



ON TRACK

GROWING OUR VALUE



Integrated Annual Report 2024
Audited Financial Statements

ON TRACK

GROWING OUR VALUE

This inaugural Integrated Annual Report ("IAR 2024") reflects a defining chapter for Prolintas Infra Business Trust ("Prolintas Infra BT" or the "Trust") following its successful listing as the first Islamic Business Trust on Bursa Malaysia on 25 March 2024.

Themed "On Track, Growing Our Value", the IAR 2024 encapsulates the momentum of a business built on foresight, resilience and a commitment to shaping the future of infrastructure.

As experts in specialised construction of essential highways, cutting across densely populated areas, this expertise signifies more than just progress; it represents the Trust's strategic agility in navigating challenges, capturing opportunities and reinforcing its role in advancing Malaysia's infrastructure and mobility landscape.

By enhancing connectivity, optimising operations, and prioritising Environmental, Social and Governance ("ESG") initiatives, the Trust drives meaningful progress while ensuring long-term value for stakeholders.



1st
**Annual
General
Meeting**



**Urban Park Hall @ LKSA,
Alam Impian,
40470 Shah Alam,
Selangor Darul Ehsan**



Wednesday, 30 April 2025



10:00 a.m.

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OUR 2024 REPORTING SUITE

Overview

Provides a comprehensive overview of Prolintas Infra BT's performance and outlook in Financial Year 2024.

This report focuses on matters that reflect the Trust's significant impact on Economic, Environmental, Social and Governance ("EESG"). This integrated approach emphasises creating value through the lens of the six identified capitals.

The Audited Financial Statements provide a true and fair view of the financial position of the Trust Group and the Trust as of 31 December 2024, as well as the financial performance and cash flows for the reporting period, with appropriate accounting policies consistently applied and prudent judgments made in accordance with the applicable financial reporting framework.

Reporting Suite



Prolintas Infra Business Trust Integrated Annual Report 2024
**View Online*

Guided By

- ♦ Bursa Malaysia Main Market Listing Requirements
- ♦ International Integrated Reporting Framework (January 2021) under IFRS Foundation
- ♦ Bursa Malaysia's Corporate Governance Guide (4th Edition)

Feedback



Share your feedback to improve our reporting by scanning the QR code below. Use the same QR code to access our IAR online.



Corporate Vision & Mission



OUR VISION To be the leading highway concessionaire in Malaysia.

OUR MISSION To build and operate highways that will become the routes of choice to users.

We are committed to:

- Delivering excellent customer service
- Managing costs effectively
- Optimising assets and resources
- Driving continuous business growth
- Leading Environment, Social and Governance ("ESG") initiatives
- Embracing a technology-driven approach
- Meeting and exceeding all relevant quality, safety and regulatory standards

Prolintas Infra BT, managed by Prolintas Managers Sdn. Bhd. as the Trustee-Manager, aims to provide unitholders with stable and consistent distributions. As the first of its kind to be listed on the Main Market of Bursa Malaysia, it offers investors the opportunity to invest in highway-related infrastructure assets.

Prolintas Infra BT's primary business activities include:

- Managing toll collection, as well as the construction, operation and maintenance of its Highways, which serve as the core focus.
- Providing ancillary facilities to support highway operations and enhancing convenience and experience of road users.

• A historic milestone as Malaysia's **1st Islamic & Business Trust** to be listed

Highway Operations Revenue

RM313.8
million

Total Assets
RM3.7
billion

Paid and Declared Distribution

RM70.0
million

Nation's first listed Islamic Business Trust

Prolintas Infra BT is the nation's first listed Islamic Business Trust on the Main Market of Bursa Malaysia Securities Berhad, with the aim of providing stable distribution payouts.

Prolintas Managers Sdn. Bhd.

Prolintas Infra BT is managed by Prolintas Managers Sdn. Bhd. as the Trustee-Manager with the key objectives of safeguarding unitholders' interests, executing investment and financing strategies, and overseeing the management of trust-held assets.

Integrated Approach in Our Value Creation Journey

With a portfolio of high-quality assets designed to enhance connectivity and ease congestion in the Klang Valley, Prolintas Infra BT remains steadfast in its commitment to delivering greater convenience and efficiency. 'Elevating Lives' is the foundation of our business, driving us to innovate, optimise, and enhance mobility for a better tomorrow.

Statement by the Trustee-Manager

On behalf of the Board of Directors of the Trustee-Manager, we are pleased to present the inaugural Integrated Annual Report of Prolintas Infra Business Trust ("Prolintas Infra BT" or the "Trust") for the financial year ended 31 December 2024 ("FY2024"). This report marks a significant milestone in our journey to create sustainable value for our Unitholders through strategic infrastructure investments.

STRATEGIC PERFORMANCE AND GROWTH

In our first year as a publicly-listed entity, Prolintas Infra BT has established a strong foundation by managing a set of portfolio of infrastructure assets. These assets have contributed to stable cash flows, enabling us to declare a Distribution Per Unit ("DPU") of 6.36 sen, reflecting our commitment to delivering consistent returns to Unitholders.

FINANCIAL HIGHLIGHTS

- Highway operations revenue: RM313.8 million, supported by the stable performance of our highway assets.
- Net profit: RM26.6 million, reflecting operational efficiency and prudent asset management.

COMMITMENT TO SUSTAINABILITY AND INNOVATION

We are committed to integrating Environmental, Social, and Governance ("ESG") principles into our operations. This year, we launched several green initiatives to reduce our carbon footprint and promote sustainable practices across our portfolio.

OUTLOOK AND FUTURE PLANS

Looking ahead, Prolintas Infra BT aims to leverage growth opportunities in the infrastructure sector by investing in assets that provide long-term resilience and sustainable returns. We will continue to enhance our asset portfolio, optimise operational efficiency and uphold the highest standards of corporate governance.

Statement by the Trustee-Manager

DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Trustee-Manager acknowledge their responsibility for ensuring the integrity and accuracy of the financial statements for the financial year ended 31 December 2024. These statements have been prepared in compliance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Listed Business Trusts in Malaysia.

In carrying out this responsibility, the directors state that:

- The audited financial statements provide a true and fair view of the financial position of the Trust Group and the Trust as at 31 December 2024, as well as their financial performance and cash flows for the year ended, with appropriate accounting policies consistently applied and prudent judgments made in accordance with the applicable financial reporting framework.
- All financial and operational activities during the financial year have been conducted in compliance with applicable financial standards and shariah principles.
- A sound system of internal controls and risk management has been implemented and maintained to safeguard the assets of the Trust and ensure the accuracy and reliability of financial information.
- The Trustee-Manager has provided the external auditors with full and unrestricted access to all financial and operational records, ensuring a transparent and independent audit process.

APPRECIATION

We extend our sincere gratitude to our unitholders, stakeholders, and partners for their steadfast support and confidence. Our achievements in this inaugural year reflect the collective efforts of our dedicated team and the trust placed in us by our investors.

Dato' Ikmal Hijaz Bin Hashim

Chairman

Additional Statement by Directors of the Trustee-Manager

We, Malik Parvez Ahmad Bin Nazir Ahmad and Nik Fazila Binti Nik Mohamed Shihabuddin being two of the directors of the Trustee-Manager, in accordance to the Capital Markets and Services Act ("CMSA") 2007 requirements, do hereby state that, in the opinion of the directors:

- (a) fees or charges paid or payable out of the property or assets of the business trust to the trustee-manager are in accordance with the deed;
- (b) related party transactions are not detrimental to the interests of the unit holders of the business trust as a whole based on the circumstances at the time of the transaction; and
- (c) the board of directors of the trustee-manager is not aware of any violation of duties of the trustee-manager which would have a materially adverse effect on the business of the business trust or on the interests of the unit holders as a whole.

Signed on behalf of the Board in accordance with a resolution of the Directors 14 March 2025.

Malik Parvez Ahmad Bin Nazir Ahmad

Nik Fazila Binti Nik Mohamed Shihabuddin



**REPORT OF THE SHARIAH ADVISER TO THE UNITHOLDERS
PROLINTAS INFRA BUSINESS TRUST ("Prolintas Infra BT" or the "Trust")**

For The Financial Year Ended 31 December 2024 ("FYE2024")

We have acted as the Shariah Adviser for **Prolintas Infra BT**. Our responsibility is to ensure that the procedures and processes employed by **Prolintas Managers Sdn. Bhd.** (the "Trustee-Manager") are in accordance with Shariah principles.

In our opinion, the **Trustee-Manager** has managed and administered **Prolintas Infra BT** in accordance with Shariah principles and complied with applicable guidelines, rulings, or decisions pertaining to Shariah matters issued by the Shariah Advisory Council of the Securities Commission ("SACSC").

We wish to notify that, in respect of FYE2024, the business operations and transactions of **Prolintas Infra BT** are in line with Shariah principles. Additionally, we confirm that the investment portfolios of **Prolintas Infra BT** consist entirely of instruments that have been classified as Shariah-compliant by the SACSC and Shariah Advisory Council of Bank Negara Malaysia ("SACBNM").

This report has been prepared solely for **Prolintas Infra BT's** Annual Report and for no other purposes. We shall not be liable for any errors or non-disclosures on the part of the Trustee-Manager.

Thank you.

Yours faithfully,
For Amanie Advisors Sdn Bhd

TAN SRI DR. MOHD DAUD BAKAR
Executive Chairman / Shariah Scholar

7 March 2025

Profiles of the Shariah Adviser

AMANIE ADVISORS SDN BHD

Amanie Advisors Sdn Bhd ("Amanie Advisors") is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie Advisors is a registered Shariah advisory company for Islamic unit trust with the SC. It has been established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah principles. Amanie Advisors also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services.

The company is led by Tan Sri Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry both in Malaysia and the global market. Currently the team comprises of ten (10) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education.

Amanie Advisors meets every quarter to address Shariah advisory matters pertaining to our Shariah funds. Since 2005, Amanie Advisors has acquired nineteen (19) years of experience in the advisory role of unit trusts and as at 31 December 2024 there are more than 111 funds which Amanie Advisors acts as Shariah adviser.

Roles and Responsibilities of Amanie Advisors as the Shariah Adviser

The roles and responsibilities of Amanie Advisors as the appointed Shariah Adviser of Prolintas Infra BT are as follows:

1. To advise and provide Shariah expertise and guidance on Prolintas Infra BT's structure, management, investment and other operational matters;
2. To advise and provide Shariah expertise and guidance on Prolintas Infra BT's trust deed, offering documents, circular to Unitholders relating to acquisition or disposal of assets, reports and any other relevant documents;
3. To ensure that Prolintas Infra BT is managed and operated in accordance with Shariah principles and relevant SC regulations and guidelines, including rulings and resolutions issued by the SAC;
4. To prepare a report to be included in the annual report of Prolintas Infra BT stating its opinion that Prolintas Infra BT has been operated and managed in accordance with Shariah Principles for the financial period concerned;
5. To consult the SAC; where there is ambiguity or uncertainty with regard to any aspects of Prolintas Infra BT; and
6. To inform the Trustee-Manager immediately where the Shariah Adviser has been deregistered by the SC.
7. To act with due care, skill and diligence in carrying out its duties and responsibilities.

Declaration of Shariah Adviser's Interests in the Business Trust or the Trustee-Manager and Contracts

The Shariah Adviser who is still holding the appointment as a Shariah Adviser as of 31 December 2024 and at the date of approval of the financial statements and their respective spouses and families had no interests in the Business Trust or the Trustee-Manager at these dates or at any time during the financial year. None of the Shariah Adviser had a service contract with the Business Trust or the Trustee-Manager at any time during the financial year. In addition, no consideration was paid to a third party for the services of any of the Shariah Adviser of the Business Trust or the Trustee-Manager during the financial year ended 31 December 2024.

Profiles of the Shariah Adviser

Declaration of Fit and Proper Criteria of the Shariah Adviser

The Shariah Adviser who is still holding the appointment as a Shariah Adviser as of 31 December 2024 and at the date of approval of the financial statements and their respective spouses and families has not been convicted of any offence or has any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Profile of the Designated Person Responsible for Shariah Advisory

Tan Sri Dr. Mohd Daud Bakar

Shariah Adviser and Executive Chairman

Tan Sri Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in a few cities globally. He serves as the Chairman of Shariah Advisory Board of Habib Metropolitan Bank (Pakistan) and Madina Takaful (Oman). He was the former Chairman of the Shariah Advisory Council (SAC) at the Central Bank of Malaysia, and former Chairman of the SAC at the Securities Commission of Malaysia for more than 2 decades. He was also the former Chairman of Federal Territory Islamic Religious Department (MAIWP).

Tan Sri Dr Daud is also a Shariah board member of various global financial institutions, including the BNP Paribas Najma (Bahrain), Credit Agricole Corporate & Investment Bank (Dubai), and Dow Jones Islamic Market Index (New York) amongst many others.

Tan Sri has received the "Royal Award for Islamic Finance 2022" by His Majesty, the King of Malaysia. While in 2014, he received the "Most Outstanding Individual" award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad's birthday. On 13 November 2021, he was conferred the Commander of the Order of Loyalty to the Crown (Panglima Setia Mahkota P.S.M.) by His Majesty the King of Malaysia which carries the title of "Tan Sri".

Suhaida Mahpot (CSAA)

Chief Executive Officer

Suhaida Mahpot is the Chief Executive Officer of Amanie Advisors Sdn Bhd, Kuala Lumpur office. She holds a CSAA certification from AAOIFI. She is a specialist in sukuk advisory and has been advising numerous sukuk locally and internationally. One of the sukuk advised by her together with Tan Sri Dr Mohd Daud Bakar has been awarded as Best Securitisation Sukuk at The Asset Triple A Islamic Finance Award (2021).

