.18 billion. All the Trust Group's takaful policies are subject to exclusions and limitations of liability with respect to amounts and the insured events.

Although the Trust Group shall at all times maintain takaful (insurance) in accordance with the terms of the Concession Agreements and industry standards to protect against certain risks, not all risks are insurable or economically not feasible to insure such as war risk, terrorist acts and losses caused by contamination or other environmental breaches. Furthermore, the Trust Group's takaful coverage may not adequately protect it from the key risks associated with the Trust Group's business. In the event certain risks occur, or if there is a total or partial loss of the Highway(s), there can be no assurance that the proceeds of the applicable takaful policies will be available or adequate to cover lost revenues, increased expenses or the cost of repair or replacement.

Furthermore, there is no assurance that the Trust Group will be able to continue to maintain its existing takaful coverage or obtain takaful policies on economically viable terms or acceptable premiums.

5. RISK FACTORS (Cont'd)

5.1.9 The Trust Group may be subject to legal proceedings arising from its business operations

The Trust Group may from time to time become subject to various claims and lawsuits, as a result of, among other things, traffic accidents, environmental concerns and disputes relating to land acquisitions. These lawsuits may involve mass tort or other class action type of litigation brought by special interest groups (such as environmental activists) or by communities that are affected by the Trust Group's construction or other operational activities (such as noise pollution caused by traffic along the Highways).

Legal proceedings may be time consuming and it may be difficult to assess and/or quantify the possible losses, damages or expenses arising from such proceedings. Although the Trust Group's takaful policies provide it with coverage for liabilities incurred from proceedings involving traffic accidents, if the Trust Group is unsuccessful in pursuing or defending other types of lawsuits and/or claims, it may incur substantial costs and face significant liabilities. In addition, there may also be adverse publicity associated with complaints, investigations, litigation proceedings and regulatory orders affecting the Trust Group's reputation.

Save as disclosed in Section 20.4 of this Prospectus, the Trust Group is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on its financial position or profitability. There can be no assurance that currently pending or future lawsuits, if determined adversely against the Trust Group, would not have a material adverse effect on the Trust Group and its business.

5.1.10 The Trust Group will depend on external financing and its ability to service its debt obligations and/or pay distributions may be adversely affected by its current or future financing agreements or any interest rate fluctuation

The Trust Group has secured financing facilities of up to RM2,700 million from BPMB as part of the Islamic Financing. For the avoidance of doubt, any additional financing above RM2,700 million is subject to the approval of BPMB and where there is recourse to the Trust and the Concession Companies, it would be further subject to the approval of the Government.

The Trust Group's Islamic Financing is on a floating rate basis, and in the future, the cost of the Trust Group's financing will continue to be subject to floating interest rates. Please refer to Section 15.2.12 of this Prospectus on liquidity and capital resources. Increase in interest rates could significantly affect the Trust Group's financial condition and results of operations. The interest rates of the Trust Group's borrowings could be subject to changes based on the cost of funds of the lender, which could be subject to renegotiation on a periodic basis. If the interest rates for the Trust Group's existing or future borrowings increase significantly, its cost of funds will increase, which may adversely impact its results of operations, planned capital expenditures and cash flows. This may also lead to an inability by the Trust Group to service its financing obligations, leading to an event of default.

For illustrative purposes, assuming the entire Islamic Financing of RM2,700 million is drawn, an increase / decrease in profit rates of 25 basis points would increase / decrease annual finance cost by RM6.75 million.

The Trust Group may also require additional financing in the future. There can be no assurance that the necessary financing will be available in amounts or on terms acceptable to the Trust Group, or at all. Therefore, the business growth, financial condition, results of operations and prospects of the Trust Group may be adversely affected.

5. RISK FACTORS (Cont'd)

5.1.11 The Promoter has significant influence over the outcome of proposed transactions and/or corporate matters due to its controlling interest

Immediately following the completion of the IPO assuming the Over-allotment Option is fully exercised and the IPO is fully placed out, the Promoter will own in aggregate 51.0% of the total Units in issue. The interests of the Promoter may differ from the interest of the Trust Group or the interests of the Trust Group's other Unitholders and the Promoter may be able to exercise significant influence over the vote of the Units. The Promoter could also have significant influence in determining the outcome of any corporate transaction or other matters submitted to the Unitholders for approval, including mergers, consolidations and the sale of all or substantially all of the Trust Group's assets and other significant corporate actions to the extent that they are not required to abstain from voting (and procuring persons connected to them to abstain from voting) in respect of such transactions and corporate actions. There can be no assurance that the interests of the Promoter will be aligned with those of the other Unitholders. In respect of related party transactions including the potential acquisitions by Prolintas Infra BT of DASH and SUKE highways pursuant to the right of first refusal granted by PLKH and other recurring related party transactions, such as the provision of management services, corporate shared services, turnkey contract services and/or consultancy services by PLKH or its subsidiaries (i.e. PCSSSB, PHSSB and Turnpike), there will inevitably be a conflict of interest between PLKH and those of the other non-interested Unitholders. Nevertheless, the Trustee-Manager shall ensure adherence to the relevant guidelines governing related party transactions and conflicts of interests including the Listing Requirements, whereby among others, PLKH as an interested Unitholder and any interested Director(s) will be required to abstain from voting and procure persons connected to them to abstain from voting in respect of such transactions. Furthermore, an independent adviser will be engaged if required under the Listing Requirements to advise the non-interested Unitholders on the fairness of such transactions.

5.1.12 The Trustee-Manager may not be able to implement its investment or corporate strategies

The Trustee-Manager's strategies focus on three main areas: managing the underlying assets of the Trust, managing the Trust's acquisitions and managing the Trust's capital structure to maximise distributions. There is no assurance that the Trustee-Manager will be able to implement these strategies successfully or that it will be able to expand the Trust's portfolio at any specified rate or to any specified size or to maintain distributions at projected levels.

The Trustee-Manager's ability to successfully implement its investment strategies or expand the Trust's portfolio will depend on, amongst other factors, its ability to identify suitable investment opportunities that meet its investment criteria and to obtain the necessary funding on favourable terms. There can be no assurance that the Trustee-Manager will be able to successfully implement its investment strategies on terms favourable to the Trust and/or within the intended time frame.

The Trustee-Manager may not be able to implement its strategy for growth via the acquisition of income-generating highways as the pool of highway assets available for future acquisition may not be easily sourced or commercially viable for acquisition whether due to the financial capacity of the Trust or otherwise. Even if the Trustee-Manager is able to acquire new highway assets, there is no assurance that the Trust will achieve the desired return on such acquisitions or investments. The Trustee-Manager's failure to effectively implement its strategy or as planned, due to any of these factors, may have a material adverse effect on the Trust Group's business, financial condition, results of operations and the Trust's ability to make distributions to Unitholders. Factors that may affect this risk may include, but are not limited to, changes in the regulatory environment in Malaysia for operators of tolled highways, and general economic conditions.

5. RISK FACTORS (Cont'd)

5.1.13 The Trustee-Manager and the Trust Group depend on certain key personnel

The performance of the Trust Group, depends, in part, upon the Trustee-Manager's ability to develop the business plan and corporate strategies of Prolintas Infra BT, provide resources and identify the appropriate group of personnel to operate the Trust Group's business. In particular, the Trust Group relies on the expertise and experience of the Trustee-Manager, its directors and key senior management as set out in Sections 10.4 and 10.5 of this Prospectus. The loss of any key personnel or the Trust Group's inability to replace these individuals, could have a material adverse effect on the business, financial condition, results of operations and prospects of the Trust Group.

5.1.14 The Trustee-Manager may only be removed by a resolution of not less than two-thirds of voting rights of Unitholders

Under the Trust Deed and the CMSA, save for the removal of the Trustee-Manager by the SC, a resolution to remove the Trustee-Manager and to appoint a replacement trustee-manager is passed when it is passed by Unitholders holding in aggregate not less than two-thirds of the voting rights of all the Unitholders who, being entitled to do so, vote in person or by proxy present at a general meeting. Accordingly, a Unitholder who owns or controls more than 50% but less than two-thirds of the voting rights of the Units may not be able to remove the Trustee-Manager. Correspondingly, a Unitholder who owns or controls not less than one-thirds of the Units will have the ability to block any resolution to remove the Trustee-Manager. Pursuant to the SCAs 2022, the Promoter has given an undertaking to the Government that PLKH, PNB, and any unit trust managed by PNB and/or its subsidiary shall maintain at least 33% unitholdings in the Trust at all times.

5.1.15 The directors of the Trustee-Manager are not subject to any removal, replacement or resignation by way of any resolution of the Unitholders

Pursuant to the Trust Deed, the directors on the board of the Trustee-Manager shall not be subject to any removal, replacement or resignation by way of any resolution of the Unitholders. Any removal, replacement and/or resignation of a director of the Trustee-Manager shall be subject to and in accordance with the constitution of the Trustee-Manager, the Listing Requirements and Applicable Laws and Requirements.

Accordingly, the Unitholders are unable to remove any director of the Trustee-Manager. Under the Act, the directors of the Trustee-Manager, which is a private company, may be removed before the expiration of the director's period of office, subject to the constitution of the Trustee-Manager by ordinary resolution of its shareholder(s) (i.e. the Promoter).

5.2 RISKS RELATING TO THE INDUSTRY IN WHICH THE TRUST GROUP OPERATES IN

5.2.1 The operations of the Highways may be affected by pandemics of infectious disease (such as COVID-19) or other health epidemics, natural disasters, terrorist attacks, armed conflicts and other events beyond the Trust Group's control

The Trust Group may face disruptions to the operation of the Highways due to unforeseen external factors such as health epidemics, pandemics (such as the COVID-19 pandemic), natural disasters, acts of God, fire, flooding, civil commotion, sabotage, economic sanctions, industrial action, insufficient electricity supply and other calamities or events beyond the control of the Trust Group. In such events, the business, financial condition, results of operations and prospects of the Trust Group will be adversely affected.

5. RISK FACTORS (Cont'd)

At the end of 2021, the Trust Group had encountered disruptions due to floods on certain sections of LKSA and access to GCE was restricted for approximately 18 hours as result of flash floods in the Klang Valley due to the heavy rain since the early evening of 17 December 2021 that lasted over 24 hours throughout Selangor. If natural disasters or other catastrophic events occur, this could negatively affect the flow of traffic to or on the Highways. The traffic volume at GCE was recorded at 99,365 and 57,368 respectively on 18 and 19 December 2021, lower than average daily traffic of 113,872 on the first 17 days of December 2021. Meanwhile, the traffic volume at LKSA was recorded at 58,869 and 16,779 respectively on 18 and 19 December 2021, lower than average daily traffic of 62,352 on the first 17 days of December 2021. These interruptions in GCE and LKSA led to a reduction in the Trust Group's toll revenues for the affected period. In addition, catastrophic events could also cause damage to the Highways themselves and/or disrupt traffic flows to or on the Highways. Although the Trust Group expects at all times to maintain takaful (insurance) in accordance with the Concession Agreements and industry standards to protect against certain risks, if the disruption or damage sustained by any of the Highways is material and continues for a protracted period of time, toll revenue generated could decrease significantly or the expense of operating, maintaining or restoring the Highways could increase significantly to the extent that the financial performance of the Trust Group is adversely affected.

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. The emergence of the COVID-19 pandemic has become one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. The COVID-19 pandemic has resulted in, among other things, ongoing travel and transportation restrictions, prolonged closures of workplaces, businesses and schools, lockdowns in certain countries and increased volatility in international capital markets. Given the uncertainties as to the development of the COVID-19 pandemic, it is difficult to predict how long such conditions will exist and the extent to which the Trust Group may be affected by such conditions. In 2020 and 2021, traffic volumes on the Highways were reduced due to movement control restrictions imposed by the Government in response to the Covid-19 pandemic.

As the COVID-19 pandemic is ongoing as at the LPD and is still evolving, there is no assurance that we will not in the future experience more severe disruptions in the event that more stringent measures are imposed or if the COVID-19 pandemic becomes more severe or protracted due to various reasons including the introduction of new variants. There is no assurance that the COVID-19 pandemic will not worsen resulting in the re-imposition of lockdown and measures restricting mobility and travel, which could in turn cause a deterioration of the Trust Group's business, financial condition, results of operations and prospects.

5.2.2 The Trust Group's business and results of operations is exposed to political, economic and social conditions in Malaysia

The business, prospects, financial condition, results of operations and prospects of the Trust Group may be adversely affected by political, economic and social developments in Malaysia. Such political and social uncertainties are often beyond the Trust Group's control and include, but are not limited to, changes in political leadership, internal conflict, nationalisation, riots, expropriation, price and capital controls, sudden restrictive changes to government policies, introduction of new taxes on goods and services, introduction of new laws, as well as demonstrations, unemployment trends and other matters that influence continued and stable business operations and economic activity.

5. RISK FACTORS (Cont'd)

The Concession Companies have in the past experienced in Malaysia incidents of political and ethnic disturbances. There is no assurance that civil disturbances and political instability will not occur in the future. If these were to occur, such disturbances could lead to further political and economic instability as well as loss of confidence in investment in those countries and materially and adversely affect the Trust Group's business, financial condition, results of operations and prospects.

In addition, government intervention and significant changes in policies in Malaysia including inflation, wage and price controls, capital controls, interest rates controls and limitations on imports or exports, may adversely affect the Trust Group's business, financial condition, results of operations and/or prospects. Economic slow-downs and global market fluctuations may also have a material adverse effect on global economic conditions and investment sentiments. Such developments could adversely affect the Trust Group's business, lead to reduction in the usage of the Highways and adversely affect the business, financial condition, results of operations and prospects of the Trust Group.

5.2.3 The Trust Group's business is subject to Government regulation

The Trust Group's operations are subject to the jurisdiction of numerous Government agencies and is regulated by the Federal Road (Private Management) Act, 1984, rules and guidelines issued by the MHA, and as a listed entity, Prolintas Infra BT will be subject to the Listing Requirements, the BT Guidelines and related securities legislation, regulations and guidelines. These regulations and requirements may limit the activities of the Trust Group or result in high compliance costs. Furthermore, any non-compliance by the Trust Group with such regulations could result in penalties being imposed on the Trust Group. There can be no assurance that any future changes to the regulations affecting the Trust Group or the introduction of new legislation or regulations by the relevant authorities will not adversely affect the business, financial condition, results of operations and prospects of the Trust Group.

5.2.4 The Trust Group's business is exposed to environmental issues

The Trust Group's operations are subject to environmental legislation and regulations (including those which require compliance with conditions attached to environmental impact assessment reports for each of the Highways) imposed by the Department of Environment Malaysia. Notwithstanding that the Trust Group would need to comply with all regulations and licensing requirements, there can be no assurance that such legislation and regulation will not change to the extent that such changes will have a material adverse effect on the operations and financial position of the Trust Group. Breaching any of these regulations could also result in reputational damage and/or penalties for non-compliance which could adversely affect the business, financial condition, results of operations and prospects of the Trust Group.

5.2.5 The Trust Group's business is dependent on the application of technology including the *SmartTag* or *Touch n' Go* systems

The Trust Group collects tolls fully through an automated ETC system via third-party electronic payment systems, namely Touch 'n Go, SmartTAG and Touch 'n Go radio-frequency identification (RFID). As Touch n' Go Sdn Bhd is the sole provider of ETC services to all highways in Malaysia, the Trust Group as a whole is currently dependent upon Touch n' Go Sdn Bhd for its ETC services, pending the introduction of the open payment system which will allow road users to pay tolls not just using Touch n' Go Sdn Bhd's ETC system but also by way of debit and credit cards. AKLEH and GCE are among the highways identified by the Government which has commenced the implementation of open payment system in September 2023, after which, there will be reduced dependence on Touch & Go. If the Trust Group experiences system failures with respect to such electronic payment systems, this may adversely affect its ability to collect tolls efficiently and control payment leakage.

5. RISK FACTORS (Cont'd)

In addition, the Trust Group may, from time to time, be required to implement new technological developments or procure alternative technologies from existing systems. For instance, the Government has reiterated that it intends to introduce a multi-lane fast flow (MLFF) toll system in Malaysia by 2025 to reduce congestion at toll plazas. Although the details of the MLFF system have yet to be finalised, it is envisaged that the installation of the required systems will require the Trust Group to incur significant additional operational expenditure in the form of increased commission costs, handling fees and other yet to be determined cost mechanisms associated with demolishing toll plazas, refurbishing and reinstating roads after toll plaza demolition and installation of toll detection gantries.

With many uncertainties therein, there is no assurance that the commission rates and other fees to be paid by the Trust Group for MLFF implementation will be favourable to the Trust Group. Procuring and installing of new systems could result in disruption of traffic on the Highways. Additionally, any technical problems, delay or failure encountered in the implementation of new systems could result in a loss of revenue and/or cash flow generated from the operation of the Highways or result in adverse impact on the reputation of the Trust Group, impacting its ability to attract and/or retain highway users.

5.3 RISKS RELATING TO AN INVESTMENT IN THE UNITS AND LISTING

5.3.1 The Listing may not result in an active liquid market for the Units

There is no public market for the Units prior to the IPO and an active public market for the Units may not develop or be sustained after the IPO. There can be no assurance as to the liquidity of the market that may develop for the Units, the ability of holders to sell Units or the price at which holders would be able to sell the Units. Neither the Trustee-Manager nor the Promoter have an obligation to make a market for the Units or, if such a market does develop, sustain it.

5.3.2 Unit price and trading volume may be volatile

The market price of the Units may fluctuate as a result of, amongst other things, the following:

- general market, political and economic conditions;
- trading liquidity;
- differences in the actual financial and operating results of the Trust Group and those expected by investors and analysts;
- changes in earnings estimates and recommendations by financial analysts;
- changes in market valuations of listed shares in general or shares of companies comparable to the Trust Group;
- perceived prospects of the Trust Group's business and the highway industry;
- adverse media reports regarding us or the Substantial Unitholders;
- changes in government policy, legislation or regulation;
- the ability of the Trustee-Manager to implement successfully its investment and growth strategies;
- actions by Unitholders; and
- general operational and business risks.

5. RISK FACTORS (Cont'd)

If the market price of the Units declines significantly, investors may be unable to resell their Units at or above their market price, if at all. In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of the Units. Furthermore, if the trading volume of the Units is low, price fluctuation may be exacerbated. While locked up Unitholders are restricted from selling any of their Units for a period of six months following the Listing, the market price of the Units may also fluctuate if the existing Unitholders choose to sell the Units in the future. For further details on the moratorium and the lock-up arrangements, see Sections 2.3 and 4.9.3 of this Prospectus, respectively. Accordingly, there can be no assurance that the Units will not trade at prices lower than the Final Retail Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that has affected the share prices of many companies. The share price of many companies have experienced wide fluctuations which were not always related to the operating performance of those companies. There can be no assurance that the price and trading of the Units will not be subject to similar fluctuations.

5.3.3 The sale, or the possible sale, of a substantial number of the Units in the public market following the Listing could adversely affect the price of the Units

Following the Listing, we will have in issue 1,100,000,000 Units, assuming the Over-allotment Option is fully exercised, of which up to 468,700,000 Units, representing up to 42.6% of the total Units in issue, will be held by investors participating in the Listing, and not less than 561,000,000 Units, representing 51.0% of the total Units in issue will be held by the Promoter.

Save for the restrictions in relation to the moratoriums and the lock-up arrangements as set out in Sections 2.3 and 4.9.3 of this Prospectus, respectively, the Units sold in the Listing will be traded on the Main Market of Bursa Securities without restriction following the Listing.

The Promoter could dispose of some or all of the Units that it holds after the moratorium period pursuant to its own investment objectives. If the Promoter sells, or is perceived as intending to sell, a substantial amount of the Units that it holds, the market price for the Units could be adversely affected.

5.3.4 There may be a delay in, or termination of, the Listing

The occurrence of certain events, including the following, may cause a delay in, or termination of, the Listing:

- (i) the Managing Underwriter's or the Joint Underwriters' exercise of their rights under the Retail Underwriting Agreement, or the Lead Bookrunner's or the Joint Bookrunners' exercise of their rights under the Placement Agreement, to discharge themselves of their obligations under such agreements;
- (ii) the Trust's inability to meet the minimum public shareholding spread requirement pursuant to Paragraph 3.06 of the Listing Requirements of having at least 25.0% of the total number of the Units for which the Listing is sought being in the hands of at least 1,000 public Unitholders holding at least 100 Units each at the point of the Listing as approved by Bursa Securities. See Section 4.3.4 of this Prospectus for details; or
- (iii) the revocation of the approvals from the relevant authorities for the Listing for whatever reason.

5. RISK FACTORS (Cont'd)

If the Listing is aborted, investors will not receive any IPO Units and the Selling Unitholder will return in full, without interest, all monies paid in respect of any application for the IPO Units.

5.3.5 The Trust may not be able to make distributions to Unitholders or the level of distributions may fall depending on the financial performance of the Trust Group

The Trust's distributions will be based on the Distributable Amount and not on whether the Trust makes an accounting profit or loss. If the Concession Companies held by the Trust do not generate sufficient cash flows or income, the Trust's ability to make distributions will be adversely affected.

In addition, Prolintas Infra BT will rely on, amongst others, the receipt of dividends, principal or profit/interest payments on shareholders' advances from the Subsidiaries in order to make distributions to Unitholders. The ability of the Subsidiaries to pay dividends, make profit/interest payments and repay shareholder advances may be affected by a number of factors including among other things:

- their respective businesses and financial positions;
- insufficient cash flows received from the Highways;
- applicable laws and regulations, which may restrict the payment of dividends by the Subsidiaries, such as the Act;
- operating losses incurred by the Subsidiaries in any financial year;
- changes in accounting standards, taxation laws and regulations, company laws and regulations relating thereto; and
- the terms of agreements to which they are, or may become, a party.

There can be no assurance that the level of distributions by Prolintas Infra BT to the Unitholders will be as forecasted, projected, and/or subsequently maintained. Any reduction in or elimination of payments of distributions could adversely affect the market price of the Units.

5.3.6 The actual performance of Prolintas Infra BT could differ materially from the forward-looking statements in this Prospectus and Profit and Cash Flows Forecast included in Section 16 of this Prospectus

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus, including, without limitation, those regarding the Trust Group's financial position, business strategies, prospects, plans and objectives of the Trust Group for future operations, are forward-looking statements. Such forward-looking statements are made based on numerous assumptions regarding the present and future business strategies of the Trustee-Manager and the environment in which Prolintas Infra BT will operate in the future. Such factors include, amongst others, general economic and business conditions, competition, the impact of new laws and regulations affecting the Trust Group's industry and government initiatives. No assurance is given that the assumptions will be realised and the actual distributions to Unitholders and/or yields will be as forecast.

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5. RISK FACTORS (Cont'd)

The forward-looking statements include, amongst others, the Profit and Cash Flows Forecast for Forecast Year 2024 as set out in Section 16 of this Prospectus. These forward-looking statements are based on a number of assumptions which are deemed to be reasonable as at the date of this Prospectus and subject to uncertainties and contingencies which are outside of the Trustee-Manager's control. As the actual results may differ materially from the forecasts, investors are advised to read and understand the assumptions, uncertainties and contingencies underlying the Profit and Cash Flows Forecast as set out in Section 16.7 "Bases and Assumptions" of this Prospectus for further details. The Trust Group's ability to achieve the abovementioned Profit and Cash Flows Forecast is subject to events and circumstances assumed which may not occur as expected, or events and circumstances not anticipated which may arise.

Forward-looking statements can be identified by the use of forward-looking terminologies, such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions, and include all statements that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, including COVID-19 related factors, risks and challenges, that may cause the Trust Group's actual results, performance or achievements of the Trust Group, or industry results, to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements. The inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by the advisers or the Trustee-Manager that the plans and objectives of Prolintas Infra BT will be achieved.

5.3.7 Business trusts may declare distributions without being limited to accounting profit, which may increase the risk of insolvency

Unlike corporations, the trustee-manager of a business trust has the right to declare distributions out of its cashflows (e.g. profits, income or other payment or returns), giving the business trust more flexibility than companies which are limited to distributing dividends out of accounting profit only. Therefore, even if a business trust has a net loss, it is possible to make distributions.

Although any declaration of a distribution by the Trustee-Manager must be signed by not less than 2 directors of the Trustee-Manager, must have been approved by Board (where the Board is satisfied that after making the distribution, the Trustee-Manager will continue to be able to fulfil, from the Assets, the liabilities of the Trust as and when these liabilities fall due), there can be no assurance that the judgment of the Board will prove correct or that circumstances will not differ from the expectations of the Board. Accordingly, there can be no assurance that the Trust will be able to meet its liabilities, as and when they fall due if frequent distributions are made, in particular where unforeseen circumstances occur, such as an interruption in Trust Group's business operations due to natural disaster or sudden changes in domestic or foreign economic circumstances, which will subject the Trust to the risk of insolvency.

5.3.8 Unitholders will experience a dilution of their interest in Prolintas Infra BT from the issuance of Units to the Trustee-Manager as payment of fees or if they do not participate in future equity financing

Where new Units, including Units which may be issued to the Trustee-Manager in payment of the Trustee-Manager's fees, are issued, or if Unitholders do not or are not able to participate in future equity fund raising, such as rights issues or private placements, their proportionate interest in Prolintas Infra BT will be reduced. Further, in the event that further issues of Units are priced below the prevailing net asset value per Unit, the net asset value per existing Unit will be diluted.

5. RISK FACTORS (Cont'd)

5.3.9 The Units are not redeemable at the option of Unitholders

It is intended that Unitholders may only deal in their listed Units through trading on the Main Market of Bursa Securities. Unitholders have no right to redeem Units or require the redemption of Units by the Trustee-Manager while the Units are listed on the Main Market of Bursa Securities. It is intended that Unitholders may only deal in their listed Units through trading on Bursa Securities.

5.3.10 Unitholders will have no right to request the Trustee-Manager to transfer legal title of any of the Assets of Prolintas Infra BT to them

Unitholders' interests in the Assets of the Trust Group are proportionately linked to their unitholding in Prolintas Infra BT, so that their interest in such assets will change proportionately to their interest in the Units. Unitholders will have no right to request the Trustee-Manager to transfer legal title of any of the Assets to the Unitholders.

5.3.11 The rights of Prolintas Infra BT and the Unitholders to recover claims against the Trustee-Manager are limited

The Trust Deed excludes liability of the Trustee-Manager to Unitholders by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith in the absence of wilful default, recklessness or negligence by the Trustee-Manager. In addition, the Trust Deed provides that the Trustee-Manager is entitled to be indemnified out of the Assets of the Trust against any actions, costs, claims, damages, expenses, penalties or demands to which it may be put as the trustee-manager of the trust save where that such indemnities do not extend to liabilities caused by or arising from negligence, recklessness or willful act or omission or breach of trust on the part of the Trustee-Manager. As a result, the rights of the Trust and the Unitholders to recover claims against the Trustee-Manager are limited. Third parties may be unable to recover for claims brought against the Trustee-Manager as the Trustee-Manager is not an entity with significant assets with a current paid up capital of RM2.00.

5.3.12 The Trust Group may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting business trusts

The Trust Group may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting business trusts. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect business trusts in general or Prolintas Infra BT specifically and hence have a corresponding adverse effect on Unitholders.

5.3.13 There is no assurance that the Units will remain listed on Bursa Securities and/or not be suspended from trading

Although it is intended that the Units will remain listed on Bursa Securities, there is no guarantee of the continued listing of the Units. Among other factors, Prolintas Infra BT may not continue to satisfy the public spread requirements under the Listing Requirements. Accordingly, Unitholders will not be able to sell their Units through trading on Bursa Securities if the Units are no longer listed on Bursa Securities and/or are suspended from trading for an indefinite period.

6. INFORMATION ON THE TRUST GROUP

6.1 INFORMATION ON PROLINTAS INFRA BT

6.1.1 History and background

Prolintas Infra BT is an Islamic business trust constituted under the laws of Malaysia under the Trust Deed and registered with the SC on 11 December 2023. The Trust is managed by Prolintas Managers, the Trustee-Manager. Further details on the Trustee-Manager are set out in Section 10.1 of this Prospectus.

The Trust had on 21 December 2023 completed the Pre-IPO Acquisition and formed the Trust Group. Further details of the Pre-IPO Acquisition are set out in Section 6.1.8(i) below.

The Trust Group, through its subsidiaries, are principally involved in the construction, toll collection, operation and maintenance of the Highways (i.e. AKLEH, GCE, LKSA and SILK) and the provision of ancillary facilities to complement the operation of the Highways and enhance road users' experience and convenience. Further details on the business overview of the Trust Group are set out in Section 7 of the Prospectus.

The Trust will be the first business trust to be listed on the Main Market of Bursa Securities, and provides investors the opportunity to invest in highway-related infrastructure assets via the IPO. The Listing is in accordance with the consensus achieved with the Government under the respective SCAs 2022.

As at the LPD, the Trust's issued unit capital is RM1,100,000,000 comprising 1,100,000,000 Units and there has been no change in issued Units of Prolintas Infra BT since its establishment date.

<u>Date of allotment</u>	<u>No. of Units</u>	<u>Consideration</u>	<u>Cumulative issued unit capital</u>
21 December 2023	1,100,000,000	Otherwise than cash	RM 1,100,000,000

As at the LPD, the Trust Group does not have any outstanding warrants, options, convertible securities or uncalled capital.

As at the LPD, neither the Trust nor the Trust Group is involved in any bankruptcy, receivership or similar proceedings. During the last financial year and up to the LPD, there were no:

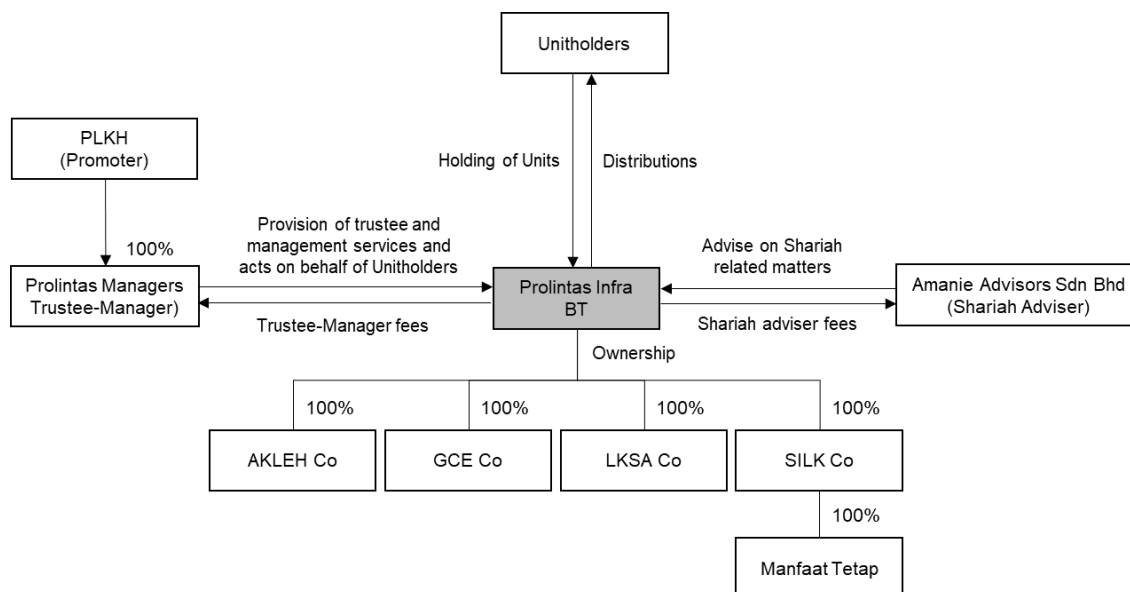
- (i) public take-over offers by third parties in respect of the Units; and
- (ii) public take-over offers by Prolintas Managers (acting in its capacity as trustee-manager of the Trust) in respect of the shares in another company or the units of another business trust.

As at the LPD, there are no material capital expenditures and divestitures by the Trustee-Manager acting on behalf of the Trust, save for the Pre-IPO Acquisition described in Section 6.1.8(i) of this Prospectus.

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6. INFORMATION ON THE TRUST GROUP (Cont'd)

The following diagram illustrates the relationship between Prolintas Infra BT, the Trustee-Manager, the Shariah Adviser and the Unitholders upon the Listing:



Pursuant to the Trust Deed, the Trustee-Manager shall hold the Assets (i.e. the Concession Companies) upon trust for the Unitholders and the Assets held shall be segregated from the general assets of the Trustee-Manager and any other trust managed by the Trustee-Manager.

6.1.2 Investment policy and objectives

The objectives of the Trust are to provide Unitholders with stable Distributions per Unit with the potential for sustainable long term growth of such Distributions.