Her expertise includes Shariah structuring, conversion, establishing Islamic financial entities, and developing Islamic products. Suhaida's extensive experience has made her a leading figure in both local and international Shariah advisory field. She has been recently chosen as one of the Most Influential Women in Islamic Business & Finance and recognised as WOMANi CEO 2024 by the Cambridge IF Analytica Limited.

Prior to joining Amanie, she worked with Affin Investment Bank Berhad since 2006 as an executive for debt & capital markets department. She completed various project financing deals using private debt securities instruments ranging from infrastructure & utilities, real estate, plantation and many others.

Report of Directors of the Trustee-Manager_____

Prolintas Managers Sdn. Bhd., the Trustee-Manager for Prolintas Infra Business Trust ("Prolintas Infra BT" or the "Trust"), hereby present their report together with the first audited financial statements of the Trust Group and of the Trust for the financial year ended 31 December 2024 and of the Trust for financial period from 11 December 2023 (date of establishment) to 31 December 2024.

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

Prolintas Infra BT is the first business trust in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad on 25 March 2024, with an initial portfolio comprising brownfield highways, namely Ampang - Kuala Lumpur Elevated Highway ("AKLEH"), Guthrie Corridor Expressway ("GCE"), Lebuhraya Kemuning - Shah Alam ("LKSA"), and Sistem Lingkaran- Lebuhraya Kajang SILK ("SILK").

The Trust Group consists of the concession companies, namely Projek Lintasan Kota Sdn Bhd ("AKLEH Co"), Prolintas Expressway Sdn Bhd ("GCE Co"), Projek Lintasan Shah Alam Sdn Bhd ("LKSA Co") and Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd ("SILK Co").

Principal Activities

Prolintas Infra BT is the owner of the concession companies and is principally involved in the operations and maintenance of the highways. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

Results

	Trust Group RM	Trust RM
Profit/(loss) for the financial year/period	26,566,542	(119,040,737)

Directors

The Directors of the Trustee-Manager who have held office during the financial year until the date of this report are as follows:

Dato' Abdul Mutalib bin Alias
Dato' Ikmal Hijaz bin Hashim
Datin Nona binti Salleh
Datuk Syed Azmi bin Syed Othman
Malik Parvez Ahmad bin Nazir Ahmad
Nik Fazila binti Nik Mohamed Shihabuddin
Dato' Mohammad Azlan bin Abdullah

(resigned on 3 February 2025)

Report of Directors of the Trustee-Manager

Directors' Benefits

For the year ended 31 December 2024, no Director of the Trustee-Manager has received or become entitled to receive any benefit by reason of a contract made by Prolintas Infra BT or a related corporation with the Director or with a firm which the Director is a member, or with a company in which the Director has substantial financial interest except as disclosed in the Financial Statements.

There were no arrangements during and at the end of the twelve months period which had the object of enabling Directors of the Trustee-Manager to acquire benefits by means of acquisition of Units or debentures of Prolintas Infra BT or any other body corporate except as disclosed in the Financial Statements.

Directors' Interests

According to the register of Directors' unitholdings, the interests of Directors in office at the end of the financial year in units of the Trust and its related corporations were as follows:

	Number of trust unit			
	At 1.1.2024	Acquired	Sold	At 31.12.2024
Prolintas Infra Business Trust				
Dato' Abdul Mutalib bin Alias	-	250,000	-	250,000
Dato' Ikmal Hijaz bin Hashim	-	600,000	-	600,000
Dato' Mohammad Azlan bin Abdullah	-	50,000	-	50,000
Datuk Syed Azmi bin Syed Othman	-	350,000	-	350,000
Malik Parvez Ahmad bin Nazir Ahmad	-	110,000	-	110,000
Nik Fazila binti Nik Mohamed Shihabuddin	-	55,000	-	55,000

Other Information

- (a) Before the statement of comprehensive income and statement of financial position of the Trust Group and of the Trust was made out, the Trustee-Manager took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and no provision for doubtful debts was necessary; and
 - to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Report of Directors of the Trustee-Manager

Other Information (cont'd.)

- (b) At the date of this report, the Trustee-Manager is not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Trust Group and of the Trust misleading.
- (c) At the date of this report, the Trustee-Manager are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Trust Group and of the Trust misleading or inappropriate.
- (d) At the date of this report, the Trustee-Manager are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Trust Group and of the Trust which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Trust Group and of the Trust which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Trust Group and of the Trust which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Trust Group and of the Trust to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Trust Group and of the Trust for the financial year in which this report is made.
- (g) At the date of this report, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil, out of the trust property of the business trust, the liabilities of the business trust as and when they fall due.

Report of Directors of the Trustee-Manager**Auditors**

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

Auditors' remuneration are disclosed below:

	Trust Group RM	Trust RM
Ernst & Young PLT		
Audit fees	445,000	200,000
Non-audit fees	240,000	240,000

To the extent permitted by law, the Trust has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 March 2025.

Malik Parvez Ahmad bin Nazir Ahmad

Nik Fazila binti Nik Mohamed Shihabuddin

Statement by Directors of the Trustee-Manager _____

We, Malik Parvez Ahmad bin Nazir Ahmad and Nik Fazila binti Nik Mohamed Shihabuddin being two of the directors of the Trustee-Manager, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 23 to 94 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Listed Business Trusts in Malaysia so as to give a true and fair view of the financial position of the Trust Group and the Trust as at 31 December 2024 and of their financial performance and cash flows of Trust Group for the year then ended, and for the Trust from its date of establishment on 11 December 2023 to 31 December 2024.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 March 2025.

Malik Parvez Ahmad bin Nazir Ahmad

Nik Fazila binti Nik Mohamed Shihabuddin

Statutory of Declaration _____

I, Mukholisah binti Mohd Majid (MIA CA 44053), being the officer primarily responsible for the financial management of the Trustee-Manager, do solemnly and sincerely declare that the accompanying financial statements as set out on pages 23 to 94 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by
the abovenamed Mukholisah binti
Mohd Majid at Kuala Lumpur in the
Federal Territory on 12 March 2025.

Mukholisah binti Mohd Majid

Before me,

Independent Auditors' Report

to the Unitholders of Prolintas Infra Business Trust (Established in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prolintas Infra Business Trust ("the Trust") and its subsidiaries ("Trust Group"), which comprise the statements of financial position as at 31 December 2024 of the Trust Group and of the Trust, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Trust Group for the year then ended, and for the Trust from its date of establishment on 11 December 2023 to 31 December 2024 ("financial period"), and notes to the financial statements, including material accounting policy information, as set out on page 23 to 94.

In our opinion, the accompanying financial statements of the Trust Group and of the Trust give a true and fair view of the financial position of the Trust Group and of the Trust as at 31 December 2024, and of their financial performance and their cash flows for the year/financial period then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Listed Business Trusts in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Independent Auditors' Report _____ to the Unitholders of Prolintas Infra Business Trust (Established in Malaysia)

Key audit matters (cont'd.)

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

- **Impairment of (a) goodwill and (b) investment in Projek Lintasan Shah Alam Sdn. Bhd. ("PLSASB")**

(a) Goodwill

Refer to Note 4 (b)(ii) and Note 13 to the financial statements.

As at 31 December 2024, the carrying amount of the Trust Group's goodwill amounted to RM210.57 million relates to cash generating units ("CGUs") of Ampang Kuala Lumpur Elevated Highway ("AKLEH"), Guthrie Corridor Expressway ("GCE") and Lebuhraya Kemuning Shah Alam ("LKSA").

In accordance with MFRS 136 Impairment of Assets, the Group is required to perform annual impairment test of CGUs to which goodwill has been allocated. The Group estimated the recoverable amount of its CGUs to which the goodwill is allocated based on value-in-use ("VIU"). Estimating the VIU of CGUs involves estimating the future cash inflows and outflows and discounting them at an appropriate rate.

Due to the significance of the carrying values of goodwill, and the complexity and subjectivity involved in the assessment of recoverable amount, we considered this as an area of audit focus.

(b) Investment in Projek Lintasan Shah Alam Sdn. Bhd. ("PLSASB")

Refer to Note 4 (b)(ii) and Note 15 to the financial statements.

As at 31 December 2024, included in the Trust's cost of investment in subsidiaries of RM1,195 million is investment in PLSASB of RM95 million. PLSASB has reported continuing operating losses and depleting shareholder's funds, indicating that the investment may be impaired and RM95 million impairment has been recognised in current year.

Due to the significance of carrying value of investment in PLSASB, and the complexity and subjectivity involved in assessing the recoverable amount, we considered this as an area of audit focus.

In addressing the matters above, we have performed amongst others the following audit procedures:

- Obtained an understanding of the relevant processes and internal controls over estimating the recoverable amount of the CGUs;
- Evaluated the traffic volume projection by making comparisons to past actual outcome, taking into consideration the current and future economic growth;
- Evaluated the expenditure for highway maintenance and operating expenses including capital expenditure to maintain the current condition of the highway development expenditure ("HDE") by making comparison to historical data with similar work scopes and applying the relevant cost escalation rate;

Independent Auditors' Report
to the Unitholders of Prolintas Infra Business Trust (Established in Malaysia)

Key audit matters (cont'd.)

- ***Impairment of (a) goodwill, highway development expenditure ("HDE") and (b) investment in subsidiaries (cont'd.)***
 - Evaluated, with the involvement of our internal valuation specialist on the reasonableness of discount rates used in the cash flow forecasts and projections of the CGUs and the appropriateness of the methodology applied;
 - Performed sensitivity analysis on key assumptions by assessing the impact of changes in the key assumptions to the recoverable amounts;
 - Evaluated the competence, capabilities and objectivity of management's expert in deriving the projected traffic volume;
 - Discussed with the management's expert to obtain an understanding of the methodology, assumptions and related data used as input; and
 - Assessed the adequacy of the disclosures made in the financial statements.

- ***Reverse acquisition accounting and purchase price allocation ("PPA")***

Refer to Note 4 (b)(vi) and Note 15 to the financial statements.

On 21 December 2023, the Trust Group completed its reverse acquisition, whereby for accounting purpose, Sistem Lingkaran-Lebuhraya Kajang Sdn. Bhd. ("SILK") is regarded as the deemed accounting acquirer, being the largest entity under this acquisition while the accounting acquiree is the Trust and its other legal subsidiaries, namely Projek Lintasan Kota Sdn. Bhd. ("PLKSB"), PLSASB and Prolintas Expressway Sdn. Bhd. ("PESB"). The total consideration of RM1,100 million was satisfied through the issuance of 1,100 million units of the Trust. The Trust Group has subsequently completed its PPA exercise on 4 November 2024.

As required by MFRS 3 Business Combinations, the Group is required to perform a PPA where the acquirer shall recognise all identifiable assets acquired and liabilities assumed that satisfy the relevant recognition criteria at their fair values at the business combination date. The fair value of the identifiable assets and liabilities as well as goodwill arising from reverse acquisition are disclosed in Note 15 to the financial statements.

We considered the reverse acquisition accounting and PPA to be key audit matters as these involve significant management judgement regarding the identification of deemed accounting acquirer and allocation of the purchase price to assets acquired and liabilities assumed, including determination of fair value of HDE, as well as determining fair value of consideration paid.

In addressing the matters above, we have performed amongst others the following audit procedures:

- We obtained assessment of whether the acquisition met the definition of business combination including the assessment on identification of the deemed accounting acquirer in accordance with requirements of MFRS 3 Business Combinations;

Independent Auditors' Report _____ to the Unitholders of Prolintas Infra Business Trust (Established in Malaysia)

Key audit matters (cont'd.)

- **Reverse acquisition accounting and purchase price allocation ("PPA") (cont'd.)**

In addressing the matters above, we have performed amongst others the following audit procedures (cont'd.):

- We obtained the PPA report prepared by management expert for the acquisitions and assessed the independence, objectivity and competence of management's expert by considering their professional background, reputation and experience in a similar industry;
- Reviewed and evaluated, with the involvement of our internal valuation specialist on the appropriateness of the methodology adopted in the PPA assessment on the acquisitions to ensure compliance with MFRS 13 Fair Value Measurement;
- Discussed with management and management expert on the key assumptions underlying the cash flow projections used in the PPA report;
- Assessed the appropriateness of identifiable assets acquired and liabilities assumed at the acquisition date;
- Assessed the key assumptions in determining the fair values of identifiable assets and liabilities assumed at the date of acquisition and appropriateness of the relevant discount rate used;
- We checked the purchase consideration to the Sales of Business Agreement; and
- Assessed the adequacy of the disclosures made in the financial statements.

- **Provision for concession obligations**

Refer to Note 4 (b)(iv)(v) and Note 23 to the financial statements.

As at 31 December 2024, the provisions for concession obligations amounted to RM318.17 million.

In accordance with IC Interpretation 12 Service Concession Arrangements ("IC 12"), where the operator has an obligation to maintain or construct additional infrastructure to meet a specified level of serviceability, the contractual obligations should be measured in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets.

The provisions for concession obligations represents the probable outflow of resources which will be required to settle the contractual obligations under concession agreements. This is the key audit matter as the amount of the provisions for concession obligations are material to the financial statements, with their determinations involving high level of management judgement. Changes in the assumptions can materially affect the levels of provisions recorded in the financial statements.

Independent Auditors' Report
to the Unitholders of Prolintas Infra Business Trust (Established in Malaysia)

Key audit matters (cont'd.)

- ***Provision for concession obligations (cont'd.)***

In addressing the matters above, we have performed amongst others the following audit procedures:

- We obtained and read the service concession agreement and understand management's identification in respect of the Trust Group's concession obligations;
- We obtained understanding of the relevant processes and internal controls over estimating the provisions for concession obligations;
- Assessed and evaluated the provision computations by making comparison to historical data with similar work scopes, taking into consideration the effect of current and future economic condition to the expected future price;
- Tested the completeness and accuracy of actual data used in the provision computations;
- Recalculated the mathematical accuracy of the provision workings using management's model; and
- Assessed the adequacy of the disclosures made in the financial statements.

Information other than the financial statements and auditors' report thereon

The directors of Prolintas Managers Sdn. Bhd., which is the Trustee-Manager for the Trust ("the Directors") are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Trust Group and of the Trust and our auditors' report thereon.

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

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

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

Independent Auditors' Report _____ to the Unitholders of Prolintas Infra Business Trust (Established in Malaysia)

Responsibilities of the directors for the financial statements

The Directors are responsible for the preparation of financial statements of the Trust Group and of the Trust that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Listed Business Trusts in Malaysia. The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Trust Group and of the Trust that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Trust Group and of the Trust, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Group's and the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager.

Independent Auditors' Report
to the Unitholders of Prolintas Infra Business Trust (Established in Malaysia)

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

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

- Conclude on the appropriateness of the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Group's or the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Trust Group and of the Trust or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust Group or the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Trust Group and of the Trust, including the disclosures, and whether the financial statements of the Trust Group and of the Trust represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust Group to express an opinion on the financial statements of the Trust Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Independent Auditors' Report _____ to the Unitholders of Prolintas Infra Business Trust (Established in Malaysia)

Other matters

This report is made solely to the unitholders of the Trust, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

As stated in Note 3.1 to the financial statements, the comparative consolidated financial statements of the Trust Group as at 31 December 2023 is presented based on the basis of reverse acquisition by the deemed accounting acquirer, SILK. We were not engaged to report on the unaudited comparative information. Our responsibilities as part of our audit of the financial statements of the Trust Group for the year ended 31 December 2023, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2024 do not contain misstatements that materially affect the financial position as at 31 December 2024 and financial performance and cash flows for the year then ended.

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

Ahmad Zahirudin bin Abdul Rahim
No. 02607/12/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
12 March 2025

Statement of Comprehensive Income - Trust Group

For the financial year ended 31 December 2024

	Note	2024 RM	2023 RM (Unaudited)
Highway operations revenue	5	313,751,594	132,180,420
Construction revenue	5, 6	7,922,224	1,988,990
		<u>321,673,818</u>	<u>134,169,410</u>
Construction costs	6	(7,922,224)	(1,988,990)
Other income	7	15,326,397	4,011,158
Staff costs	8	(21,805,624)	(5,535,355)
Amortisation of highway development expenditure	14	(47,447,491)	(11,148,172)
Highway maintenance costs		(35,190,644)	(15,102,137)
Other operating expenses		(44,296,993)	(8,502,943)
Profit from operations		<u>180,337,239</u>	<u>95,902,971</u>
Finance costs	9	(138,442,732)	(57,538,344)
Profit before tax	10	<u>41,894,507</u>	<u>38,364,627</u>
Income tax expense	11	(15,327,965)	(111,854,103)
Profit/(loss) for the year, representing the total comprehensive income/(loss) for the year		<u>26,566,542</u>	<u>(73,489,476)</u>
Earnings/(Loss) Per Unit ("EPU") (sen)		2.42	N/A
Declared Distribution Per Unit ("DPU") (sen)		3.18	N/A

The comparative consolidated financial statements of the Trust Group as at 31 December 2023 is presented based on the basis of reverse acquisition by the deemed acquirer as described in Note 3.1(a) to the financial statements.

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

Statement of Comprehensive Income - Trust

For the period from 11 December 2023 (date of establishment) to 31 December 2024

		Trust 11.12.2023 to 31.12.2024 RM
	Note	
Other income	7	122,327,919
Impairment of investment in subsidiaries	15	(95,000,001)
Other operating expenses		(15,246,738)
Profit from operations		12,081,180
Finance costs	9	(131,121,917)
Loss before tax	10	(119,040,737)
Income tax expense	11	-
Loss for the period, representing total comprehensive loss for the financial period		(119,040,737)

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

Statement of Financial Position - Trust Group

As at 31 December 2024

	Note	2024 RM	2023 RM (Unaudited)
Assets			
Non-current assets			
Goodwill	13	210,568,893	210,568,893
Highway development expenditure	14	2,815,544,816	2,854,003,003
Deferred tax assets	22	81,020,719	79,849,479
Trade and other receivables	16	7,115,936	7,799,066
		<u>3,114,250,364</u>	<u>3,152,220,441</u>
Current assets			
Trade and other receivables	16	64,444,931	56,028,504
Tax recoverable		380,658	168,859
Other investments	17	273,379,295	6,653
Deposits, cash and bank balances	18	211,876,769	406,651,993
		<u>550,081,653</u>	<u>462,856,009</u>
Total assets		<u>3,664,332,017</u>	<u>3,615,076,450</u>
Equity and liabilities			
Equity attributable to equity holders of the Trust Group			
Unitholders' fund	19	1,100,000,000	1,100,000,000
Accumulated losses		(188,729,454)	(180,315,896)
Other reserves	20	(268,722,419)	(268,722,419)
Total equity		<u>642,548,127</u>	<u>650,961,685</u>

Statement of Financial Position - Trust Group (cont'd.)
As at 31 December 2024

	Note	2024 RM	2023 RM (Unaudited)
Liabilities			
Non-current liabilities			
Borrowings	21	2,344,599,065	2,319,575,340
Provisions	23	260,174,325	298,520,573
Deferred income	25	5,171,575	5,622,586
Deferred tax liabilities	22	271,794,694	273,997,676
		<u>2,881,739,659</u>	<u>2,897,716,175</u>
Current liabilities			
Borrowings	21	-	164,084
Provisions	23	57,992,666	27,529,905
Trade and other payables	24	76,624,456	35,016,056
Deferred income	25	451,011	451,011
Provision for tax		4,976,098	3,237,534
		<u>140,044,231</u>	<u>66,398,590</u>
Total liabilities		3,021,783,890	2,964,114,765
Total equity and liabilities		3,664,332,017	3,615,076,450

The comparative consolidated financial statements of the Trust Group as at 31 December 2023 is presented based on the basis of reverse acquisition by the deemed acquirer as described in Note 3.1(a) to the financial statements.

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

Statement of Financial Position - Trust

As at 31 December 2024

	Note	2024 RM
Assets		
Non-current assets		
Investment in subsidiaries	15	1,099,999,999
Other receivables	16	1,752,150,260
		<u>2,852,150,259</u>
Current assets		
Other receivables	16	82,575,767
Other investments	17	273,372,642
Deposits, cash and bank balances	18	128,917,762
		<u>484,866,171</u>
Total assets		<u>3,337,016,430</u>
Equity and liabilities		
Equity attributable to equity holders of the Trust		
Unitholders' fund	19	1,100,000,000
Accumulated losses	20	(154,020,837)
		<u>945,979,163</u>
Non-current liability		
Borrowings	21	<u>2,344,599,065</u>
Current liability		
Other payables	24	<u>46,438,202</u>
Total liabilities		<u>2,391,037,267</u>
Total equity and liabilities		<u>3,337,016,430</u>

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

Statement of Changes in Equity - Trust Group

For the financial year ended 31 December 2024

	Trust units (Note 19) RM	Accumulated losses RM	Other reserves (Note 20) RM	Total equity RM
At 1 January 2024	1,100,000,000	(180,315,896)	(268,722,419)	650,961,685
Total comprehensive income for the financial year	-	26,566,542	-	26,566,542
	1,100,000,000	(153,749,354)	(268,722,419)	677,528,227
Transactions with owners				
Distributions (Note 12)	-	(34,980,100)	-	(34,980,100)
At 31 December 2024	1,100,000,000	(188,729,454)	(268,722,419)	642,548,127
At 1 January 2023 (Unaudited)	488,722,419	(106,826,420)	(268,722,419)	113,173,580
Issuance of new units (Unaudited)	611,277,581	-	-	611,277,581
Total comprehensive loss for the financial year (Unaudited)	-	(73,489,476)	-	(73,489,476)
At 31 December 2023 (Unaudited)	1,100,000,000	(180,315,896)	(268,722,419)	650,961,685

The comparative consolidated financial statements of the Trust Group as at 31 December 2023 is presented based on the basis of reverse acquisition by the deemed acquirer as described in Note 3.1(a) to the financial statements.

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

Statement of Changes in Equity - Trust

For the period from 11 December 2023 (date of establishment) to 31 December 2024

	Trust Units (Note 19) RM	Distributable retained earnings RM	Total RM
At 11 December 2023 (date of establishment)	-	-	-
Issuance of new units (Unaudited)	1,100,000,000	-	1,100,000,000
Total comprehensive loss for the financial period	-	(119,040,737)	(119,040,737)
	1,100,000,000	(119,040,737)	980,959,263
Transaction with owners			
Distributions (Note 12)	-	(34,980,100)	(34,980,100)
At 31 December 2024	1,100,000,000	(154,020,837)	945,979,163

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

Statement of Cash Flows - Trust Group

For the financial year ended 31 December 2024

	2024 RM	2023 RM (Unaudited)
Cash flows from operating activities		
Payments to suppliers, contractors, employees and for other operating expenses	(62,112,345)	(19,106,406)
Receipt from expressway ancillary facilities	1,875,459	244,624
Government compensation received	9,442,361	31,954,626
Cash receipt from toll collection	306,523,915	128,399,429
Payments to suppliers for lane widening and interchange	(28,520,839)	-
Trustee-Managers fees	(8,000,000)	-
Income tax paid	(17,175,422)	-
Finance cost paid	(127,489,913)	(96,396,903)
Net cash flows generated from operating activities	74,543,216	45,095,370
Cash flows from investing activities		
Income received from deposits with licensed banks	11,384,454	3,251,720
Payments for highway development expenditure	(7,922,224)	(2,233,419)
Proceeds from redemption of other investment	-	36,978,104
Net cash inflow from reverse acquisition	-	318,805,823
Investment in unit trust	(273,372,642)	-
Net cash flows (used in)/generated from investing activities	(269,910,412)	356,802,228
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(164,084)	(18,232)
Repayment of borrowings	-	(2,424,982,893)
Drawdown of borrowings	24,781,400	2,319,546,432
Refund received/(payment) for stamp duty on borrowings	16,200,000	(16,200,000)
Distribution paid	(34,980,100)	-
Listing expenses	(5,245,244)	-
Net cash flows generated from/(used in) financing activities	591,972	(121,654,693)
Net (decrease)/increase in cash and cash equivalents	(194,775,224)	280,242,905
Cash and cash equivalents at beginning of year	404,151,993	123,909,088
Cash and cash equivalents at end of year (Note 18)	209,376,769	404,151,993

The comparative consolidated financial statements of the Trust Group as at 31 December 2023 is presented based on the basis of reverse acquisition by the deemed acquirer as described in Note 3.1(a) to the financial statements.

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

Statement of Cash Flows - Trust

For the period from 11 December 2023 (date of establishment) to 31 December 2024

11.12.2023

to

31.12.2024

RM

Cash flows from operating activities

Payments for other operating expenses	(20,752,709)
Trustee-Managers fees	(8,000,000)
Finance cost paid	(127,489,913)
Net cash flows used in operating activities	(156,242,622)

Cash flows from investing activities

Income received from deposits with licensed banks	8,587,906
Payment received from subsidiaries	497,524,678
Advances to subsidiaries	(2,258,454,335)
Investment in unit trust	(273,372,642)
Net cash flows used in investing activities	(2,025,714,393)

Cash flows from financing activities

Proceeds from borrowings	2,351,100,101
Distributions paid	(34,980,100)
Listing expenses	(5,245,224)
Net cash flows generated from financing activities	2,310,874,777

Net increase in cash and cash equivalents

128,917,762

Cash and cash equivalents at date of establishment

-

Cash and cash equivalents at 31 December (Note 18)

128,917,762

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

Notes to the Financial Statements

For the financial year ended 31 December 2024

1. Corporate information

Prolintas Infra Business Trust ("Prolintas Infra BT" or "Trust") is an Islamic business trust constituted in Malaysia under the Trust Deed and registered with the Securities Commission Malaysia ("SC") on 11 December 2023. This Trust is managed by Prolintas Managers Sdn. Bhd. as the Trustee-Manager ("Manager"). The Deed is regulated by the Securities Commission Act 1993, the Listing Requirements of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings. Prolintas Infra BT will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 27 of the Deed. The addresses of the Manager's registered office and principal place of business are as follows:

Registered Office

12th Floor, Menara PNB,
201-A, Jalan Tun Razak,
50400 Kuala Lumpur.

Principal place of business

12th Floor, Menara PNB,
201-A, Jalan Tun Razak,
50400 Kuala Lumpur.

The financial statements of Prolintas Infra BT as at and for the financial year ended 31 December 2024 comprise Prolintas Infra BT and its wholly-owned highway companies incorporated in Malaysia, of which their principal activities of the trust group is to manage toll collection, construction, operation and maintenance of the highways as well as providing ancillary facilities to complement the operations of the highways.

Prolintas Infra BT is established as a business trust to invest in, own, manage, and operate infrastructure assets, with a primary focus on highway concessions. The Trust aims to generate stable cash flows from its toll road operations and provide sustainable distributions to unitholders, subject to financial prudence and cash flow availability. To enhance long-term value, the Trust focuses on optimizing operational efficiencies and maintaining an appropriate capital structure to support its financial sustainability and growth.