The objectives are to be achieved by optimising the performance and enhancing the overall quality of a large and geographically diversified portfolio of Assets which are Shariah-compliant through various investment and business strategies.

Unless otherwise provided by the Applicable Laws and Requirements, any modification to the Trust Deed involving any change to the investment objectives set out in the Trust Deed thereof must be approved by Unitholders by way of a Special Resolution.

6.1.3 Key investment strategies

(i) Organic growth through proactive management

The Trustee-Manager will focus on organic growth of the Highways with value-added services such as petrol stations, convenience stores and electric vehicle charging stations along the Highways. The Trustee-Manager will ensure the Highway operations, management and maintenance meets the requirements outlined in the respective Concession Agreements whilst ensuring safety and comfort for road users.

The Trustee-Manager is also focused on realising cost efficiencies within the Trust Group. The ability to manage the costs associated with the Highways is critical to maintaining efficiency and healthy cash flow for the purposes of potential returns to the Unitholders. The Trustee-Manager also intends to focus on strengthening internal processes and systems to improve the utilisation of resources and reduce costs in order to achieve sustainable long-term growth.

6. INFORMATION ON THE TRUST GROUP (Cont'd)

(ii) Capital and risk management

The Trustee-Manager targets to optimise returns to investors while ensuring financial prudence. To achieve this goal, the Trustee-Manager intends to optimise the capital structure and cost of capital of the Trust Group. The optimal capital structure may comprise an appropriate combination of debt and equity in funding acquisitions of other highways into the Trust. The Trustee-Manager's capital management strategy involves adopting and maintaining appropriate aggregate leverage levels to ensure optimal return to investors while maintaining flexibility in respect of future capital expenditures or acquisitions.

(iii) Strategic growth via the acquisition of income-generating highways

The Trustee-Manager intends to source and selectively acquire future highway assets with the objective of delivering strong returns to Unitholders. In realising the above strategy, the Trustee-Manager will take into consideration, amongst others, the following:

- track record of the target assets, including consistent and predictable traffic volume and toll revenue;
- positive free cash flow with sustainable distributable amount for Distributions;
- medium to long term growth potential of the target assets, which can contribute to sustained dividend growth, yield accretion, potential for future earnings and capital appreciation; and
- potential portfolio diversification of the Trust Group.

Currently, the Promoter, PLKH, is managing and operating two highways, DASH and SUKE which commenced operations in October 2022 and September 2022, respectively. Prolintas Infra BT has been granted the right of first refusal over potential future acquisitions of income-generating highway assets from the Promoter for as long as it remains a subsidiary of the Promoter pursuant to the terms of the SBA. This gives Prolintas Infra BT priority access to the Promoter's assets, providing a potential expansion of its portfolio. The injection of DASH and SUKE to the Trust, if any, is expected to be within the medium to long term (i.e., beyond 5 years from Listing), and is subject to the Trust's investment strategies and the considerations above.

The Trustee-Manager shall also consider sourcing and acquiring promising future highway assets in both domestic and international markets as and when such investment opportunities arise after considering the risks and merits associated with the investment. This strategic endeavour aims to maximise returns to Unitholders by leveraging lucrative opportunities within the highway industry.

The Trustee-Manager shall conduct rigorous financial analysis and due diligence that reflect various scenarios of asset performance considering, amongst others, economic factors, competitive influences, and demand and supply factors. The Trustee-Manager intends to assess characteristics such as traffic, stability of cash flows, which are key factors influencing future revenue and cash flow profiles.

6. INFORMATION ON THE TRUST GROUP (Cont'd)

6.1.4 Permissible Investments and Investment Limits

Subject to the provisions of the Trust Deed, the Applicable Laws and Requirements and compliance on Shariah requirements, the Trust may only invest in the following investments, directly or indirectly, subject to the provisions of the BT Guidelines:

- (a) a Shariah-compliant portfolio of investments, namely, shares, units, securities, instruments, partnership interests, any other form of economic or participatory interests, and/or any other equity and/or ownership interests, in any corporation, business, firm, partnership, trust and/or other form of entity (incorporated or otherwise) which develops, operates and/or maintains tolled highways, and/or assets comprised in the business of the development, operation and/or maintenance of tolled highways, and other related businesses, assets, undertakings and/or activity which is associated with, ancillary to or incidental to the development, operation and/or maintenance of tolled highways;
- (b) cash, Islamic deposits and Islamic money market instruments; and/or
- (c) any other Shariah-compliant units, securities, instruments, partnership interests and/or any other form of economic or participatory interests, and/or investment products as may be permitted by the SC.

For the avoidance of doubt, the Trustee-Manager may use Islamic financial derivatives for the sole purpose of hedging the Trust's existing risk exposure.

In exercising its powers to make investments on behalf of the Trust, the Trustee-Manager shall ensure that the Trust complies with the BT Guidelines. Investments in Assets may be by way of direct ownership or through a shareholding by the Trust in a separate corporation. Investments in other assets are limited to such requirements as may be imposed by the BT Guidelines and CMSA.

6.1.5 Shariah Investment Guidelines

Without limiting the generality of the following provisions and to the extent that the following provisions do not contradict the Applicable Laws and Requirements and subject always to the provision of the BT Guidelines, the ICMPS Guidelines and the Listing Requirements, Prolintas Infra BT shall not, other than as provided in under permissible investments and its investment policy, at any time be involved in the following activities:

- (i) the extension of financing facilities or any other credit facility to any person other than to any corporation at least 20% of its issued share capital of which is owned by Prolintas Infra BT as part of the Assets (in which case then such financing or facility must be Shariah-compliant);
- (ii) financial services based on *riba* (interest);
- (iii) gambling and gaming;
- (iv) manufacture or sale of non-halal products or related products;
- (v) conventional insurance;
- (vi) entertainment activities that are non-permissible according to Shariah;
- (vii) manufacture or sale of tobacco-based products or related products;
- (viii) stockbroking or share trading in Shariah non-compliant securities;

6. INFORMATION ON THE TRUST GROUP (Cont'd)

- (ix) other activities deemed non-permissible according to Shariah; and
- (x) any other activity which does not comply with the BT Guidelines, the ICMPS Guidelines and where no waiver from the SC is obtained to exempt compliance with the relevant guidelines.

6.1.6 Distribution Policy

Subject to Applicable Laws and Requirements, the Trustee-Manager may, regardless whether there are any profits or losses, or retained earnings or accumulated losses within a given period, from time to time declare a distribution of profits, income or other payment or returns, whether in the nature of income or capital (“**Distribution**”) in cash to the Unitholders out of the Assets in respect of such periods, of such amounts and on such dates as it may think fit. Any declaration of a Distribution by the Trustee-Manager must be signed by not less than two directors of the Trustee-Manager, must have been approved by the board of directors of the Trustee-Manager where the board of directors is satisfied that after making the distribution, the Trustee-Manager will continue to be able to fulfil, from the trust property of the business trust, the liabilities of the Trust as and when these liabilities fall due.

Without prejudice to the generality of the foregoing, the Distribution shall be referenced to the Distributable Amount calculated by the Trustee-Manager based on the financial statements of the Trust for that financial year or distribution period as representing the consolidated profit (or, as the case may be, loss) before tax of the Trust for the financial year or the relevant distribution period, after adjusting for the following:

- (i) Deducting taxes payable or paid;
- (ii) Deducting repayment of any principal amount (including any premium or fee) under any debt or financing arrangement of the Trust, excluding any debt or financing arrangement that is refinanced with new debt incurrence;
- (iii) Deducting capital expenditure for upgrading and development works for the highways (which is not funded by debt/Islamic financing);
- (iv) Adding depreciation, amortisation and impairment;
- (v) Deducting/adding, where applicable, non-cash adjustments such as deferred income, unrealised income or loss, including (without limitation) asset revaluation gains or losses; and
- (vi) Deducting/adding, where applicable, any other adjustments (which may include one-off or non-recurring items) as deemed appropriate by the Trustee-Manager in its sole discretion.

Any proposed Distributions as may be determined by the Trustee-Manager will take into consideration of the Trust’s funding requirements, financial position, business prospects and expected financial performance, projected levels of capital expenditure and other investment plans, liabilities and obligations, obligations and covenants to third parties (such as financiers) and working capital requirements.

6. INFORMATION ON THE TRUST GROUP (Cont'd)

6.1.7 Valuation Policy

Pursuant to the provisions of the CMSA, the Trustee-Manager has a duty to ensure that the property or assets of the Trust are valued at regular intervals appropriate to the nature of the property or assets.

6.1.8 Pre-IPO Restructuring

To facilitate the Listing, the Promoter and the Trustee-Manager had undertaken the Pre-IPO Restructuring exercise as follows:

(i) Pre-IPO Acquisition

Prolintas Managers (on behalf of the Trust) had on 11 December 2023 entered into the SBA with PLKH to acquire the entire issued share capital of the respective Concession Companies for an aggregate purchase consideration of RM1,100 million. In conjunction with the Pre-IPO Acquisition, PLKH had acquired the remaining 10% equity interest in LKSA Co from PNB.

The purchase consideration was fully satisfied via the issuance of 1,100,000,000 new Units at an issue price of RM1.00 per Unit. The number of issued shares of the Concession Companies acquired by Prolintas Managers (on behalf of the Trust) are as follows:

<u>Concession Companies</u>	<u>No. of ordinary shares acquired</u>	<u>% acquired</u>
AKLEH Co	129,067,059	100.0
GCE Co	180,000,000	100.0
LKSA Co	5,000,000	100.0
SILK Co	220,000,000	100.0

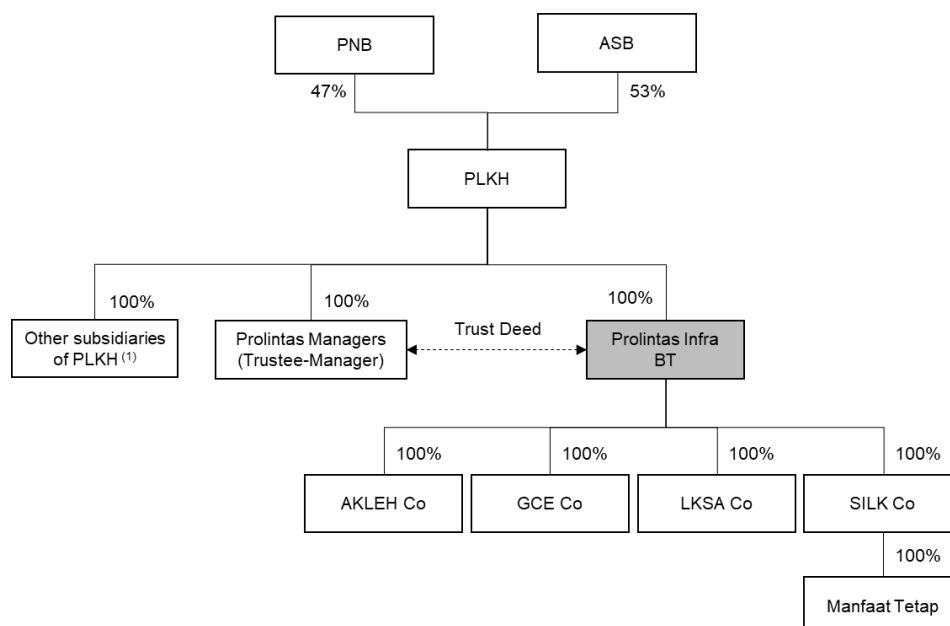
The aggregate purchase consideration of RM1,100 million for the Concession Companies was arrived at on a willing-buyer willing-seller basis, after taking into consideration, amongst others, the indicative valuation range of RM1,140 million to RM1,286 million for 100.0% equity interest in the Concession Companies as ascribed by KPMG, being the Independent Valuer for the Pre-IPO Acquisition.

KPMG has adopted the income approach which is commonly known as the discounted cash flow method. The discounted cash flow method is an investment appraisal technique that takes into account both the time value of money and future net cash flows of the Concession Companies over a fixed period of time.

Upon completion of the Pre-IPO Acquisition on 21 December 2023, Prolintas Infra BT holds the entire issued share capital in the Concession Companies, thereby forming the Trust Group.

6. INFORMATION ON THE TRUST GROUP (Cont'd)

The group structure of the Trust Group as at the LPD is as follows:



Note:

(1) Other subsidiaries of PLKH and their respective principal activities as at the LPD are as follows:

<u>Name of subsidiary</u>	<u>Principal activities</u>
Projek Lintasan Damansara-Shah Alam Sdn Bhd	Provision of operation, maintenance and toll collection services for DASH
PCSSSB	Provision of management services
PHSSB	Provision of commercial management services for the highways
Projek Lintasan Sungai Besi-Ulu Klang Sdn Bhd	Provision of operation, maintenance and toll collection services for SUKE
Turnpike	Provision of assets management, consulting services, project management services, highway maintenance, repair works and toll management services

(a) Salient terms of the SBA

The SBA was entered into on 11 December 2023 between Prolintas Managers (on behalf of Prolintas Infra BT), as purchaser, and PLKH, as seller in connection with the Pre-IPO Acquisition.

Pursuant to the SBA, Prolintas Managers acquired the entire issued and paid-up share capital of all of the Concession Companies for an aggregate purchase consideration of RM1,100 million, which will be fully satisfied via the issuance of 1,100,000,000 new Units at an issue price of RM1.00 per Unit.

6. INFORMATION ON THE TRUST GROUP *(Cont'd)*

The conditions precedent of the SBA were as follows:

- (aa) the grant of the approval of the SC;
- (bb) the grant of the approval of the Government for the transfers of all of the shares in the Concession Companies to Prolintas Managers; and
- (cc) the requisite consents of the relevant bank lenders and/or debt securities holders of PLKH and the Concession Companies, or evidence that Prolintas Managers has secured the Islamic Financing;

on or before 31 December 2023 (or such other date as may be mutually agreed between the parties).

The SBA contained typical covenants, representations and warranties that are customary in respect of sale and purchase transactions of such nature which include (among others) the following:

- (i) warranties as to legal and beneficial ownership of the assets sold and purchased, including that there is no claim that has been made by any person over or affecting such assets; that PLKH is entitled to sell and transfer the entire issued and paid-up share capital of all of the Concession Companies to Prolintas Managers on the terms of the SBA on the completion date; and that PLKH has (and/or on the completion date shall have) good and marketable title to all of the assets sold and purchased, which on transfer shall be free from and not subject to any encumbrance or claim of any kind (excepting only liens arising in the ordinary course of trading);
- (ii) other than the contracts and engagements entered into the ordinary and proper course of the business conducted by PLKH and/or the Concession Companies as of the completion date, which remained to be performed by PLKH as of the completion date, there are no other contracts or undertakings relating to such business which are material or which Prolintas Managers would require to enable it to carry on such business in the same manner as previously carried on by PLKH;
- (iii) save as otherwise disclosed, PLKH is not engaged (in connection with the business conducted by PLKH's and/or the Concession Companies as of the completion date) in any legal proceedings;
- (iv) all necessary licences and consents for the proper carrying on of the business conducted by PLKH's and/or the Concession Companies as of the completion date have been obtained, and there is no breach of any of their terms and conditions;
- (v) in respect of the Concession Companies and their respective assets, businesses and affairs, PLKH provides warranties to Prolintas Managers in respect of (among others):

6. INFORMATION ON THE TRUST GROUP *(Cont'd)*

- (A) the proper and due maintenance of the corporate status, records and filings of the Concession Companies;
- (B) the correctness of the details pertaining to the share and loan capital of the Concession Companies;
- (C) the proper maintenance and audit of accounts and financial statements;
- (D) the financing and/or credit facilities of the Concession Companies;
- (E) the status of licences, concessions and permits; material contracts; and litigation;
- (F) the good standing of the Concession Companies and their affairs;
- (G) encumbrances over assets;
- (H) tax matters; and
- (I) no material adverse changes to the Concession Companies, their businesses, and/or their financial and/or trading positions.

In addition, PLKH has agreed to indemnify Prolintas Managers against losses incurred:

- (AA) in respect of its shareholding in GCE Co, in connection with any arbitral award made against GCE Co in the arbitration matter between GCE Co and KL-Kuala Selangor Expressway Bhd. (LATAR) (as disclosed in Section 20.4 of this Prospectus);
- (BB) in respect of its shareholding in any Concession Company, in connection with any prior non-compliance by such Concession Company with any requirement to possess any planning permission, building permission, development approval, certificate of completion and compliance, certification of fitness and/or the equivalent, in relation to any landed property, building and/or structure which such Concession Company owns, holds and/or uses.

There are no contractual limitations of liability clauses in the SBA to restrict claims that may be made by Prolintas Managers against PLKH in respect of the warranties and indemnities, whether as to time and/or quantum. The usual limitation periods imposed by Malaysian law shall apply, and claims would be subject to the usual application of the determinations of quantum of damages as prescribed by Malaysian law.

6. INFORMATION ON THE TRUST GROUP (Cont'd)

The parties have also agreed that for so long as Prolintas Managers is a subsidiary of PLKH, and Prolintas Managers is the Trustee-Manager, in the event that PLKH wishes to dispose of any interest in any tolled highway business or subsidiary of PLKH, PLKH shall first offer to dispose of the same to the Prolintas Managers for the benefit of Prolintas Infra BT. PLKH may dispose of the same to a third party only after the parties have failed to agree on the purchase consideration and terms and conditions for such disposal within six months from the date of the said offer, provided that any such disposal to the third party shall be at a purchase consideration and terms and conditions which are not more favourable than those offered by PLKH to Prolintas Managers.

The SBA was completed on 21 December 2023.

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6. INFORMATION ON THE TRUST GROUP (Cont'd)

(ii) Islamic Financing

In connection with the Listing, Prolintas Managers (on behalf of Prolintas Infra BT) had on 11 December 2023 entered into a financing facility agreement with BPMB to raise up to RM2,700 million of Islamic financing for the following purposes:

Utilisation of proceeds from the Islamic Financing		RM 'million
(i)	Refinancing of the existing debts of the Concession Companies, including the repayment of any amount due to the related parties	⁽¹⁾ Up to 2,400.0
(ii)	Capital expenditure in relation to the construction of a new interchange for GCE and lane widening for SILK	⁽²⁾ Up to 300.0
Total debt proceeds		Up to 2,700.0

Notes:

(1) On 21 December 2023, Prolintas Managers (on behalf of Prolintas Infra BT) had raised RM2,326.3 million via the Islamic Financing primarily for the full payment of the existing debts of the Concession Companies, including the payment of amounts due to PLKH Group and PNB. The aggregate outstanding debt of the Concession Companies that has been paid as at 21 December 2023 and 22 December 2023 respectively is as follows:

Concession Companies	Description	Lender/ Sukuk holders / related parties	Purpose(s) of the financial assistance	Payment amount RM 'million
AKLEH Co	Net amount due to holding and related companies	PLKH and Turnpike	(i) Advance from PLKH in relation to interest payment (ii) Management fees to PLKH (iii) Toll management and repair and maintenance work fees to Turnpike (iv) Reimbursable claims from related parties in relation to general expenses	24.4
Sub total				24.4
GCE Co	Tawarruq financing facility	BPMB	Settlement of previous syndicated term financing	508.9
	Net amount due to holding and related companies	PLKH	Management fees to PLKH	2.4
Sub total				511.3

6. INFORMATION ON THE TRUST GROUP (Cont'd)

Concession Companies	Description	Lender/ Sukuk holders / related parties	Purpose(s) of the financial assistance	Payment amount RM 'million
LKSA Co	Sukuk Mudharabah (principal and profit)	PNB	(i) Settlement of outstanding obligations for bridging term financing (ii) Financing of construction cost for LKSA (iii) Working capital requirement	832.4
	Syndicated business financing facility	Bank Islam Malaysia Berhad	Redemption of senior Sukuk	208.8
	Syndicated business financing facility	Affin Bank Berhad	Redemption of senior Sukuk	33.3
	Net amount due to holding and related companies	PLKH, PHSSB and Turnpike	(i) Advance from PLKH in relation to Sukuk Ijarah profit payment (ii) Management fees to PLKH (iii) Toll management and repair and maintenance work fees to Turnpike (iv) Reimbursable claims from related parties in relation to general expenses (v) Revenue sharing for highway ancillary facilities management to PHSSB	88.7
	Sub total			1,163.2
SILK Co	Sukuk Mudharabah (principal and profit) (via Manfaat Tetap)	PLKH	Part settlement of Al-Bai' Bithaman Ajil Islamic Debt Securities	619.7
	Net amount due to holding and related companies	PLKH and Turnpike	(i) SILK Phase 2 lane widening works to Turnpike (ii) Management fees to PLKH (iii) Reimbursable claims from related parties in relation to general expenses	1.0
	Sub total			620.7
	Grand total			2,319.6

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6. INFORMATION ON THE TRUST GROUP (Cont'd)

- (2) The estimated breakdown for the allocation for capital expenditure is as follows:

Concession Company	Description of utilisation	Estimated timeframe for utilisation from Islamic Financing	Allocation RM 'million
SILK Co	Lane widening works		
	- Phase 2	Within 60 months	103.2
	- Phase 3	Within 60 months	147.3
GCE Co	Construction of Strathairlie Interchange	Within 60 months	49.5
Total			(a)300.0

Note:

- (a) As at the LPD, the total aggregate estimated capital expenditure is approximately RM422.8 million, subject to, amongst others, any material changes to the design, works to be undertaken and/or prices of services and supplies. Any shortfall from the amount raised for the capital expenditure will be funded via internally generated funds of the Trust Group.

The Islamic Financing allows the Trust Group:

- (i) to pay all existing debts of the Concession Companies (including amounts lent by PLKH and PNB) in light of the revised cashflow profile and tenure arising from the Toll Restructuring; and
- (ii) to finance future capital expenditure requirement of GCE Co and SILK Co per the CA obligations (as further elaborated in Section 7.27 of this Prospectus).

(a) Salient terms of the Islamic Financing

The salient terms of the Islamic Financing are set out as follows:

- (i) The Islamic Financing is obtained by the Trustee-Manager on behalf of Prolintas Infra BT.
- (ii) The total amount of financing is up to RM2,700 million made up of:
 - (A) Tawarruq 1 facility of up to RM2,400 million; and
 - (B) Tawarruq 2 facility of up to RM300 million.

6. INFORMATION ON THE TRUST GROUP *(Cont'd)*

- (iii) The term of the Islamic Financing is up to 24 years from the date of first disbursement.
- (iv) The purpose of the Islamic Financing is as follows:
 - (A) Tawarruq 1 (limit of RM2,400 million) is to fully refinance the then existing debts of the Concession Companies including amounts due to related parties, to finance and reimburse the fees and expenses related to the facility, as detailed in note (1) of Section 6.1.8(ii) of this Prospectus; and
 - (B) Tawarruq 2 (limit of RM300 million) is to part finance the capital expenditure referred to in note (2) of Section 6.1.8(ii) of this Prospectus.

If the whole or any part of the facility is not utilised by the expiry of the availability period of the facility, any unutilised balance shall be cancelled.

- (v) The security for the Islamic Financing include the following:
 - (A) first party first ranking legal debenture incorporating a fixed and floating charge over all present and future assets;
 - (B) first party first ranking legal assignment and charge over certain specified designated accounts;
 - (C) third party first ranking legal assignment and charge by over specified revenue accounts of the respective Concession Companies;
 - (D) first party first ranking legal assignment and charge over all rights, interest, title and benefits under the agreements entered into by the Trustee-Manager with the Concession Companies for the purpose of, inter alia, the refinancing utilising Tawarruq 1;
 - (E) a deed of subordination subordinating all present and future advances and loans or financings from the Trustee-Manager's shareholders except for financings to be determined in the deed of subordination;
 - (F) Letter of Undertaking from PLKH, undertaking that for so long as any of the Concession Agreements is in force and effect:
 - (aa) PLKH shall at all times throughout the tenure of the facility hold 100% of the ordinary shares of the Trustee-Manager; and

6. INFORMATION ON THE TRUST GROUP *(Cont'd)*

- (bb) PLKH, PNB, any unit trust fund managed by PNB and/or its subsidiary, shall at all times throughout the tenure of the facility hold in aggregate more than 33% of all units of Prolintas Infra BT then in issue.
- (G) first party first ranking assignment and charge over all rights, interest, title, and benefits under the SBA;
- (H) third party first ranking legal assignment over all rights, title, interest and benefits under the Concession Agreements, in respect of the following:
 - (aa) the proceeds of the toll collection;
 - (bb) the rights on the portion of ancillary income which are permitted to be assigned under the terms of the Concession Agreements;
 - (cc) the rights to any cash payments from the Government to compensate for any reduction in toll rate and/or abolishment of toll rate; and
 - (dd) all rights, interest and title in respect of the amount payable by the Government as a result of early termination of the Concession Agreements;
- (I) first party first ranking legal charge over the Trustee-Manager's entire shareholding in the Concession Companies;
- (J) third party first ranking legal assignment and charge over the Concession Companies' operating accounts; and
- (vi) The circumstances under which BPMB may declare an event of default include (among others) any of the following:
 - (A) the Trustee-Manager fails to make any payment under the Islamic Financing, on its due date or upon demand from BPMB, or any other amount owing, due and payable under the facility agreement or the security documents;
 - (B) the Trustee-Manager or any security party fails to observe or perform any of its respective obligations under the letter of offer, the facility agreement, or the security documents or under any other undertaking or arrangement in connection therewith, in any material respect;
 - (C) any representation, warranty or statement which is made by the Trustee-Manager and/or the security party or any of its shareholders under the facility agreement or the security documents to which it is a party, proves to be incorrect in any material respect at the time it was made or acknowledged to have been made;

6. INFORMATION ON THE TRUST GROUP *(Cont'd)*

- (D) any provision of the facility agreement or the security documents, is or becomes, for any reason, illegal, invalid or unenforceable in any way;
- (E) the Trustee-Manager transfers or disposes of, or threatens to transfer or dispose of, a substantial part of its business or assets and the result of any of the foregoing may, in the opinion of BPMB, adversely affect the Trustee-Manager's financial condition or its ability to observe or perform its obligations under the facility agreement or the security documents;
- (F) the Trustee-Manager and/or any security party, changes or threatens to change the nature or scope of its business, ceases or threatens to cease to carry on all or substantial part of its business, or any governmental authority expropriates or threatens to expropriate all or part of their assets, and the result of any of foregoing may, in the opinion of BPMB, adversely affect their financial condition or their ability to observe or perform their obligations under the facility agreement or the security documents;
- (G) (aa) if:
 - (1) any other indebtedness of the Trustee-Manager and/or any of its subsidiaries becomes owing, due and payable or capable of being declared due and payable prior to its maturity;
 - (2) any guarantee of the Trustee-Manager and/or any of its subsidiaries is not discharged at maturity or when called;
 - (3) the Trustee-Manager and/or any of its subsidiaries goes into default under, or commits a breach of, any instrument or agreement relating to any such indebtedness or guarantee; or
 - (4) any security created to secure any of the indebtedness falling within paragraphs (a)(vi)(G)(aa)(1) to (3) becomes enforceable; or
- (bb) any breach by the Trustee-Manager or any of its subsidiaries of the terms and conditions, stipulations and agreements contained in any other agreement or arrangement between the Trustee-Manager or any of its subsidiaries with BPMB or any other banks.
- (H) an encumbrancer takes possession of, or a trustee or administrative or other receiver or similar officer is appointed in respect of, all or any substantial part of the business or assets of the Trustee-Manager and/or the Prolintas Infra BT and/or any security party;

6. INFORMATION ON THE TRUST GROUP *(Cont'd)*

- (I) the Trustee-Manager and/or the Prolintas Infra BT and/or any security party is deemed or becomes unable to pay its debts as they fall due;
- (J) the Trustee-Manager suspends or threatens to suspend making payments with respect to all or any class of its debts and the result of any of the foregoing may, in the opinion of BPMB, adversely affect its financial condition or its ability to observe or perform its obligations under the facility agreement or the security documents;
- (K) the Trustee-Manager and/or Prolintas Infra BT and/or any security party convenes a meeting of its creditors, or proposes or makes any arrangement, assignment or composition, for the benefit of its creditors or a petition is presented for making an administration order against or for winding up of the Trustee-Manager and/or Prolintas Infra BT and/or any of its corporate shareholders and/or any security party;
- (L) any legal proceedings, suit or action shall be instituted against the Trustee-Manager or any security party, and BPMB is of the opinion that such legal proceedings shall have a material adverse effect on the Trustee-Manager or such security party;
- (M) the Trustee-Manager and/or any security party shall fail to satisfy any judgement passed against the Trustee-Manager or such security party by any court of competent jurisdiction and no appeal against such judgement or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law;
- (N) any law is brought into effect which purports to render ineffective or invalid any provision of the facility agreement or any of the security documents or which would prevent the Trustee-Manager or any security party from performing any of their respective obligations thereunder;
- (O) any part of the Highways (including the road widening for SILK and new interchange for GCE) ("**Project**") or any structures thereon is damaged or destroyed and the result, whether by reason of the takaful or insurance over the Project or structure proving to be invalid or unenforceable or for any other reason is, in the determination of BPMB, adversely to affect the financial condition of the Trustee-Manager or the Trustee-Manager's ability to observe or perform its obligations under the facility agreement or any of the security documents;
- (P) there is an abandonment and a non-completion of the Project;
- (Q) the Trustee-Manager shall fail upon it becoming aware to inform BPMB of any director or shareholder or any of the director's or shareholder's parents, spouse or children becoming a director, officer or employee of BPMB;

6. INFORMATION ON THE TRUST GROUP *(Cont'd)*

- (R) if in the opinion of BPMB, the business or affairs of the Trustee-Manager are not carried out or conducted satisfactorily in accordance with sound financial or business standards or practices, or if any of the Trustee-Manager's accounts with BPMB are not operated satisfactorily;
- (S) any licence, authorisation, approval, consent, order, exemption, registration, filing or notarisation referred to in the facility agreement is revoked or withheld or modified or is otherwise not granted or fails to remain in full force and effect;
- (T) any or a substantial part of the property, undertaking, rights, revenue or assets of the Trustee-Manager and/or the Prolintas Infra BT and/or any of the Concession Companies shall be condemned, seized or otherwise appropriated or nationalised;
- (U) the Trustee-Manager or the security party enters into, or proposes to enter into, or is declared by any competent court or authority, a moratorium on the payment of indebtedness or other suspension of payments generally;
- (V) the Trustee-Manager does any act or omits to do any act in relation to the facility agreement or the security documents or in respect of the transactions contemplated thereby, the result of which has or is likely to have a material adverse effect or in the opinion of BPMB shall prejudice the ability of the Trustee-Manager or any security party to perform any of their respective obligations under any other undertaking or arrangement entered into in connection with the facility agreement or the security documents in accordance with the terms and/or conditions thereof;
- (W) any of the Project documents being terminated and such termination would be likely to have a material adverse effect;
- (X) there arises any dispute between the shareholders of the Trustee-Manager and such dispute would be likely to have a material adverse effect;
- (Y) if:
 - (aa) any agreement or instrument to which the Trustee-Manager or any security party is a party or pursuant to which the Trustee-Manager or such security party derives any rights or benefits is terminated, revoked, suspended or becomes invalid or unenforceable for any reason whatsoever, or any party thereto defaults under such agreement or instrument, or any event occurs which gives rise to a right to any party thereto to terminate or revoke such agreement or instrument, and the same would have a material adverse effect; or

6. INFORMATION ON THE TRUST GROUP *(Cont'd)*

- (bb) any Project document is or is, in the opinion of BPMB, likely to be, breached, revoked, suspended or terminated or becomes invalid or unenforceable for any reason whatsoever, or any party thereto defaults under such agreement, or any event occurs which gives rise to a right to any party thereto to terminate or revoke any Project documents;
- (Z) if in the reasonable opinion of BPMB, the Trustee-Manager is not carrying on the Trustee-Manager's business and affairs in accordance with sound and prudent financial standards and practices;
- (AA) any other event or series of events whether related or not has or have occurred which in the opinion of BPMB could or might affect or prejudice the ability or willingness of the Trustee-Manager or where applicable, of any security party to comply with all or any of its respective obligations under the facility agreement or the security documents;
- (BB) any occurrence of an event of default or termination by either party under the respective Concession Agreements;
- (CC) any change of unitholding in Prolintas Infra BT which results in a breach of the undertaking contained in the Letter of Undertaking from PLKH;
- (DD) PLKH ceases to be an associate company of PNB and/or subsidiary of Amanah Saham Nasional Berhad, directly or indirectly;
- (EE) the Trustee-Manager and/or any of the Concession Companies enters into a scheme of arrangement or any other corporate rescue mechanism or such a scheme has been instituted against the Trustee-Manager and/or any of the Concession Companies; or
- (FF) if there is any fraud or misrepresentation on the part of the Trustee-Manager and/or any security party.
- (vii) If BPMB has declared an event of default, then:
 - (A) the secured amounts shall become immediately owing, due and payable together with any other amounts then payable under the facility agreement;
 - (B) any amount paid by the Trustee-Manager under the letter of offer shall not be refunded to the Trustee-Manager;

6. INFORMATION ON THE TRUST GROUP *(Cont'd)*

- (C) BPMB shall have the right not to allow any further utilisation or disbursement of the Islamic Financing, and/or to treat the Islamic Financing as terminated and/or cancelled; or
- (D) BPMB shall be entitled but not obligated to enforce the security created in favour of the security agent, and to exercise all its rights under the facility agreement and/or the security documents, in law and in equity
- (viii) The terms of the facility agreement and the security documents for the Islamic Financing are governed by Malaysian laws.