Prolintas Infra BT was formally admitted to the Main Market of Bursa Malaysia Securities Berhad on 25 March 2024.

The financial statements were approved by the Board of Directors of the Manager on 12 March 2025.

Prolintas Infra BT has entered into several service agreements related to the management of its operations. According to the trust deed, the Trustee-Manager's management fees include a fixed base fee RM8.0 million per annum (excluding any applicable service tax) for the financial period ending 31 December 2024. This fee is subject to an annual increase based on the percentage change (if any) in the Malaysia Composite Consumer Price Index.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Concession agreements

2.1 Sistem Lingkaran-Lebuhraya Kajang ("SILK")

On 8 October 1997, the Sistem Lingkaran-Lebuhraya Kajang Sdn. Bhd. ("SILK") signed a Concession Agreement with the Government of Malaysia pertaining to the privatisation of the SILK Expressway. By virtue of the Concession Agreement, SILK is responsible for the construction of the Expressway which involves the upgrading and widening of existing roads, and the design and construction of a new alignment and thereafter its operation, including deriving toll revenue and maintenance, for 33 years.

On 1 August 2001, SILK entered into a Supplemental Concession Agreement with the Government whereby the concession period was extended from 33 years to 36 years.

In the event that the Government imposes a toll rate which is lower than the toll rates stated in the Supplemental Concession Agreement ("SCA") for any concession year, the SCA provides that the amount of further compensation arising will be paid in full.

On 12 October 2022, SILK entered into a Supplemental Concession Agreement ("SCA 2022") with the Government of Malaysia. Pursuant to the SCA 2022, the parties agreed to revise the toll rate structure and extend the concession period for a further period of twenty five (25) years commencing from 1 August 2037 until 31 July 2062 ("Extended Concession Period"). There is no more toll compensation from 1 January 2023 onward as there has been no revision in toll rates imposed by the Government except for the toll compensation recognised for the toll free period during the festive season.

2.2 Ampang Kuala Lumpur Elevated Highway ("AKLEH")

The Government of Malaysia ("the Government") and Projek Lintasan Kota Sdn. Bhd. ("PLKSB") entered into a concession agreement ("CA") dated 16 May 1996 in connection with the Ampang Kuala Lumpur Elevated Highway project, for a concession period of 33 years, ending 16 May 2029.

In 2001, PLKSB agreed to a reduction in the toll rate structure stipulated in the above concession agreement. In consideration of that, the Government agreed to pay cash compensation amounting to RM290.9 million to the Trust. The cash compensation has been paid in stages, in concession years 2001 to 2003 and is amortised in accordance with the policy set as in Note 3.4(n).

On 31 December 2008, PLKSB entered into a Supplemental Concession Agreement ("SCA") with the Government, whereby the toll rate structure was revised and toll revenue sharing arrangements were established. Following the toll rate structure revision, the Government has sharing rights in the toll revenue collection in the ratio of 50:50 with PLKSB if the total traffic exceeds a determined level stipulated in the agreement. This supplemental agreement was retrospective to the concession year 2001.

In the event that the Government imposes a toll rate which is lower than the toll rates stated in the SCA for any concession year, the SCA provides that the amount of further compensation arising will be paid in full.

Notes to the financial statements _____
For the financial year ended 31 December 2024

2. Concession agreements (cont'd.)

2.2 Ampang Kuala Lumpur Elevated Highway ("AKLEH") (cont'd.)

On 12 October 2022, PLKSB entered into a Supplemental Concession Agreement ("SCA 2022") with the Government of Malaysia. Pursuant to the SCA 2022, the parties agreed to revise the toll rate structure and extend the concession period for a further period of eight (8) years commencing from 16 May 2029 until 15 May 2037 ("Extended Concession Period"). There is no more toll compensation from 1 January 2023 onward as there has been no revision in toll rates imposed by the Government except for the toll compensation recognised for the toll free period during the festive season.

2.3 Guthrie Corridor Expressway ("GCE")

The Government of Malaysia and Prolintas Expressway Sdn. Bhd. ("PESB") entered into a concession agreement ("CA") dated 18 July 2000 in connection with the Guthrie Corridor Expressway project, for a concession period of 35 years, ending 31 May 2036.

In the event that the Government imposes a toll rate which is lower than the toll rates stated in the concession agreement for any concession year, the concession agreement provides that the amount of compensation arising will be paid in full.

On 12 October 2022, PESB entered into a Supplemental Concession Agreement ("SCA 2022") with the Government, whereby the toll rate structure was revised and with concession period to be extended for a further period of twenty six (26) years commencing from 31 May 2036 until 31 May 2062 ("Extended Concession Period"). There is no more toll compensation recognised from 1 January 2023 onward as there has been no revision in toll rates imposed by the government except for the toll compensation recognised for the toll free period during the festive season.

2.4 Lebuhraya Kemuning Shah Alam ("LKSA")

The Government of Malaysia ("the Government") and Projek Lintasan Shah Alam Sdn. Bhd. ("PLSA") entered into a concession agreement dated 27 November 2006 in connection with the Lebuhraya Kemuning Shah Alam project, for a concession period of 40 years, ending 31 July 2047.

In the event that the Government imposes a toll rate which is lower than the toll rates stated in the concession agreement for any concession year, the concession agreement ("CA") provides that the amount of compensation arising will be paid in full.

On 12 October 2022, PLSA entered into a Supplemental Concession Agreement ("SCA 2022") with the Government, whereby the toll rate structure was revised and with concession period to be extended for a further period of fifteen (15) years commencing from 1 August 2047 until 31 July 2062 ("Extended Concession Period"). There is no more toll compensation recognised from 1 January 2023 onward as there has been no revision in toll rates imposed by the government except for the toll compensation recognised for the toll free period during the festive season.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information

3.1 Basis of preparation

The financial statements of the Trust Group and of the Trust have been prepared in accordance with MFRS Accounting Standard as issued by Malaysian Accounting Standards Board and IFRS Accounting Standard as issued by the International Accounting Standards Board.

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

The financial statements of the Trust Group and of the Trust are presented in Ringgit Malaysia ("RM").

(a) Reverse acquisition

On 11 December 2023, the Trust entered into a Sale of Business Agreement ("SBA") with its immediate holding company, Projek Lintasan Kota Holdings Sdn Bhd ("PLKHSB") to acquire the entire share capital of PLKSB, PLSASB, PESB and SILK for a total consideration of RM1,100 million. The total consideration was satisfied through the issuance of 1,100 million units of the Trust. The acquisition was completed on 21 December 2023 ("Business Combination Date"), thereby forming the Trust Group.

In accordance with MFRS 3 Business Combinations, the aforementioned business combination of Trust and its subsidiaries is treated as a reverse acquisition whereby for accounting purpose, SILK is regarded as acquiring the Trust and its subsidiaries on the Completion date and thus, the deemed accounting acquirer is SILK.

Under the reverse acquisition method of accounting, even though the consolidated financial statements is issued under the name of the Trust which is the legal holding company, the consolidated financial statements represent a continuation of the historical financial statements of the legal subsidiary, that is, SILK except for its capital structure. The accounting policy for reverse acquisition is disclosed in Note 3.4(b) to the financial statements.

The comparative consolidated financial statements of the Trust Group as at 31 December 2023 is presented based on the basis of reverse acquisition by the deemed acquirer, SILK which includes the 10 days Trust Group result from 21 December 2023 up to 31 December 2023.

Notes to the Financial Statements _____
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.1 Basis of preparation (cont'd.)

(a) Reverse acquisition (cont'd.)

Following the completion of the reverse acquisition of Trust Group, this set of financial statements is prepared as follow:

(i) Trust Group level

Financial year ended 31 December 2024

The Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows comprised the financial results of the Trust Group for the period from 1 January 2024 to 31 December 2024 and the financial position of the Trust Group as at 31 December 2024.

Financial year ended 31 December 2023

The Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income, Unaudited Consolidated Statement of Changes in Equity and Unaudited Consolidated Statement of Cash Flows comprised the financial results of the accounting acquirer, SILK, for the period from 1 January 2023 to 31 December 2023 and the financial results of the acquirees, PLKSB, PESB and PLSASB from 21 December 2023 to 31 December 2023, and the unaudited financial position of the Trust Group as at 31 December 2023.

(ii) Trust level

Financial period ended 31 December 2024

The Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows comprised the financial results of the Trust for the period from 11 December 2023, being the date of establishment, to 31 December 2024 and the financial position of the Trust as at 31 December 2024.

The accompanying notes to financial statements of the Trust Group and of the Trust present information based on the basis of preparation of the financial statements as mentioned above.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.2 Changes in accounting policies

On 1 January 2024, the Trust Group and the Trust adopted the following amendments mandatory for annual financial periods beginning on or after 1 January 2024:

Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)
- Amendments to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101 Presentation of Financial Statements (Non-current Liabilities with Covenants)
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)

The adoption of the above amendments did not result in any material impact to the financial statements of the Trust Group and of the Trust.

3.3 Standards issued but not yet effective

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

Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.3 Standards issued but not yet effective (cont'd.)

Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Accounting Standards)
- Amendments to MFRS 7 Financial Instruments: Disclosures (Classification and Measurement of Financial Instruments)
- Amendments to MFRS 7 Financial Instruments: Disclosures (Annual Improvements to MFRS Accounting Standards)
- Amendments to MFRS 9 Financial Instruments (Classification and Measurement of Financial Instruments)
- Amendments to MFRS 9 Financial Instruments (Annual Improvements to MFRS Accounting Standards)
- Amendments to MFRS 10 Consolidated Financial Statements (Annual Improvements to MFRS Accounting Standards)
- Amendments to MFRS 107 Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards)

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective for a date yet to be confirmed

- Amendments to MFRS 10 Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
- Amendments to MFRS 128 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The Trustee-Manager are of the opinion that the new standard and interpretations above would not have any material impact on the financial statements except for MFRS 18 pronouncement, which impact on initial application is currently being assessed. Further details on MFRS 18 pronouncements are discussed below.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.3 Standards issued but not yet effective (cont'd.)

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 Presentation of Financial Statements, which retains majority of the requirements of MFRS 101 and complementing them with new requirements. In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows and some requirements of MFRS 101 have been moved to MFRS 108 Basis of Preparation of Financial Statements.

MFRS 18 introduces new key requirements as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income:

The standard requires reclassification of all income and expenses within the statement of profit or loss into five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard also requires to present a newly-defined operating profit subtotal, and the net profit will not change.

(ii) Statement of Cash Flows:

The standard requires to disclose the starting point for cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and the optionality around classification of cash flows from distributions and profit are removed.

(iii) Management-defined Performance Measures ("MPMs") and guidance on Aggregation and Disaggregation:

The standard requires MPMs are disclosed in a single note in the financial statements and enhanced guidance is provided on aggregation and disaggregation of financial information.

The Trust Group and the Trust are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Trust Group and the Trust are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust ("Trust") and its subsidiaries ("Trust Group") as at the reporting date.

The Trust Group controls an investee if and only if the Trust Group has all the following:

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

Generally, there is a presumption that a majority of voting rights results in control.

The Trust Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated from the date on which control is obtained by the Group and are no longer consolidated from the date that control ceases. The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interests represent the portion of total comprehensive income and net assets in subsidiaries not held by the Group and are presented separately in statement of comprehensive income of the Group and within equity in the consolidated statement of financial position, separately from shareholders' equity. The total comprehensive income is attributed to the equity holder of the Trust and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(b) Reverse acquisition

Under Reverse Acquisition, the consolidated financial statements of the combined entity are issued under the name of the legal parent, that is, the Trust, however the consolidated financial statements represent a continuation of the historical financial statements of the accounting acquirer. Nevertheless, the legal capital of the accounting acquirer is adjusted retroactively to reflect the capital of the legal parent.

Accordingly, the consolidated financial statements reflect:

- (i) the assets and liabilities of the accounting acquirer recognised and measured at their pre-combination carrying amounts;
- (ii) the assets and liabilities of the accounting acquiree recognised and measured in accordance with this MFRS 3 Business Combination;
- (iii) the retained earnings and other equity balances of the accounting acquirer before the business combination;
- (iv) the amount recognised as issued equity interests in the consolidated financial statements determined by adding the issued equity interest of the accounting acquirer outstanding immediately before the business combination to the fair value of the legal parent. However, the equity structure reflects the equity structure of the legal parent.

(c) Investment in subsidiaries

Investment in subsidiaries at the individual Trust level are stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(f).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is credited or charged to profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(d) Leases

Trust Group and Trust as a lessee

(i) Short-term leases and leases of low-value assets

The Trust Group and the Trust apply the short-term lease recognition exemption to its short-term leases of temporary office premises and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Trust Group and the Trust also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

e) Highway development expenditure and other concession assets

(i) Highway development expenditure

A substantial portion of the Trust Group's assets are used within the framework of concession agreements granted by the Government ("the Grantor"). These assets are classified as highway development expenditures.

In order to fall within the scope of IC Interpretation 12 Service Concession Arrangements ("IC 12"), a concession agreement must satisfy the following criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

Such assets are not recognised by the Trust Group as plant and equipment but as concession intangible asset. The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided contractual guarantee in respect of the amount recoverable.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3.4 Accounting policies (cont'd.)

(e) Highway development expenditure and other concession assets (cont'd.)

(i) Highway development expenditure (cont'd.)

The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

Under the intangible asset model, revenue includes revenue from the construction of the infrastructure/asset and revenue derived from the operation and maintenance of the infrastructure.