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6. INFORMATION ON THE TRUST GROUP (Cont'd)

(iii) Pre-IPO Reorganisation

For the Period Under Review and up to 31 December 2023, AKLEH Co, GCE Co and LKSA Co had outsourced majority of O&M services for their respective Highways to Turnpike, a wholly-owned subsidiary of PLKH. The O&M Services include, amongst others, the following:

- (a) **Routine maintenance services** with periodically scheduled maintenance services and/or works required in respect of the respective Highways including landscaping, grass cutting, highway maintenance, drainage maintenance, building maintenance, mechanical and electrical maintenance and security maintenance.
- (b) **Ad-hoc repair works maintenance services** and/or works in respect of the Highways which are not periodically scheduled.
- (c) **Toll operation services**, including operation, management and maintenance services and/or works in respect of toll equipment and collection of tolls at the respective highways.

Turnpike further sub-contracted part of the O&M services to external service providers via separate O&M contracts for certain O&M services, such as landscaping, grass cutting, highway maintenance, drainage maintenance, building maintenance, mechanical and electrical maintenance, security, ad hoc repairs and the toll collections services.

As a way to reflect better organisational accountability, PLKH had undertaken an employee reorganisation exercise. The Pre-IPO Reorganisation involves the transfer of relevant operational and technical employees performing the O&M services between Turnpike and the respective Concession Companies.

Details of the employees transferred as part of the Pre-IPO Reorganisation are as follows:

	AKLEH Co	GCE Co	LKSA Co	SILK Co	Total
Number of employees prior to the Pre-IPO Reorganisation	3	4	3	100	110
Number of operational and technical employees handling the O&M Services transferred from Turnpike and/or other Concession Companies	45	94	66	24	229
Total number of employees after the Pre-IPO Reorganisation	48	98	69	124	339

The above Pre-IPO Reorganisation exercise was effected on 1 January 2024. Further details on the employees under the Trust Group is set out in Section 7.16 of this Prospectus.

6. INFORMATION ON THE TRUST GROUP (Cont'd)

Following the completion of the Pre-IPO Reorganisation, the existing O&M arrangements and agreements between AKLEH Co, GCE Co and LKSA Co and Turnpike have been mutually terminated. All O&M Services including liaison with relevant suppliers and/or sub-contractors in relation to the provision of O&M Services as and when required, will be carried out by the respective Concession Companies.

The Trust Group may still engage Turnpike to provide certain services to the Concession Companies as and when required, including:

- (i) turnkey contract services for highway upgrading and development works; and
- (ii) consultancy services for matters pertaining to civil and structure, mechanical, electrical and electronics, traffic and safety.

6.2 SUBSIDIARIES HELD BY THE TRUST

As at the LPD, the Trust has 5 subsidiaries and does not have any associates. The subsidiaries held by the Trust as at the LPD are as follows:

Name and company number	Date and country of incorporation	Issued share capital (RM)	Effective equity interest (%)	Principal activities
Subsidiaries				
AKLEH Co 199401034585 (320268-A)	18 October 1994 (Malaysia)	129,067,059	100	To undertake the construction, operation, maintenance and toll collection of highway
GCE Co 199001010509 (202079-X)	4 August 1990 (Malaysia)	180,000,000	100	To undertake the construction, operation, maintenance and toll collection of highway
LKSA Co 200401015684 (654187-M)	28 May 2004 (Malaysia)	100,000,000	100	To undertake the construction, operation, maintenance and toll collection of highway
SILK Co 199501042016 (371220-V)	20 December 1995 (Malaysia)	220,000,000	100	To undertake the construction, operation, maintenance and toll collection of highway
Subsidiary of SILK Co				
Manfaat Tetap 200701031331 (789358-A)	21 September 2007 (Malaysia)	5	100	Dormant ⁽¹⁾

Note:

- (1) Manfaat Tetap is a special purpose vehicle set up to facilitate the issuance of Sukuk Mudharabah. The Sukuk Mudharabah has been redeemed on 22 December 2023 as part of the Islamic Financing and thereafter, Manfaat Tetap is dormant as at the LPD.

6. INFORMATION ON THE TRUST GROUP (Cont'd)

Further details of the subsidiaries held by the Trust as at the LPD are set out below:

6.2.1 Projek Lintasan Kota Sdn Bhd (AKLEH Co)

AKLEH Co was incorporated in Malaysia under the Companies Act, 1965 on 18 October 1994 and is deemed registered under the Act as a private limited company under its present name.

AKLEH Co is principally engaged in undertaking the construction, toll collection, operation and maintenance of highway. The principal place of business of AKLEH Co is at Lot PT 1091, Jalan Datuk Keramat, 50400 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. On 16 May 1996, AKLEH Co had signed the CA with the Government for the construction, operation and maintenance of AKLEH. Subsequently, to facilitate the Listing, AKLEH Co had entered into the SCA 2022 with the Government to, amongst others, restructure the toll rates and extend the concession period. Further details on the salient terms of the CA in respect of AKLEH are set out in Annexure B of this Prospectus.

As at the LPD, the issued share capital of AKLEH Co is RM129,067,059 comprising 129,067,059 ordinary shares. There has been no change in the issued share capital of AKLEH Co during the past three years and up to the LPD.

AKLEH Co is a wholly-owned subsidiary of the Trust. As at the LPD, AKLEH Co does not have any subsidiary, associate or joint venture.

6.2.2 Prolintas Expressway Sdn Bhd (GCE Co)

GCE Co was incorporated in Malaysia under the Companies Act, 1965 on 4 August 1990 and is deemed registered under the Act as a private limited company under the name Guthrie Corridor Expressway Sdn Bhd. GCE Co was then acquired by PLKH on 23 July 2007 and subsequently changed its name to Prolintas Expressway Sdn Bhd on 21 August 2007.

GCE Co is principally engaged in undertaking the construction, toll collection, operation and maintenance of highway. The principal place of business of GCE Co is at Plaza Tol Elmina, KM 14.4, Guthrie Corridor Expressway, 40700 Sungai Buloh, Selangor. On 18 July 2000, GCE Co had signed the GCE CA with the Government for the construction, operation and maintenance of GCE. Subsequently, to facilitate the Listing, GCE Co had entered into the SCA 2022 with the Government to, amongst others, restructure the toll rates and extend the concession period. Further details on the salient terms of CA in respect of GCE are set out in Annexure B of this Prospectus.

As at the LPD, the issued share capital of GCE Co is RM180,000,000 comprising 180,000,000 ordinary shares. There has been no change in the issued share capital of GCE Co during the past three years and up to the LPD.

GCE Co is a wholly-owned subsidiary of the Trust. As at the LPD, GCE Co does not have any subsidiary, associate or joint venture.

6.2.3 Projek Lintasan Shah Alam Sdn Bhd (LKSA Co)

LKSA Co was incorporated in Malaysia under the Companies Act, 1965 on 28 May 2004 and is deemed registered under the Act as a private limited company under its present name.

6. INFORMATION ON THE TRUST GROUP (Cont'd)

LKSA Co is principally engaged in undertaking the construction, toll collection, operation and maintenance of highway. The principal place of business of LKSA Co is at Plaza Tol Alam Impian, KM 0.5A, Lebuhraya Kemuning Shah Alam, Seksyen 35, 40700 Shah Alam, Selangor. On 27 November 2006, LKSA Co had signed the CA with the Government for the construction, operation and maintenance of LKSA. Subsequently, to facilitate the Listing, LKSA Co had entered into the SCA 2022 with the Government to, amongst others, restructure the toll rates and extend the concession period. Further details on the salient terms of CA in respect of LKSA are set out in Annexure B of this Prospectus.

As at the LPD, the issued share capital of LKSA Co is RM100,000,000 comprising 100,000,000 ordinary shares. Save for the new issued share capital of RM95,000,000 comprising 95,000,000 ordinary shares issued on 19 January 2024, there has been no change in the issued share capital of LKSA Co during the past three years and up to the LPD.

LKSA Co is a wholly-owned subsidiary of the Trust. As at the LPD, LKSA Co does not have any subsidiary, associate or joint venture.

6.2.4 Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd (SILK Co)

SILK Co was incorporated in Malaysia under the Companies Act, 1965 on 20 December 1995 and is deemed registered under the Act as a private limited company under its present name. On 18 January 2017, PNB had acquired SILK Co from SILK Holdings Berhad and subsequently novated the concession to PLKH on 27 April 2017. Under the novation agreement, PNB, SILK Co and SILK Holdings Berhad agreed that PLKH shall assume responsibility as if PLKH was the original party to the Share Purchase Agreement in place of PNB. On 28 April 2018, PLKH acquired SILK Co.

SILK Co is principally engaged in undertaking the construction, toll collection, operation and maintenance of highway. The principal place of business of SILK Co is at Plaza Tol Sungai Balak, KM 28.3A, Lebuhraya Kajang Silk, 43000 Kajang, Selangor. On 8 October 1997, SILK Co had signed the CA with the Government for the construction, operation and maintenance of SILK. Subsequently, to facilitate the Listing, SILK Co had entered into the SCA 2022 with the Government to, amongst others, restructure the toll rates and extend the concession period. Further details on the salient terms of the CA in respect of SILK are set out in Annexure B of this Prospectus.

As at the LPD, the issued share capital of SILK Co is RM220,000,000 comprising 220,000,000 ordinary shares. There has been no change in the issued share capital of SILK Co for the past three years and up to the LPD.

SILK Co is a wholly-owned subsidiary of the Trust and has one wholly-owned subsidiary, Manfaat Tetap which was previously established to facilitate the issuance of Sukuk Mudharabah. SILK Co has no associates. After the completion of the Islamic Financing, Manfaat Tetap will be a dormant company.

Please refer to Section 7 of this Prospectus for further details on the businesses and the operations of the Concession Companies.

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7. BUSINESS OVERVIEW

7.1 OVERVIEW

The Trust Group is principally involved in the:

- (i) construction, toll collection, operation and maintenance of the Highways; and
- (ii) provision of ancillary facilities to complement the operation of the Highways and enhance road users' experience and convenience.

The summary of the Highways held by the Trust Group (through the Concession Companies) are as follows:

	AKLEH	GCE⁽¹⁾	LKSA	SILK⁽²⁾
Date of Concession Agreement	16 May 1996	18 July 2000	27 November 2006	8 October 1997
Expiry of concession	15 May 2037	31 May 2062	31 July 2062	31 July 2062
Remaining tenure as at the LPD	13 years 3 months	38 years 4 months	38 years 6 months	38 years 6 months
Mainline length	7.4 km	25.0 km	14.7 km	37.0 km
Location	Kuala Lumpur	Selangor	Selangor	Selangor
Name of toll plaza(s)	<ul style="list-style-type: none"> ▪ Datuk Keramat Toll Plaza 	<ul style="list-style-type: none"> ▪ Bukit Jelutong Toll Plaza ▪ Elmina Toll Plaza ▪ Lagong Toll Plaza 	<ul style="list-style-type: none"> ▪ Seri Muda Toll Plaza ▪ Alam Impian Toll Plaza 	<ul style="list-style-type: none"> ▪ Sungai Long Toll Plaza ▪ Bukit Kajang Toll Plaza ▪ Sungai Ramal Toll Plaza ▪ Sungai Balak Toll Plaza

Notes:

- (1) GCE Co was acquired by PLKH on 23 July 2007 from Kumpulan Guthrie Berhad.
- (2) On 18 January 2017, PNB had acquired SILK Co from SILK Holdings Berhad and subsequently novated the concession to PLKH on 27 April 2017. Under the novation agreement, PNB, SILK Co and SILK Holdings Berhad agreed that PLKH shall assume responsibility as if PLKH was the original party to the Share Purchase Agreement in place of PNB. On 28 April 2018, PLKH acquired SILK Co.

7. BUSINESS OVERVIEW (Cont'd)

Below is a map showing the Highways held by the Trust Group:



The Highways are strategically located within the Klang Valley and have benefited from the economic activity centred in the region. The Klang Valley, which comprises of Kuala Lumpur and its adjoining towns in Selangor, is the focus region for approved domestic investments. Klang Valley has close proximity to Port Klang which aided exports and trade in this area. Based on the IMR Report, the total industry revenue based on toll collection and compensation received from the Government for the urban highways in the Klang Valley (excluding the Setiawangsa-Pantai Expressway (SPE) and the New Klang Valley Expressway (NKVE)) is RM2.3 billion in 2021. Based on the Trust Group's revenue of RM340.3 million from toll collection and compensation received from the Government, the Trust Group captures a market share of 14.9% of the total industry revenue in 2021.

The Highways generated RM295.2 million and RM214.7 million in revenue from toll collection, representing 76.8% and 93.9% of the Trust Group's total revenue in FYE 2022 and FPE 2023 respectively. A total of RM83.7 million and RM10.5 million, representing 21.8% and 4.6% is derived from toll compensation received from the Government in accordance with the respective Concession Agreements and the balance of RM5.3 million and RM3.4 million, representing 1.4% and 1.5% which is derived from non-toll revenue and construction revenue for FYE 2022 and FPE 2023 respectively.

7.1.1 Overview of the Trust Group's concessions

In Malaysia, the design, construction and operation of highways are undertaken by private companies which are granted a concession by the Government. During the period of the concession these private companies or concessionaires have the exclusive right to collect tolls from motorists using the highways, recovering the costs of constructing and operating the new road systems. At the end of the concession period (if not further extended), the ownership and operations of the highways are transferred back to the Government. Accordingly, the highway concessions granted by the Government are based on a "build-operate-transfer" model.

The CAs of the Highways are under the purview of the Ministry of Works (*Kementerian Kerja Raya*), through its agency, the MHA (*Lembaga Lebuhraya Malaysia*). Highway concessions are principally regulated by the Federal Roads Act, 1959 (Revised 1989) and the Federal Roads (Private Management) Act, 1984. The terms and requirements for each highway concession are set out in the individual Concession Agreement of the respective Highways. Please refer to Section 7.23 of this Prospectus for details on the regulations of privatised highways.

As the Trust Group has four Highways under its portfolio, there are four separate Concession Agreements governing the Trust Group's operation and maintenance of the respective Highways. Additionally, there are also supplemental concession agreements, outlining specific amendments made to the terms of the Concession Agreements. As at the LPD, save as disclosed in Section 7.21.1 below, each of the respective Concession Companies (since its incorporation and/or acquisition by the Promoter, as the case may be) has complied with the obligations under the respective Concession Agreements. Please refer to Annexure B of this Prospectus for the salient terms of the respective Concession Agreements.

(i) General scope of the Concession Agreements

The Concession Agreements outline a number of significant aspects which include the Concession Companies' obligations to construct and maintain the Highways and their permitted business activities.

As part of the obligations under the Concession Agreements aside from the construction of the mainline of the Highways, the Concession Agreements also provide for upgrading works to be undertaken by the Concession Companies. Additionally, the Concession Agreements prescribe the technical framework including the key performance indicators set by the MHA, under the purview of the Ministry of Works. Pursuant to the SCAs 2022, the key performance indicators include maintenance, reporting and auditing, which are required to be submitted to MHA within the stipulated time. Such key performance indicators will be effective following the effective date of the SCAs 2022, being 9 January 2024. The Concession Agreements also provide for the submission of reports in the areas of maintenance (C&S and E&E), toll collection as well as traffic and safety.

The Concession Companies' obligations extend to ancillary facilities related to the Highways which include, amongst others, lay-bys and RSAs. Upon the expiration or termination of the Concession Agreements, the Highways (including the related ancillary facilities), the right to operate the Highways and related assets, as well as other assets of the Concession Companies, will be transferred to the Government.

During the period of the concession, the Concession Companies have the exclusive right to demand, collect and retain tolls for its own benefit from the users of the Highways.

The Government agrees to grant or procure to be granted to the Concession Companies the leases, licenses and permits to land, waterways, roads and any surfaces or air space required for the construction, operation and maintenance of the Highways. The Government shall grant to the Concession Companies throughout the concession period the exclusive right and licence to enter upon and occupy all land within the concession area required by the Concession Companies for the purposes of the concessions. The Concession Companies shall bear any premium, assessment, rent, taxes, or other costs, expenses and charges that may be payable in respect of all or any land within the concession area.

(ii) Maintenance

During the concession period, the respective Concession Companies are required to maintain the Highways and Highway assets such as pavement, structures, culverts, drainage, slopes and buildings as well as lighting and toll collection systems, in good condition and in accordance with the latest guidelines established by MHA. The details of maintenance are further elaborated in Section 7.6.2 of this Prospectus.

(iii) Ancillary facilities

In addition to the Highways, the Concession Companies are required through the respective Concession Agreements to design, construct, manage, operate and maintain ancillary facilities along the Highways. These ancillary facilities include lay-bys as well as RSAs. The RSAs provide food and beverage stalls, retail outlets, public washrooms, and parking lots, amongst others.

The lay-bys and RSAs are to be upgraded and refurbished as per the Concession Agreement every few years. The Concession Companies may enter into contractual arrangements with third parties for the operation and maintenance of the ancillary facilities. The Concession Companies may charge rental or the have a revenue sharing for any business activities by third parties conducted on the premises of the ancillary facilities.

7.1.2 Toll rates

The Highways use an open system for toll collection, i.e. payment of fixed toll rates based on the class of their vehicles at each toll plaza they pass through, irrespective of distance travelled. Road users do not need to pay tolls upon entering or leaving the Highways, but rather, road users pay the toll upon reaching any toll plaza along the Highways.

The toll rates that the Concession Companies charge for different classes of vehicles are as stipulated in the respective Concession Agreements. The different classes of vehicles are set out below:

Vehicle class	Description
Class 1	Vehicles with two axles and three or four wheels (excluding taxis and buses)
Class 2	Vehicles with two axles and five or six wheels (excluding buses)
Class 3	Vehicles with three or more axles (excluding buses)
Class 4	Taxis
Class 5	Buses

7. BUSINESS OVERVIEW (Cont'd)

There are certain types of vehicles that receive exemptions from paying tolls, including registered service vehicles for maintenance and patrol services, exceptional vehicles such as those driven or carrying the Yang di-Pertuan Agong, the Rulers of the States of Malaysia, Yang Di-Pertuan Negeri, high ranking personnel and as well as military convoys (with two or more exceptional vehicles), and emergency vehicles.

The Government retains the right to change the toll rates. In the past, the Government has on a number of occasions, changed the toll rates that the Concession Companies are permitted to charge, thus imposing toll rates which were lower than the agreed toll rates.

To facilitate the Listing, on 12 October 2022, the Government had entered into separate SCAs 2022 with the respective Concession Companies to, amongst others, restructure the toll rates and extend the toll concession periods as follows:

(i) Restructuring of toll rates

Gazetted toll rates of each Highway prior to SCA 2022 (before the Toll Restructuring)

Highways	Gazetted toll rates before the Toll Restructuring (RM)				
	Class 1	Class 2	Class 3	Class 4	Class 5
AKLEH	2.50	7.00	10.50	1.80	1.50
GCE	1.90	3.80	5.70	0.90	1.40
LKSA (Seri Muda)	1.70	3.40	5.10	0.90	1.20
LKSA (Alam Impian)	0.90	1.80	2.70	0.90	0.60
SILK	1.80	3.60	5.40	0.90	1.00

New agreed toll rates of each Highway based on SCA 2022 (after the Toll Restructuring)

Highways	New agreed toll rates based on SCAs 2022 from 2023 ⁽¹⁾ to 2032 (RM)				
	Class 1	Class 2	Class 3	Class 4	Class 5
AKLEH	2.13	7.00	10.50	1.53	1.28
GCE	1.75	3.80	5.70	0.83	1.29
LKSA (Seri Muda)	1.56	3.40	5.10	0.83	1.10
LKSA (Alam Impian)	0.83	1.80	2.70	0.83	0.55
SILK	1.66	3.60	5.40	0.83	0.92

Note:

(1) The toll rates were gazetted on 20 October 2022.

7. BUSINESS OVERVIEW (Cont'd)

New agreed toll rates based on SCAs 2022 from 2033 to 2042 (RM)

Highways	Class 1	Class 2	Class 3	Class 4	Class 5
AKLEH ⁽¹⁾	2.13	7.00	10.50	1.53	1.28
GCE	2.59	5.20	7.80	1.23	1.91
LKSA (Seri Muda)	2.31	6.00	9.00	1.23	1.63
LKSA (Alam Impian)	1.23	3.00	4.50	1.23	0.81
SILK	2.15	4.80	7.20	1.07	1.19

Note:

(1) AKLEH's concession period will be ending on 15 May 2037.

New agreed toll rates based on SCAs 2022 from 2043 to 2062 (RM)

Highways	Class 1	Class 2	Class 3	Class 4	Class 5
AKLEH	-	-	-	-	-
GCE	3.40	7.00	10.50	1.70	2.83
LKSA (Seri Muda)	3.42	9.40	14.10	1.82	2.41
LKSA (Alam Impian)	1.82	4.80	7.20	1.82	1.21
SILK	2.30	4.80	7.20	1.20	1.54

(ii) Restructuring of concession periods

To compensate for the restructured toll rates to be received by the four Highways pursuant to the Toll Restructuring, the concession periods for the respective Highways shall be extended as follows:

Highways	Concession expiry before the Toll Restructuring	New concession expiry date after the Toll Restructuring based on SCAs 2022	Extension of concession period
AKLEH	15 May 2029	15 May 2037	Extension of 8 years
GCE	31 May 2036	31 May 2062	Extension of 26 years
LKSA	31 July 2047	31 July 2062	Extension of 15 years
SILK	31 July 2037	31 July 2062	Extension of 25 years

Pursuant to the respective SCAs 2022, the Government will not provide any compensation to the Concession Companies for the reduction of toll rates set out above effective from 1 January 2023. For the avoidance of doubt, in the future, if the Government were to impose or gazette toll rates lower than those as provided for under the SCA 2022, the Government will compensate the Concession Companies based on the compensation mechanism as set out in the respective SCAs 2022.

7. BUSINESS OVERVIEW (Cont'd)

7.1.3 Traffic volume

The Concession Companies submits the traffic volume of the Highways to MHA on a weekly, monthly and annual basis. However, only the annual traffic volume for each of the Highways are certified by MHA. The traffic volume is based on the number of toll transactions, regardless of the class of the vehicle, recorded by all toll plazas operated under Trust Group.

The table below sets out the traffic volume passing through the Highways by class:

	Class 1		Class 2		Class 3		Class 4		Class 5		Total volume ('mil)
	Volume ('mil)	%	Volume ('mil)	%	Volume ('mil)	%	Volume ('mil)	%	Volume ('mil)	%	
FYE 2020	112.1	93.7	4.2	3.5	2.5	2.1	0.5	0.4	0.4	0.3	119.7
FYE 2021	101.9	93.3	4.3	3.9	2.3	2.1	0.4	0.4	0.3	0.3	109.3
FYE 2022	148.8	94.0	5.4	3.4	3.0	1.9	0.6	0.4	0.5	0.3	158.2
FPE 2023	116.9	94.0	4.2	3.4	2.4	1.9	0.4	0.3	0.5	0.4	124.4

The table below sets out the y-o-y change in annual total traffic volume of the Highways for the Periods Under Review:

Period Under Review	Traffic volume (million)	Increase / (decrease) from previous year (%)
FYE 2020	119.7	-
FYE 2021	109.3	(8.7)
FYE 2022	158.2	44.7
FPE 2023	124.4	-

The low traffic volumes recorded in FYE 2020 and FYE 2021 were primarily due to MCOs to control the spread of COVID-19. In FYE 2022, the traffic volume recovered as Malaysia transitioned into the endemic phase in April 2022. Please refer to Section 7.20(i) of this Prospectus for further details on the impact of COVID-19 and MCO.

Further breakdown of traffic volumes by the respective Highways are set out in Section 7.5 of this Prospectus.

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7.1.4 Revenue segments of the Trust Group

(i) Toll revenue

Toll collection revenue

During the concession period, the Concession Companies retain the exclusive right to demand, collect and retain toll from selected classes of vehicles. The toll collection is recognised at the point in time when the toll is chargeable for the usage of the Highways based on toll rates as per the Concession Agreements for each class of vehicle.

Government compensation

Government compensation represents revenue received from the Government for the imposition of revised toll rates lower than those as provided for in the Concession Agreements over the period in respect of which the compensation relates.

Pursuant to the Concession Agreement, the Government may impose toll rates lower than the agreed toll rates but must compensate the Concession Companies for any resulting shortfall. In general, Government compensation is calculated based upon the difference between toll receipts collected by the Concession Companies using the Government-imposed revised toll rates and the toll revenue the Concession Companies would have collected if the Concession Companies had been permitted to charge the agreed toll rates based on the Concession Agreements.

(ii) Non-toll revenue

Non-toll revenue represents revenue sharing not limited to advertising billboards, space rental for telecommunication towers and rental from stall operators in RSAs.

(iii) Construction revenue (upgrading and development works)

Construction revenues are stated as required under IC 12, whereby the Trust Group contracts a private operator to develop, upgrade, operate and maintain the infrastructure assets. It is measured by using the input method based on MFRS 15. This revenue is then net off with the construction costs incurred in accordance with IC 12, and such assets and its cost are recognised as a concession intangible asset by the Trust Group.

For the avoidance of doubt, in respect of lane widening, construction of interchanges and road and pavement resurfacing which were previously provided for, the subsequent utilisation of such provisions will not result in the recognition of construction revenue.

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7. BUSINESS OVERVIEW (Cont'd)

The Trust Group's revenue breakdown by business activity for the Period Under Review is set out below:

	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Toll revenue	388,192	98.4	340,314	93.1	378,842	98.6	225,206	98.5
- Toll collection	228,947	58.0	209,092	57.2	295,168	76.8	214,727	93.9
- Government compensation	159,245	40.4	131,222	35.9	83,674	21.8	10,479	4.6
Non-toll revenue	1,860	0.5	1,589	0.4	1,855	0.5	1,133	0.5
- Rental and sundry income	1,860	0.5	1,589	0.4	1,855	0.5	1,133	0.5
Construction revenue	4,320	1.1	23,897	6.5	3,464	0.9	2,231	1.0
- Upgrading and development works relating to the Highways	4,320	1.1	23,897	6.5	3,464	0.9	2,231	1.0
Total	394,372	100.0	365,800	100.0	384,161	100.0	228,570	100.0

Pursuant to the respective SCAs 2022, toll rates had been reduced effective from 1 January 2023. Further details on the Toll Restructuring, which entailed the restructuring of toll rates as well as restructuring of concession periods are set out in Sections 7.1.2 (i) and (ii) of the Prospectus. Please refer to Section 15.1 of this Prospectus for the historical combined financial information of the Trust Group for the Period Under Review.

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7. BUSINESS OVERVIEW (Cont'd)

7.2 COMPETITIVE STRENGTHS AND INVESTMENT HIGHLIGHTS

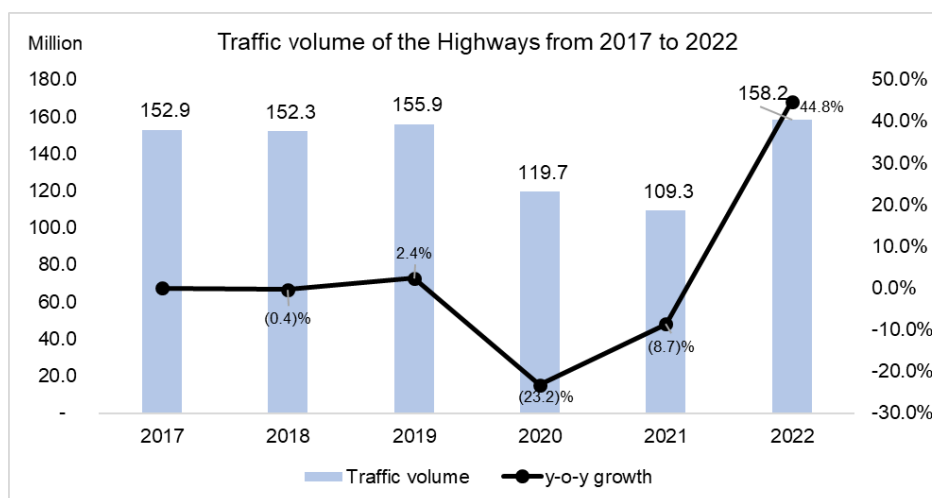
The Trust Group's competitive strengths and investment highlights are as follows:

7.2.1 The Trust Group's average remaining concession period of approximately 32 years provides long-term visibility on future toll revenue and cash flow, translating into sustainable distribution for Unitholders

The Trust Group comprises highway infrastructure assets that generate significant cashflows (i.e. toll revenue) with an average remaining concession period of approximately 32 years as at the LPD. While the Trust Group has deposits, cash and bank balances of RM348.5 million as at 30 September 2023, the Trust Group's profits are impacted by non-cash expenses such as amortisation of HDE. Consequently, a business trust structure allows the Trustee-Manager to distribute income to the Unitholders from the cashflow generated by the business without being constrained by accounting profits.

During the Period Under Review, the Trust Group recorded EBITDA of RM308.0 million, RM259.5 million, RM268.9 million and RM165.3 million with EBITDA margins of 78.1%, 70.9%, 70.0% and 72.3% in FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively. The EBITDA is calculated by profit before tax and subsequently adjusted for non-cash items such as finance costs, amortisation and impairment of HDE, as well as amortisation of deferred income and other income. This demonstrates the Trust Group's ability to generate cash profits after excluding non-cash income, depreciation, amortisation expenses as well as taxation items.

Further, in view that the Highways are essential infrastructure, the AADT volume remained relatively sustained even during the peak of the COVID-19 pandemic in FYE 2020 and FYE 2021, when the Government implemented strict movement restriction orders to curb the spread of the virus:



As Malaysia transitioned into the endemic phase in April 2022, the traffic volume for FYE 2022 rebounded significantly and surpassed the traffic volume in FYE 2019, i.e. prior to the onset of the COVID-19 pandemic, underscoring the resilience of the traffic volume. Premised on the above, the Trust Group's operations remained highly resilient across economic cycles due to the essential nature of highway operations. This mitigates the impact of economic fluctuations and provides assurance on the long-term stability in terms of income stream as well as distribution to Unitholders.

7. BUSINESS OVERVIEW (Cont'd)

Furthermore, the respective CAs and SCAs comprehensively outline all future toll rate hikes for the Highways (excluding AKLEH) throughout the remaining concession period. The future rate hikes coupled with the extended concession period and the demonstrated sustained traffic volume offers long-term visibility to the Trust Group's future income stream.

The Trustee-Manager intends to distribute yearly distributions of at least 90% of the Trust Group's Distributable Amount. For FYE 2024, the Trustee-Manager will distribute a total Distribution of RM70.0 million. As such, the forecasted DPU for FYE 2024 stands at 6.36 sen per Unit, resulting in a distribution yield of approximately 6.7% based on the Retail Price of RM0.95.

7.2.2 The Trust Group's Highways are located in high traffic areas

The Highways are strategically situated across Klang Valley. These Highways play a crucial role by either providing an alternative route to the highly congested public roads or enhancing the connectivity of urbanised townships, serving almost half a million road users every day as follows:

(i) AKLEH

AKLEH links Kuala Lumpur's eastern corridor to the city centre, as an alternative route to Jalan Ampang. It supports Ampang and Hulu Klang's rapid urbanisation, facilitating access between Kuala Lumpur – Jelatek / Setiawangsa – Middle Ring Road 2 and Ampang.

Furthermore, AKLEH connects to SUKE, which provides connectivity to over 60 residential areas in the Klang Valley including Sri Petaling, Sungai Besi, Cheras, Alam Damai and Ampang. The commencement of SUKE Phase 1 in September 2022 has extended AKLEH's reach to a broader spectrum of road users and expanded its coverage area. As a result, AKLEH witnessed a 5.8% increase in traffic volume subsequent to the opening of SUKE Phase 1.