Highway development expenditure comprise construction, development and upgrading expenditure incurred in relation to the concession highways and bridge (including finance costs relating to the financing of the development of the highways and bridge).

Highway development expenditure is stated at cost less amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(f).

Highway development expenditure is amortised over the toll collection period based on the following formula:

$$\left[\frac{\text{Actual traffic volume for the year}}{(\text{Forecast traffic volume over remaining concession period} + \text{Actual traffic volume for the year})} \times (\text{Opening net book value} + \text{Additions during the year}) \right]$$

Periodic traffic studies are performed by an independent traffic consultant in order to support the estimated total gross toll revenue for the forecasted future years up to expiry of the concession period.

Highway development expenditure for highway under construction is not amortised as these assets are not yet available for use.

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(e) Highway development expenditure and other concession assets (cont'd.)

(ii) Other concession assets

Other concession assets comprise toll equipment, video surveillance equipment, telecommunications network, toll operation computer hardware and software and other assets at the toll plazas are stated at cost less accumulated amortisation and any impairment in value. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(f).

The other concession assets are amortised on the same basis as highway development expenditure which is based on traffic volume throughout the concession period.

(f) Impairment of non-financial assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss.

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

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(g) Financial assets

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

Financial assets with the exception of trade receivables without significant financing component are measured initially at fair value plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs. Trade receivable without a significant financing component is initially measured at the transaction price. Transaction costs of financial assets carried at FVTPL are expensed off in profit or loss.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, Fair Value Through Other Comprehensive Income ("FVOCI") or FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust Group's and the Trust's business model for managing them. The Trust Group's and the Trust's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are not reclassified subsequent to their initial recognition unless the Trust Group and the Trust change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Trust Group and the Trust have not designated any financial assets at FVOCI.

(i) Financial assets at amortised cost

Financial assets are measured at amortised cost if they meet both of the following conditions and are not designated as at FVTPL:

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

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(g) Financial assets (cont'd.)

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

Financial assets are subsequently measured at amortised cost using the effective profit rate method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Trust Group's and the Trust's financial assets designated at amortised cost includes trade and other receivables (exclude prepayments) and deposits, cash and bank balances.

(ii) Financial assets at FVTPL

Financial assets are classified and measured at FVTPL if they are not classified and measured at amortised cost or FVOCI or are designated as such upon initial recognition. This includes all derivative financial assets. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value.

Dividend income, profit income and any gains or losses arising from changes in fair value are recognised in profit or loss, except for changes in fair value on derivatives that qualify for hedge accounting.

The Trust Group's and the Trust's financial asset at FVTPL include other investment in unit trust.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Trust Group and the Trust's retain the right to receive cash flows from the asset, but have assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Trust Group and the Trust's have transferred their rights to receive cash flows from the asset and either (a) have transferred substantially all the risks and rewards of the asset, or (b) have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(h) Impairment of financial assets

The Trust Group and the Trust recognise loss allowances for Expected Credit Loss ("ECL") on financial assets measured at amortised cost and debt investments measured at FVOCI.

ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Trust Group and the Trust expect to receive, discounted at an approximation of the original effective profit rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For trade and other receivables, the Trust Group and the Trust apply a simplified approach in calculating ECL. Therefore, the Trust Group and the Trust do not track changes in credit risk, but instead recognise a loss allowance based on lifetime expected credit losses at each reporting date. The Trust Group and the Trust have established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtor and the economic environment.

The Trust Group and the Trust consider a financial asset in default when the contractual payments are 90 days past due. However, in certain cases, the Trust Group and the Trust may also consider a financial asset to be in default when internal or external information indicates that the Trust Group and the Trust are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Trust Group and the Trust. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Financial liabilities

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

Financial liabilities are classified as either FVTPL or other financial liabilities.

The Trust Group and the Trust only have financial liabilities designated at other financial liabilities.

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(i) Financial liabilities (cont'd.)

Other financial liabilities

The Trust Group's and the Trust's other financial liabilities include trade and other payables and borrowings.

Trade and other payables and borrowings are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit rate method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

(j) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the receivables and settle the payables simultaneously.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and deposits with licensed bank which have a maturity period of three months or less which are subject to insignificant risks of change in value.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(l) Provisions

Provisions are recognised when the Trust Group and the Trust have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Trust Group and the Trust expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(i) Provision for road resurfacing, lane widening and construction of interchange

In accordance with IC 12, where the operator has an obligation to maintain or construct additional infrastructure to meet a specified level of serviceability, the contractual obligations should be measured in accordance with MFRS 137: Provisions, Contingent Liabilities and Contingent Assets.

(ii) Provision for replacement cost

In order to carry out the highway services, the Trust Group has the obligation to replace the moveable assets during the concession period. Therefore, a provision for replacement cost shall be recognised and measured in accordance with MFRS 137: Provisions, Contingent Liabilities and Contingent Assets.

(m) Fair value measurement

The Trust Group and the Trust measure financial instruments, such as, financial assets at fair value through profit or loss at each reporting date.

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(m) Fair value measurement (cont'd.)

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

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

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

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

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

- (i) Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Trust Group and the Trust have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(n) Current versus non-current classification

The Trust Group and the Trust presents assets and liabilities in the statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

- (i) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) held primarily for the purpose of trading;
- (iii) expected to be realised within 12 months after the reporting period; or
- (iv) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (i) it is expected to be settled in normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is due to be settled within 12 months after the reporting period; or
- (iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

(o) Trust units

An equity instrument is any contract that evidences a residual interest in the assets of the Trust Group and the Trust after deducting all of their liabilities. Trust units are equity instruments.

Trust units are recorded at the proceeds received, net of directly attributable incremental transaction costs. Trust units are classified as equity. Distribution on trust units are recognised in equity in the period in which they are declared.

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(p) Revenue recognition

The core principles of MFRS 15 Revenue from Contract with Customers is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled. Under MFRS 15, the Trust Group and the Trust recognise revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer and it is probable that the Trust Group and the Trust will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust Group and the Trust and the revenue can be reliably measured. Revenue is measured at the fair value at consideration received or receivable.

An entity transfers control of good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- (b) The entity's performance creates or enhances an asset for example, work in progress that the customer controls as the asset is created or enhanced; or
- (c) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time in accordance with the above criteria, the Trust Group and the Trust satisfy the performance obligation at a point in time.

(i) Toll revenue

Toll revenue is accounted for as and when toll is chargeable for the usage of the expressways.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(p) Revenue recognition (cont'd.)

(ii) Toll compensation

Pursuant to the relevant concession agreements, the Government of Malaysia reserves the right to restructure or to restrict the imposition of unit toll rate increases, and in such event, the Government shall compensate the relevant concessionaire for any deduction in toll revenue, subject to the negotiation and other considerations that the Government may deem fit. Toll compensation for any concession year is recognised in the financial statements as revenue when recovery is probable and the amount that is recoverable can be measured reliably.

(iii) Revenue from construction and upgrading services

As required by IC 12, revenue from the construction of infrastructure held under concession includes the income relating to construction services subcontracted by the Trust Group (determined using input method as required by MFRS 15: Revenue from Contract with Customers).

(iv) Revenue from services

Revenue from services rendered is recognised net of service taxes if applicable, and discounts as and when the services are performed.

The revenue recognition of other classes of revenue that are not within the scope of MFRS 15 are set out below:

(i) Income derived from deposits with licensed banks

Income derived from deposits with licensed banks and Sukuk Mudharabah is recognised using the effective profit rate method.

(ii) Non-toll revenue

Revenue arising from rental income of billboard space and restaurant outlets are recognised on a straight line basis over the term of the lease under the lease arrangement.

Notes to the Financial Statements _____
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(q) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Trust Group and the Trust pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the assets is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs ceases when all activities necessary to prepare the qualifying asset for its intended use or sale are completed.

In capitalising general borrowing costs, the Trust Group and the Trust shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate. The capitalisation rate shall be the weighted average of the borrowing costs applicable to all general borrowings of the Trust Group and the Trust. General borrowings are all borrowings that are outstanding during the period, except for specific borrowings that are made specifically to obtain a qualifying asset that is not yet ready for its intended use or sale. If a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of the Trust Group's and the Trust's general borrowings.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(s) Income taxes

(i) Current tax

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in statements of changes in equity.

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(s) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except (cont'd.):

- in respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

(t) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Trust Group's Cash Generating Unit ("CGU").

Notes to the Financial Statements
For the financial year ended 31 December 2024

3. Material accounting policy information (cont'd.)

3.4 Accounting policies (cont'd.)

(t) Goodwill (cont'd.)

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the CGU retained.

4. Significant accounting estimates and judgements

Assumptions concerning the future estimates and judgements are made in the preparation of the financial statements. They affect the application of the Trust Group's and the Trust's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made.

They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements made in applying accounting policies

There are no significant judgements made by the management in the application of accounting policies of the Trust Group and of the Trust that have a significant effect on the financial statements.

(b) Key sources of estimation uncertainty

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

(i) Amortisation of highway development expenditure and government compensation

Highway development expenditure and government compensation are amortised over the toll collection period based on the formula as stated in Note 3.4(e)(i). Significant estimates are required in determining the estimated traffic volume for the forecasted future years up to expiry of the concession period.

Notes to the Financial Statements

For the financial year ended 31 December 2024

4. Significant accounting estimates and judgements (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(i) Amortisation of highway development expenditure and government compensation (cont'd.)

In making the estimate, the Trust Group evaluates the projected traffic volume for the concession period projected by an independent professional firm of traffic consultants in the projection study commissioned by the Trust Group.

The traffic consultants have derived future traffic volume based on the following information and assumptions:

- Anticipated level of development that would occur during the concession period based on published information on large-scale land use and the transportation development in the Klang Valley and Selangor that were collated from the respective District Structure Plans.
- Future population and economic growth based on government published economic reports.
- Socio-economic and demographics trend in Klang Valley and Selangor to establish new forecast for variables such as growth in population, gross domestic product, employment, car ownership and value of time.
- Qualitative judgements to determine the targeted progress of the land use development and their potential impact on the road network in the Klang Valley and Selangor.

The carrying amounts of the Trust Group's highway development expenditure and government compensation at the reporting date are disclosed in Note 14 and Note 16 respectively.

(ii) Impairment for goodwill, highway development expenditure and investment in subsidiaries

The Trust Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the value in use of the cash-generating-units ("CGU") to which goodwill is allocated.

The Trust Group assesses at each reporting date whether there is any indication that a highway development expenditure or investment in subsidiaries is impaired. To determine whether there is indication of impairment, the Trust Group considers factors such as permanent decline in actual traffic volume compared to estimate traffic forecast.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Other significant assumptions are disclosed in Note 13.

The carrying amount of the Trust Group's goodwill, highway development expenditure and investment in subsidiaries at the reporting date is disclosed in Note 13, Note 14 and Note 15 respectively.

Notes to the Financial Statements
For the financial year ended 31 December 2024

4. Significant accounting estimates and judgements (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(iii) Income tax and deferred tax assets

Estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain. The Trust Group and the Trust recognise liabilities for expected tax based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will affect the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for unabsorbed capital allowances, unutilised tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which unabsorbed capital allowances, unutilised tax losses and other temporary differences can be utilised. Significant management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The recognised and unrecognised tax losses, unabsorbed capital allowances and other temporary differences of the Trust Group and of the Trust are disclosed in Note 22.

(iv) Provision for road resurfacing, lane widening and construction of interchange

To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the Trust Group takes into consideration factors such as past historical experience and other available information. Other significant assumptions are disclosed in Note 23.

(v) Provision for replacement cost

To determine whether it is probable that an outflow of resources will be required to replace the moveable assets and the reliable amount of estimates can be made, the Trust Group takes into consideration factors such as the expected timing of the replacement, past historical experience and other available information. Other significant assumptions are disclosed in Note 23.

(vi) Recognition of fair value of net assets arising from reverse acquisition

The Trust Group completed its purchase price allocation ("PPA") exercise on the reverse acquisition whereby for accounting purpose, SILK is regarded as accounting acquirer, being the largest entity under this acquisition while the accounting acquiree is the Trust and its subsidiaries, namely PLKSB, PLSASB and PESB. The total consideration of RM1,100 million was satisfied through the issuance of 1,100 million units of the Trust.

The fair value of the net assets and liabilities as well as the details of the reverse acquisition are disclosed in Note 15.

Notes to the Financial Statements

For the financial year ended 31 December 2024

5. Revenue

Revenue of the Trust Group and of the Trust consists of the following:

	2024	Trust Group
	RM	2023
		RM
		(Unaudited)
Toll collection	305,143,010	128,784,576
Government toll compensation	6,939,042	3,374,244
Non-toll revenue	1,669,542	21,600
Highway operations revenue	313,751,594	132,180,420
Construction revenue (Note 6)	7,922,224	1,988,990
Less: Non-toll revenue	(1,669,542)	(21,600)
Revenue from contracts with customers	320,004,276	134,147,810

Government toll compensation for gross toll compensation revenue arose from festival seasons as described in Note 2.

Timing of revenue recognition:

	2024	Trust Group
	RM	2023
		RM
		(Unaudited)
At a point in time		
- Toll collection	305,143,010	128,784,576
- Gross toll compensation revenue	6,939,042	3,374,244
Over time		
- Construction revenue	7,922,224	1,988,990
	320,004,276	134,147,810

The revenue are derived solely from business operations carried out in Malaysia.