<u>Stages</u>	<u>Duration</u>	<u>Average monthly traffic volume of AKLEH</u>
Prior to commencement of SUKE Phase 1 ⁽¹⁾	May 2022 to August 2022	1.20 million
Commencement of SUKE Phase 1	September 2022	1.24 million
After commencement of SUKE Phase 1	October 2022 to June 2023	1.26 million
After commencement of SUKE Phase 2 ⁽²⁾	July 2023 to August 2023	1.30 million

Notes:

- (1) SUKE Phase 1 refers to the opening of the stretch from Cheras-Kajang Interchange to Bukit Antarabangsa Interchange.
- (2) SUKE Phase 2 refers to the opening of the stretch from Sri Petaling and Bukit Jalil to Phase 1's Cheras-Kajang Interchange.

(ii) **GCE**

GCE allows for connectivity to nearby townships such as Shah Alam, Bukit Jelutong, Denai Alam, Elmina, Subang, Sungai Buloh and Rawang, facilitating convenient access to multiple destinations. Situated between Shah Alam and Rawang, GCE forms the western link of the Kuala Lumpur Outer Ring Road (“**KLORR**”) and complements the North-South Expressway (“**NSE**”) via the Kuala Lumpur-Kuala Selangor Expressway. KLORR functions as an orbital system of ring roads around the Greater Kuala Lumpur areas which provides connectivity between major towns, while NSE is the primary interstate travel route in West Peninsular Malaysia. Additionally, GCE is interlinked with the North-South Expressway Central Link (“**ELITE**”) and the upcoming West Coast Expressway (“**WCE**”), facilitating connections to the southern and northern states respectively.

Consequently, GCE acts as an alternative route to the New Klang Valley Expressway (“**NKVE**”), offering uninterrupted access to the northern states, bypassing traffic congestion on the NKVE.

(iii) **LKSA**

LKSA connects areas of Shah Alam and Kota Kemuning, serving as the primary link to Shah Alam Expressway (“**KESAS**”) in the south from Shah Alam and to Federal Highway Route 2 in the north from Kota Kemuning. This direct linkage enables road users in Shah Alam or Kota Kemuning to conveniently access KESAS or Federal Highway Route 2, eliminating the need for longer detours on public roads.

Furthermore, LKSA plays a pivotal role as the primary access point to the Alam Impian township. Without LKSA, Alam Impian will only be accessible via public roads. The presence of LKSA has not only facilitated accessibility but has also spurred urbanisation and catalysed the growth of Alam Impian.

(iv) **SILK**

SILK alleviates the traffic in the Kajang town centre, covers catchment areas around the Kajang and its vicinities such as Bangi, Sungai Ramal, Sungai Long and Semenyih and has emerged as the primary ring road of Kajang, enabling the local community to circumvent the congested public roads.

Other than alleviating the traffic condition within Kajang, SILK also serves as a vital link connecting the local community to neighbouring townships such as Sungai Besi, Puchong, Seri Kembangan and Cheras through a network of major highways including the NSE, Sungai Besi Highway (“**BESRAYA**”), Cheras-Kajang Expressway (“**GRAND SAGA**”), Kajang-Seremban Highway (“**LEKAS**”) and South Klang Valley Expressway (“**SKVE**”).

The annual traffic volume recorded in 2022 for AKLEH, GCE, LKSA, and SILK was 13.9 million, 43.0 million, 29.5 million and 71.8 million respectively, which adds up to a total traffic volume of 158.2 million. Meanwhile in 2021, the total traffic volume for AKLEH, GCE, LKSA, and SILK was 109.3 million. Based on the IMR Report, this attributes to a 15.7% market share by total traffic volume in 2021 for the urban highways in the Klang Valley (excluding the Setiawangsa-Pantai Expressway (SPE) and the New Klang Valley Expressway (NKVE)).

Moving forward, population growth as well as the development of townships and corridors near the Highways will contribute to the increase in traffic for the Highways. The development of Elmina and Lagong townships will directly impact GCE, Alam Impian township will directly impact LKSA whereas Balakong, Semenyih and Bandar Baru Bangi townships will directly impact SILK.

The opening of DASH and new development corridors along Jalan Shah Alam – Batu Arang and Sungai Buloh may further contribute to traffic at GCE. SUKE traffic inflow from Sungai Besi and adjoining areas heading towards the Kuala Lumpur City Centre area as well as areas such as Ampang and Gombak area may further add to the increase in traffic in AKLEH.

7.2.3 Opportunity to invest in highway concession business which has high barrier to entry

The Trust Group consists of highway infrastructure assets that operate in a highly regulated environment requiring long-term concessions to be granted by the Government. Additionally, the award of highway concessions by the Government to a highway operator requires the operator to demonstrate, amongst others:

- (i) its financial strength, due to the nature of highway concession businesses requiring high capital expenditure; and
- (ii) specific experience, capabilities and skillset relating to the construction, operation and maintenance of the highway assets.

Highway infrastructure assets are also considered as non-direct competing assets in nature. This is in view that highway concessions are normally only granted by the Government after elaborate consideration on the economics, social benefits, town planning and where the need for the highway connection is demonstrated.

By being awarded such concessions via the Concession Agreements, Prolintas Infra BT (through the Concession Companies) have secured exclusive rights to operate and maintain the Highways within their designated areas. This restricts competition within those specific areas. It is also highly unlikely for the Government to grant multiple concessions for the construction of multiple highways in the same area due to geographical constraints.

This allows Prolintas Infra BT to capitalise on the traffic volume and generate sustainable revenues without facing direct competition from other players. The absence of competing highway operators enables Prolintas Infra BT to establish its presence and effectively serve the transportation needs of the area, further solidifying its market dominance.

Furthermore, Prolintas Infra BT's exclusive right to build and operate the Highways is safeguarded by the respective CA and the Trust Deed (as the Trustee-Manager acts on behalf of the Trust). These agreements ensure that the Highways cannot be taken over by any third party without prior approval from the Government and the Trustee-Manager. Hence, this provides an avenue for Prolintas Infra BT's investors the opportunity to partake in a highway concession business which has high barriers to entry.

7.2.4 The Trustee-Manager is led by qualified and experienced Board and senior management team from reputable Promoter with proven track record in the industry

The Trustee-Manager is led by accomplished board of directors, which is made up of six individuals with a broad set of complementary knowledge and experiences in their respective fields and the infrastructure industry.

The Board is supported by an experienced senior management team comprising the Chief Executive Officer, Malik Parvez Ahmad Nazir Ahmad, the General Manager (Highway Operations), Azmee Nin, and the Financial Controller, Mukholisah Binti Mohd Majid, where they have a proven track record covering technical, operational, financial and commercial matters relating to highway infrastructure. The senior management team's expansive knowledge, dedication and expertise have been integral towards the Trust Group's established reputation and track record.

To ensure sustainable and accountable operations of the Highways, PLKH Group had initiated the transfer of relevant operational and technical employees responsible for the O&M services of the Highways between Turnpike to the respective Concession Companies effective on 1 January 2024. By leveraging the expertise and familiarity of these employees with the Highways, all stakeholders can be assured that the O&M services will be executed with utmost proficiency and knowledge.

The Board believes the management team has been, and will continue to be instrumental in cultivating a strong and positive working relationship with all of its stakeholders and to the Trust Group's overall performance.

In addition to the above, PLKH as the Promoter has a proven track record and extensive experience in both highway construction and highway management. Notably, PLKH's capabilities extend beyond construction of its own highways, including the construction of the first elevated highway in Malaysia (i.e. AKLEH) to also include sourcing, acquiring and managing highways over the years (i.e. GCE and SILK).

7.2.5 Operational excellence through ISO-compliant management systems

The Highways have received numerous ISO certifications such as ISO 9001:2015, ISO 39001:2012, ISO 37001:2016, ISO 14001:2015, and ISO 45001:2018 certifications. The ISO certifications is a global standard management system which effectively mitigates risks and enhances performance.

The certification for ISO 9001:2015 Quality Management System helps to ensure the Highways' operations are based on a number of quality management principles, including process management optimisation and continuous improvement. While seeking sustained success through the implementation of quality management, the Highways also integrate ISO14001:2015 Environmental Management System to manage its environmental aspects, fulfil compliance obligations which includes addressing and managing the risks and opportunities from an environmental aspect.

The Concession Companies also demonstrate their respective commitment to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as proactively improving performance through ISO 45001:2018. In addition, the Highways are certified with ISO 39001:2002, with the objective of reducing and preventing road fatalities and injuries using systematic and evidence-based interventions.

The certification for ISO 37001:2016, allows the Highways to prevent, detect and address bribery incidents by adopting the anti-bribery policy as prescribed by the standard. In addition, the Trust Group has established a dedicated Governance Risk & Integrity and Compliance committee. These measures allow the strengthening of integrity and governance within the Trust Group.

The ISO certifications allow the Trust Group to standardise the operation of Highways by improving the consistency and efficiencies in operations, as well as describing the Trust Group's processes using business metrics. The Trust Group believes the ISO-compliant management systems help to establish credibility and trust among the road users and other stakeholders toward the Trust Group.

7.2.6 Adoption of innovative technologies to enhance the performance of the Highways' operations

The Trust Group adopts innovative technologies to enhance the operations of the Concession Companies and to improve customer experience. The operations of the Highways are carried out in accordance with the guidelines set by the MHA and the Trust Group ultimately strives towards road users' satisfaction.

The Trust Group further utilises autonomous highway surface monitoring leveraging Artificial Intelligence ("AI") and Internet of Things (IoT) to analyse images captured by the scanning device in real-time to identify anomalies on the road surface such as potholes or foreign objects for rectification by the respective operation teams.

The Trust Group also employs an online reporting system during routine inspections that allow the relevant C&S and E&E teams to perform routine inspections and maintenance.

The Trust Group also utilises Prolintas Digital Assist, a mobile application that allows road users to request assistance via the mobile application which is capable of detecting the location of the requester via the Global Positioning System ("GPS"). For further explanation of each, kindly refer to Section 7.15 of this Prospectus.

7.2.7 The Trust Group is committed to corporate sustainability and the implementation of initiatives that focuses on ESG

Environmental stewardship

All Highways within the Trust Group have earned ISO 14001:2015 certification, signifying adherence to international environmental management standards that enable precise monitoring of environmental performance and compliance. The Trust Group's effort in fulfilling its environmental responsibilities include addressing climate change matters by reducing the carbon footprint in operations as well as resource and waste management matters. The Trust Group also ensures that it complies with Governmental environmental regulations, which is overseen by the Quality, Environment, Safety and Health (QESH) function of the Trust Group.

The Trust Group is addressing its climate impact through conducting Greenhouse Gas (GHG) assessment by observing the GHG Protocol framework. This assessment encompasses emissions from the Trust Group's corporate functions, operations, maintenance and construction activities. This can be segregated to Scope 1 emissions, which include emissions from its own vehicles, generators, air-conditioning systems, and fire extinguishers; Scope 2 emissions, relating to electricity usage in its operations; and Scope 3 emissions, covering a broader range of emissions, associated with its goods procurement, upstream energy related emissions, downstream emissions from RSAs, employee commuting and business travel. The Trust Group has implemented several initiatives under each of these scopes to reduce emissions as further detailed in Section 7.18 of the Prospectus.

Social responsibility

The Trust Group is dedicated to building strong connections with key stakeholders by investing in its workforce and nurturing partnerships with customers, communities and suppliers to create sustainable value.

The Trust Group's employee development strategy focuses on capacity, competency, and culture through training, communication, and engagement sessions. Workplace equality and diversity are priorities, and the Trust Group regularly review compensation packages to ensure competitiveness. During the pandemic, the Trust Group had provided essential support to local communities and engage in various community outreach initiatives, including education and social welfare programs.

7. BUSINESS OVERVIEW (Cont'd)

Additionally, the Trust Group emphasises providing employment and business opportunities to local communities, demonstrating a holistic commitment to corporate responsibility and community welfare.

Governance, ethics and compliance

The Trust Group is committed to strong corporate governance practices in line with MCCG standards, emphasising accountability, transparency, fairness, and responsibility. The Trust Group has implemented the following key policies:

- Organisational structure: Clear reporting lines to ensure transparency and accountability.
- Risk management framework: Integrating ISO 31000:2018 and Committee of Sponsoring Organisations (COSO) Risk Management standards, addressing strategic, operational, and sustainability-related risks.
- Regulatory compliance program: Systematic approach to identify, evaluate, and monitor contractual and statutory obligations across all entities.
- Anti-bribery and corruption policies: Ensuring compliance with Malaysian laws through policies and a whistleblowing mechanism.
- Anti-bribery and corruption framework: Robust internal controls against bribery and corruption, including sponsorship policy, charitable donations policy, supplier code of conduct, and integrity pact that culminates in the implementation of the ISO 37001 Anti-Bribery Management System (ABMS).

Further information on the Trust Group's ESG practices can be found in Section 7.18 of this Prospectus.

7.3 KEY ACHIEVEMENTS AND MILESTONES

The following table highlights key achievements and milestones of the Trust Group and the Promoter (where related to the Trust Group):

<u>Year</u>	<u>Achievement or milestones</u>
1995	<ul style="list-style-type: none">• PLKH was incorporated
1996	<ul style="list-style-type: none">• Concession Agreement was signed between AKLEH Co and the Government for AKLEH
2001	<ul style="list-style-type: none">• AKLEH was completed and opened for public use
2002	<ul style="list-style-type: none">• AKLEH Co first received ISO 9001:2015 certification in Quality Management System
2006	<ul style="list-style-type: none">• Concession Agreement was signed between LKSA Co and the Government for LKSA• PLKH acquired GCE Co from Kumpulan Guthrie Berhad
2008	<ul style="list-style-type: none">• 1st SCA signed between AKLEH Co and the Government for AKLEH
2010	<ul style="list-style-type: none">• 1st SCA signed between LKSA Co and the Government for LKSA and 1st SCA signed between GCE Co and the Government for GCE• LKSA was completed and opened for public use
2015	<ul style="list-style-type: none">• AKLEH phase 2 (upgrading works of AKLEH) was completed and opened for public use

7. BUSINESS OVERVIEW (Cont'd)

<u>Year</u>	<u>Achievement or milestones</u>
	<ul style="list-style-type: none">• AKLEH Co, GCE Co, and LKSA Co first received the ISO 14001:2004 certification in Environmental Management System• AKLEH Co, GCE Co, and LKSA Co first received the OHSAS 18001:2007 certification (subsequently replaced by ISO 45001:2018 in the year 2018) on Occupational Health and Safety Management Systems
2017	<ul style="list-style-type: none">• PLKH acquired SILK Co from SILK Holdings Berhad
2020	<ul style="list-style-type: none">• AKLEH Co and LKSA Co received the ISO 39001:2002 certification in Road Traffic Safety (RTS) Management Systems• AKLEH Co, GCE Co, LKSA Co and SILK Co received the ISO 37001:2016 certification in Anti-Bribery Management Systems for Provision of Highway Operation
2021	<ul style="list-style-type: none">• PLKH Group received Bronze in Innovation and Highway Safety Award from MHA• SILK Co first received the ISO 45001:2018 certification in Occupational Health and Safety Management Systems
2022	<ul style="list-style-type: none">• SCA 2022 was signed between AKLEH Co, GCE Co and LKSA Co (2nd SCA) and SILK Co (3rd SCA) and the Government for the Highways
2023	<ul style="list-style-type: none">• Establishment of Prolintas Infra BT pursuant to the Trust Deed• Completion of:<ul style="list-style-type: none">(i) Pre-IPO Acquisition, thereby forming the Trust Group(ii) Islamic Financing of up to RM 2,700 million through term financing
2024	<ul style="list-style-type: none">• Completion of the Pre-IPO Reorganisation• SCAs 2022 were effective

7.4 HIGHWAYS UNDER THE TRUST GROUP

The Highways which the Trust Group operates and maintains form part of the Kuala Lumpur Outer Ring Road System, a network of highways that serves as an orbital system of ring roads around the Greater Kuala Lumpur area.

7.4.1 Ampang – Kuala Lumpur Elevated Highway (AKLEH)

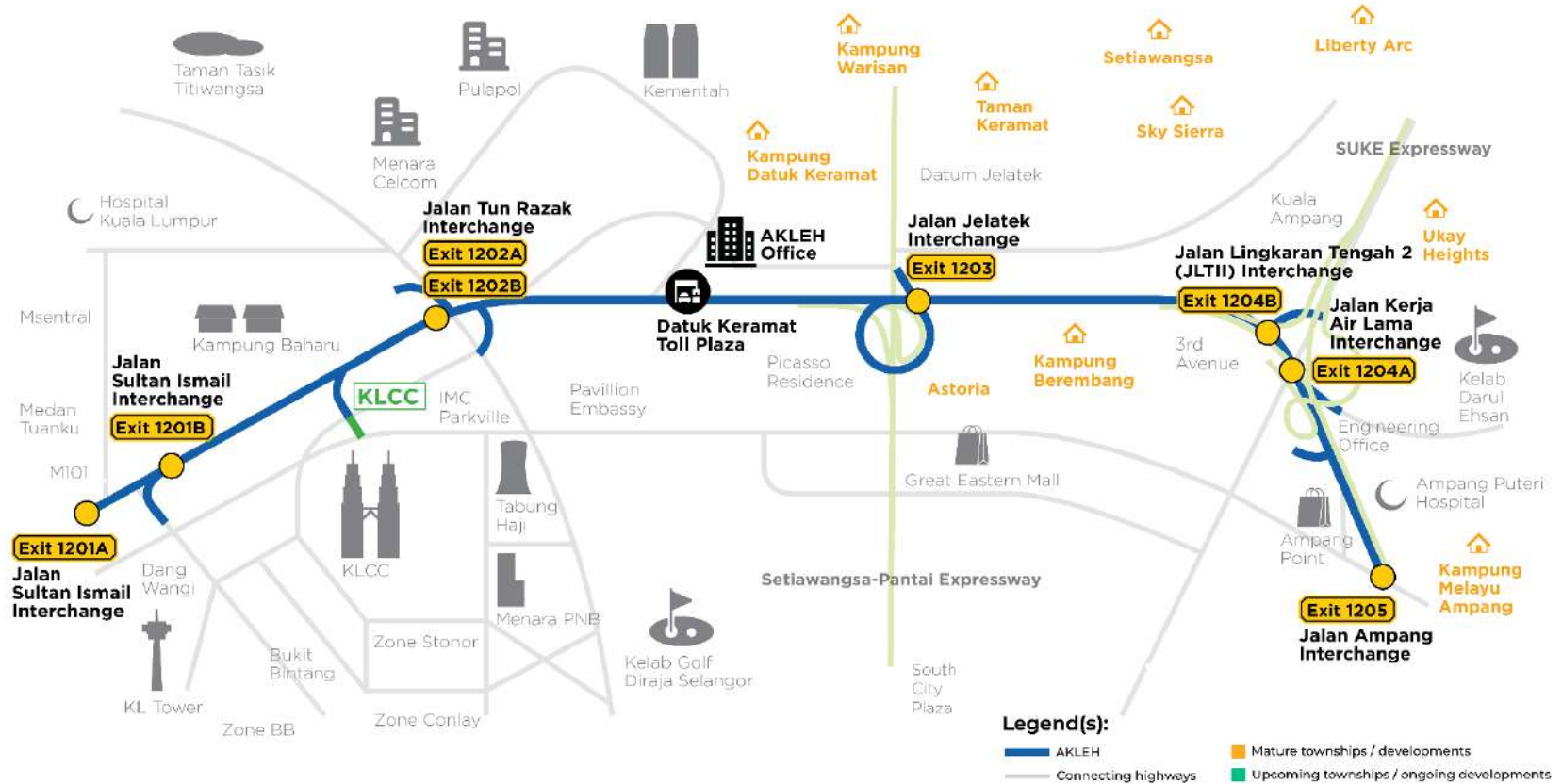
AKLEH spans 7.4km across Kuala Lumpur and starts from Jalan Sultan Ismail to the riverbanks of Sungai Klang and Sungai Ampang and ends at Taman Ampang Utama in Ampang. AKLEH consists of a dual three-lane highway from the Jalan Sultan Ismail interchange to the Jalan Lingkaran Tengah 2 interchange, and a dual two-lane highway from the Jalan Ampang interchange onwards.

AKLEH has one open system toll plaza namely the Datuk Keramat Toll Plaza, and five interchanges – Jalan Sultan Ismail, Jalan Tun Razak, Jalan Jelatek, Jalan Lingkaran Tengah 2 and Jalan Ampang.

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7. BUSINESS OVERVIEW (Cont'd)

The image ⁽¹⁾ below illustrates AKLEH's location and area coverage:



Note:

(1) The image is for illustrative purposes only and is not to scale.

7. BUSINESS OVERVIEW (Cont'd)

(i) Traffic volume and toll collection

The table below sets out the traffic volume and toll collection for AKLEH Co for the Period Under Review:

Period	Traffic volume		Toll collection	
	Traffic volume ('million)	% change	Toll collection (RM 'million)	% change
FYE 2020	11.3	-	28.0	-
FYE 2021	9.4	(16.8)	23.3	(16.5)
FYE 2022	13.9	48.2	33.2	42.3
FPE 2023	11.5	-	23.8	-

In FPE 2023, AKLEH recorded traffic volume of 11.5 million, translating into an average of 42,125 traffic per day. AKLEH's toll collection for FPE 2023 was RM23.8 million, representing 11.1% of the total toll collection of the Trust Group.

(ii) Toll rates

The table below sets out the gazetted toll rates prior to the Toll Restructuring and the agreed toll rates based on SCA 2022 by vehicle classes:

Gazetted toll rates before the Toll Restructuring (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
AKLEH	2.50	7.00	10.50	1.80	1.50

New agreed toll rates based on SCAs 2022 from 2023 ⁽¹⁾ to 2037 (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
AKLEH	2.13	7.00	10.50	1.53	1.28

Note:

(1) The toll rates were gazetted on 20 October 2022.

New agreed toll rates based on SCAs 2022 from 2033 to 2042 (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
AKLEH ⁽¹⁾	2.13	7.00	10.50	1.53	1.28

Note:

(1) AKLEH's concession period will be ending on 15 May 2037.

In FPE 2023, Class 1 vehicles contributed 98.6% of the total vehicles on AKLEH. These were primarily passenger cars and the remaining 1.4% consisted of commercial and other vehicles (other classes).

Based on SCA 2022, AKLEH Co concession period is extended until 2037.

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7.4.2 Guthrie Corridor Expressway (GCE)

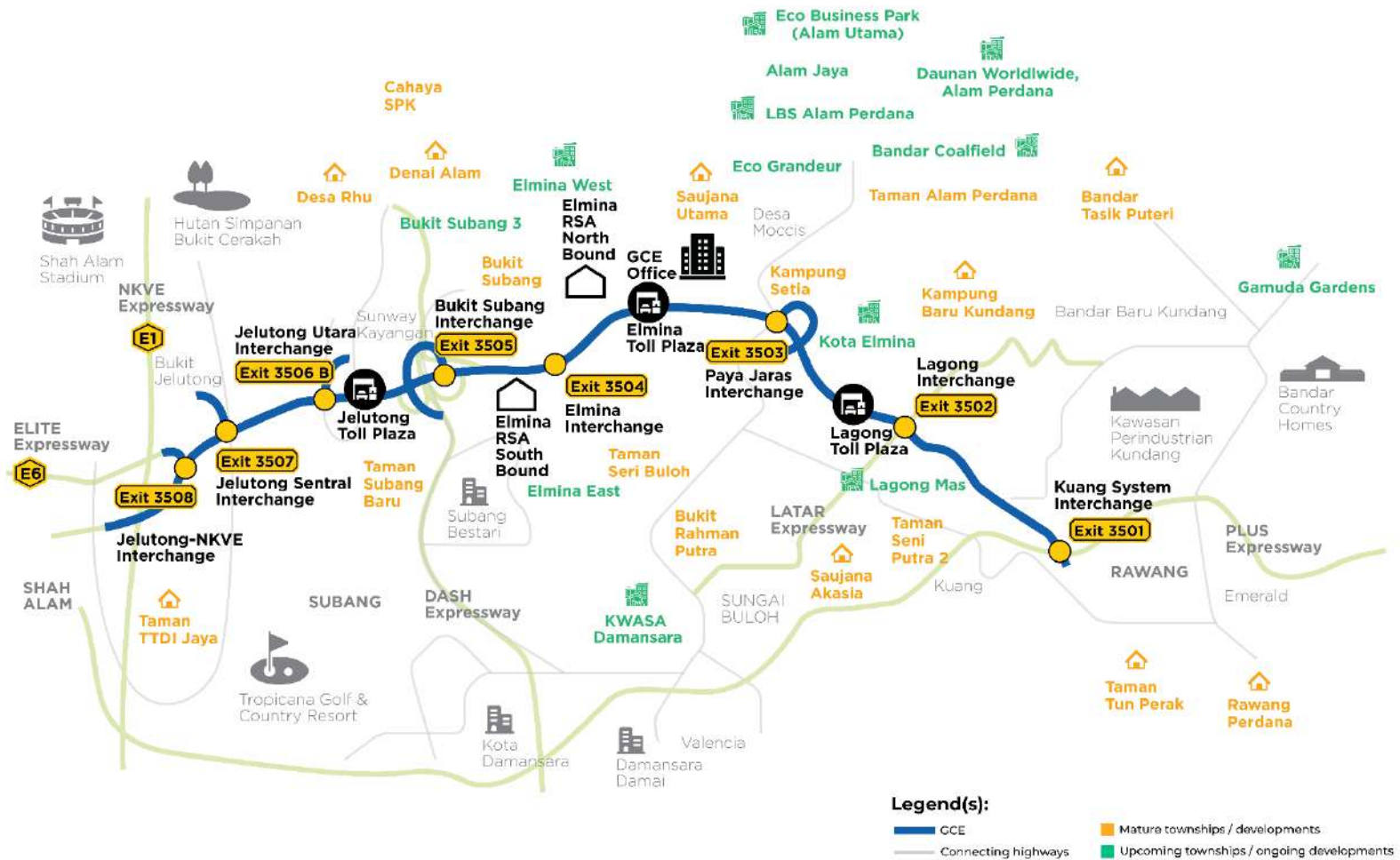
GCE is a dual-three lane highway spanning 25.0 km long across Selangor. GCE connects Shah Alam and Rawang and provides road users with access to the North-South Expressway as an alternative route for users to bypass NKVE as well as a direct link to the Kuala Lumpur-Kuala Selangor Expressway (LATAR).

GCE has three open system toll plazas, located at Bukit Jelutong, Elmina and Lagong. There are seven Interchanges in GCE, i.e. Jelutong-NKVE Interchange, Jelutong Sentral Interchange, Jelutong Utara Interchange, Bukit Subang Interchange, Elmina Interchange, Paya Jaras Interchange and Lagong Interchange. Additionally, the Trust Group operates and maintains ancillary facilities along GCE including two RSAs, Elmina north and south bound, complete with amenities such as food courts, washrooms and playgrounds.

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7. BUSINESS OVERVIEW (Cont'd)

The image ⁽¹⁾ below illustrates GCE's location and area coverage:



Note:

(1) The image is for illustrative purposes only and is not to scale.

7. BUSINESS OVERVIEW (Cont'd)

(i) Traffic volume and toll collection

The table below sets out the traffic volume and toll collection for GCE Co during the Period Under Review:

Period	Traffic volume		Toll collection	
	Traffic volume ('million)	% change	Toll collection (RM 'million)	% change
FYE 2020	30.7	-	64.9	-
FYE 2021	26.2	(14.7)	55.8	(14.0)
FYE 2022	43.0	64.3	88.3	58.2
FPE 2023	33.2	-	64.0	-

In FPE 2023, GCE recorded traffic volume of 33.2 million, translating into an average of 121,488 traffic per day. GCE's toll collection for FPE 2023 was RM64.0 million, representing 29.8% of the total toll collection of the Trust Group.

(ii) Toll rates

The table below sets out the gazetted toll rates prior to the Toll Restructuring and the agreed toll rates based on SCA 2022 by vehicle classes:

Gazetted toll rates before the Toll Restructuring (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
GCE	1.90	3.80	5.70	0.90	1.40

New agreed toll rates based on SCAs 2022 from 2023 ⁽¹⁾ to 2032 (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
GCE	1.75	3.80	5.70	0.83	1.29

Note:

(1) The toll rates were gazetted on 20 October 2022.

New agreed toll rates based on SCAs 2022 from 2033 to 2042 (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
GCE	2.59	5.20	7.80	1.23	1.91

New agreed toll rates based on SCAs 2022 from 2043 to 2062 (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
GCE	3.40	7.00	10.50	1.70	2.83

In FPE 2023, Class 1 vehicles contributed 90.6% of the total vehicles on GCE which were primarily passenger cars and the remaining 9.4% consisted of commercial and other vehicles (other classes).

Based on SCA 2022, GCE Co concession period is extended until 2062.

7.4.3 Lebuhraya Kemuning – Shah Alam (LKSA)

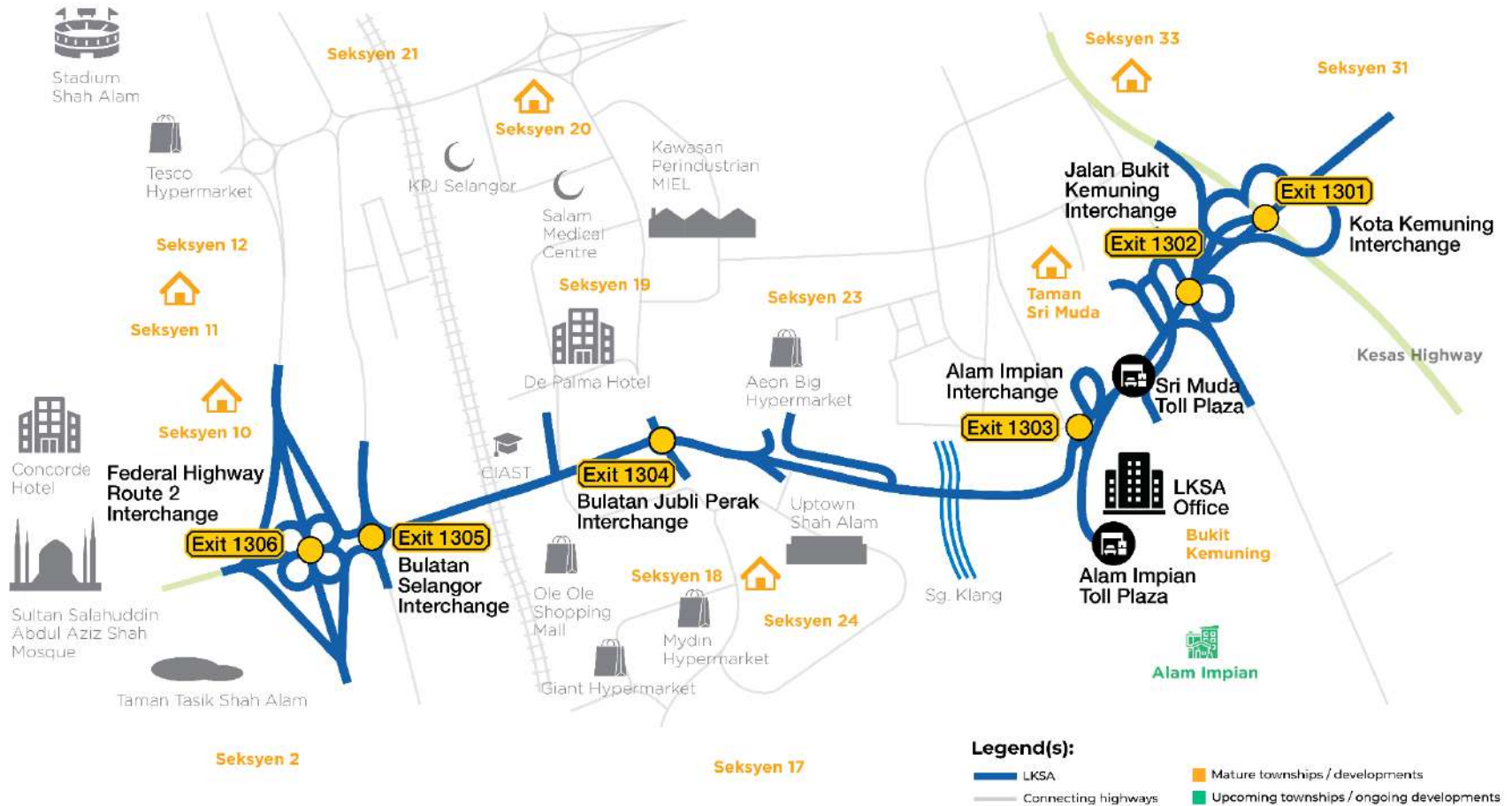
LKSA is a dual three-lane highway which spans 14.7km long across Selangor. LKSA connects to Kemuning Interchange of the KESAS in the south and the Federal Highway Route 2 (“**FHR2**”) in the north.

LKSA has two open system toll plazas located at Alam Impian and Sri Muda. It comes with six interchanges – Kota Kemuning, Jalan Bukit Kemuning, Alam Impian, Bulatan Jubli Perak, Bulatan Selangor and FHR2.

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7. BUSINESS OVERVIEW (Cont'd)

The image ⁽¹⁾ below illustrates LKSA's location and area coverage:



Note:

(1) The image is for illustrative purposes only and is not to scale.

7. BUSINESS OVERVIEW (Cont'd)

(i) Traffic volume and toll collection

The table below sets out the traffic volume and toll collection for LKSA Co for the Period Under Review:

Period	Traffic volume		Toll collection	
	Traffic volume ('million)	% change	Toll collection (RM 'million)	% change
FYE 2020	23.5	-	33.9	-
FYE 2021	22.9	(2.6)	33.5	(1.3)
FYE 2022	29.5	28.9	42.0	25.5
FPE 2023	23.1	-	30.4	-

In FPE 2023, LKSA recorded traffic volume of 23.1 million, translating into an average of 84,586 traffic per day. LKSA's toll collection for FPE 2023 was RM30.4 million, representing 14.2% of the total toll collection of the Trust Group.

(ii) Toll rates

The table below sets out the gazetted toll rates prior to the Toll Restructuring and the agreed toll rates based on SCA 2022 by vehicle classes:

Gazetted toll rates before the Toll Restructuring (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
LKSA (Seri Muda)	1.70	3.40	5.10	0.90	1.20
LKSA (Alam Impian)	0.90	1.80	2.70	0.90	0.60

New agreed toll rates based on SCAs 2022 from 2023 ⁽¹⁾ to 2032 (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
LKSA (Seri Muda)	1.56	3.40	5.10	0.83	1.10
LKSA (Alam Impian)	0.83	1.80	2.70	0.83	0.55

Note:

(1) The toll rates were gazetted on 20 October 2022.

New agreed toll rates based on SCAs 2022 from 2033 to 2042 (RM)					
	Class 1	Class 2	Class 3	Class 4	Class 5
LKSA (Seri Muda)	2.31	6.00	9.00	1.23	1.63
LKSA (Alam Impian)	1.23	3.00	4.50	1.23	0.81

7. BUSINESS OVERVIEW (Cont'd)

New agreed toll rates based on SCAs 2022 from 2043 to 2062 (RM)

	<u>Class 1</u>	<u>Class 2</u>	<u>Class 3</u>	<u>Class 4</u>	<u>Class 5</u>
LKSA (Seri Muda)	3.42	9.40	14.10	1.82	2.41
LKSA (Alam Impian)	1.82	4.80	7.20	1.82	1.21

In FPE 2023, Class 1 vehicles contributed 94.3% of the total vehicles on LKSA which were primarily passenger cars and the remaining 5.7% consisted of commercial and other vehicles (other classes).

Based on SCA 2022, LKSA Co concession period is extended until 2062.

7.4.4 Sistem Lingkaran-Lebuhraya Kajang (SILK)

SILK is a dual three-lane highway with a total length of 37km across Selangor. It was designed and built to regulate escalating daily traffic in and around Kajang. SILK provides road users with access to and from Kuala Lumpur, Cheras, Sungai Long, Balakong, Putrajaya, Semenyih, and Bangi. Additionally, SILK connects road users with other major highways such as the North-South Expressway (“**NSE**”), the Sungai Besi Expressway (“**BESRAYA**”), the Cheras-Kajang Highway (“**GRAND SAGA**”), the Kajang-Seremban Highway (“**LEKAS**”) and the South Klang Valley Expressway (“**SKVE**”).

SILK has four open system toll plazas located at Sungai Balak, Sungai Ramal, Bukit Kajang and Sungai Long. SILK also has 12 interchanges, i.e. Balakong, Sungai Long, Kajang Perdana, Kajang Prima, Jalan Reko, Sungai Ramal, Country Heights, UNITEN, UPM, Sungai Chua, Sungai Balak, and Taman Kajang Utama. SILK consists of the main link (Mines – UPM interchange) and Sungai Balak link (Sungai Balak – Sungai Ramal interchange).

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7. BUSINESS OVERVIEW (Cont'd)

The image ⁽¹⁾ below illustrates SILK's location and area coverage:



Note:
 (1) The image is for illustrative purposes only and is not to scale.

7. BUSINESS OVERVIEW (Cont'd)

(i) Traffic volume and toll collection

The table below sets out the traffic volume and toll collection for SILK Co for the Period Under Review:

Period	Traffic volume		Toll collection	
	Traffic volume (million)	% change	Toll collection (RM 'million)	% change
FYE 2020	54.2	-	102.2	-
FYE 2021	50.8	(6.2)	96.5	(5.6)
FYE 2022	71.8	41.2	131.7	36.5
FPE 2023	56.6	-	96.5	-

In FPE 2023, SILK recorded traffic volume of 56.6 million, translating into an average of 207,401 traffic per day. SILK's toll collection for FPE 2023 was RM96.5 million, representing 44.9% of the total toll collection of the Trust Group.

(ii) Toll rates

The table below sets out the gazetted toll rates prior to the Toll Restructuring and the agreed toll rates based on SCA 2022 by vehicle classes:

	Gazetted toll rates before the Toll Restructuring (RM)				
	Class 1	Class 2	Class 3	Class 4	Class 5
SILK	1.80	3.60	5.40	0.90	1.00

	New agreed toll rates based on SCAs 2022 from 2023 ⁽¹⁾ to 2032 (RM)				
	Class 1	Class 2	Class 3	Class 4	Class 5
SILK	1.66	3.60	5.40	0.83	0.92

Note:

(1) The toll rates were gazetted on 20 October 2022.

	New agreed toll rates based on SCAs 2022 from 2033 to 2042 (RM)				
	Class 1	Class 2	Class 3	Class 4	Class 5
SILK	2.15	4.80	7.20	1.07	1.19

	New agreed toll rates based on SCAs 2022 from 2043 to 2062 (RM)				
	Class 1	Class 2	Class 3	Class 4	Class 5
SILK	2.30	4.80	7.20	1.20	1.54

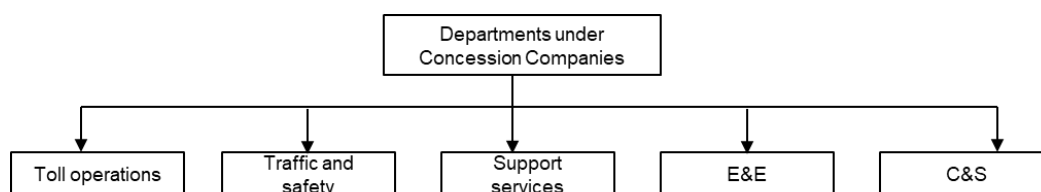
In FPE 2023, Class 1 vehicles contributed 94.9% of the total vehicles on SILK which were primarily passenger cars and the remaining 5.1% consisted of commercial and other vehicles (other classes).

Based on SCA 2022, SILK Co concession period is extended until 2062.

7. BUSINESS OVERVIEW (Cont'd)

7.5 OPERATION AND MAINTENANCE OF THE HIGHWAYS

The image below illustrates the departments under each of the Concession Companies:



The operation of the Highways consists of:

- management of toll plazas for the collection of tolls from users of the Highways, which is under the purview of Toll Operation Department; and
- management and surveillance of the Highways to improve traffic flows, maintain road conditions and enhance road safety as well as provide facilities and services along the Highways for road users, which falls under the purview of Traffic and Safety Department, E&E Department, C&S Department and as well as support services within the Trust Group.

The maintenance of the Highways consists of:

- routine maintenance and preventive maintenance; and
- corrective maintenance.

7.5.1 Operation of the Highways

(i) Toll collection

The Trust Group utilises an open toll system, whereby the toll charges are fixed according to the class of the vehicle regardless of the distance travelled or where the vehicle enters or leaves the highway.

The Trust Group collects tolls through an automated ETC. The ETC collects tolls from road users via third-party electronic payment systems or methods, namely *Touch 'n Go*, *SmartTAG* and RFID.

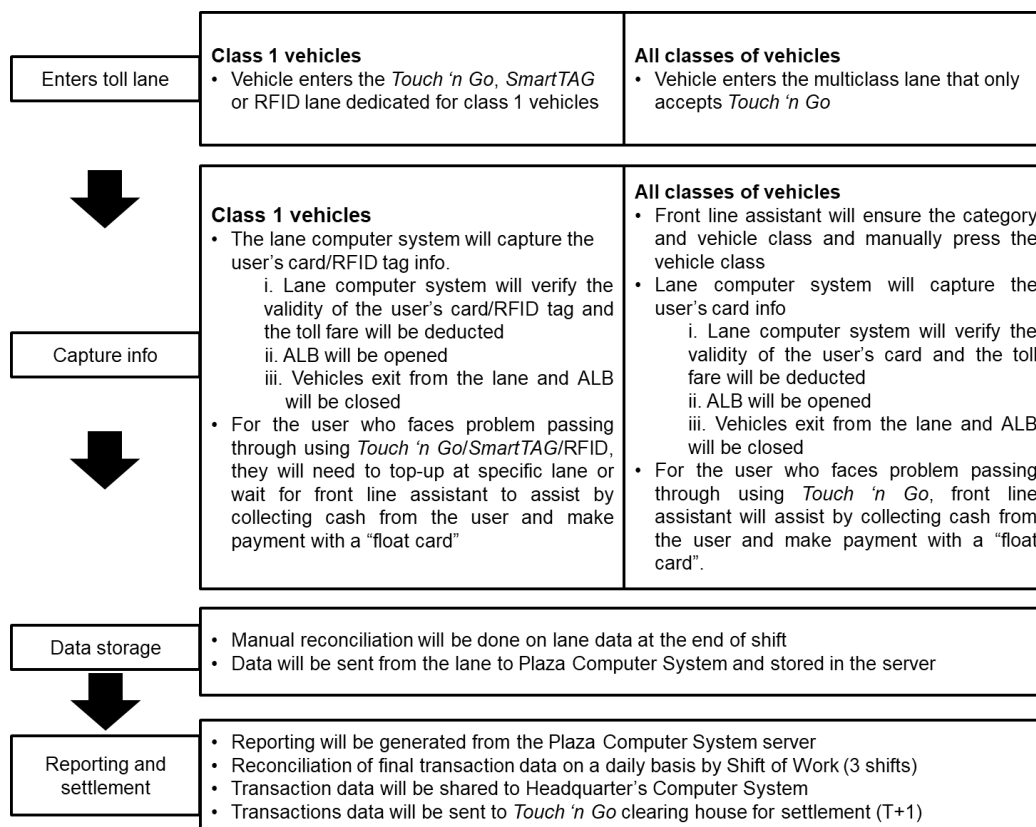
The *Touch 'n Go* system is based on a reusable contactless smartcard, which enables a user makes cashless payments at toll plazas. Essentially, a road user will need to have the *Touch 'n Go* smartcard with adequate value and place the smartcard in front of a sensor panel placed at a toll booth. Payment will be made instantly at the toll plaza through electronic deduction of stored value from the smartcard. As at the LPD, the *Touch 'n Go* system is available for all classes of vehicles at the Highways.

The *SmartTAG* system was introduced as a complementary component to the *Touch 'n Go* system using the same smartcard technology as *Touch 'n Go* in combination with an on-board unit installed in the user's vehicle utilising infrared technology. As at the LPD, the *SmartTAG* system has been implemented only for Class 1 vehicles at the Highways.

7. BUSINESS OVERVIEW (Cont'd)

The RFID system is a system utilising a sticker or a tag, which is embedded with a radiofrequency chip. The tag is affixed to the user's vehicle and is linked to the user's digital wallet, specifically the *Touch 'n Go eWallet*. As at the LPD, the RFID system has been implemented only for Class 1 vehicles at the Highways.

The following describes the general toll collection process at the Highways:



The process flow above is applicable under normal circumstances, i.e. user's card/RFID tag is valid and there is sufficient balance.

AKLEH and GCE has commenced the implementation of an open toll payment system in September 2023. The open toll payment system is to allow road users to pay tolls using debit and credit cards, on top of the existing method by using *Touch n' Go Sdn Bhd's ETC* system.

The toll lane operations need to accommodate the traffic flows that are using different payment methods. The Toll Operation Department of each Highway runs an analysis of hourly traffic volumes. If the toll lanes face technical issues such as not being able to scan/detect the user's card, temporary measures such as electronic mobile readers are readily available.

The Trust Group via the Concession Companies have entered into various agreements with *Touch 'n Go Sdn Bhd* for the collection of the tolls paid by the road users. Under the agreements, *Touch 'n Go Sdn Bhd* provides the Concession Companies with centralised electronic payment systems. To process the payment made by road users via any of the different payment methods at the toll plazas (via *SmartTAG*, *Touch 'n Go*, or RFID), the payment data is linked to the corresponding *Touch 'n Go Sdn Bhd's* system.

In exchange for the service, *Touch 'n Go Sdn Bhd* is entitled to receive an agreed commission rate from the total toll collection.

7. BUSINESS OVERVIEW (Cont'd)



The toll data generated by the Concession Companies are uploaded to the Touch 'n Go Sdn Bhd's system and at the end of each day. Afterwards, verification of the toll data is conducted. There is a transaction commission rate charged by *Touch n' Go* and therefore will be deducted before payment is made to the Concession Companies.

(ii) Toll collection controls

The Trust Group operates a number of control procedures in order to minimise potential loss from the toll collection revenue. These control measures are essential to minimise the loss of toll collection revenue.

The loss of toll collection revenue is mainly caused by road users who commit toll violations which, amongst others, are passing through toll plazas without paying via various means or using the wrong class lane, e.g. class 2 or class 3 vehicles using electronic lane fixed for Class 1 vehicles.

For every toll lane at the toll plazas, the Trust Group has installed the following control systems:


Control system	Description
<p data-bbox="240 831 464 857">Amber siren beacon</p> 	<p data-bbox="831 857 1374 994">The Amber siren beacon will be activated to signal to notify both the toll plaza operators and road users of issues such as violations such as failure to pay the toll or not using the correct dedicated toll lane.</p>
<p data-bbox="240 1305 456 1332">ALB (single barrier)</p> 	<p data-bbox="831 1332 1374 1496">To block users from passing through. The ALB will only be opened once payment has been made. The toll plazas use high-speed ALB which has faster opening and closing time (0.3 and 0.6 seconds) to prevent the occurrence of toll violations.</p>

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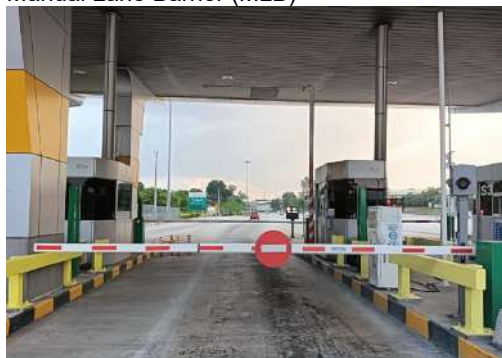
7. BUSINESS OVERVIEW (Cont'd)

Control system	Description
<p data-bbox="240 331 438 365">ALB (dual barrier)</p> 	<p data-bbox="815 387 1375 555">To block users from passing through. The ALB will only be opened once payment has been made. The toll plazas use high-speed ALB which has faster opening and closing time (0.3 and 0.6 seconds) to prevent the occurrence of toll violations.</p>
<p data-bbox="240 824 375 857">Lane CCTV</p> 	<p data-bbox="815 853 1375 909">To record vehicle registration numbers and type of vehicles entering and exiting the toll lanes.</p>
<p data-bbox="240 1267 678 1301">Automatic Vehicles Classification (AVC)</p> 	<p data-bbox="815 1290 1375 1402">Functions as an audit tool in measuring users' vehicle class by using sensor treadle that differentiates vehicle class according to the number of axles.</p>
<p data-bbox="240 1704 454 1731">Optical Barrier (OB)</p>	

7. BUSINESS OVERVIEW (Cont'd)

Control system	Description
	To record vehicle movement at toll lanes, identifying if the vehicle has already passed the toll booth and allowing the ALB to close.

Manual Lane Barrier (MLB)



To notify road users of lanes that are either closed or not in operation and to prevent entry to the said toll lanes.

(iii) Toll and volume certification

The Concession Companies submit the traffic volume and revenue to MHA on a monthly and annual basis. In addition, the Concession Companies submit a report to the MHA on the actual traffic volume and actual toll revenue which is audited by an independent auditor on an annual basis. MHA will then reconcile the audited report submitted by the Concession Companies with the report submitted by *Touch 'n Go Sdn Bhd* and issues a verification certificate on the traffic volume and revenue in the following year. The verification certificate is important as historically it determines the amount of the toll compensation to be paid to the Concession Companies.

For the avoidance of doubt, in the future, if the Government were to impose or gazette toll rates lower than those as provided for under the SCA 2022, the Government will compensate the Concession Companies based on the compensation mechanism as set out in the respective SCAs 2022.

(iv) Traffic management and surveillance

The Trust Group provides a 24-hour vehicle breakdown and/or accident response which include, amongst others, change of tyre and traffic control at the incident location via its Auxillary Police personnel known as the Prolintas Emergency Response and Patrol Team ("**PERONDA**"). As at the LPD, there are 53 PERONDA personnel patrolling the Highways.

In addition, the Highways are equipped with VMS and other signages to guide and warn road users of any incidents. VMS is a digital display system where traffic information and any announcements can be updated and conveyed to road users.

7. BUSINESS OVERVIEW (Cont'd)

The following summarises the traffic management and surveillance assets owned and operated by each of the Highways as at the LPD:

Type of traffic management and surveillance assets	Highways			
	AKLEH	GCE	LKSA	SILK
Vehicles				
Cars	1	3	2	5
Motorbikes	2	5	4	3
Lorries	1	2	2	4
MPV/Pick-up/Van	7	13	7	9
Total Vehicles	11	23	15	21
Others				
CCTV	18	20	16	35
VMS	3	5	4	6
Emergency Telephone System	15	24	10	-
Total	36	49	30	41

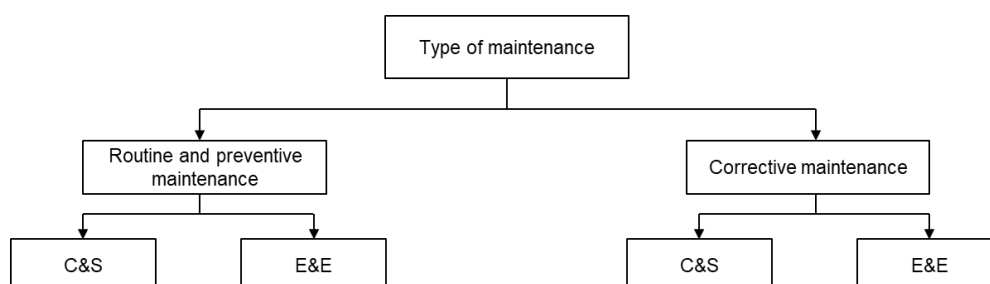
All the Highways have mobile phone network coverage.

The Trust Group also operates a 24-hour call centre with a hotline number at 1-800-22-8888 across the Highways for road users to make enquiries, seek assistance, report traffic accidents or other incidents and provide feedback on the Highway's services or facilities. This call centre is connected to the centralised call centre, which acts as a traffic management and surveillance centre.

7.5.2 Maintenance of the Highways

The maintenance works of the Highways are carried out in compliance with relevant maintenance standards and obligations as stipulated in the respective Concession Agreements as well as the latest standard tolled highway guidelines, standards and manuals issued by the MHA. The maintenance works are carried out to ensure the functionality, serviceability and safety of the Highways are preserved.

The Trust Group classifies maintenance operations into two broad categories:



These maintenance works are further classified into C&S and E&E based on the type of assets to be maintained.

Routine and preventive maintenance involves works that are repetitive, cyclical or periodic in nature. Routine maintenance works are performed to maintain the safety of road users, traffic comfort, uninterrupted traffic flow as well as to maintain functionality and aesthetics of the Highways while preventive maintenance works are to prevent major issues or highway assets failures. In comparison with routine maintenance, preventive maintenance usually involves more detailed inspections.

C&S routine maintenance works include, amongst others, grass cutting, mainline cleaning including road sweeping, litter collection and signboard cleaning, drain cleaning and desilting, landscaping, retaining wall cleaning, facilities and amenities maintenance and sewerage treatment plants routine cleaning. The C&S preventive maintenance works involve Pavement Condition Assessment and the inspections of bridges, retaining walls, structures, slopes and culverts.

E&E routine maintenance works include inspections, validation, calibration and replacement of faulty units of E&E items in the traffic control and surveillance system, toll collection system, power supply system, networking system, lighting system and building facilities.

Corrective or curative maintenance is a maintenance task performed to identify, record and repair any defect/damage in order to restore asset conditions or rectify faulty equipment.

C&S corrective maintenance is carried out to maintain the structural integrity of the Highways and to ensure continuous safety for the road users. C&S corrective maintenance works include repairs done for pavements, bridges, retaining walls, structures, slopes, culverts and other highway assets.

E&E corrective maintenance works involve repair works to rectify any E&E system or equipment malfunction.

7.5.3 Operations and maintenance of the Highways after the Pre-IPO Reorganisation

For the Period Under Review and up to 31 December 2023, AKLEH Co, GCE Co and LKSA Co had outsourced majority of their O&M Services for their respective Highways to Turnpike, whereby Turnpike had been appointed to perform, amongst others the following services:

- **Routine maintenance services** – Periodically scheduled maintenance services and/or works required in respect of the respective Highways including landscaping, grass cutting, highway maintenance, drainage maintenance, building maintenance, mechanical and electrical maintenance and security maintenance.
- **Ad-hoc repair works** – Maintenance services and/or works in respect of the respective Highway which are not periodically scheduled.
- **Toll operation services** – Operation, management and maintenance services and/or works in respect of toll equipment and collection of tolls at the respective Highways.

The O&M arrangements and agreements between the Concession Companies and Turnpike have been mutually terminated following the Pre-IPO Reorganisation which was effected on 1 January 2024. Moving forward, all O&M Services including liaison with the relevant suppliers and/or sub-contractors in relation to the provision of O&M Services as and when required, will be carried out by the respective Concession Companies.

Pursuant to the Pre-IPO Reorganisation, the O&M services that will be undertaken in-house by the Trust Group are primarily the toll operation services with the exception of certain system maintenance works in relation to the electronic toll collection systems that are provided by the systems integrators. Toll operation services include the operation, management and maintenance services and/or works in respect of toll equipment and collection of tolls at the respective Highways. Certain ad-hoc repair works, such as lighting repairs, are expected to be undertaken in-house.

7. BUSINESS OVERVIEW (Cont'd)

The O&M services that are expected to be subcontracted to third parties directly by the Trust Group after the Pre-IPO Reorganisation are primarily the routine maintenance services including periodically scheduled maintenance services and/or works in respect of the Highways including landscaping, grass cutting, highway maintenance, drainage maintenance, building maintenance, mechanical and electrical maintenance and security maintenance and all other types of ad-hoc repair works not undertaken in-house by the Concession Companies.

The Trust Group is not dependent on the outsourced services with the exception of the system maintenance works in relation to the proprietary electronic toll collection system provided by the systems integrators.

The Trust Group may still engage Turnpike for turnkey contract services for highway upgrading and development works as well as for consultancy services for matters pertaining to civil and structure, mechanical, electrical and electronics, and traffic and safety matters as and when required by the Concession Companies.

7.5.4 Management of road users' feedback

The Trust Group receives feedback or complaints through various channels including, email, telephone, letters, newspaper, social media, website or physical walk-ins which will be recorded in a public complaints register maintained by the respective Concession Companies. The Trust Group will contact the complainant to inform that the feedback or complaints have been received and action will be taken. The feedback or complaints will then be sent to the respective departments involved to be investigated. Thereupon, the relevant corrective action will be implemented as soon as it is practicable.

If the complainant intends to make any claim(s) over such accidents that occurred within the jurisdiction of the Highways, the complainant is required to send over the claim application letter along with the relevant supporting documents. The respective department involved will then evaluate the said claim(s) and the management team will make the final decision based on the report provided by the operations team of the respective Highways. The amount of claims will be decided and approved in accordance with the limits of authority.

Any outcome of the said claim(s) will be informed to the complainant upon the completion of the evaluation and investigation. In the event the parties have agreed for a settlement amount, the Trust Group will prepare a settlement agreement to be signed by the parties.



Thereafter, the Trust Group will process the payment, if any. The claims status will then be closed once the complainant receives payment and the status of the claims will be updated to mark its completion.

7.6 ANCILLARY FACILITIES

Under the Concession Agreements, ancillary facilities are required to be provided by, or on behalf of, the Concession Companies along the Highways. Accordingly, the Concession Companies have put in place a range of ancillary facilities along the Highways for the convenience of road users. These RSAs and lay-bys include amenities such as food and beverage stalls, retail outlets, public washrooms, prayer rooms and parking lots. Commercial arrangements such as tenancy of food and beverage stalls and retail outlets within RSAs and lay-bys are managed by PHSSB.

7. BUSINESS OVERVIEW (Cont'd)

The table below sets out details of RSAs and lay-bys at the Highways at the LPD:

Facilities and Services	Highway	Location	Commercial units	Net lettable area (sq ft)
RSA	GCE	Elmina north bound	<ul style="list-style-type: none"> Commercial lot : 1 Food / drink stall : 8 Kiosk : 4 Push cart : 4 Vending machine: 6 	4,349
	GCE	Elmina south bound	<ul style="list-style-type: none"> Commercial lot : 2 Food / drink stall : 8 Kiosk : 4 Vending machine: 4 	5,423
Lay-bys	GCE	Bukit Jelutong, south bound	<ul style="list-style-type: none"> Push cart: 3 Vending machine: 4 	60
	GCE	Lagong, north bound	<ul style="list-style-type: none"> Vending machine: 1 	Not applicable
	LKSA	Urban Park, Alam Impian	<ul style="list-style-type: none"> Event Space: 1 Vending machine: 2 	16,145
	LKSA	Seri Muda	<ul style="list-style-type: none"> No commercial site Vending machine: 2 	Not applicable
	SILK	Sungai Ramal	<ul style="list-style-type: none"> No commercial site Vending machine: 4 	Not applicable
	SILK	Sungai Balak	<ul style="list-style-type: none"> No commercial site Vending machine: 4 	Not applicable
	SILK	Bukit Kajang	<ul style="list-style-type: none"> No commercial site Vending machine: 4 	Not applicable
	SILK	Sungai Long	<ul style="list-style-type: none"> No commercial site Vending machine: 4 	Not applicable

7. BUSINESS OVERVIEW (Cont'd)

Concession Companies also have space rental for telco towers and outdoor advertising structures. The commercial arrangement of these telco towers and outdoor advertising structures are managed by PHSSB. The outdoor advertising structures include freestanding, unipole, minipole, overhead bridge mounted advertising and buntings. The structures are built according to guidelines set by the MHA. The table below sets out details of the telco towers and outdoor advertising structures at the Highways as at the LPD:

Advertising/Telco Tower	Highways			
	AKLEH	GCE	LKSA	SILK
Telco towers ⁽¹⁾	<ul style="list-style-type: none"> • 2 fibre optic cables • 1 telco equipment 	<ul style="list-style-type: none"> • 4 telco towers • 1 telco equipment 	<ul style="list-style-type: none"> • 5 telco equipment 	<ul style="list-style-type: none"> • 1 fibre optic cable • 2 telco towers
In-house advertising structure	1	-	14	-
Third-party advertising structure ⁽²⁾	17	20	-	-

Notes:

- (1) Telco equipment is a structure attached to existing Concession Companies' assets whereas telco towers are built and maintained by third parties.
- (2) Refers to any outdoor advertising structures and/or outdoor advertising displays at the Highways that are erected, installed and owned by a third party and monitored by PHSSB.

Revenue from ancillary facilities

For FYE 2020 up to April 2021, the Concession Companies engaged Turnpike for the provision of highway ancillary facilities management services for, amongst others, the setting up of petrol stations and the operating of convenience stores, outdoor advertising and renting of space. The Concession Companies receive revenue sharing from such arrangement. However, due to an internal restructuring within PLKH Group in FYE 2021, such engagement with Turnpike for highway ancillary facilities management services had been discontinued and was thereafter undertaken by PHSSB.

From April 2021 and up to the LPD, PHSSB has been providing highway ancillary facilities management services to the Concession Companies, including managing the in-house advertising structures, monitoring third-party advertising structures and managing any rental of commercial spaces at the ancillary facilities along the Highways.

The following table shows the percentage of revenue sharing between Turnpike and the Highways prior to March 2021 as well as the percentage of revenue sharing between PHSSB and the Highways from March 2021 up to December 2023:

	Highways			
	AKLEH	GCE	LKSA	SILK
In-house advertising structure	60%	60%	60%	60%
Third-party advertising structure	50%	50%	-	-
Stall rental	-	60%	60%	60%
Space rental	30%	30%	30%	30%

The revenue derived from ancillary facilities represents approximately 0.5% of the Concession Companies' collective revenue for each of the Period Under Review, these ancillary facilities are an important and integral part of the services provided by the Trust Group.

7. BUSINESS OVERVIEW (Cont'd)

The percentage of revenue sharing between PHSSB and the Highways from 1 January 2024 onwards is as follows:

No	Activity	PHSSB	Highways
1.	Billboard advertising - Structures owned by the Trust Group - Structures owned by third party - Photo shootings	40% 70% 70%	60% 30% 30%
2.	Telco towers/equipment or fiber optics	70%	30%
3.	RSA/Laybys - Stall rental - Vending machines - Food trucks - Other vacant space	40% 70% 70% 70%	60% 30% 30% 30%
4.	Event space - Structures built by the Trust Group - Structures built by third party	40% 70%	60% 30%
5.	Petrol station	License fee to be paid to the Trust Group	
6.	Convenience Store	License fee to be paid to the Trust Group	

7.7 PRINCIPAL MARKETS

The Concession Companies under the Trust Group were established to build and operate the Highways within the Klang Valley:

- AKLEH was built to assist traffic flow coming into Kuala Lumpur from Ampang, as well as traffic within Kuala Lumpur.
- GCE was built to provide a road network connecting Shah Alam and Rawang, all in Selangor.
- SILK was built to help with the flow of traffic through the town of Kajang, Bangi, Putrajaya, Seri Kembangan and Sungai Long, all in Selangor.
- LKSA was built to assist with the traffic flow in Shah Alam and the development of Alam Impian, all in Selangor.

7.8 SEASONALITY

The Highways under the Trust Group are located in different areas of the Klang Valley and this allows road users the access to and from different locations. Accordingly, the Highways are influenced by different types of traffic flow dynamics. For example, during weekdays (i.e. normal work and school days), traffic volume increases in the morning around 6.30 a.m. to 9 a.m. and in the evening around 5 p.m. to 7 p.m.

As the Highways are urban highways, the traffic volume would generally increase prior to and after the festive seasons and school holidays. Generally, this is due to road users travelling outstation during these periods.

Occasionally, during selected festive seasons such as Hari Raya, Chinese New Year and Deepavali, discounts on toll rates are announced by the Government for highways as a way to reduce travelling expenses during these festive seasons.

7. BUSINESS OVERVIEW (Cont'd)

7.9 QUALITY CONTROL MANAGEMENT

A list of all the certifications from SIRIM for the Highways as at the LPD is as below:

<u>Certification</u>	<u>Description</u>	<u>Certification date</u> ⁽¹⁾
ISO 37001:2016	Anti-Bribery Management Systems for Provision of Highway Operation	14 July 2023
ISO 9001:2015	Quality Management Systems	23 March 2021
ISO 14001:2015	Environmental Management Systems	5 April 2021
ISO 45001:2018	Occupational Health and Safety and Health Management Systems	5 April 2021
ISO 39001:2012	Road Traffic Safety (RTS) Management Systems	14 April 2021

Note:

(1) All certificates are renewable after three years.

These certifications demonstrate that the Highways adhere to a defined set of international standards.

7.10 MARKETING

The Trust Group leverages its corporate communication functions through PCSSSB, in order to enhance the Trust Group's corporate image, and also manage the Trust Group's relationship with the media, the public, regulatory authorities, and the Government and its agencies, among other stakeholders.

The Trust Group's corporate image activities include the development of promotional materials to be published in various channels, including offline advertising means (e.g. billboards and newspapers), its own website, and its social media channels (e.g. Instagram, Facebook, Twitter). Promotional materials include presentations and press releases regarding road safety campaigns, corporate social responsibilities initiatives, new technologies implemented, discounts provided on the toll rates, performance of the Trust Group and its ESG commitments.

Activities to manage public relations include crisis management, addressing customer feedback (e.g. suggestions, complaints), notifying road users about traffic updates at the Highways.