6. Construction revenue/(costs)

	2024	Trust Group
	RM	2023
		RM
		(Unaudited)
Revenue from construction	7,922,224	1,988,990
Costs from construction	(7,922,224)	(1,988,990)
	-	-

Notes to the Financial Statements
For the financial year ended 31 December 2024

6. Construction revenue/(costs) (cont'd.)

Construction revenue and corresponding construction costs are recognised as required under IC 12 and in accordance with MFRS 15 as described in Note 3.4(p)(iii) in respect of highway development works undertaken during the year.

7. Other income

	Trust Group		Trust
			11.12.2023
	2024	2023	to
	RM	RM	31.12.2024
		(Unaudited)	RM
Distribution from investment in unit trust	15,064,581	3,192,175	12,460,547
Profit income	-	-	109,867,372
Others	261,816	818,983	-
	<u>15,326,397</u>	<u>4,011,158</u>	<u>122,327,919</u>

8. Staff costs

	Trust Group	
	2024	2023
	RM	RM
		(Unaudited)
Salaries	18,973,931	4,872,596
Social security cost	266,450	66,137
Defined contribution plan	1,963,078	409,287
Other staff related expenses	602,165	187,335
	<u>21,805,624</u>	<u>5,535,355</u>

Notes to the Financial Statements

For the financial year ended 31 December 2024

9. Finance costs

	Trust Group		Trust
	2024	2023	11.12.2023
	RM	RM	to
		(Unaudited)	31.12.2024
			RM
Finance costs on borrowings	127,125,031	46,414,136	130,872,953
Finance costs on amount due to immediate holding company	-	904,593	-
Amortisation of issuance expenses (Note 21)	242,325	6,639	248,964
Unwinding of discount:			
- Provisions (Note 23)	11,075,376	9,204,637	-
Others	-	1,008,339	-
	<u>138,442,732</u>	<u>57,538,344</u>	<u>131,121,917</u>

10. Profit/(loss) before tax

In addition to the items disclosed in Notes 7, 8 and 9, the following amounts have been included in arriving at profit before tax:

	Trust Group		Trust
	2024	2023	11.12.2023
	RM	RM	to
		(Unaudited)	31.12.2024
			RM
Auditors' remuneration			
- audit fees	445,000	66,000	200,000
- non-audit fees	240,000	-	240,000
Directors' remuneration (Note 27(b))			
- fees	46,886	9,000	-
- other emoluments	45,000	8,000	-
Provision for road resurfacing (Note 23)	13,375,230	2,243,344	-
Provision for replacement costs (Note 23)	2,213,929	677,954	-
Management fee (Note 27(a))	-	2,621,230	-
Trustee fees to the			
Trustee-manager (Note 27(a))	8,000,000	-	8,000,000
Impairment loss on investment in a subsidiary	-	-	95,000,001
Operating lease rental*	<u>82,312</u>	<u>9,095</u>	<u>-</u>

Notes to the Financial Statements
For the financial year ended 31 December 2024

10. Profit/(loss) before tax (cont'd.)

- * The Trust Group leases temporary office premises and office equipment. These leases are short term and/or of low-value assets. The Trust Group has elected not to recognise right-of-use assets and lease liability for these leases.

11. Income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	Trust Group		Trust
	2024	2023	11.12.2023
	RM	RM	to
		(Unaudited)	31.12.2024
			RM
Current income tax:			
- Malaysian income tax	19,087,381	-	-
- Overprovision in prior years	(385,194)	-	-
	<u>18,702,187</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 22):			
- Origination and reversal of temporary differences	(3,144,205)	112,685,448	-
- Overprovision in prior years	(230,017)	(831,345)	-
	<u>(3,374,222)</u>	<u>111,854,103</u>	<u>-</u>
Total income tax expense recognised in profit or loss	<u>15,327,965</u>	<u>111,854,103</u>	<u>-</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

Notes to the Financial Statements

For the financial year ended 31 December 2024

11. Income tax expense (cont'd.)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profits multiplied by the applicable corporate tax rate for the financial years ended 31 December 2024 and 2023 of the Trust Group are as follows:

	Trust Group	
	2024	2023
	RM	RM
		(Unaudited)
Trust Group		
Profit before tax	41,894,507	38,364,627
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	10,054,682	9,207,510
Expenses not deductible for tax purposes	7,110,513	16,741,032
Income not subject to tax	-	(143,030)
Deferred tax assets recognised on previously recognised unutilised business losses	(1,222,019)	-
Reversal of deferred tax assets previously recognised in respect of unutilised business losses	-	86,879,936
Overprovision of income tax in prior years	(385,194)	-
Overprovision of deferred tax in prior years	(230,017)	(831,345)
Total income tax expenses recognised in profit or loss	15,327,965	111,854,103
		Trust
		11.12.2023
		to
		31.12.2024
		RM
Trust		
Loss before tax		(119,040,737)
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)		(28,569,777)
Expenses not deductible for tax purposes		28,569,777
Total income tax expense recognised in profit or loss		-

Notes to the Financial Statements
For the financial year ended 31 December 2024

12. Distributions

**Trust Group/
Trust
2024
RM**

In respect of the financial year ended 31 December 2024:

Interim distribution of approximately 3.18 sen per unit, declared
on 3 September 2024 and paid on 18 September 2024

34,980,100

The directors declared on 25 February 2025 distributions of 3.18 sen per unit for final distribution to be paid for the financial year ended 31 December 2024. This total distribution of approximately RM35 million is not recognised as liability as at 31 December 2024.

13. Goodwill

**Trust Group
RM**

At 1 January 2024/31 December 2024

210,568,893

At 1 January 2023

-

Acquisition of subsidiaries

210,568,893

At 31 December 2023

210,568,893

At the Business Combination Date, the Group had estimated the fair value of the identifiable assets and liabilities of the Trust and its subsidiaries which aligns to the purchase price allocation ("PPA") assessment.

Impairment tests for goodwill

Goodwill of RM210.6 million relates to AKLEH, GCE and LKSA CGU. There was no impairment made in the CGUs during the year.

Key assumptions used in value-in-use calculations of impairment assessment ("CGU")

The recoverable amounts of the CGU have been determined based on value-in-use calculations using cash flow projections covering the remaining length of the concession period.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing on the concession intangible assets:

(a) Discount rate

Value-in-use was determined by discounting the future cash flows generated by applying the discount rate ranging from 8.1% - 8.4%. The rate used to discount future cash flows is subject to change in economic conditions and is reviewed annually.

Notes to the Financial Statements

For the financial year ended 31 December 2024

13. Goodwill (cont'd.)

Key assumptions used in value-in-use calculations of impairment assessment ("CGU") (cont'd.)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing on the concession intangible assets (cont'd.):

(a) Discount rate (cont'd.)

Sensitivity to changes in assumptions

An increase of 0.5% or 50 basis points in discount rate would results in impairment loss of RM93,238,153.

(b) Revenue

The projected traffic volume for the concession period projected by an independent professional firm of traffic consultants in the projection study commissioned for all highways.

The traffic consultants have derived future traffic volume based on the following information and assumptions as per disclosed under Note 4(b)(i).

Sensitivity to changes in assumptions

With all other variables held constant, a decrease in revenue of 1% would results in impairment loss of RM35,746,364.

(c) Expenditure for highway maintenance and operating expenses

The expenditure for highway maintenance and operating expenses including capital expenditure to maintain the current condition of the HDE is based on historical data and by applying cost escalation rate of 3%.

Notes to the Financial Statements
For the financial year ended 31 December 2024

14. Highway development expenditure

Trust Group	Land cost RM	Development expenditure RM	Other concession assets RM	Capital work-in- progress RM	Total RM
At 31 December 2024					
Cost					
At 1 January 2024	672,775,743	3,328,231,199	118,735,588	248,264,932	4,368,007,462
Addition	-	-	-	7,922,224	7,922,224
Adjustment*	-	-	-	1,067,080	1,067,080
At 31 December 2024	672,775,743	3,328,231,199	118,735,588	257,254,236	4,376,996,766
Accumulated amortisation					
At 1 January 2024	262,316,194	1,110,534,000	38,703,417	102,450,848	1,514,004,459
Amortisation for the year	9,480,296	34,266,723	1,314,857	2,385,615	47,447,491
At 31 December 2024	271,796,490	1,144,800,723	40,018,274	104,836,463	1,561,451,950
Net carrying amount	400,979,253	2,183,430,476	78,717,314	152,417,773	2,815,544,816

* Adjustment to capital work-in-progress relates mainly to changes in the estimated cost of fulfilling concession obligations for lane widening and interchange construction recognised as provisions.

Notes to the Financial Statements

For the financial year ended 31 December 2024

14. Highway development expenditure (cont'd.)

Trust Group	Land cost RM	Development expenditure RM	Other concession assets RM	Capital work-in- progress RM	Total RM
At 31 December 2023					
Cost					
At 1 January 2023 (Unaudited)	214,208,720	707,259,232	50,962,325	203,997,741	1,176,428,018
Acquisition of subsidiaries (Unaudited)	282,955,103	1,738,363,940	50,728,186	40,121,109	2,112,168,338
Additions (Unaudited)	-	-	244,433	1,988,990	2,233,423
Adjustment* (Unaudited)	-	-	(216,804)	(14,058,597)	(14,275,401)
At 31 December 2023 (Unaudited)	497,163,823	2,445,623,172	101,718,140	232,049,243	3,276,554,378
Accumulated amortisation					
At 1 January 2023 (Unaudited)	84,792,207	220,737,854	21,395,047	84,624,291	411,549,399
Amortisation for the year (Unaudited)	1,912,067	7,188,119	437,118	1,610,868	11,148,172
Adjustment* (Unaudited)	-	-	(146,196)	-	(146,196)
At 31 December 2023 (Unaudited)	86,704,274	227,925,973	21,685,969	86,235,159	422,551,375
Net carrying amount	410,459,549	2,217,697,199	80,032,171	145,814,084	2,854,003,003

* Adjustment to capital work-in-progress relates mainly to changes in the estimated cost of fulfilling concession obligations for lane widening and interchange construction recognised as provisions.

Land cost is in respect of compulsory acquisition of land made by the Government of Malaysia via Lembaga Lebuhraya Malaysia under the Land Acquisition Act, 1960 for the purpose of the construction of AKLEH, GCE, LKSA and SILK Expressways. The subsidiaries of the Trust were given the rights by the Government to undertake the construction, operation, maintenance and toll collection of the respective highways on the acquired lands over the concession period.

Notes to the Financial Statements
For the financial year ended 31 December 2024

15. Investment in subsidiaries

	Trust 2024 RM
Unquoted shares, at cost:	1,195,000,000
Less: Accumulated impairment	(95,000,001)
	<u>1,099,999,999</u>

Details of the subsidiaries are as follows:

Name of subsidiary company	Place of Business/ Country of incorporation	Principal activities	% of ownership interest held by the Trust Group
Projek Lintasan Kota Sdn. Bhd. ("PLKSB")	Malaysia	Operation, maintenance and toll collection of the Ampang Kuala Lumpur Elevated Highway	100
Projek Lintasan Shah Alam Sdn. Bhd. ("PLSASB")	Malaysia	Operation, maintenance and toll collection of the Kemuning Shah Alam Highway	100
Prolintas Expressway Sdn. Bhd. ("PESB")	Malaysia	Operation, maintenance and toll collection of the Guthrie Corridor Expressway	100
Sistem Lingkaran - Lebuhraya Kajang Sdn. Bhd. ("SILK")	Malaysia	Operation, maintenance and toll collection of the Kajang Traffic Dispersal Ring Road	100
Manfaat Tetap Sdn. Bhd. ("MTSB")	Malaysia	Special purpose vehicle to facilitate the issuance of Sukuk Mudharabah	100

The key assumptions used in determining the recoverable amount of investment in subsidiaries is similar as disclosed in Note 13.

Notes to the Financial Statements

For the financial year ended 31 December 2024

15. Investment in subsidiaries (cont'd.)

The following corporate exercises occurred during the financial year, as part of the proposed initial public offering of Prolintas Infra Business Trust:

- (a) On 11 December 2023, Prolintas Infra Business Trust entered into a Sale of Business Agreement with the Trust to acquire the entire issued share capital of PLKSB, PESB, PLSASB and SILK for a total consideration of RM1,100,000,000. The purchase consideration was satisfied with the issuance of 1,100,000,000 units of Prolintas Infra Business Trust. The transaction was completed on 21 December 2023.
- (b) On 19 January 2024, Prolintas Infra Business Trust increased its investments in PLSASB amounting to RM95 million by way of capitalisation of amount due from subsidiaries.
- (c) As at 31 December 2024, PLSASB has reported continuing operating losses and depleting shareholder's funds. These are indicators that the investment in this PLSASB may be impaired. This resulted in impairment losses on its investment in subsidiaries of RM95 million based on its VIU.

On 21 December 2023, SILK, being one of the wholly-owned subsidiaries of the Trust with the highest value, is the deemed accounting acquirer for the acquisition of the Trust assets. The acquisition was completed on this date thereby forming the Trust Group.

The fair value of identifiable assets and liabilities at the date of acquisition are as follows:

	Fair value recognised on acquisition RM
Assets	
Highway development expenditure	2,112,168,338
Deferred tax assets	7,829,909
Trade and other receivables	38,482,544
Tax recoverable	168,859
Deposits, cash and bank balances	318,805,823
	<u>2,477,455,473</u>
Liabilities	
Provisions	79,942,560
Deferred tax liabilities	273,997,676
Borrowings	1,698,914,118
Lease liabilities	91,156
Trade and other payables	20,563,741
Provision for tax	3,237,534
	<u>(2,076,746,785)</u>
Total identifiable net assets at fair value	<u>400,708,688</u>
Goodwill arising on acquisition	210,568,893
Consideration attributable to the acquired subsidiaries	<u>611,277,581</u>

Notes to the Financial Statements
For the financial year ended 31 December 2024

15. Investment in subsidiaries (cont'd.)

The consideration fair value of units issued by the Trust attributable to SILK (deemed acquirer) and the acquired are as follows:

	RM
<i>Purchase consideration</i>	
Units issued at fair value	1,100,000,000
Less: Units attributable to SILK	(488,722,419)
Consideration attributable to the acquired subsidiaries	<u>611,277,581</u>
<i>Analysis of cash flows on acquisition:</i>	
Net cash acquired with the subsidiaries, representing net cash flow on acquisition	<u>318,805,823</u>

The Trust issued 1,100,000,000 trust units at RM1 per unit as total consideration. The fair value of the consideration of RM1,100,000,000 is determined based on the aggregate fair value of PLKSB, PESB, PLSASB and SILK based on independent valuation report. The fair value is categorised as Level 3 in the fair value hierarchy. The valuation method used in determining the valuations are income approach method.

The following describes each significant input in the approach adopted by the independent valuer:

(a) Discount rate

The discount rate used in discounting the future cash flows generated ranging from 8.1% - 8.4%.

(b) Revenue

The projected traffic volume for the concession period projected by an independent professional firm of traffic consultants in the projection study commissioned for all highways.

The traffic consultants have derived future traffic volume based on the following information and assumptions as per disclosed under Note 4(b)(i).

(c) Expenditure for highway maintenance and operating expenses

The expenditure for highway maintenance and operating expenses including capital expenditure to maintain the current condition of the HDE is based on historical data and by applying cost escalation rate of 3.5%.

Notes to the Financial Statements _____
For the financial year ended 31 December 2024

16. Trade and other receivables

	2024 RM	Trust Group 2023 RM (Unaudited)	Trust 2024 RM
Trade receivables (Note a)			
Current			
Compensation claim receivable from the Government of Malaysia	14,967,375	17,470,693	-
Other receivables (Note b)			
Current			
Amounts due from immediate holding company	42,298,005	8,789,642	42,049,709
Amounts due from related companies	3,040,213	5,368,355	-
Amounts due from subsidiaries	-	-	40,468,183
Deposits	1,445,585	1,341,580	4,500
Prepayments	1,317,497	1,676,900	53,375
Sundry receivables	1,376,256	21,381,334	-
	49,477,556	38,557,811	82,575,767
Other receivables			
Non-current			
Prepayments (Note c)	7,115,936	7,799,066	-
Amount due from subsidiaries (Note b)	-	-	1,752,150,260
Total non-current other receivables	7,115,936	7,799,066	1,752,150,260
Non-current	7,115,936	7,799,066	1,752,150,260
Current	64,444,931	56,028,504	82,575,767
Total trade and other receivables	71,560,867	63,827,570	1,834,726,027
Total trade and other receivables	71,560,867	63,827,570	1,834,726,027
Add: Deposits, cash and bank balances (Note 18)	211,876,769	406,651,993	128,917,762
Less: Prepayments	(8,433,433)	(9,475,966)	(53,375)
Total receivables at amortised costs	275,004,203	461,003,597	1,963,590,414

(a) Trade receivables

the Trust Group has no significant concentration of credit risk that may arise from exposure to a single debtor or group of debtors other than the above compensation claim receivable from the Government of Malaysia.

Notes to the Financial Statements
For the financial year ended 31 December 2024

16. Trade and other receivables (cont'd.)

(b) Other receivables

- (i) Amount due from immediate holding company arises from the indemnification by the immediate holding company on the losses incurred and made against PESB in the arbitration case with KL-Kuala Lumpur Selangor Expressway Bhd ("LATAR") as disclosed in Note 31. The amount is non-trade in nature, unsecured, interest-free and repayable on demand.
- (ii) Amounts due from related companies are non-trade in nature, unsecured, interest-free and repayable on demand.
- (iii) Amounts due from subsidiaries are repayable on demand with profit rate of 5.48% per annum. The amounts is not expected to be realised within the next 12 months. Further details on related party transactions are disclosed in Note 27(a).

The Trust Group and the Trust have no significant concentration of credit risk included under other receivables that may arise from exposures to a single debtor or to groups of debtors except for the amounts due from subsidiaries as mentioned above.

(c) Prepayments

Prepayments relates mainly to maintenance fee paid in advance to another highway concessionaire for a connected stretch of highway and is recognised in the statement of comprehensive income until the end of the concession period on a straight line basis.

17. Other investments

	2024 RM	Trust Group 2023 RM (Unaudited)	Trust 2024 RM
<i>Fair value through profit or loss</i>			
Investments in unit trust	273,379,295	6,653	273,372,642

Included in the investment in unit trust of the Trust Group and of the Trust is an amount of RM61,371,474 maintained pursuant to Facility as disclosed in Note 21 and are restricted from use in other operations.

Notes to the Financial Statements

For the financial year ended 31 December 2024

18. Deposits, cash and bank balances

	Trust Group	
	2024 RM	2023 RM (Unaudited)
Deposits with licensed banks	51,258,719	383,920,329
Cash at bank and on hand	160,618,050	22,731,664
Deposits, cash and bank balances	211,876,769	406,651,993
Amounts pledged as security for bank guarantee	(2,500,000)	(2,500,000)
Cash and cash equivalents	209,376,769	404,151,993

The deposits at reporting date earn profit ranging from 2.00% to 3.90% (2023: from 3.50% to 4.00%) per annum and the maturities of deposits as at the end of the financial year range from 28 to 365 days (2023: from 14 to 365 days).

	Trust 2024 RM
Cash at bank represent cash and bank equivalents	128,917,762

19. Total unitholders' fund

	Number of trust units		Amount	
	2024	2023	2024	2023
		(Unaudited)	RM	RM (Unaudited)
Issued and fully paid:				
Trust Group				
At 1 January	1,100,000,000	488,722,419	1,100,000,000	488,722,419
Issuance of new units	-	611,277,581	-	611,277,581
At 31 December	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000

Based on business trust units issued by the Trust in exchange of legally acquiring SILK in December 2023. For the purpose of presentation of acquisition of SILK as the deemed acquirer, the opening share capital represents the business trust units issued by the Trust attributable to SILK.

Notes to the Financial Statements
For the financial year ended 31 December 2024

19. Total unitholders' fund (cont'd.)

	Number of trust units 2024	Amount 2024 RM
Issued and fully paid:		
Trust		
At 11 December 2023 (date of establishment)	-	-
Issuance of new units	1,100,000,000	1,100,000,000
At 31 December 2024	<u>1,100,000,000</u>	<u>1,100,000,000</u>

As disclosed in Note 3.1 (a), the Trust issued 1,100,000,000 trust units as total consideration to acquire the entire share capital of PLKSB, PLSASB, PESB and SILK. The fair value of the units is calculated with reference to quoted price of the units of the Trust at the date of business combination, which was RM1 per unit. The fair value of the consideration given was therefore RM1,100,000,000.

The holder of trust units is entitled to receive distributions as and when declared by the Trust. All units carry one vote per unit without restrictions and rank equally with regard to the Trust's residual assets.

20. Other reserves

Other reserves represents the difference between the fair value of the units issued by the Trust attributable to SILK for the legal acquisition of SILK (RM488.7 million) and the historical share capital of SILK (RM220.0 million) at the date of reverse acquisition.

21. Borrowings

	2024 RM	Trust Group 2023 RM (Unaudited)	Trust 2024 RM
Short term borrowings			
<u>Secured:</u>			
Lease liabilities	-	164,084	-
Long term borrowings			
<u>Secured:</u>			
Tawarruq financing facility (Note a)	2,351,100,101	2,326,318,701	2,351,100,101
Less: Unamortised issuance expenses	(6,501,036)	(6,743,361)	(6,501,036)
Total long term borrowings	<u>2,344,599,065</u>	<u>2,319,575,340</u>	<u>2,344,599,065</u>

Notes to the Financial Statements

For the financial year ended 31 December 2024

21. Borrowings (cont'd.)

	2024 RM	Trust Group 2023 RM (Unaudited)	Trust 2024 RM
Total borrowings			
<u>Secured:</u>			
Lease liabilities	-	164,084	-
Tawarruq financing facility	2,351,100,101	2,326,318,701	2,351,100,101
	2,351,100,101	2,326,482,785	2,351,100,101
Less: Unamortised issuance expenses	(6,501,036)	(6,743,361)	(6,501,036)
Total borrowings	2,344,599,065	2,319,739,424	2,344,599,065
 Unamortised issuance expenses:			
At 1 January	6,743,361	6,750,000	6,743,361
Amortisation for the year (Note 9)	(242,325)	(6,639)	(248,964)
At 31 December	6,501,036	6,743,361	6,494,397
 Remaining maturities of borrowings (excluding unamortised issuance expenses):			
On demand or within one year	-	164,084	-
5 years or more	2,344,599,065	2,319,575,340	2,344,599,065
	2,344,599,065	2,319,739,424	2,344,599,065

The profit rates at the reporting date for borrowings are as follows:

	Borrowings profile	2024 % per annum	2023 % per annum (Unaudited)
Tawarruq financing	fixed rate	5.48	5.48

The details of the borrowings are as follows:

(a) Tawarruq facility ("the Facility")

- (i) Prolintas Managers Sdn Bhd ("PMSB") (on behalf of Prolintas Infra Business Trust) had on 11 December 2023 entered into a financing facility agreement to raise up to RM2,700 million of the Facility for the following purposes:

Term 1: Up to RM2,400 million is to be utilised for the purposes of refinancing of existing debts, including the payment of any amount due to the related parties.

Term 2: Up to RM300 million is to be utilised for the capital expenditure in relation to the construction of a new interchange for PESB and lane widening for SILK.

Notes to the Financial Statements
For the financial year ended 31 December 2024

21. Borrowings (cont'd.)

(a) Tawarruq facility ("the Facility") (cont'd.)

On 21 December 2023, RM2,326 million was drawdown from the Facility which consists of RM1,890 million for principal and RM436 million for accrued finance cost. The tenure for the Facility is up to 24 years from the date of first disbursement.

The effective profit rate of the respective financing is as per below:

<u>Term</u>	<u>Year</u>	<u>Effective Profit Rate ("EPR")</u>
Term 1:	Year 1 to 12	5.60% per annum, to be paid as below: 1) Semi-annual instalment of New Cost of Fund ("COF") + 0.30% per annum 2) The balance to be paid in bullet payment at maturity date
	Year 13 to 24	New COF + 1.77% per annum
Term 2:	Year 1 to 15	New COF + 0.90% per annum - 1.50% per annum
	Year 16 to 24	New COF + 0.90% per annum

(ii) The Facility are secured by:

- (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 PLKSB, PLSASB, PESB and SILK;
- (d) first party first ranking legal assignment and charge over all rights, interest, title and benefits under the agreements entered into by PMSB, the Trustee-Manager with PLKSB, PLSASB, PESB and SILK for the purpose of, inter alia, the refinancing utilising Term 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;

Notes to the Financial Statements

For the financial year ended 31 December 2024

21. Borrowings (cont'd.)

The details of the borrowings are as follows (cont'd.):

(a) Tawarruq facility ("the Facility") (cont'd.)

(ii) The Facility are secured by (cont'd.):

- (f) Letter of Undertaking from PLKH, undertaking that for so long as any of the Concession Agreements is in force and effect:
 - (i) Projek Lintasan Kota Holdings Sdn. Bhd. shall at all times throughout the tenure of the facility hold 100% of the ordinary shares of the Trustee-Manager; and
 - (ii) Projek Lintasan Kota Holdings Sdn. Bhd., Permodalan Nasional Berhad, any unit trust fund managed by Permodalan Nasional Berhad and/or its subsidiary, shall at all times throughout the tenure of the facility hold in aggregate more than 33% of all units of the Prolintas Infra Business Trust.
- (g) first party first ranking assignment and charge over all rights, interest, title, and benefits under the Sales of Business Agreement;
- (h) third party first ranking legal assignment over all rights, title, interest and benefits of the HDE under the Concession Agreements as disclosed in Note 14, in respect of the following:
 - (i) the proceeds of the toll collection;
 - (ii) the rights on the portion of ancillary income which are permitted to be assigned under the terms of the Concession Agreements;
 - (iii) the rights to any cash payments from the Government to compensate for any reduction in toll rate and/or abolishment of toll rate; and
 - (iv) 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 PLKSB, PLSASB, PESB and SILK; and
- (j) third party first ranking legal assignment and charge over PLKSB, PLSASB, PESB and SILK's operating accounts.