7.11 MAJOR CUSTOMERS

As a highway operator, the Trust Group's customer base primarily comprises the road users using the four Highways. The traffic volume on the Highways, measured based on the total number of toll transactions at the Highways, are recorded at 158.2 million transactions for FYE 2022 and 124.4 million transactions for FPE 2023. Accordingly, the revenue contribution from each customer as a percentage of the Trust Group's revenue is negligible. As such, the Trust Group does not have any material exposure to nor is dependent on any particular customer for its business.

7. BUSINESS OVERVIEW (Cont'd)

7.12 MAJOR SUPPLIERS

The Trust Group's major supplier, contributing 10% or more of purchases of the Trust Group for the Period Under Review is as follows:

Supplier name	Main services	FYE 2020		FYE 2021		FYE 2022		FPE 2023		Length of business relationship
		Value of purchases (RM'000)	% of total purchases	Value of purchases (RM'000)	% of total purchases	Value of purchases (RM'000)	% of total purchases	Value of purchases (RM'000)	% of total purchases	
Turnpike	Provision of O&M services, consultancy services and turnkey contract services	43,627	(1)63.3	67,895	(1)73.8	72,710	(1)59.4	60,573	(1)73.2	12 years

Note:

(1) Total purchases of the Trust Group for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 are RM68.9 million, RM92.0 million, RM122.4 million and RM82.8 million respectively.

For the Period Under Review and up to the LPD, AKLEH Co, GCE Co and LKSA Co outsourced the majority of the O&M Services to Turnpike, a wholly-owned subsidiary of PLKH. Turnpike further sub-contracts part of the O&M Services to external service providers via separate operation and maintenance contracts for certain O&M Services, such as the provision of routine highway maintenance services and ad-hoc highway repair and maintenance services.

Upon formation of the Trust Group, PLKH had on 1 January 2024 undertaken the Pre-IPO Reorganisation to reflect better organisational accountability. Further information on the Pre-IPO Reorganisation is set out in Section 6.1.8(iii) of this Prospectus. Upon completion of the Pre-IPO Reorganisation, the existing O&M arrangements and agreements with Turnpike have been mutually terminated. Moving forward, all O&M Services including liaison with the relevant suppliers and/or sub-contractors in relation to the provision of O&M Services, will be carried out by the respective Concession Companies. As such, moving forward, the Trust Group will not be dependent on Turnpike as a major supplier for O&M Services.

The Trust Group may still engage Turnpike to provide certain services to the Concession Companies as and when required, including:

- (i) turnkey contract services for highway upgrading and development works; and
- (ii) consultancy services for matters pertaining to civil and structure, mechanical, electrical and electronics, traffic and safety.

The Trust Group is not dependent on Turnpike as these services can be sourced from other service providers.

7. BUSINESS OVERVIEW (Cont'd)

Aside from the above, the Trust Group collects tolls fully through an automated ETC system via third-party electronic payment systems, namely Touch 'n Go, SmartTAG and Touch 'n Go RFID. As Touch n' Go Sdn Bhd is the sole provider of ETC services to all highways in Malaysia, the Trust Group as a whole is dependent upon Touch n' Go Sdn Bhd for its ETC services.

The purchases contribution from Touch n' Go Sdn Bhd for the Period Under Review are as follows:

Supplier name	Main services or purchases	FYE 2020		FYE 2021		FYE 2022		FPE 2023		Length of business relationship
		Value of purchases (RM'000)	% of total purchases	Value of purchases (RM'000)	% of total purchases	Value of purchases (RM'000)	% of total purchases	Value of purchases (RM'000)	% of total purchases	
Touch n' Go Sdn Bhd	Provision of automated ETC system services	3,014	(1)4.4	2,752	(1)3.0	3,885	(1)3.2	2,800	(1)3.4	23 years

Note:

(1) Total purchases of the Trust Group for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 are RM68.9 million, RM92.0 million, RM122.4 million and RM82.8 million respectively.

Nevertheless, to make toll payment systems at toll booths as seamless as possible, the Government has identified a few highways, which include AKLEH and GCE, which have commenced implementation of the open toll payment system in September 2023. This is to allow road users to pay tolls not just using Touch n' Go Sdn Bhd's ETC system but also by way of debit and credit cards. The implementation of the open payment system will consequently open up opportunities for other e-wallet providers to participate in the provision of toll payment system services. Hence, the Trust Group will no longer be solely dependent on Touch n' Go Sdn Bhd in relation to the ETC system upon successful implementation of the open payment system.

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7. BUSINESS OVERVIEW (Cont'd)

7.13 RESEARCH AND DEVELOPMENT

Due to the nature of business, the Trust Group does not have a dedicated research and development department.

7.14 TECHNOLOGY USED OR TO BE USED

For the operation and maintenance of the Highways, the Trust Group, through and by way of a service level agreement with PCSSSB, utilises S3, Prime and Digital Assist.

The S3 is a fully integrated artificial intelligence and machine-learning based system used to detect and notify as well as mobilise the relevant parties and assets to address road incidents. In addition, its PRIME system is used to support the maintenance functions of the Trust Group's buildings, toll canopy and equipment systems. Adoption of S3 and PRIME increases the automation in the operation and maintenance of the Highways. Real-time information gathered through S3 provides better visibility and insights into the operations. Meanwhile, PRIME simplifies the reporting process and allows ease of internal collaboration. S3 and PRIME allow more effective business operations in addressing the incidents and thus ensuring the comfort of road users.

On the other hand, through Digital Assist, the Trust Group allows road users to request assistance during emergencies. The app can detect the location of road users via GPS, to enable a prompt response by the patrolling team. Digital Assist helps to expedite and simplify the service delivery for road assistance and emergency management.

In order to support the technology platform above, the Trust Group adopts IT infrastructure including SDWAN (Software Defined Wide Area Network), fibre optic cables, and 4G LTE. SDWAN is a technology using Internet Protocol Virtual Private Network (IPVPN), that provides private and secured internal connectivity between internal resources and remote sites while fibre optic cables provide direct connectivity between toll plazas. 4G LTE Technology is deployed as a backup if the fibre connection is down.

The Trust Group collects data for its Highways and ancillary facilities. Data collected is backed up to Cloud Storage where digital data is stored on a remote storage system, while physical media is stored at an off-site location. The highway operation-related platforms - S3, PRIME and Digital Assist are hosted on the cloud. For corporate services, the Trust Group has also embarked on cloud transformation journey with cloud-enabled software for day-to-day operations. Cloud adoption helps to reduce maintenance complexity and costs as compared to traditional infrastructure.

7.15 TAKAFUL (INSURANCE)

The Trust Group maintains takaful policies with registered takaful companies in Malaysia which cover material damage to property, business interruption, public liability, employer's liability, directors' and officers' liability, construction liability, money-in-transit liability, group and term life.

We have the following takaful policies in place:

(i) Civil Engineering Completed Risk

All of the Trust Group's highway structures, guardrails and landscaping etc, road, slip-roads, lay-bys, interchanges, bridges, railway bridges, road furniture and fittings, drainage systems, overhead panels and displays are insured against damages and third-party liability claims. Also included in this coverage are claims on loss of revenue due to damages to the Trust Group's highway structure and/or assets. Total Civil Engineering Completed Risk (CECR) coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 by Etiqa General Takaful Berhad amounts to RM3.23 billion with a contribution amount of RM1.12 million. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

7. BUSINESS OVERVIEW (Cont'd)

(ii) Electronic Equipment

All mobile and immobile electronic equipment on all the Highways are insured against any loss or damages on the Trust Group's electronic equipment caused by fire, power shortage, theft and any incident not pertaining to rioting or repair works. Total Electronic Equipment coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 by Etiqa General Takaful Berhad amounts to RM42.3 million with a contribution amount of RM96,560. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

(iii) Public Liability

Covers legal liability to a third party stemming from an accident within the highway operations and territorial scope parameters. Total Public Liability coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 by Etiqa General Takaful Berhad amounts to RM22 million with a contribution amount of RM32,000. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

(iv) Fire and Allied Perils

On all buildings, toll plazas, supervision buildings including, but not limited to site offices and cabins along all of the highway stretch and stock in trade of every description and all other properties along the Highways. Total Fire and Allied Perils coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 by Etiqa General Takaful Berhad amounts to RM138 million with a contribution amount of RM106,000. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

(v) Burglary

On all property of every kind, nature and description including but not limited to stocks, properties in office buildings and toll plazas and other properties along the Highways i.e. guard rails and other accessories of every description except where separately covered. Total Burglary coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 by Etiqa General Takaful Berhad amounts to RM700,000 with a contribution amount of RM1,902. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

(vi) Employer's Liability

On all employees of the Trust Group and Prolintas Managers including temporary, contract workers and sub-contractors' employees and SOCSO contributors. Total Employer's Liability coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 amounts by Etiqa General Takaful Berhad to RM53 million with a contribution amount of RM7,173. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

(vii) Fidelity Guarantee

Insurance for providing indemnity to the Trust Group and loss of money against the actions of fraud, forgery, embezzlement by an employee. Total Fidelity Guarantee coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 by Etiqa General Takaful Berhad amounts to RM2 million with a contribution amount of RM6,490. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

7. BUSINESS OVERVIEW (Cont'd)

(viii) Money

On money in premises kept in locked safe/drawer and/or strong room and on money out of safe/in cash registers/locked drawers or toll booth. Total Money coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 by Etiqa General Takaful Berhad amounts to RM4.98 million with a contribution amount of RM900. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

(ix) Directors and Officers Liability

Covers and protects the directors and officers of the Trust Group and Prolintas Managers from claims arising from allegations of wrongful acts and employment practices breaches and covers and protects the Trust Group and Prolintas Managers for their indemnification to the directors and officers from such claims. The policy also provides additional protection in relation to regulatory crisis event costs, investigation costs, emergency costs, public relations costs, tax liability and mitigation costs. Total Directors and Officers Liability coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 by Allianz General Insurance Company (Malaysia) Berhad and AIG Malaysia Insurance Berhad amounts to RM200 million with a contribution amount of RM240,448. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

(x) Contractors All Risks

On all permanent and temporary works and all material use in connection with all highways and all temporary facilities including but not limited to accommodation, workshops, storage facilities, trailers and their contents. This policy also covers third-party liability claims on bodily harm and property damage. Total Contractors All Risk takaful coverage for the Trust Group for a period of one year from 1 April 2023 to 31 March 2024 by Etiqa General Takaful Berhad amounts to RM16 million with a contribution amount of RM15,910. As at the LPD, the Trust Group is currently negotiating the terms for the renewal of this takaful policy.

As at the LPD, the Trust Group's various takaful policies provide it with coverage of up to about RM4.41 billion in aggregate. As at the LPD, the Trust Group's total assets were about RM2.8 billion. Based on the above, the Board is of the view that the current takaful policies and coverage is adequate for the Trust Group's business operations.

7.16 EMPLOYEES

The breakdown of employees of the Trust Group as at the FYEs 2020 to 2022 are as follows:

	As at FYE 31 December		
	2020	2021	2022
AKLEH Co	1	1	1
GCE Co	1	1	1
LKSA Co	1	1	1
SILK Co	132	116	102
Total	135	119	105

7. BUSINESS OVERVIEW (Cont'd)

The breakdown of employees of the Trust Group as at the FYEs 2020 to 2022 by business function is as follows:

	FYE 2020	FYE 2021	FYE 2022
Highway operations managers	4	4	4
Administration and human resources	2	2	2
Highway operation & technical employees	129	113	99
Total	135	119	105

For the FYEs 2020 to 2022, all employees of the Trust Group are local employees and the Trust Group does not employ any foreigners.

In connection with the Listing and to reflect better organisational accountability, PLKH had on 1 January 2024 undertaken the Pre-IPO Reorganisation through the transfer of relevant operation and technical employees performing the O&M Services from Turnpike to AKLEH Co, GCE Co and LKSA Co accordingly. Further details of the Pre-IPO Reorganisation are set out in Section 6.1.8(iii) of this Prospectus.

The number of employees for each of the Concession Companies as at the LPD is as follows:

	As at the LPD				
	AKLEH Co	GCE Co	LKSA Co	SILK Co	Total
Number of employees for each of the Concession Companies	48	98	71	120	337

As at the LPD, the Trust Group employs a total of 337 employees, out of which 128 are contract employees. All the permanent and contract employees are local and the Trust Group does not employ any foreigners. The breakdown of the employees under the Trust Group by business function as at the LPD is as follows:

	As at the LPD
Highway operations managers	4
Administration and human resources	22
Highway operation & technical employees	311
Total	337

None of the employees of the Trust Group belongs to any labour union. During the Period Under Review and up to the LPD, there has been no industrial disputes pertaining to the employees.

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7. BUSINESS OVERVIEW (Cont'd)

7.17 TRAINING AND DEVELOPMENT

The Trust Group provides various forms of training opportunities to develop its employees. Training opportunities provided to staff include courses and seminars in the following areas:

7.17.1 Leadership and supervisory

The Trust Group ensures training for management to fortify comprehensive leadership that monitors and supervises the various departments. The training provided reflects the level of management of the employee and is based on long-term development of the individuals in management of the Trust Group. These trainings attended by the management are conducted by renowned external bodies such as the Malaysian Institute of Accountants, Malaysian Institute of Management and Asia School of Business.

7.17.2 Highway operations

As toll collection, operation and maintenance form the core business of the Trust Group, emphasis is provided to the hundreds of personnel that ensure the smooth daily operations. The Trust Group ensures that key personnel receive certification in key areas such as safety, toll collection, land and asset management, as well as Auxiliary Police training for the PERONDA. These trainings for highway operations personnel are provided by the respective bodies of authorities such as Polis Diraja Malaysia and MHA as well as technical associations such as Energy Commission, National Institute of Occupational Safety and Health and Construction Industry Development Board (CIDB).

7.17.3 Functional and technical matters

Functional and technical trainings are to supplement the abovementioned certifications in ensuring holistic and capable personnel. These trainings come in the form of skills training with relevant systems, upskilling in terms of technology and administrative training to ensure proper internal control and reporting. These trainings are provided to the highway operations personnel and administrative staff in-house and/or by relevant agencies and authoritative bodies.

7.18 ESG PRACTICES

The Trust Group's sustainability efforts are guided by the Prolintas Managers Sustainability Policy and Prolintas Managers Sustainability Framework that are aligned with the United Nations Sustainable Development Goals ("UNSDG"). Fundamentally, the Prolintas Managers Sustainability Framework reinforces Prolintas Managers' commitment to responsible business practices in the areas of Environmental stewardship, Social responsibility and Governance, ethics & compliance. These 3 fundamental areas are integrated within the strategic management and operational processes of Prolintas Managers, ensuring alignment towards the Sustainability Guide issued by Bursa Securities.

In the pursuit of its corporate objectives, the Trust Group is committed to transparently communicating its ESG (Environmental, Social, and Governance) practices to the diverse array of stakeholders of the Trust Group. This commitment encompasses comprehensive disclosures regarding the Trust Group's effective management of significant sustainability concerns, achieved through the meticulous preparation of Sustainability Statements aligning with the guidelines provided by Bursa Securities' Sustainability Reporting Guide.

(i) Environmental stewardship

The Trust Group aims to ensure that mitigating the environmental footprint of its business is seamlessly embedded within The Trust Group's strategic intent and across all business plans and initiatives.

All Highways have obtained the ISO 14001:2015 certification that outlines the standards of environmental management systems that enables the Highways to optimise the monitoring of the Trust Group's environmental performance and compliance. In delivering the Trust Group's responsibility of mitigating its impact on the environment, the Trust Group strives to address climate change and resource and waste management, to ensure it protects and builds value for all its stakeholders. The Highways prioritise compliance with all environmental regulations established by the Government. The Trust Group achieves this by having a dedicated environmental officer to supervise and monitor activities by the Trust Group and its third-party contractors to ensure full compliance with relevant laws and regulations including but not limited to the Environmental Quality Act 1974.

The Trust Group is addressing its climate impact through conducting Greenhouse Gas (GHG) assessments by observing the GHG Protocol framework. This assessment encompasses emissions from the Trust Group's corporate functions, operations, maintenance and construction activities.

The Trust Group has segregated its emissions into:

Scope 1 emissions, which comprises emissions from vehicles owned by the Trust Group, the generators, and the air-conditioning systems and fire extinguishers employed within the Trust Group. Examples of initiatives undertaken to reduce Scope 1 emissions includes transitioning to energy efficient vehicles and installation of energy efficient air-conditioners.

Scope 2 emissions, which comprises the electricity utilised in the Trust Group's operations and activities. Examples of initiatives undertaken to reduce Scope 2 emissions includes retrofitting of existing Sodium-Vapor (SON) street lighting to the more energy-efficient LED street lighting technology along the Highways as well as implementing smart lighting system. The Highways have also put in place initiatives that increases the percentage of renewable energy usage. This includes rain water harvesting and utilisation as well as utilisation of solar panels to supplement the Highway's electricity consumption.

Scope 3 emissions, which comprises procurement of goods, upstream energy emissions, and downstream emissions originating from the RSAs along with the commuting of employees and business travels. Examples of initiatives undertaken to reduce Scope 3 emissions include providing flexible working arrangement for employees to reduce emissions from employee's commute. In terms of waste generation during operations such as food waste and waste materials found on the Highways, waste separation and recycling are adopted. For instance, the waste materials that can be recycled are sent to the recycling centre. In the RSA, a waste composting machine is also used where food waste is collected and turned into fertiliser which will then be used for landscaping activities of the Highways. The Trust Group also supports the initiative of the "No Plastic" campaign by introducing paper straws, paper cups, paper food containers and paper bags in the RSAs located on the Highways.

Sustainable maintenance and resource management continues to be one of the Trust Group's primary focus under reduction of its Scope 3 emissions. The Highways have utilised MacRebur asphalt production that uses recycled plastic instead of fossil-fuel based bitumen. This not only decreases the dependency on fossil-fuels for highway maintenance but also increases the lifespan of the highway.

(ii) Social responsibility

The Trust Group is dedicated to strengthening its connections with key stakeholders by making strategic investments in the Trust Group's workforce and cultivating strategic partnerships with the Trust Group's valued customers, communities, investors, and suppliers, all with the overarching goal of generating sustainable, long-term value.

The focus of the Trust Group in developing employees involves three key areas of capacity, competency and culture. The initiatives that the Trust Group implements that focuses in enhancing these three key areas include training, providing regular offline and online communication as well regular engagement to the general population of the Trust Group employees as well as specific sessions targeting key groups within operations and management.

The Trust Group is firmly committed to promoting workplace equality, fostering a culture of equitable treatment, and embracing diversity in terms of gender and culture within the employee community. The Trust Group consistently conducts thorough reviews of employee compensation packages to ensure employees receive competitive and comprehensive benefits.

Amid the challenges posed by the COVID-19 pandemic, the Highways stepped up its efforts by providing essential support to the Trust Group's local communities. This included the distribution of face masks, hand sanitizers, and clean water to COVID-19 patients at quarantine centres, and delivering of food packs to frontline workers, demonstrating the Trust Group's unwavering support for the community during those trying times.

Furthermore, the Trust Group actively engages in various community outreach initiatives, including the sponsorship of school uniforms and the provision of food for families in the B40 income group. The Trust Group also had coordinated and ran soft skills programs tailored to empower fresh graduates as they embark on their professional journeys. The Trust Group's commitment to community welfare extends to participating in blood donation drives, where the Trust Group provides nourishing meals to donors, as well as contributing food and other charitable items to celebrate various festivals such as Hari Raya, Chinese New Year, Deepavali, and International Women's Day. These efforts underscore the Trust Group's dedication to making a positive impact on the communities it serves while upholding its values of inclusivity and social responsibility.

Another facet of contributing to the local communities that the Trust Group holds in high importance is that of the efforts in providing employment and business opportunities to the local communities at the RSAs at GCE. The Trust Group aims to replicate this model in other possible acquisitions of highways in the future.

(iii) Governance, ethics & compliance

The Trust Group is committed to adhering to the standards of corporate governance practice as set out in the MCCG. Corporate governance entails the areas of accountability, transparency, fairness, and responsibility.

The Trust Group has put in place the following policies to uphold good corporate governance practices:

- Formal organisational structure with clear lines of reporting to Board Committees and key senior management, including defined lines of accountability and limits of authority.

- Risk Management Framework to manage strategic, operational and project risks. The Prolintas Risk Management Framework was developed by integrating the ISO 31000:2018 standard and The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Risk Management framework with a view to further strengthen the Trust Group's sustainability agenda through the incorporation of sustainability-related risks and opportunities. This approach has allowed the Trust Group to align its dynamic business needs through a holistic and comprehensive manner in the interest of all its stakeholders.
- Regulatory compliance programme that focuses on compliance with contractual agreements and statutory obligations through a systemic approach across all legal entities within the Trust Group that identifies, evaluates and monitors the aforementioned obligations to minimise incidences of non-compliance.
- Anti-bribery and corruption policy and whistleblowing policy to promote and maintain compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Whistleblower Protection Act 2010.
- An anti-bribery and corruption framework of policies to further strengthen internal controls against bribery and corruption including sponsorship policy, charitable donations policy, supplier code of conduct and the integrity pact.

(iv) Responsible investment

In integrating the 3 fundamental areas of sustainability for the Trust Group, Prolintas Managers ensures that responsible investment principles and initiatives are embedded within investment decisions of Prolintas Managers. The following key aspects are considerations in upholding responsible investment principles for Prolintas Managers:

ESG integration

Incorporate ESG factors into the company's investment evaluation process. Assess how potential investments may impact the environment, society, and governance aspects.

Sustainability criteria

Establish clear sustainability criteria that potential investments must meet. Consider factors such as environmental impact, social benefits, and alignment with corporate governance standards.

Risk assessment for investment

Conduct thorough ESG risk assessments for each investment opportunity. Identify and mitigate potential risks related to environmental regulations, social conflicts, and governance issues.

ESG due diligence

Prior to making investments, conduct comprehensive due diligence that includes ESG due diligence. Evaluate the environmental impact, social implications, and governance practices of the project or asset.

Ethical financing

Seek financing options that align with responsible investment principles, including green bonds or financing that support environmentally sustainable projects.

7. BUSINESS OVERVIEW (Cont'd)

7.19 INTERRUPTIONS IN BUSINESS

The Trust Group did not experience any material interruptions to the Trust Group's business and operations during the past 12 months prior to the LPD.

(i) Impact of COVID-19 and MCO

In 2020 and 2021, the Government implemented a few phases of Movement Control Order, or MCO as commonly referred to, due to the outbreak of the COVID-19 pandemic. During these MCO phases, the country underwent a number of quarantine and movement restrictive measures to curb the spread of COVID-19. With the quarantine and movement restriction measures in place, individuals were only permitted to travel within a limited radius of their homes. Additionally, many companies falling under the non-essential services category as categorised by the Government switched to work-from-home arrangements for their employees. Consequently, these restrictions reduced the traffic volume on the Highways and the corresponding toll collection.

The traffic volume of the Trust Group was negatively impacted between March and December 2020 due to the outbreak. In 2020, annual traffic volume on the Highways, measured based on the total number of toll transactions at the Highways, was recorded at 119.7 million. This represents a 23.2% decrease from 2019, which recorded a total toll transactions of 155.9 million. The corresponding toll collection from the Highways in 2020 was recorded at RM228.9 million, which represents a 23.0% decrease from 2019. Within 2020, there were a total of five months where the monthly traffic volume dropped below 10.0 million for the Highways. April 2020 recorded the lowest monthly traffic volume of the year at 2.6 million, in conjunction with MCO 1.0.

The traffic volume of the Trust Group was negatively impacted for the full year of 2021. In 2021, annual traffic volume stood at 109.3 million based on total toll transactions. This represents an 8.7% decrease from 2020. The corresponding toll collection from the Highways for 2021 was recorded at RM209.1 million, which was 8.7% lower than the preceding year. Within 2021, there were a total of seven months where the monthly traffic volume dropped below 10.0 million for the Highways due to the longer restriction period imposed by the Government. The monthly traffic volume in June and July 2021 were recorded at 4.6 million and 4.9 million respectively, the lowest during the year due to MCO 3.0 and Enhanced MCO imposed. The number of COVID-19 positive cases and related death tolls in 2021 rose drastically as compared to 2020 due to more lethal variants, although vaccination drives continued during the year. This caused more caution among the residents and they reduced unnecessary travel.

In April 2022, Malaysia transitioned into the endemic phase where capacity limits of workplace were abolished. Following that, the annual traffic volume in 2022 increased to 158.2 million, higher than total toll transactions in 2019. The toll collection also increased in line with annual traffic volume.

The table below sets out the annual traffic volume, measured based on the total number of toll transactions at the Highways:

FYE	AKLEH (‘mil)	GCE (‘mil)	LKSA (‘mil)	SILK (‘mil)	Total (‘mil)
2020	11.3	30.7	23.5	54.2	119.7
2021	9.4	26.2	22.9	50.8	109.3
2022	13.9	43.0	29.5	71.8	158.2

7. BUSINESS OVERVIEW (Cont'd)

The table below sets out the corresponding toll collection from the Highways:

FYE	AKLEH (RM mil)	GCE (RM mil)	LKSA (RM mil)	SILK (RM mil)	Total (RM mil)
2020	28.0	64.9	33.9	102.2	228.9
2021	23.3	55.8	33.5	96.5	209.1
2022	33.2	88.3	42.0	131.7	295.2

Measures and precautions

The operations of the Highways were as usual during the MCO period as the workers including toll tellers, patrol team, traffic control centre operators, cleaners and technicians are among those to provide essential services. They performed their duties according to the standard operating procedures as outlined by the Government during each phase of the MCO. These includes social distancing, wearing face masks properly, frequent washing and sanitisation of hands, disinfection and cleaning of the work environment and company vehicles. Non-essential roles were allowed to work remotely. The appropriate communications on the policy of COVID-19 were disseminated periodically through infographic messages placed at the workplace as well as via emails to employees.

Among other steps taken to avoid the spread of COVID-19 include the removal of the manual top-up service of Touch 'n Go at the Highways where users are encouraged to top-up their Touch 'n Go at the self-service kiosks or via the e-wallet platform. There was a temporary closure of selected facilities including customer service centres and prayer rooms at RSAs and lay-bys during the MCO period. The services available were announced and updated on the website and social media channels of the Highways.

(ii) Impact of adverse events

At the end of 2021, the Trust Group had encountered disruptions due to floods on certain sections of LKSA and access to GCE was restricted for approximately 18 hours as result of flash floods in the Klang Valley.

The occurrence of flash floods that impacted GCE stemmed from NKVE Bukit Jelutong intersection being inundated which had a spill over effect to GCE. This intersection is a major traffic channel that is directly connected to GCE which was affected by this event as no traffic could flow into GCE. The heavy rain since the early evening of 17 December 2021 that lasted over 24 hours throughout Selangor, specifically the Petaling District caused Damansara River to overflow and excess water could not flow into the river. It also impacted the irrigation system on the GCE which caused water from the GCE drainage system to overflow. Lanes at KM0.9 of GCE were affected by the flood and traffic to and from GCE had a significant reduction. The traffic volume at GCE was recorded at 99,365 and 57,368 respectively on 18 and 19 December 2021, lower than average daily traffic of 113,872 on the first 17 days of December 2021. These interruptions in GCE led to a reduction in the Trust Group's toll revenues for the affected period. As part of the flood mitigation, the Trust Group has in place a retention pond at the Bukit Jelutong Interchange which allows for rainwater surface runoff to be swiftly channelled out away from the affected area through a culvert drainage. GCE Co had also coordinated with relevant agencies such as the Fire Department for flood disaster emergency plan and Jabatan Pengairan Dan Saliran Selangor to review capacity of Sungai Kuning and Damansara near the GCE, in line with development speed in Petaling District.

7. BUSINESS OVERVIEW (Cont'd)

During the same time period, LKSA was inundated from KM3.8 to KM4.4 stretch at Sri Muda in Shah Alam. Unusually heavy rain since the evening of the 17th of December 2021 that lasted over 24 hours resulted in the nearby rivers of Sungai Rasau and Sungai Klang to overflow. Both bounds along the stretch were inundated and this had resulted in several other stretches along LKSA having to be closed off to traffic in stages. This included the U-turn at Shah Alam Uptown, the Jubli Perak roundabout and the Ramp A at Alam Impian. Emergency traffic management plans were activated to aid in traffic flow with emergency median openings activated to divert traffic away from affected areas of LKSA. The traffic volume at LKSA was recorded at 58,869 and 16,779 respectively on 18 and 19 December 2021, lower than average daily traffic of 62,352 on the first 17 days of December 2021. These interruptions in LKSA led to a reduction in the Trust Group's toll revenues for the affected period. As part of the flood mitigation, LKSA had coordinated with relevant agencies such as the Fire Department for flood disaster emergency plan and preparation and with the Jabatan Pengairan Dan Saliran Selangor to monitor the capacity of Sungai Klang and Sungai Rasau.

Separately, on 30 November 2022, the SILK highway was hit by flash floods near KM25.6. The flash flood was caused by continuous hour-long rainfall and blocked drainage. Vehicles headed to Kajang and Sungai Ramal could not pass through the stretch. The flash flood subsided after approximately 30 minutes. An additional culvert crossing was constructed and completed in July 2023 as part of mitigating floods in this area by channelling out excess drainage water cause by floods.

Prolintas Infra BT Group is cautious of adverse impacts partly or wholly due to natural disasters.

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7. BUSINESS OVERVIEW (Cont'd)

7.20 MAJOR LICENSES, PERMITS AND APPROVALS

Details of the Trust Group's major licenses, permits and approvals as at the LPD are as follows:

No.	Holder of license /permit	Approving authority / issuer	Type of licenses / permits / approvals	License / Permit / Reference no.	Date of issuance / Validity	Major condition(s) imposed	Status of compliance
1.	AKLEH Co	MHA	SKPL (phase 1 construction works)	Not available	29 March 2001	(a) AKLEH Co is required to conduct a sound test after the highway commences operations to ensure that the approval conditions by the Department of Environment is complied with and to bear all costs to ensure that the noise level is maintained at the level that has been approved. (b) AKLEH Co is required to comply with all the approval conditions for the design of the highway that has been issued by the MHA.	Complied.
2.	AKLEH Co	MHA	SKPL (phase 2 construction works)	Not available	15 May 2016	(a) AKLEH Co is fully responsible for the design works and for the completion of the construction of phase 2 of the Ampang-Kuala Lumpur Elevated Highway from the Jalan Jelatek Intersection to the Ulu Kelang Intersection and all "lane balancing" works (including design defects and inadequacy in design) as well as to comply with all the approval conditions for the design of the highway. (b) AKLEH Co is required to ensure that all defects and unfinished works, if any, are remedied or completed within three months of the execution of the certificate of completion when there is a site visit.	Complied.

7. **BUSINESS OVERVIEW** (Cont'd)

<u>No.</u>	<u>Holder of license / permit</u>	<u>Approving authority / issuer</u>	<u>Type of licenses / permits / approvals</u>	<u>License / Permit / Reference no.</u>	<u>Date of issuance / Validity</u>	<u>Major condition(s) imposed</u>	<u>Status of compliance</u>
						(c) AKLEH Co is required to ensure all works as detailed in the "Certificate of Practical Completion" and work completion letter issued by Ranhill Consulting Sdn. Bhd. is completed within three months of the execution of the certificate of completion.	
						(d) The certificate of completion does not discharge AKLEH Co and the professional engineer of AKLEH Co from any of their duties under the concession agreement and supplementals thereto.	
						(e) AKLEH Co is responsible for all repair and maintenance works as agreed until the end of the concession period.	
						(f) AKLEH Co is required to address all public complaints and claims including but not limited to noise levels, damage to public property, floods, etc.	
						(g) AKLEH Co is to provide all supporting documents from the Selangor State Irrigation and Drainage Department, SMART Control Centre, Department of Irrigation and Drainage, Selangor Water Management Authority, Ampang Jaya Municipal Council and all other involved parties to the MHA within three months of the execution of the certificate of completion.	
						(h) AKLEH Co is required to conduct a level 5 safety audit.	

7. BUSINESS OVERVIEW (Cont'd)

No.	Holder of license /permit	Approving authority / issuer	Type of licenses / permits / approvals	License / Permit / Reference no.	Date of issuance / Validity	Major condition(s) imposed	Status of compliance
3.	GCE Co	MHA	SKPL (main line construction works)	Not available	14 April 2005	<ul style="list-style-type: none"> <li data-bbox="1413 339 1883 475">(a) GCE Co is required to complete all delayed works and take action against any findings from the inspection reports issued by the MHA. <li data-bbox="1413 480 1883 616">(b) GCE Co is required to carry out all findings and suggestions provided by the independent consultant engineer as a result of the road safety audit report. <li data-bbox="1413 620 1883 700">(c) GCE Co is required to complete all delayed works and defects as identified by the engineers. <li data-bbox="1413 705 1883 857">(d) GCE Co is required to complete all delayed works such as the Road Traffic Department enforcement station, construction of the maintenance building, petrol station and other facilities at the rest stops. <li data-bbox="1413 861 1883 965">(e) GCE Co is required to carry out landscaping works, installation of ROW fences, motorcycle huts and other relevant facilities. <li data-bbox="1413 970 1883 1074">(f) GCE Co is required to carry out the construction of the elevated intersection as per the concession agreement. <li data-bbox="1413 1078 1883 1182">(g) GCE Co is required to carry out the construction of a noise barrier as required by the Department of Environment. <li data-bbox="1413 1187 1883 1305">(h) GCE Co is required to resolve all public complaints, issues and requests by the resident associations along the highway. 	Complied.

7. **BUSINESS OVERVIEW** (Cont'd)

<u>No.</u>	<u>Holder of license /permit</u>	<u>Approving authority / issuer</u>	<u>Type of licenses / permits / approvals</u>	<u>License / Permit / Reference no.</u>	<u>Date of issuance / Validity</u>	<u>Major condition(s) imposed</u>	<u>Status of compliance</u>
						(i) GCE Co is required to comply with all the approval conditions for the design of the highway that has been issued by the MHA.	
4.	GCE Co	MHA	SKPL (mechanical and electrical works)	Not available	14 April 2005	(a) GCE Co is required to complete all delayed works and take action to remedy any electrical and mechanical defects. (b) GCE Co is required to comply with all the approval conditions for the design of the highway that has been issued by the MHA.	Complied.
5.	GCE Co	MHA	SKPL (Elmina rest stop repair works)	Not available	22 April 2022	(a) GCE Co is required to comply with all the approval conditions for the design of the highway that has been issued by the MHA. (b) The defects grace period commences 12 months the date the certificate of completion is executed. (c) GCE Co is fully responsible for any defects in the design and/or any inadequacy in the design. (d) GCE Co is required to provide 2 copies of the as-built drawings in a digital format and hard copy format for the MHA's records.	Complied.
6.	LKSA Co	MHA	SKPL (main line construction works)	Not available	17 May 2010	LKSA Co is required to comply with the following: (a) inspection report for defects and outstanding work; (b) inspection report for the "International Roughness Index" test'	Complied.

7. BUSINESS OVERVIEW (Cont'd)

No.	Holder of license /permit	Approving authority / issuer	Type of licenses / permits / approvals	License / Permit / Reference no.	Date of issuance / Validity	Major condition(s) imposed	Status of compliance
						(c) list of outstanding works and defects for civil and structure works from consultants; and (d) road safety audit stage 4 by the PB-TRSS consultants.	
7.	LKSA Co	MHA	SKPL (mechanical and electrical works)	Not available	18 May 2010	(a) LKSA Co is required to complete all delayed works and take action to remedy any electrical and mechanical defects. (b) LKSA Co is required to complete all delayed works and take action to complete all traffic surveillance and control system related works. (c) LKSA Co is required to comply with all the approval conditions for the design of the highway that has been issued by the MHA.	Complied.
8.	LKSA Co	MHA	SKPL (construction of Alam Impian lay-by)	Not available	30 December 2022	(a) LKSA Co is required to comply with all the approval conditions per the letter of conditional approval that has been issued by the Malaysian Highway Authority. (b) LKSA Co is required to repair all damages that were identified in the final report that has been issued by the MHA.	Complied.
9.	SILK Co	MHA	SKPL (construction of Bukit Kajang, Sungai Long and Sungai Ramal Toll Plazas)	Not available	11 June 2004	(a) SILK Co is required to complete all delayed works and take action against any findings from the inspection reports issued by the MHA.	Complied.

7. **BUSINESS OVERVIEW** (Cont'd)

<u>No.</u>	<u>Holder of license / permit</u>	<u>Approving authority / issuer</u>	<u>Type of licenses / permits / approvals</u>	<u>License / Permit / Reference no.</u>	<u>Date of issuance / Validity</u>	<u>Major condition(s) imposed</u>	<u>Status of compliance</u>
						(b) SILK Co is required to carry out all findings and suggestions provided by the independent consultant engineer as a result of the road safety audit report.	
						(c) SILK Co is required to complete all delayed works and defects as identified by the engineers.	
						(d) SILK Co is required to complete the construction of the maintenance building.	
						(e) SILK Co is required to complete the landscaping works, installation of ROW fences, motorcycle huts and other relevant facilities.	
						(f) SILK Co is required to carry out the construction of a "noise barrier" as required by the Department of Environment.	
						(g) SILK Co is required to resolve all public complaints, issues and requests by the resident associations along the highway.	
						(h) SILK Co is required to build an access to the Kajang Utama Park and pedestrian bridge at Sri Ramal Park as requested by the resident associations.	
						(i) SILK Co is required to comply with all the approval conditions for the design of the highway that has been issued by the MHA.	

7. **BUSINESS OVERVIEW** (Cont'd)

No.	Holder of license / permit	Approving authority / issuer	Type of licenses / permits / approvals	License / Permit / Reference no.	Date of issuance / Validity	Major condition(s) imposed	Status of compliance
10.	SILK Co	MHA	SKPL (Bukit Kajang, Sungai Long and Sungai Ramal Toll Plazas mechanical and electrical works)	Not available	11 June 2004	<p>(a) SILK Co is required to complete all delayed works and take action to perform the repair works.</p> <p>(b) SILK Co is required to comply with all the approval conditions for the design of the highway that has been issued by the MHA.</p>	Complied.
11.	SILK Co	MHA	SKPL (main line construction works)	Not available	16 December 2004	<p>(a) SILK Co is required to carry out all works as set out in the ICE Report and Geological Survey, MHA comments and the independent consultant's (as appointed by the MHA) comments relating to slope stabilisation works such as rockfall trajectory modelling, netting, surveillance and maintenance methods for slopes etc.</p> <p>(b) SILK Co is required to complete all delayed works and take action against any findings from the inspection reports issued by the MHA.</p> <p>(c) SILK Co is required to complete all delayed works and defects as identified by the engineers.</p> <p>(d) SILK Co is required to carry out all findings and suggestions provided by the independent consultant engineer as a result of the road safety audit report.</p> <p>(e) SILK Co is required to complete the landscaping works, installation of ROW fences, motorcycle huts and other relevant facilities.</p> <p>(f) SILK Co is required to resolve all public complaints, issues and requests by the resident associations along the highway.</p>	Complied.

7. **BUSINESS OVERVIEW** (Cont'd)

<u>No.</u>	<u>Holder of license / permit</u>	<u>Approving authority / issuer</u>	<u>Type of licenses / permits / approvals</u>	<u>License / Permit / Reference no.</u>	<u>Date of issuance / Validity</u>	<u>Major condition(s) imposed</u>	<u>Status of compliance</u>
						(g) SILK Co is required to comply with all the approval conditions for the design of the highway that has been issued by the MHA.	
12.	SILK Co	MHA	SKPL (main line mechanical and electrical works)	Not available	16 December 2004	(a) SILK Co is required to complete all delayed works and take action to perform the repair works. (b) SILK Co is required to comply with all the approval conditions for the design of the highway that has been issued by the MHA.	Complied.
13.	SILK Co	MHA	SKPL (SILK highway upgrading works)	Not available	23 October 2015	(a) SILK Co is fully responsible for the design and upgrading works for the Kajang SILK highway from the Uniten elevated intersection to the UPM elevated intersection, including the design defects and any inadequacy in design, and must comply with all approved design requirements. (b) SILK Co is required to ensure that all defects and unfinished works are remedied or completed within three months of the execution of the certificate of completion when there is a site visit. (c) SILK Co is required to ensure all works as detailed in the "Certificate of Practical Completion" and work completion letter issued by Ranhill Consulting Sdn. Bhd. is completed within three months of the execution of the certificate of completion.	Complied.

7. **BUSINESS OVERVIEW** (Cont'd)

<u>No.</u>	<u>Holder of license / permit</u>	<u>Approving authority / issuer</u>	<u>Type of licenses / permits / approvals</u>	<u>License / Permit / Reference no.</u>	<u>Date of issuance / Validity</u>	<u>Major condition(s) imposed</u>	<u>Status of compliance</u>
						(d) The certificate of completion does not discharge the SILK Co and the professional engineer of the SILK Co from any of their duties under the concession agreement and supplementals thereto.	
						(e) SILK Co is responsible for all repair and maintenance works as agreed until the end of the concession period.	
						(f) SILK Co is required to address all public complaints and claims including but not limited to noise levels, damage to public property, floods, etc.	
						(g) SILK Co is required to conduct a level 5 safety audit.	

As at the LPD, save as disclosed above, the Trust Group does not have any other licenses, permits and approvals which the Trust Group materially depends on. Please refer also to Section 7.23 of this Prospectus for the non-compliance matters relating to the licences, permits and approvals of the Trust Group.

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7. BUSINESS OVERVIEW (Cont'd)

7.21 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS

As at the LPD, there are no other contracts, agreements and other arrangements or other matters entered into by or issued to the Trust Group on or on which the Trust Group is materially dependent on, and which are material to the Trust Group's business and profitability, save as below:

7.21.1 Concession Agreements

The Concession Companies' Concession Agreements and the supplemental Concession Agreements with the Government as at the LPD are as follows:

No.	Concession Company	Highway	Approximate length of highway	Concession period end date	Remaining duration of concession period	Agreement(s) and date of agreement(s)
1.	AKLEH Co	AKLEH	7.8 km	15 May 2037	13 years 3 months	(a) Concession Agreement : 16 May 1996 (b) Supplemental Concession Agreement : 31 December 2008 (c) SCA 2022 : 12 October 2022
2.	GCE Co	GCE	22.7 km	31 May 2062	38 years 4 months	(a) Concession Agreement : 18 July 2000 (b) Supplemental Concession Agreement : 4 July 2010 (c) SCA 2022 : 12 October 2022
3.	LKSA Co	LKSA	14.7 km	31 July 2062	38 years 6 months	(a) Concession Agreement : 27 November 2006 (b) Supplemental Concession Agreement : 30 September 2010 (c) SCA 2022 : 12 October 2022
4.	SILK Co	SILK	36.8km	31 July 2062	38 years 6 months	(a) Concession Agreement : 8 October 1997 (b) Supplemental Concession Agreement : 1 August 2001

7. **BUSINESS OVERVIEW** (Cont'd)

<u>No.</u>	<u>Concession Company</u>	<u>Highway</u>	<u>Approximate length of highway</u>	<u>Concession period end date</u>	<u>Remaining duration of concession period</u>	<u>Agreement(s) and date of agreement(s)</u>
						(c) Second Supplemental Concession Agreement : 24 October 2018
						(d) SCA 2022 : 12 October 2022

The salient terms of the Concession Agreements are summarised in Annexure B of this Prospectus. Save as disclosed below, as at the LPD, the Trust Group is in compliance with and not in breach of the material terms of the Concession Agreements:

(a) Construction of Strathairlie Interchange on GCE

Nature of non-compliance	A diamond interchange known as Strathairlie Interchange which is required to be built on GCE not later than 2011 pursuant to the CA has not yet been built.
Status as at the LPD	<p>As at the LPD, the MHA is aware of the said non-compliance with the CA and has been exchanging correspondence with GCE Co in relation to this matter since 2015.</p> <p>GCE Co has provided the following justification for the delay in construction of the Strathairlie Interchange after GCE Co acquired GCE in 2010, i.e., due to (i) the surrounding area of the interchange (which the interchange is to serve) being undeveloped; and (ii) the forecasted traffic numbers between 2 existing interchanges being lower than projected, resulting in the construction of the Strathairlie Interchange not being necessitated.</p> <p>Based on the foregoing justifications, the MHA, vide its letter 30 June 2021 has responded that there is valid basis to enter into a supplemental CA with GCE Co for changes to the work programme and design configuration of the Strathairlie Interchange.</p> <p>Further to liaison with MHA in this matter, the design of the Strathairlie Interchange has been amended from a diamond interchange to a dumbbell interchange. The draft supplementary CA, which includes the revised design of the Strathairlie Interchange, has been sent by GCE Co via email on 25 January 2023 and is currently still being reviewed by the MHA.</p> <p>The design consultant for the project has been appointed on 17 September 2020 and a consultant is also being appointed for value engineering. The tender advertisement for the project has been published on 30 May 2023 but no tender awarded as at the LPD.</p>
Estimated time for rectification	Barring unforeseen circumstances, the completion of construction of the Strathairlie Interchange is estimated to be approximately two years from the execution of the supplemental CA. The timeline for completion of the Strathairlie Interchange will be expressly stipulated in the construction programme in the supplemental CA to be entered into.
Estimated cost to rectify	RM70.0 million has been allocated for capital expenditure to construct the Strathairlie Interchange.

7. BUSINESS OVERVIEW (Cont'd)

Potential maximum penalty	Pursuant to the terms of the CA, in the event the GCE Co without reasonable cause fails to commence physical construction within such period as specified in the construction programme or any extension thereof, whichever is the later, the Government shall give notice in writing to GCE Co specifying the default and requiring GCE Co to remedy the said default within six months after the date of the notice, failing which the Government shall have the right to terminate the concession with immediate effect and without any compensation to GCE Co.
Impact on business operations or financial condition	The Board is of the view that there are no material impact to the Trust Group's business operations and financial condition in view that the risk of enforcement by MHA for the non-compliance with the CA is remote given that management of GCE Co is currently liaising with and is in discussions with the MHA to execute a supplemental CA which addresses, among others, the construction work programme and revised design for the Strathairlie Interchange.

(b) Upgrading works (lane widening) for SILK

Nature of non-compliance	Upgrading works (lane widening) from the UNITEN interchange to the Sungai Ramal Interchange on the SILK which are required pursuant to the CA had not been implemented within the timeframe provided in the CA.
Status as at the LPD	<p>The CA in respect of SILK provides that SILK Co is required to submit to the Government a construction work programme within 90 days of achieving Level of Service C⁽¹⁾ or from the 7th anniversary of the commencement date whichever is the earlier. The construction work programme is required to show in reasonable detail the activities and sequences planned to achieve completion of the upgrading works. The commencement of the upgrading works shall be within six months of achieving Level of Service C or the 7th anniversary of the commencement date (i.e., 15 July 2011) whichever is the earlier. It is noted from the letter from MHA dated 17 May 2016 that although the upgrading works were supposed to commence on 15 July 2011, notwithstanding what is stated in the CA, based on considerations and the traffic situation, SILK Co is directed to commence upgrading works in June 2016.</p> <p>PLKH completed the acquisition of SILK Co on 28 April 2017. At the time of acquisition, it was noted that 51% of the upgrading works had been completed and the remaining 49% of works were to be undertaken in 3 stages:</p> <ul style="list-style-type: none"> • Phase 1: between Uniten Interchange to UPM interchange; • Phase 2: between Sg Ramal Toll Plaza to Uniten Interchange; and • Phase 3: between Kajang Perdana Interchange to Sg Ramal Toll Plaza. <p>Phase 1 was completed in 2015, with the relevant SKPL being issued by MHA. MHA approved the design for Phase 2 of the upgrading works in January 2017.</p> <p>Phase 2 of the upgrading works has commenced in 2021. SILK Co had, on 7 November 2022, submitted a revised construction work program to MHA for the remaining stages of Phase 2, which has been approved by the MHA on 10 November 2022, subject to certain conditions including that Phase 3 of the upgrading works is to commence on 15 June 2023.</p>

7. BUSINESS OVERVIEW (Cont'd)

	<p>Under the revised construction work programme, Phase 2 is scheduled to be completed on 14 June 2025. As at the LPD, Phase 2 is in progress (currently at Stage 4 out of 5) and SILK Co has appointed the design consultant for Phase 3 on 22 August 2023. The appointment of the design consultant is deemed as commencement of Phase 3. The construction work programme for Phase 3 works has yet to be approved by MHA.</p> <p>Note: (1) Level of service C as defined under the CA in relation to the operating conditions of any section of the ring road, upon achieving (a) annual average daily vehicles (including motorcycles) per day for a dual three lane carriageway; or (b) annual average daily traffic of 62,000 vehicles (including motorcycles) per day for a dual two lane carriageway.</p>
Estimated time for rectification	<p>Phase 2 of the upgrading works is expected to be completed by 14 June 2025 as approved by MHA.</p> <p>SILK Co has appointed the design consultant for Phase 3 in August 2023. The construction work programme for Phase 3 works has yet to be approved by MHA. The upgrading works for Phase 2 and Phase 3 is to be carried out sequentially due to traffic management purposes.</p>
Estimated cost to rectify	<p>RM89.9 million and RM208.0 million have been allocated for capital expenditure to carry out the rest of Phase 2 (January 2024 onwards) and Phase 3, respectively, of the lane widening works for SILK.</p>
Potential maximum penalty	<p>Pursuant to the terms of the CA, the Government shall give notice in writing to SILK Co if SILK Co, among others, without reasonable cause fails to commence the upgrading works or fails to complete the same within the period specified in the construction work programme, requiring SILK Co to remedy such default within three months. If SILK Co fails to remedy such default within three months of the notice, the Government is entitled to terminate the CA.</p>
Impact on business operations or financial condition	<p>The Board is of the view that there are no material impact to the Trust Group's business operations and financial condition in view that the risk of enforcement by MHA for the non-compliance with the CA is remote given that MHA has confirmed, vide its letter dated 10 November 2022 that it has no objection to the revised construction work programme, whereby Phase 2 is scheduled to be completed by 14 June 2025. SILK Co has appointed the design consultant for Phase 3 on 22 August 2023. The construction work programme for Phase 3 works has yet to be approved by MHA.</p> <p>In addition, as at the LPD, the MHA has not issued any notice of default pursuant to the CA to SILK Co in respect of the non-compliance with the obligation to complete the upgrading works to SILK by the timeline stipulated in the CA.</p>

7. BUSINESS OVERVIEW (Cont'd)

7.21.2 Touch N' Go Agreements

The Concession Companies' service provider agreements with Touch 'N Go Sdn Bhd are as follows:

No.	Concession Company / Highway	Agreement(s) and date of agreement(s)	Nature and/or scope of agreement
1.	AKLEH Co / AKLEH	<p>(a) Service provider agreement</p> <p>(i) Service provider : 30 May 2011 agreement</p> <p>(ii) Supplemental : 21 May 2014 agreement</p> <p>(iii) Second supplemental : 17 March 2017 agreement</p> <p>(b) Cash in transit : 4 September 2018 agreement</p> <p>(c) RFID tag : 17 January 2023 agreement</p>	<ul style="list-style-type: none"> For AKLEH Co's use of the Touch 'N Go payment system and Touch 'N Go smartcards developed by Touch 'N Go Sdn Bhd for the collection of toll charges For services provided by Touch 'N Go Sdn Bhd in relation to the physical transfer of cash from AKLEH Co's place of business and toll plaza offices to banks For AKLEH Co's use of the Touch 'N Go Radio Frequency Identification (RFID) tags developed by Touch 'N Go Sdn Bhd for the collection of toll charges
2.	GCE Co / GCE	<p>(a) Service provider agreement</p> <p>(i) Service provider : 14 February 2014 agreement</p> <p>(ii) Supplemental : 24 January 2014 agreement</p> <p>(iii) Second supplemental : 19 June 2017 agreement</p>	<ul style="list-style-type: none"> For GCE Co's use of the Touch 'N Go payment system and Touch 'N Go smartcards developed by Touch 'N Go Sdn Bhd for the collection of toll charges

7. BUSINESS OVERVIEW (Cont'd)

No.	Concession Company / Highway	Agreement(s) and date of agreement(s)	Nature and/or scope of agreement
		(iv) Third supplemental agreement : 10 January 2023	
		(b) Cash in transit agreement : 4 September 2018	<ul style="list-style-type: none"> For services provided by Touch 'N Go Sdn Bhd in relation to the physical transfer of cash from GCE Co's place of business and toll plaza offices to banks
		(c) RFID tag agreement : 17 January 2023	<ul style="list-style-type: none"> For GCE Co's use of the Touch 'N Go Radio Frequency Identification (RFID) tags developed by Touch 'N Go Sdn Bhd for the collection of toll charges
3.	LKSA Co / LKSA	(a) Service provider agreement (i) Service provider agreement : 19 June 2013 (ii) Supplemental agreement : 12 October 2015	<ul style="list-style-type: none"> For LKSA Co's use of the Touch 'N Go payment system and Touch 'N Go smartcards developed by Touch 'N Go Sdn Bhd for the collection of toll charges
		(b) Cash in transit agreement : 4 September 2018	<ul style="list-style-type: none"> For services provided by Touch 'N Go Sdn Bhd in relation to the physical transfer of cash from LKSA Co's place of business and toll plaza offices to banks
		(c) RFID tag agreement : 17 January 2023	<ul style="list-style-type: none"> For LKSA Co's use of the Touch 'N Go Radio Frequency Identification (RFID) tags developed by Touch 'N Go Sdn Bhd for the collection of toll charges
4.	SILK Co / SILK	(a) Service provider agreement (i) Service provider agreement : 7 July 2004 (ii) Supplemental agreement : 20 March 2014	<ul style="list-style-type: none"> For SILK Co's use of the Touch 'N Go payment system and Touch 'N Go smartcards developed by Touch 'N Go Sdn Bhd for the collection of toll charges

7. **BUSINESS OVERVIEW** (Cont'd)

No.	Concession Company / Highway	Agreement(s) and date of agreement(s)	Nature and/or scope of agreement
		(b) Cash in transit agreement : 4 September 2018	<ul style="list-style-type: none"> For services provided by Touch 'N Go Sdn Bhd in relation to the physical transfer of cash from SILK Co's place of business and toll plaza offices to banks
		(c) RFID tag agreement : 17 January 2023	<ul style="list-style-type: none"> For SILK Co's use of the Touch 'N Go Radio Frequency Identification (RFID) tags developed by Touch 'N Go Sdn Bhd for the collection of toll charges

Note:

(1) The salient terms of the Touch 'N Go Agreements are summarised in Annexure C of this Prospectus.

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7. BUSINESS OVERVIEW (Cont'd)




7.22 INTELLECTUAL PROPERTY AND TRADEMARKS

As at the LPD, the Trustee-Manager has entered into licensing agreements with PLKH for the following intellectual property and trademarks:




No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of registration	Expiry date	Class/ Description of trademark
1.		PLKH	2013004223	Malaysia	21 March 2033	43: Restaurant services; banqueting services; business catering services; cafe services; cafes; cafeterias; canteen services; preparation of food and drinks; restaurant services for the provision of fast food; self-service restaurants and cafeteria services; takeaway services; all included in class 43.
2.		PLKH	2013004224	Malaysia	21 March 2033	35: Advertising; business administration and office functions; all included in class 35.
3.		PLKH	2013004225	Malaysia	21 March 2033	37: Highway maintenance; building of roads; cleaning of site roads; construction of foundations for roads; construction of railway roadbeds; construction of roads; custom construction of roads; hire of road making apparatus; hire of road working machinery; lubrication of road vehicles; maintenance of road; marking of roads; paving (road); rental of road sweeping machines; road building; road construction; road marking; road surfacing; road sweeping; road sweeping machines (rental of-); surfacing of roads; all included in class 37.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, the Trust Group has submitted applications for registration of the following trademarks.

No.	Trademark	Applicant	Application no.	Place of application	Application date	Class/ Description of trademark
1.		Prolintas Managers	TM2023027999	Malaysia	14 September 2023	35: Advertising; business administration and office functions; all included in class 35.
2.		Prolintas Managers	TM2023027999	Malaysia	14 September 2023	37: Highway maintenance; building of roads; cleaning of site roads; construction of foundations for roads; construction of railway roadbeds; construction of roads; custom construction of roads; hire of road making apparatus; hire of road working machinery; lubrication of road vehicles; maintenance of road; marking of roads; paving (road); rental of road sweeping machines; road building; road construction; road marking; road surfacing; road sweeping; road sweeping machines (rental of-); surfacing of roads; all included in class 37.
3.		Prolintas Managers	TM2023027999	Malaysia	14 September 2023	43: Restaurant services; banqueting services; business catering services; cafe services; cafes; cafeterias; canteen services; preparation of food and drinks; restaurant services for the provision of fast food; self-service restaurants and cafeteria services; takeaway services; all included in class 43.

7. BUSINESS OVERVIEW (Cont'd)

No.	Trademark	Applicant	Application no.	Place of application	Application date	Class/ Description of trademark
4.		Prolintas Managers	TM2023027998	Malaysia	14 September 2023	35: Advertising; business administration and office functions; all included in class 35.
5.		Prolintas Managers	TM2023027998	Malaysia	14 September 2023	37: Highway maintenance; building of roads; cleaning of site roads; construction of foundations for roads; construction of railway roadbeds; construction of roads; custom construction of roads; hire of road making apparatus; hire of road working machinery; lubrication of road vehicles; maintenance of road; marking of roads; paving (road); rental of road sweeping machines; road building; road construction; road marking; road surfacing; road sweeping; road sweeping machines (rental of-); surfacing of roads; all included in class 37.
6.		Prolintas Managers	TM2023027998	Malaysia	14 September 2023	43: Restaurant services; banqueting services; business catering services; cafe services; cafes; cafeterias; canteen services; preparation of food and drinks; restaurant services for the provision of fast food; self-service restaurants and cafeteria services; takeaway services; all included in class 43.

7.23 GOVERNING LAWS AND REGULATIONS

The relevant laws and regulations governing the Trust Group and which are material to the Trust Group's operations as at the LPD are summarised below:

(i) **CMSA, BT Guidelines and Listing Requirements**

In Malaysia, business trusts are governed and regulated by the SC and the SC is empowered to ensure compliance with the CMSA and the BT Guidelines. A business trust listed on the Main Market would be subject to the purview of Bursa Securities and Bursa Securities is empowered to ensure the compliance of the listed business trust with the relevant sections of the Listing Requirement.

(ii) **Federal Road Acts 1959 ("FRA") and Federal Roads (Private Management) Act 1984 ("FRPMA")**

The design, construction, operation, management and maintenance of a toll expressway is under the authority of the Malaysian Government. The privatisation of toll expressways is usually effected by means of a concession. Expressway concessions are regulated principally by the FRA and the FRPMA. The FRA was enacted to provide declaration of federal roads, bridges, ferries and other means of communication, and the FRPMA was enacted to allow the Malaysian Government to grant private developers the right to collect tolls on expressways.

The agency responsible for monitoring toll expressways in Malaysia is the MHA. Its functions in relation to the toll expressways include:

- a. approving detailed designs for initial construction of the toll expressways and any upgrading or additional works on the toll expressways, including road widening and the construction of interchanges;
- b. issuing guidelines on maintenance work;
- c. approving the maintenance manual, and inspecting the toll expressways to ensure maintenance works are carried out in accordance with the approved maintenance manual;
- d. approving the construction of billboards along the toll expressways; and
- e. monitoring procedures and controls for determining actual traffic volume.

Pursuant to Section 2 of the FRPMA, the Minister of Works may order to authorise private developers who have agree to construct, operate and maintain new road systems to demand, collect and retain tolls for such period as may be specified in the order. The order for the collection of tolls shall specify:

- (a) the road, bridge or ferry in respect of which tolls may be demanded, collected and retained;
- (b) the person authorized to demand, collect and retain tolls;
- (c) the duration of the authorization under paragraph (b);
- (d) the persons or class of vehicles in respect of which tolls may be demanded, collected and retained;
- (e) the amount of tolls;
- (f) the place where tolls are to be collected; and
- (g) the persons or class of vehicles to be exempted from payment of tolls.

Pursuant to section 8 of the FRPMA, any person who uses or attempts to use any road, bridge or ferry in respect of which an order under section 2 of the FRPMA has been made without payment of the tolls prescribed in the order shall be guilty of an offence and shall, on conviction, be punished with a fine of not less than two thousand ringgit and not more than five thousand ringgit.

(iii) Occupational Safety and Health Act 1994 (“OSHA”)

The OSHA imposes a general duty on every employer to ensure, so far as is practicable, the safety health and welfare of its employees at work. The agency responsible for the enforcement of OSHA is the Department of Occupational Safety and Health. Its function is to ensure the safety, health and welfare of people at work.

Pursuant to Sections 15 and 16 of the OSHA, such duty, so far as is practicable, includes:

- (a) providing and maintaining plant and systems of work that are safe and without risk to health;
- (b) making arrangements to ensure safety and absence of risks to health in connection with the use or operation, handling and storage and transport of plant and substances;
- (c) providing information, instruction, training and supervision as is necessary to ensure the safety and health at work of his employees;
- (d) maintaining any place of work under the control of the employer, in a condition that is safe and without risks to health and providing and maintaining means of access to and egress from it that are safe and without such risks;
- (e) providing and maintaining a working environment for his employees that is safe, without risks to health, and adequate as regards facilities for their welfare at work; and
- (f) formulating and implementing safety and health policies.

(iv) Environmental Quality Act 1974 (“EQA”) and Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015 (“EQ Order”)

The EQA regulates and restricts, among other things, the levels of pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters without a license, prohibits the discharge of oil into Malaysian waters without a license, discharge of wastes into Malaysian waters without a license and prohibits open burning. The agency responsible for implementing and monitoring Malaysia’s environmental regulations and policies is the Department of Environment and the local environmental authority.

Pursuant to section 34A of the EQA, any person who intends to carry out any prescribed activities shall appoint a qualified person to conduct an environmental impact assessment and to submit a report on the impact of activities on the environment to the Director of Environmental Quality for examination. The environmental impact assessment ensures that potential environmental problems are foreseen and addressed at the early stage during project planning and design.

(v) Street, Drainage and Building Act 1974 (SDBA) and Uniform Building By-Laws 1984 (UBBL)

The SDBA is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a Certificate of Completion and Compliance (CCC) for the occupation of any building or any part thereof. The CCC shall be issued by a principal submitting person, in accordance with the time, manner and procedure for the issuance thereof as prescribed by this act or any by-laws made thereunder. Principal submitting person is a qualified person who submits building plans to the local authority for approval and includes any other qualified person who takes over the duties and responsibilities of or acts for the first mentioned qualified person.

7. BUSINESS OVERVIEW *(Cont'd)*

Pursuant to section 25A of the UBBL, a qualified person, namely architect, registered building draughtsman or engineer, must be satisfied that, to their best knowledge:

- (a) the relevant building has been constructed in accordance to UBBL;
- (b) any conditions imposed by the local authorities has been satisfied;
- (c) all essential services have been provided; and
- (d) responsibilities have been accepted for the portions that are being concerned with.

Pursuant to section 70 of the SDBA, any person who occupies or permits to be occupied any building or any part thereof without a CCC shall be liable on conviction to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding ten years or to both.

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7. BUSINESS OVERVIEW (Cont'd)

Save for the non-compliances set out below (in respect of which the Board wishes to highlight the issues set out in sub-paragraphs (b), (c) and (d) below are issues which collectively impact the highway operator industry), as at the LPD, the Trust Group is in compliance with the relevant laws, regulations, rules and requirements governing conduct of the business of the Trust Group in all material respects.

(a) Absence of advertisement licences

Nature of non-compliance	The Concession Companies do not hold advertisement licenses issued by the relevant local authority for certain advertisement structures erected along the Highways.
Status as at the LPD	<p>As at the LPD, there are a total of 52 structures erected on the Highways which have not been issued with advertisement licences by the relevant local authority, out of which a total of 14 advertisement structures are owned by LKSA Co and 1 advertisement structures is owned by AKLEH Co. Historically, the local authorities had requested for the Concession Companies to apply for business license in which the first stage of the application is to be made to MHA..</p> <p>As at the LPD, MHA final approval has been obtained for 4 structures owned by LKSA Co. Conditional approval has been obtained for 9 structures owned by LKSA Co and 1 structure owned by AKLEH Co. As at the LPD 1 structure owned by LKSA Co is currently undergoing appeal to MHA to obtain approval.</p> <p>The remaining 37 structures are owned by third party vendors, out of which 9 are still pending MHA approval and 3 are undergoing appeal to MHA to obtain approval.</p> <p>That being said, the MHA had issued a letter dated 16 October 2023 to (among others) the Concession Companies informing of MHA's position that MHA approval for such advertisement structures is no longer subject to any condition that the relevant planning permissions and structure licences from the respective local authorities need to be obtained.</p> <p>This is based on a letter dated 28 August 2023 issued by the Ministry of Works to all State governments, local authorities and district offices, informing that it is the position of the Ministry of Works that such advertisement structures fall under the purview of the Ministry of Works and are not within the jurisdiction of the respective local authorities and, therefore, the permissions and licences for such advertisement structures from local authorities are no longer required for the same. As at the LPD, none of the Concession Companies have received any notification from the respective local authorities on this matter.</p>
Estimated time for rectification	If required by the local authorities to obtain the relevant planning permissions and structure licences, the Trust Group estimates that it would take approximately two to nine months to complete the rectification process.
Estimated cost to rectify	<p>If planning permission is required for the 14 sites at LKSA by Majlis Bandaraya Shah Alam: RM226,860.</p> <p>For avoidance of doubt, the cost of demolition of unlicensed structures which are owned by third party vendors will be borne by the relevant owner, if any.</p>

7. BUSINESS OVERVIEW (Cont'd)

Potential maximum penalty	RM2,000 or imprisonment not exceeding one year and RM200 for each continuing day of breach following conviction per structure, if planning permission and licences had been required at LKSA by Majlis Bandaraya Shah Alam.
Impact on business operations or financial condition	<p>The Board is of the view that there is no material impact to the Trust Group's business operations and financial condition as the advertisement revenue from the affected structures only contribute approximately 0.7% to the profit from operations of the Trust Group for the FYE 2022 and the Concession Companies only receives a portion of the income due to the revenue-sharing arrangement with PHSSB.</p> <p>In addition, the cost to rectify is estimated at RM226,860 or 0.2% of the profit from operations of the Trust Group for the FYE 2022.</p>

(b) Outstanding land premium

Nature of non-compliance	Outstanding land premium amounting to RM6,958,011 in relation to a specified area located at KM26.7 of SILK.
Status as at the LPD	<p>The MHA had forwarded to SILK Co a Notice 5A dated 2 July 2014 from the Pejabat Daerah/Tanah Hulu Langat ("PDT Hulu Langat") for the payment of RM6,958,011.00 being the cost of land premium and related costs for a specified area located at KM26.7 of SILK ("Affected Area"). SILK Co had requested for the premium amount to be reduced, which was subsequently rejected by the PDT Hulu Langat.</p> <p>SILK Co had entered into a licence agreement dated 17 August 2001 with Petronas Dagangan Berhad ("PDB") whereby SILK Co has granted an exclusive licence to PDB to occupy the area to construct and operate a petrol station for a term of 36 years commencing on 1 August 2001 and expiring on 31 July 2037 for a licence fee of RM5.5 million. Pursuant to the terms of the licence agreement, PDB is responsible to bear the cost and expense of all necessary permits, approvals, rates, taxes, assessment, duties and impositions by relevant authorities. Accordingly, SILK Co had requested PDB to pay the amount of the premium stated in the Notice 5A, to no avail as PDB maintains that "premiums" are not caught under the foregoing clause in the licence agreement.</p> <p>The Notice 5A, which remains unpaid, has lapsed on 31 December 2021 and SILK Co has not received a fresh Notice 5A from PDT Hulu Langat as at the LPD. SILK Co has obtained a legal opinion from Messrs. Rahman Rohaida dated 23 August 2022 which opines that the obligation to pay the premiums in respect of the Affected Area could be imposed onto PDB by SILK Co as it was the intention of parties for PDB to bear all outgoings pertaining to the Affected Area and any and other incidental costs for the construction, running and maintenance of the petrol station, including the said premium. Furthermore, the premium charges being a sum which has been assessed by the PDT Hulu Langat based on the total area of the land being used for the petrol station should fall within the definition of "assessment" or in the alternative "imposition" which SILK Co is entitled to impose onto PDB pursuant to the licence agreement.</p> <p>Pursuant to the terms of the licence agreement, SILK Co intends to initiate actions to cause PDB to make payment of any premiums imposed in respect of the Affected Area. On 18 July 2023, SILK Co has, via its solicitors, Messrs. Rahman Rohaida issued a notice to PDB demanding that PDB makes the necessary arrangement to pay the "premiums" imposed in respect of the Affected Area.</p>

7. BUSINESS OVERVIEW (Cont'd)

	<p>Further to a meeting between PDB and SILK Co on 15 August 2023, PDB issued a letter on 16 August 2023 to explain that the issue regarding payment of land premium for highway sites is being discussed on an industrial level by all oil companies with the MHA and Ministry of Works. As such, PDB has requested for more time to provide a response as until any decisions are made consensually between the relevant parties on the subject of land premium payments, PDB will not be able to respond to SILK Co's demands.</p>
Estimated time for rectification	<p>As at the LPD, the estimated time frame for rectification cannot be ascertained, as the proposed resolution of this issue is dependent on PDB's position on this issue.</p>
Estimated cost to rectify	<p>If PDB's position is that PDB refuses to pay the premium after having received the notice from SILK Co, SILK Co intends to initiate arbitration proceedings against PDB in accordance with the terms of the licence agreement in order to resolve the dispute on which party is responsible to bear the cost of the land premium. The cost to rectify this issue cannot be ascertained at this point in time, as it would depend on the PDB's position on this matter and the outcome of any arbitration proceedings.</p> <p>In addition, we wish to highlight that the issues surrounding the alienation of land and consequently the imposition of land premium for commercial sites within the area of tolled highways are currently under discussion between the Ministry of Works, the MHA, Association of Highway Concessionaires in Malaysia, whereby the issues raised, include amongst others, the rate of premium imposed being too high and the short timeline for payment of the premium imposed.</p>
Potential maximum penalty	<p>Pursuant to the National Land Code, if the sum is not paid within the time stipulated in the notice, the State Authority is entitled to forfeit the land (and all structures thereon, including the petrol station operated by PDB) pursuant to the Notice 5A.</p> <p>The licence agreement entitles SILK Co to terminate the same only if:</p> <ul style="list-style-type: none"> (a) PDB breaches the licence agreement and does not remedy the breach; or (b) the concession agreement is terminated, in which case SILK Co shall refund the licence fee for the unexpired period of the licence. <p>SILK Co is not otherwise entitled to terminate the licence agreement. A forfeiture of the land would result in such termination of the licence agreement on the part of SILK Co.</p> <p>In the event the dispute on which party bears the premium is submitted for arbitration and the arbitrator determines that PDB is not in breach of the licence agreement for not bearing the premium, any termination of the licence agreement by SILK Co, whether prior to or as a result of the forfeiture of the land by the State Authority (but not as a result of a termination of the concession agreement by the Government), would entitle PDB to claim for damages for breach of contract.</p> <p>The amount of damages claimable by PDB cannot be ascertained at this point in time, but it is likely that PDB will claim for the following:</p> <ul style="list-style-type: none"> (a) the proportionate licence fee for the remaining unexpired period of the licence, which is approximately RM2.13 million; and

7. BUSINESS OVERVIEW (Cont'd)

	<p>(b) compensation for any loss which naturally arose in the usual course of things from the breach, or which is known to be likely to result from the breach;</p> <p>but excluding any remote or indirect loss.</p>
<p>Impact on business operations or financial condition</p>	<p>The Board is of the view that there is no material impact to the Trust Group's business operations even if the Affected Area is forfeited as the Affected Area has been licensed to PDB for a one-off licence fee of RM5.5 million and no further revenue is derived from the Affected Area.</p> <p>The amounts in respect of estimated cost to rectify the potential maximum damages to be paid cannot be ascertained at this point in time, as it would depend on the PDB's position on this matter and the outcome of any arbitration proceedings to determine which party is responsible for the payment of the premium and whether any termination of the licence agreement by SILK Co is or is not validly done pursuant to a breach by PDB.</p>

(c) Absence of planning permission and CCC

<p>Nature of non-compliance</p>	<p>No planning permission and CCC</p>
<p>Status as at the LPD</p>	<p>As at the LPD, the following buildings and structures along the Highways (including administration buildings, toll plazas, RSAs and lay-bys) did not obtain planning permission and have not been issued with CCCs:</p> <p><u>AKLEH</u></p> <p>(i) Datuk Keramat Administration & Supervision Building;</p> <p>(ii) Datuk Keramat Toll Plaza;</p> <p><u>GCE</u></p> <p>(iii) Bukit Jelutong Administration & Supervision Building;</p> <p>(iv) Bukit Jelutong Toll Plaza;</p> <p>(v) Bukit Jelutong Lay-by;</p> <p>(vi) Elmina Administration & Supervision Building;</p> <p>(vii) Elmina Toll Plaza;</p> <p>(viii) Elmina RSA Northbound;</p> <p>(ix) Elmina RSA Southbound;</p> <p>(x) Elmina Maintenance Depot;</p> <p>(xi) Lagong Administration and Supervision Building;</p> <p>(xii) Lagong Toll Plaza;</p> <p>(xiii) Lagong Lay-by;</p> <p><u>LKSA</u></p> <p>(xiv) Alam Impian Administration & Supervision Building;</p> <p>(xv) Alam Impian Toll Plaza;</p>

7. BUSINESS OVERVIEW (Cont'd)

	<p>(xvi) Alam Impian Maintenance Depot; (xvii) Alam Impian Lay-by; (xviii) Shah Alam Urban Park; (xix) Seri Muda Supervision Building; (xx) Seri Muda Toll Plaza; (xxi) Seri Muda Lay-by;</p> <p><u>SILK</u> (xxii) Sungai Balak Administration Building & Supervision Building; (xxiii) Sungai Balak Toll Plaza; (xxiv) Sungai Balak Lay-by; (xxv) Sungai Ramal Toll Plaza West; (xxvi) Sungai Ramal Toll Plaza East; (xxvii) Sungai Ramal Timur Maintenance Depot; (xxviii) Sungai Ramal Barat Supervision Building; (xxix) Sungai Ramal Lay-by; (xxx) Bukit Kajang Supervision Building; (xxxi) Bukit Kajang Toll Plaza; (xxxii) Bukit Kajang Lay-by; (xxxiii) Sungai Long Administration & Supervision Building; (xxxiv) Sungai Long Toll Plaza; and (xxxv) Sungai Long Lay-by.</p> <p>The Highways have duly obtained the SKPL issued by the MHA. The SKPL, among others, contains a confirmation from a professional engineer that the highway / facility has been examined and the relevant highway / facility has been constructed according to standards, specifications and designs (<i>piawaian, spesifikasi dan reka bentuk</i>) which have been approved by MHA and high quality engineering practices (<i>amalan kejuruteraan yang bermutu tinggi</i>); and that the highway / facility is safe for public use. The SPKL also contains a confirmation by MHA that the relevant portion of the highway / facility is suitable and safe to be open for public use (<i>sesuai dan selamat dibuka untuk kegunaan awam</i>) subject to certain conditions (including for example, the conduct of sound tests).</p> <p>In the past, in practice, the local authorities have accepted the SKPL in lieu of a CCC for the purposes of a business premise license application by the vendors operating in the RSAs of the Highways.</p> <p>However, the Concession Companies have noted that in recent years (2018-2019), the local authorities have begun to emphasise on the requirement for planning permission and CCC for the construction of new structures on the Highways including for the construction of the Elmina Northbound Petrol Station on GCE, in respect of which GCE Co has duly obtained planning permission on 28 June 2023 from Majlis Bandaraya Shah Alam.</p>
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7. BUSINESS OVERVIEW (Cont'd)

	<p>The Concession Companies have been engaging with the Ministry of Works on this matter which they understand to be a collective issue faced by the other local highway concession companies. Notwithstanding the recent emphasis taken by the local authorities on the requirement for planning permission and CCCs for construction of new structures on the Highways, the Ministry of Works has, vide its letter dated 28 July 2023, confirmed that the issue of the requirement of planning permission and CCC for buildings and structures on existing highways including the Highways is an issue which is currently under discussion and engagement between the relevant parties (i.e., the highway concession companies, local authorities and the Ministry of Works). Meanwhile, the Ministry of Works has confirmed that the issuance of the SKPL for the Highways affirms that the Highways and its ancillary facilities have been completed in accordance with the requirements of the relevant Concession Agreements.</p> <p>In respect of Shah Alam Urban Park which is a marquee tent located along LKSA (which is not covered under the SPKL issued by MHA for LKSA), LKSA Co is in the process of applying for planning permission and the requisite CCC from Majlis Bandaraya Shah Alam. It should be noted that PHSSB has been granted a lease by the Federal Land Commissioner in respect of the area known as Shah Alam Urban Park. PHSSB has sub-leased the area at Shah Alam Urban Park to a third-party operator, which is currently using the location as an event space. The planning permission application was made to Majlis Bandaraya Shah Alam on 25 July 2023 and is currently pending approval.</p> <p>As at the LPD, the Concession Companies have not faced any enforcement action from any local authorities for the lack of planning permission and/or CCCs in respect of their buildings and structures on their Highways.</p>
Estimated time for rectification	If required by the relevant authorities to obtain CCC for the Highway's existing buildings and structures, the Trust Group estimates that it would take approximately three years to complete the rectification process.
Estimated cost to rectify	Approximately RM13.1 million for obtaining the relevant planning permissions and CCCs for the 35 buildings and structures mentioned above, subject to the outcome of the discussion and engagement between the relevant parties (i.e., the highway concession companies, local authorities and the Ministry of Works) on whether planning permissions and CCCs are required for buildings and structures on existing Highways.
Potential maximum penalty	<ul style="list-style-type: none"> • Offence relating to development without planning permission: RM500,000 or imprisonment for a term not exceeding 2 years or both for each offence. • Offence relating to occupying or permitting to be occupied any building or any part thereof without a CCC: RM250,000 or imprisonment for a term not exceeding ten years or both for each offence.
Impact on business operations or financial condition	The Board is of the view that there is no material impact to the Trust Group's business operations as the affected buildings and structures have obtained SKPL and the risk of enforcement from the authority rendering non-operation of these buildings and structures is low.

7. BUSINESS OVERVIEW (Cont'd)

	<p>The potential maximum penalty to be imposed by the relevant authorities, if any, for 35 buildings and structures is estimated at RM26.3 million or 18.0% of the profit from operations of the Trust Group for the FYE 2022. The potential maximum penalty, if any, and cost to rectify is approximately RM39.4 million or 27.0% of the profit from operations of the Trust Group for the FYE 2022. The actual potential penalty, if any, and cost to rectify is subject to the outcome of the discussion and engagement between the relevant parties (i.e., the highway concession companies, local authorities and the Ministry of Works) on whether planning permissions and CCCs are required for buildings and structures on existing Highways as mentioned above.</p> <p>As at the LPD, the Concession Companies have not faced any enforcement action from any local authorities for the lack of planning permission and/or CCCs in respect of their buildings and structures on their Highways.</p>
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(d) Absence of airspace permits for elevated parts of the Highways

Nature of non-compliance	Absence of airspace permits for elevated parts of the Highways
Status as at the LPD	<p>Pursuant to the provisions of the Concession Agreements for AKLEH, SILK and LKSA, the relevant Concession Company shall, as soon as practicable, inform the Government of the exact site and location of elevated parts of the Highways for the Government to procure the air space permits in accordance with Section 75A of the National Land Code. An application for air space permit for AKLEH was previously submitted to the Government. However, AKLEH Co was informed that the issuance of air space permits is subject to the full land reservation of the relevant highways having been completed and gazetted.</p> <p>As at the LPD, the land reservation status of the Highways has only been partially completed as follows: -</p> <ul style="list-style-type: none"> (i) AKLEH: 60% (ii) GCE: 42% (iii) LKSA: 73%; and (iv) SILK: 58%. <p>The land reservation process takes time as it is a complex task which involves separate engagements with multiple Federal and State government authorities and agencies.</p>
Estimated time for rectification	The Concession Companies are unable to provide an estimate as the application for air space permits is subject to the completion of the land reservation process, which is not within the control of the Concession Companies.
Estimated cost to rectify	The Concession Companies are unable to reliably estimate the cost to rectify as the cost is dependent on the outcome of the completion of the land reservation process by multiple Federal and State government authorities and agencies, which is not within the control of the Concession Companies. Based on the prescribed fee for airspace permit of the relevant federal and state land rules, the prescribed fee ranges from nil to RM15 per 100 square meter or part thereof. Accordingly, the estimated cost to rectify is not expected to be material to the Concession Companies.

7. BUSINESS OVERVIEW (Cont'd)

<p>Potential maximum penalty</p>	<p>Pursuant to the National Land Code, any person who without lawful authority uses or occupies the air space above State land or reserved land by erecting, maintaining or occupying a roof, canopy, bridge or any other structure commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding six months or to both.</p> <p>In addition, pursuant to the terms of the CA, the Government has the right to terminate the CA for any breach or default by the Concession Company of any material obligation which has not been remedied within a stipulated period from the date of a notice specifying the default.</p> <p>Since it is an on-going process for the land reservation by multiple Federal and State government authorities and agencies, such penalties are not expected to be imposed on the Concession Companies.</p>
<p>Impact on business operations or financial condition</p>	<p>The Board is of the view that there is no material impact to the Trust Group's business operations and financial condition as the risk of enforcement of requirement for air space permit is low, given that the application is subject to the completion of the land reservation process, which is not within the control of the Concession Companies.</p> <p>In addition, as at the LPD, the MHA has not issued any notice of default pursuant to the CAs to the Concession Companies in respect of the non-compliance with the provisions relating to airspace permits.</p>

The Trust Group will provide a status update on the abovementioned non-compliances through the Trust Group's quarterly reports or annual reports announced to Bursa Securities.

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7. BUSINESS OVERVIEW (Cont'd)

7.24 MATERIAL BUILDINGS AND STRUCTURES

The material buildings and structures which are located at the Highways and forms part of the Highways as at the LPD are as follows:

No.	Name of lessor/lessee / Lot No. / Postal Address	Description of property/Existing use	Date of Issuance of certificate of fitness for occupation/CCC or equivalent ⁽¹⁾	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Rental
1.	The Federal Lands Commissioner (Lessor) / ALKEH Co. (Lessee) Lot No. PT1431, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. <u>Postal address:</u> KM2.8, Projek Lintasan Kota Sdn Bhd, Jalan Datuk Keramat, 50400 Kuala Lumpur.	<ul style="list-style-type: none"> Datuk Keramat administration and supervision building Datuk Keramat toll plaza 	Date of SKPL: 29 March 2001 (in respect of Phase 1) and 15 May 2016 (in respect of Phase 2)	<ul style="list-style-type: none"> Built-up area of administration and supervision building: 1,469.91 Built-up area of toll plaza: 1,615.00 Land area: 1,295.0 	The lease commences on 23 August 2000 for a period of 36 years, 8 months and 22 days, expiring on 15 May 2037 or when the concession agreement entered into by the Government of Malaysia and AKLEH Co is terminated, whichever is earlier. There is no option to renew the agreement.	One time lease rental of RM1,000
2.	The Federal Lands Commissioner (Lessor) / GCE Co. (Lessee) Lot No. – N/A ⁽²⁾ <u>Postal address:</u> KM4.8, Guthrie Corridor Expressway, 40150 Shah Alam, Selangor.	<ul style="list-style-type: none"> Bukit Jelutong administration and supervision building Bukit Jelutong Toll Plaza Bukit Jelutong lay-by 	Date of SKPL: 14 April 2005	<ul style="list-style-type: none"> Built-up area of administration and supervision building: 2,183.78 Built-up area of toll plaza: 1,777.95 Built-up area of lay-by: 3,189.02 	N/A ⁽³⁾	N/A ⁽³⁾
3.	The Federal Lands Commissioner (Lessor) / GCE Co. (Lessee) Lot No. – N/A ⁽²⁾	<ul style="list-style-type: none"> Elmina administration and supervision building; 	Date of SKPL: 14 April 2005 (in respect of main line construction works) and 22 April 2022 (in respect of	<ul style="list-style-type: none"> Built-up area of administration and supervision building: 6,271.38 	N/A ⁽³⁾	N/A ⁽³⁾

7. BUSINESS OVERVIEW (Cont'd)

No.	Name of lessor/lessee / Lot No. / Postal Address	Description of property/Existing use	Date of Issuance of certificate of fitness for occupation/CCC or equivalent ⁽¹⁾	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Rental
	<u>Postal address:</u> KM14.4, Guthrie Corridor Expressway, 47000 Sungai Buloh, Selangor.	<ul style="list-style-type: none"> • Elmina Toll Plaza; • Elmina RSA (north bound); • Elmina RSA (south bound); • Elmina maintenance depot 	Elmina RSA repair works)	<ul style="list-style-type: none"> • Built-up area of toll plaza: 1,735.84 • Built-up area of RSA (north bound): 17,847.68 • Built-up area of RSA (south bound): 14,519.60 • Built-up area of maintenance depot: 1,135.10 		
4.	The Federal Lands Commissioner (Lessor) / GCE Co. (Lessee) Lot No. PT45656, Rawang, Gombak, Selangor. <u>Postal address:</u> KM22.3 Guthrie Corridor Expressway, 48000, Rawang, Selangor.	<ul style="list-style-type: none"> • Lagong administration and supervision building; • Lagong Toll Plaza; • Lagong lay-by 	Date of SKPL: 14 April 2005	<ul style="list-style-type: none"> • Built-up area of administration and supervision building: 2,735.08 • Built-up area of toll plaza: 1,721.98 • Built-up area of lay-by: 3,833.63 • Land area: 2,149.70 	The lease commences on 18 November 2006 for a period of 46 years, 8 months and 23 days, expiring on 31 May 2036 or when the concession agreement entered into by the Government and GCE Co is terminated, whichever is earlier. There is no option to renew the agreement.	One time lease rental of RM1,000
5.	The Federal Lands Commissioner (Lessor) / LKSA Co. (Lessee) Lot No. 178753, Klang, Selangor. <u>Postal address:</u> KM0.5A, Lebuhraya Kemuning Shah Alam	<ul style="list-style-type: none"> • Alam Impian administration and supervision building; • Alam Impian toll plaza; 	Date of SKPL: 17 May 2010 (in respect of main line construction works) and 30 December 2022 (in respect of Alam Impian lay-by)	<ul style="list-style-type: none"> • Built-up area of administration and supervision building: 3,052.49 • Built-up area of toll plaza: 2,180.00 • Built-up area of maintenance depot: 720.00 	The lease commences on 4 January 2021 for a period of 41 years, 6 months and 27 days, expiring on 31 July 2062 or when the concession agreement entered into by the Government and LKSA Co is terminated, whichever is earlier.	One time lease rental of RM1,000

7. BUSINESS OVERVIEW (Cont'd)

No.	Name of lessor/lessee / Lot No. / Postal Address	Description of property/Existing use	Date of Issuance of certificate of fitness for occupation/CCC or equivalent ⁽¹⁾	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Rental
	Seksyen 35, 40700 Selangor	<ul style="list-style-type: none"> Alam Impian maintenance depot; Alam Impian lay-by 		<ul style="list-style-type: none"> Built-up area of lay-by: 334.35 Land area: 29,520.0 	There is no option to renew the agreement.	
6.	The Federal Lands Commissioner (Lessor) / LKSA Co. (Lessee) Lot No. PT148097, Klang, Selangor. <u>Postal address:</u> KM2.0, Lebuhraya Kemuning Shah Alam, Seksyen 35, 40700 Selangor	<ul style="list-style-type: none"> Seri Muda administration and supervision building; Seri Muda toll plaza; Seri Muda lay-by 	Date of SKPL: 17 May 2010	<ul style="list-style-type: none"> Built-up area of administration and supervision building: 994.80 Built-up area of toll plaza: 1,960.00 Built-up area of lay-by: 260.93 Land area: 10,977.0 	The lease commences on 5 August 2015 for a period of 46 years, 11 months and 26 days, expiring on 31 July 2062 or when the concession agreement entered into by the Government and LKSA Co is terminated, whichever is earlier. There is no option to renew the agreement.	One time lease rental of RM1,000
7.	The Federal Lands Commissioner (Lessor) / LKSA Co. (Lessee) Lot No. 178149, Klang, Selangor. <u>Postal address:</u> KM0.3A, Lebuhraya Kemuning Shah Alam, Jalan Tun Teja 35/4a, Tinta, 40470 Shah Alam, Selangor.	Sri Muda – Vacant land	Date of SKPL: 17 May 2010	<ul style="list-style-type: none"> Land area: 21,700.0 	The lease commences on 4 January 2021 for a period of 41 years, 6 months and 27 days, expiring on 31 July 2062 or when the concession agreement entered into by the Government and LKSA Co is terminated, whichever is earlier. There is no option to renew the agreement.	One time lease rental of RM1,000
8.	The Federal Lands Commissioner (Lessor) / SILK Co. (Lessee) Lot No. – N/A ⁽²⁾	<ul style="list-style-type: none"> Sungai Balak administration and 	Date of SKPL: 16 December 2004	<ul style="list-style-type: none"> Built-up area of administration and supervision building: 4,994.00 	N/A ⁽³⁾	N/A ⁽³⁾

7. BUSINESS OVERVIEW (Cont'd)

No.	Name of lessor/lessee / Lot No. / Postal Address	Description of property/Existing use	Date of Issuance of certificate of fitness for occupation/CCC or equivalent ⁽¹⁾	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Rental
	<u>Postal address:</u> KM28.3A, Lebuhraya Kajang SILK, 43000 Kajang, Selangor Darul Ehsan.	<ul style="list-style-type: none"> supervision building Sungai Balak Toll Plaza Sungai Balak lay-by 		<ul style="list-style-type: none"> Built-up area of toll plaza: 2,394.19 Built-up area of lay-by: 395.56 		
9.	The Federal Lands Commissioner (Lessor) / SILK Co. (Lessee) Lot No. – N/A ⁽²⁾ <u>Postal address:</u> KM23.0, Lebuhraya Kajang SILK, 43000 Kajang, Selangor Darul Ehsan.	<ul style="list-style-type: none"> Sungai Ramal supervision building Sungai Ramal Toll Plaza (west bound) Sungai Ramal Toll Plaza (east bound) Sungai Ramal maintenance depot Sungai Ramal lay-by 	Date of SKPL: 11 June 2004 (in respect of toll plazas) and 16 December 2004 (in respect of main line construction works)	<ul style="list-style-type: none"> Built-up area of supervision building: 1,895.65 Built-up area of toll plaza (west bound): 1,632.20 Built-up area of toll plaza (east bound): 1,530.51 Built-up area of maintenance depot: 4,459.00 Built-up area of lay-by: 382.71 	N/A ⁽³⁾	N/A ⁽³⁾
10.	The Federal Lands Commissioner (Lessor) / SILK Co. (Lessee) Lot No. – N/A ⁽²⁾ <u>Postal address:</u> KM18.5, Lebuhraya Kajang SILK, 43000 Kajang, Selangor Darul Ehsan.	<ul style="list-style-type: none"> Bukit Kajang supervision building Bukit Kajang Toll Plaza; Bukit Kajang lay-by 	Date of SKPL: 11 June 2004 (in respect of toll plaza) and 16 December 2004 (in respect of main line construction works)	<ul style="list-style-type: none"> Built-up area of supervision building: 3,385.37 Built-up area of toll plaza: 2,945.17 Built-up area of lay-by: 527.64 	N/A ⁽³⁾	N/A ⁽³⁾

7. BUSINESS OVERVIEW (Cont'd)

No.	Name of lessor/lessee / Lot No. / Postal Address	Description of property/Existing use	Date of Issuance of certificate of fitness for occupation/CCC or equivalent ⁽¹⁾	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Rental
11.	The Federal Lands Commissioner (Lessor) / SILK Co. (Lessee) Lot No. – N/A ⁽²⁾ <u>Postal address:</u> KM10.5, Lebuhraya Kajang SILK, 43000 Kajang, Selangor Darul Ehsan.	<ul style="list-style-type: none"> Sungai Long administration and supervision building Sungai Long Toll Plaza Sungai Long lay-by 	Date of SKPL: 11 June 2004 (in respect of toll plaza) and 6 December 2004 (in respect of main line construction works)	<ul style="list-style-type: none"> Built-up area of supervision building: 2,937.20 Built-up area of toll plaza: 2,032.54 Built-up area of lay-by: 941.13 	N/A ⁽³⁾	N/A ⁽³⁾

Notes:

- (1) As at the LPD, most buildings and structures along the Highways (including administration buildings, toll plazas, RSAs and lay-bys) did not obtain planning permission and have not been issued with CCCs. Please refer to Section 7.23(c) of this Prospectus for more information. The Highways have duly obtained the SKPL issued by the MHA. The SKPL, among others, contains a confirmation from a professional engineer that the highway / facility has been examined and the relevant highway / facility has been constructed according to standards, specifications and designs (piawaian, spesifikasi dan reka bentuk) which have been approved by MHA and high quality engineering practices (amalan kejuruteraan yang bermutu tinggi); and that the highway / facility is safe for public use. The SPKL also contains a confirmation by MHA that the relevant portion of the highway / facility is suitable and safe to be open for public use (sesuai dan selamat dibuka untuk kegunaan awam) subject to certain conditions (including for example, the conduct of sound tests).
- (2) As at the LPD, the applications for the land titles have been made and the land titles have yet to be issued by the respective land office. The Lot Number will be derived from the land title.
- (3) The lease agreement, which would set the amount to be paid and the period of the lease, will not be signed with the Federal Lands Commissioner until the issuance of the land title. The land title has yet to be issued by the respective land office.

Saved as disclosed above, none of the properties are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on the Trust Group's operations. No valuations have been conducted on any of the properties disclosed above.

7. BUSINESS OVERVIEW (Cont'd)

7.25 TYPES, SOURCES AND AVAILABILITY OF PRINCIPAL RAW MATERIALS AND INPUTS

Due to the nature of business, the Trust Group is not reliant on any raw material for the Trust Group's operation.

7.26 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

Save for the relevant laws and regulations disclosed in Section 7.23 of this Prospectus, the Trust Group is not exposed to other regulatory requirements and environmental issues which may materially affect the Trust Group's business operations and utilisation of assets.

7.27 MATERIAL PLANS TO CONSTRUCT, EXPAND, OR IMPROVE FACILITIES

The material plans to construct, expand or improve the Trust Group's facilities are as follows:

(i) GCE Co

Strathairlie Interchange

Strathairlie Interchange is required to be built on GCE pursuant to the CA. As at the LPD, the GCE highway is being upgraded to include the Strathairlie Interchange which would be located 2km away from the Paya Jaras Interchange along GCE. This interchange would connect the new Sime Darby Property developments to GCE. The design of the Strathairlie Interchange has been amended from a diamond interchange to a dumbbell interchange. The draft supplemental CA, which includes the revised design of the Strathairlie Interchange, has been sent by GCE Co via email on 25 January 2023 and is currently still being reviewed by the MHA. The completion of construction of the Strathairlie Interchange is estimated to be approximately two years from the execution of supplemental CA. Approximately RM70.0 million has been allocated for capital expenditure to construct the Strathairlie Interchange. The total expenditure is to be financed by internally generated funds and bank borrowings.

PHSSB-owned petrol stations, EV charging stations and convenience stores at RSAs

Two petrol stations are to be built at each of the Elmina north and south bound RSAs to provide convenience for road users. Each of the petrol stations will be equipped with an EV charging station.

All the petrol stations and convenience stores within the vicinity of the petrol stations will be managed by PHSSB. As at the LPD, the construction work of the petrol stations for north bound RSA will start in the fourth quarter of 2023 while construction work for south bound RSA will start in the second quarter of 2024. The petrol stations are expected to be operational by fourth quarter of 2024 (Elmina north bound) and first quarter of 2025 (Elmina south bound).

GCE Co has incurred cost only for the land premium payment. The total expenditure for the petrol stations at Elmina north bound and south bound of RM8 million and RM11 million respectively will be borne by PHSSB, and GCE Co will receive monthly lease payment from PHSSB based on lease agreement between PHSSB and GCE Co.

(ii) SILK Co

SILK lane widening

As at the LPD, the SILK highway is currently undergoing a lane widening process in accordance with the requirements under the CA. The upgrading works involve Phase 2 between Sg Ramal Toll Plaza to UNITEN Interchange and Phase 3 between Kajang Perdana Interchange to Sg. Ramal Toll Plaza. This widening upgrade would increase the capacity of the SILK highway and thus supporting overall traffic flow and safety.

7. BUSINESS OVERVIEW (Cont'd)

Phase 2 of the upgrading works has commenced in 2021. SILK Co had, on 7 November 2022, submitted a revised construction work program to MHA for the remaining stages of Phase 2, which has been approved by the MHA on 10 November 2022, subject to certain conditions including that Phase 3 of the upgrading works is to commence on 15 June 2023.

Under the revised construction work programme, Phase 2 is scheduled to be completed on 14 June 2025. As at the LPD, Phase 2 is in progress (currently at Stage 4 out of 5) and SILK Co has appointed the design consultant for Phase 3 on 22 August 2023. The construction work programme for Phase 3 works has yet to be approved by MHA.

The total expenditure is to be financed by internally generated funds and bank borrowings. A total of RM89.9 million and RM208 million has been allocated for capital expenditure to carry out the rest of Phase 2 (January 2024 onwards) and Phase 3, respectively, of the lane widening works for SILK.

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