Notes to the Financial Statements
For the financial year ended 31 December 2024

21. Borrowings (cont'd.)

(i) Reconciliation of liabilities arising from financing activities:

Trust Group

	2024 RM	2023 RM (Unaudited)	2024 Movement Cash flows	
			Repayment of borrowings RM	Drawdown of borrowings RM
Lease liabilities	-	164,084	(164,084)	-
Tawarruq financing facility	2,351,100,101	2,326,318,701	-	24,781,400
	<u>2,351,100,101</u>	<u>2,326,482,785</u>	<u>(164,084)</u>	<u>24,781,400</u>

Trust

	2024 RM	2023 RM (Unaudited)	2024 Movement Cash flows	
			Repayment of borrowings RM	Drawdown of borrowings RM
Tawarruq financing facility	<u>2,351,100,101</u>	<u>-</u>	<u>-</u>	<u>2,351,100,101</u>

Notes to the Financial Statements _____
For the financial year ended 31 December 2024

21. Borrowings (cont'd.)

(i) Reconciliation of liabilities arising from financing activities (cont'd.):

Trust Group

	2023					
			Movement			
			Issuance expenses	Reverse acquisition	Cash flows	
	2023	2022			Repayment of borrowings	Drawdown of borrowings
	RM	RM	RM	RM	RM	RM
	(Unaudited)	(Unaudited)				
Lease liabilities	164,084	182,316		-	(18,232)	-
Tawarruq financing facility	2,326,318,701	-	6,772,269		-	2,319,546,432
Sukuk Mudharabah	-	435,532,871		1,698,914,118	(2,134,446,989)	-
Profit payment of Ijarah Rental A and profit payment C of excess fund	-	290,535,904		-	(290,535,904)	-
	<u>2,326,482,785</u>	<u>726,251,091</u>	<u>6,772,269</u>	<u>1,698,914,118</u>	<u>(2,425,001,125)</u>	<u>2,319,546,432</u>

The Trust Group had total cash outflows for lease liabilities of RM164,084 (2023: RM18,232). The Trust Group had no non-cash additions to right-of-use assets and lease liabilities during the financial year.

Notes to the Financial Statements
For the financial year ended 31 December 2024

22. Deferred tax assets/(liabilities)

	Trust Group	
	2024 RM	2023 RM (Unaudited)
At 1 January	(194,148,197)	183,873,673
Acquisition of subsidiaries	-	(266,167,767)
Recognised in profit or loss	3,374,222	(111,854,103)
At 31 December	<u>(190,773,975)</u>	<u>(194,148,197)</u>

Presented after appropriate offsetting as follows

Deferred tax assets	81,020,719	79,849,479
Deferred tax liabilities	<u>(271,794,694)</u>	<u>(273,997,676)</u>
	<u>(190,773,975)</u>	<u>(194,148,197)</u>

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

Trust Group

	Highway development expenditure RM	Total RM
Deferred tax liabilities:		
At 1 January 2024	407,955,833	407,955,833
Recognised in profit or loss	<u>(2,253,240)</u>	<u>(2,253,240)</u>
At 31 December 2024	<u>405,702,593</u>	<u>405,702,593</u>

	Unutilised business losses RM	Unabsorbed capital allowances RM	Provisions and others RM	Total RM
Deferred tax assets:				
At 1 January 2024	(89,188,766)	(114,707,418)	(9,911,452)	(213,807,636)
Recognised in profit or loss	<u>7,413,583</u>	<u>(6,526,670)</u>	<u>(2,007,895)</u>	<u>(1,120,982)</u>
At 31 December 2024	<u>(81,775,183)</u>	<u>(121,234,088)</u>	<u>(11,919,347)</u>	<u>(214,928,618)</u>

**Net deferred
tax liabilities**

190,773,975

Notes to the Financial Statements

For the financial year ended 31 December 2024

22. Deferred tax assets/(liabilities) (cont'd.)

The components and movements of deferred tax assets and liabilities before offsetting during the financial year are as follows (cont'd.):

Trust Group

	Accelerated capital allowances RM	Total RM
Deferred tax liabilities:		
At 1 January 2023 (Unaudited)	33,246,013	33,246,013
Acquisition of subsidiaries (Unaudited)	383,109,659	383,109,659
Recognised in profit or loss (Unaudited)	(8,399,839)	(8,399,839)
At 31 December 2023 (Unaudited)	407,955,833	407,955,833

	Unutilised business losses RM	Unabsorbed capital allowances RM	Provisions and others RM	Total RM
Deferred tax assets:				
At 1 January 2023 (Unaudited)	(150,970,240)	-	(66,149,446)	(217,119,686)
Acquisition of subsidiaries (Unaudited)	-	(112,250,939)	(4,690,953)	(116,941,892)
Recognised in profit or loss (Unaudited)	61,781,474	(2,456,479)	60,928,947	120,253,942
At 31 December 2023 (Unaudited)	(89,188,766)	(114,707,418)	(9,911,452)	(213,807,636)
Net deferred tax liabilities				194,148,197

Deferred tax assets have not been recognised in the Trust Group in respect of the following items:

	Trust Group	
	2024 RM	2023 RM (Unaudited)
Unutilised business losses	818,851,888	823,943,634

Notes to the Financial Statements
For the financial year ended 31 December 2024

22. Deferred tax assets/(liabilities) (cont'd.)

The unutilised business losses shall expire in the following years of assessment:

	2024 RM	2023 RM (Unaudited)
Year of assessment 2028	409,800,665	414,892,411
Year of assessment 2033	409,051,223	409,051,223
	818,851,888	823,943,634

In Malaysia, the unutilised business losses can be carried forward and available for use for 10 years starting from the year of assessment 2018. The unutilised business losses of the Trust Group relates to the loss making highways and can be utilised to offset against future taxable profits.

The Trust Group has not recognised the unutilised business losses where there is insufficient future taxable profit to be utilised against the business losses before its expiry. Hence, the deferred tax assets was not recognised.

The unabsorbed capital allowances are available indefinitely for offsetting against future taxable profits of the respective entities within the Trust Group, subject to tax law and tax guidance issued by the tax authority enacted at the reporting date.

23. Provisions

Trust Group	2024 RM	2023 RM (Unaudited)
Lane widening		
At 1 January	234,748,817	274,186,555
Adjustment	1,162,085	(14,058,597)
Unwinding of discount (Note 9)	7,968,693	8,821,143
Utilised during the year	(28,520,840)	(34,200,284)
At 31 December	215,358,755	234,748,817
Construction of interchange		
At 1 January	60,607,515	-
Acquisition of subsidiaries	-	60,607,515
Adjustment	(95,005)	-
Unwinding of discount (Note 9)	2,175,834	-
At 31 December	62,688,344	60,607,515

Notes to the Financial Statements

For the financial year ended 31 December 2024

23. Provisions (cont'd.)

Trust Group	2024 RM	2023 RM (Unaudited)
Road resurfacing		
At 1 January	22,927,256	8,160,915
Acquisition of subsidiaries	-	14,211,722
Provision for the year (Note 10)	13,375,230	2,243,344
Unwinding of discount (Note 9)	698,272	302,770
Utilised during the year	(4,400,343)	(1,991,495)
At 31 December	32,600,415	22,927,256
Replacement costs		
At 1 January	7,766,890	2,694,107
Acquisition of subsidiaries	-	5,123,323
Provision for the year (Note 10)	2,213,929	677,954
Unwinding of discount (Note 9)	232,577	80,724
Utilised during the year	(2,693,919)	(809,218)
At 31 December	7,519,477	7,766,890
Non-current	260,174,325	298,520,573
Current	57,992,666	27,529,905
	318,166,991	326,050,478

Road resurfacing

Provision for pavement resurfacing is recognised and measured at the present value of the future expenditure expected to be incurred over the pavement resurfacing cycle, discounted at risk free rate of 3.77% (2023: 3.71%) and with the assumption of inflation rate at 3.50% (2023: 3.50%).

Lane widening

Provision for lane widening is recognised and measured at the present value of estimated expenditures expected to be required to settle the present obligation at the reporting date, discounted at risk free rate of 3.62% (2023: 3.58%).

Construction of interchange

Provision for construction of interchange is recognised and measured at the present value of estimated expenditures expected to be required to settle the present obligation at the reporting date, discounted at risk free rate of 3.62% (2023: 3.58%).

Replacement costs

Provision for replacement cost of highway concession assets are recognised and measured at the present value of the future expenditure expected to be incurred over the replacement cycle, discounted at risk free rate of 3.62% (2023: 3.58%) and with the assumption of inflation rate at 3.50% (2023: 3.50%).

Notes to the Financial Statements
For the financial year ended 31 December 2024

24. Trade and other payables

	2024 RM	Trust Group 2023 RM (Unaudited)	Trust 2024 RM
Trade payables			
Third parties (Note a)	42,266,549	24,109	-
Other payables			
Sundry payables	3,674,264	4,131,600	22,738
Accruals	22,741,985	22,470,501	359,970
Accrued finance cost (Note b)	3,383,041	3,390,689	3,383,041
Deposit	213,540	411,399	-
Amount due to immediate holding company (Note d)	-	3,362,559	-
Amount due to related companies (Note d)	4,345,077	1,225,199	42,672,453
	34,357,907	34,991,947	46,438,202
Total trade and other payables	76,624,456	35,016,056	46,438,202
Add: Total borrowings	2,344,599,065	2,319,739,424	2,344,599,065
Total financial liabilities carried at amortised cost	2,421,223,521	2,354,755,480	2,391,037,267

(a) Trade payables

Trade payables represent amounts owing for highway construction work and retention monies. Included in trade payables is amount payable to LATAR arising from the losses incurred and made against PESB in the arbitration case as disclosed in Note 31. These amounts are non-profit bearing. Trade payables are normally settled on an average term of 30 - 45 days (2023: 30 - 45 days) except for retention monies which is not expected to be settled within one year.

(b) Accrued finance cost

Accrued finance cost is accounted based on effective profit method for the Tawarruq facility.

(c) Other payables

These amounts are non-profit bearing. Other payables and are normally settled on an average term of 30 - 40 days (2023: 30 - 40 days). Amount due to fellow subsidiaries are non trade in nature, repayable on demand and interest free.

Notes to the Financial Statements

For the financial year ended 31 December 2024

24. Trade and other payable (cont'd.)

(d) Amount due to immediate and related companies

Amount due to immediate and related companies are unsecured, interest free and repayable upon demand.

25. Deferred income

Deferred income comprise fees received in advance for future maintenance expenditure to be incurred, in consideration for right-of-way access granted by Sistem Lingkaran-Lebuhraya Kajang Sdn. Bhd. to third parties, analysed as follows:

	Trust Group	
	2024	2023
	RM	RM
		(Unaudited)
At 1 January	6,073,597	6,524,609
Recognised in profit or loss	(451,011)	(451,012)
At 31 December	5,622,586	6,073,597
Deferred income realisable within 12 months	451,011	451,011
Deferred income realisable after 12 months	5,171,575	5,622,586
	5,622,586	6,073,597

26. Capital commitments

	Trust Group	
	2024	2023
	RM	RM
		(Unaudited)
Highway development expenditure:		
- Approved and contracted for	30,966,940	51,072,822
- Approved but not contracted for	273,357,701	281,708,886

Notes to the Financial Statements
For the financial year ended 31 December 2024

27. Related party disclosures

(a) Related party transactions

The directors are of the opinion that the below transactions have been entered into in the normal course of business and on a negotiated basis.

Name of related company	Holding company
Prolintas Managers Sdn. Bhd. ("PMSB") (Trustee-Manager of Trust Group and Trust)	Projek Lintasan Kota Holdings Sdn. Bhd.
Turnpike Synergy Sdn. Bhd. ("TSSB")	Projek Lintasan Kota Holdings Sdn. Bhd.
Prolintas Highway Services Sdn. Bhd. ("PHSSB")	Projek Lintasan Kota Holdings Sdn. Bhd.
Prolintas Corporate Shared Services Sdn. Bhd. ("PCSSSB")	Projek Lintasan Kota Holdings Sdn. Bhd.

In addition to the transactions detailed elsewhere in the financial statements, the Trust Group and the Trust has the following transactions with related parties during the financial year:

	Trust Group		Trust 11.12.2023 to 31.12.2024 RM
	2024 RM	2023 RM (Unaudited)	
Profit income receivable from subsidiaries	-	-	40,468,183
Management fees to immediate holding (Note 10)	-	(2,621,230)	-
Related companies			
Trustee fees to PMSB (Note 10)	(8,000,000)	-	(8,000,000)
Consultancy fees to TSSB	(2,305,212)	-	-
Shared service fees to PCSSSB	(12,653,825)	-	-
Construction contract to TSSB	(28,061,819)	(34,200,285)	-
Repair and maintenance of highway to TSSB	(8,596,405)	-	-
Non-toll revenue to PHSSB	1,669,542	21,600	-

Notes to the Financial Statements

For the financial year ended 31 December 2024

27. Related party disclosures (cont'd.)

(a) Related party transactions (cont'd.)

The Trust Group is an entity related to the Government of Malaysia as the Government of Malaysia has significant influence to the Trust Group through the concession agreement and by virtue of its relationship with Yayasan Pelaburan Bumiputra, the ultimate holding company of the Trust Group.

(b) Compensation of key management personnel

Key management personnel is defined as persons having authority and responsibility for planning, directing and controlling the activities of the Trust Group and the Trust, either directly or indirectly, including any director of the Trust Group and the Trust.

The remuneration of directors and other members of key management during the year was as follows:

	Trust Group		Trust
	2024	2023	2024
	RM	RM	RM
		(Unaudited)	
Directors' fees	46,886	9,000	-
Directors' other emoluments	45,000	8,000	-
	<u>91,886</u>	<u>17,000</u>	<u>-</u>

28. Financial risk management objectives and policies

The Trust Group and the Trust are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and profit rate risk.

The Board of Directors of the Trustee-Manager reviews and agrees policies and procedures for the management of these risks.

The following sections provide details regarding the Trust Group's and the Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Notes to the Financial Statements
For the financial year ended 31 December 2024

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Trust Group's revenue are mainly on electronic toll collection basis, and as such it is not exposed to significant credit risks in relation to its revenue. The Trust Group's and the Trust's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Trust Group and the Trust minimise credit risk by dealing exclusively with counterparties with high credit rating.

At the reporting date, the Trust Group's and the Trust's maximum exposure to credit risks is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Trust Group's and the Trust's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Trust Group and the Trust trade only with the Government. It is the Trust Group's and the Trust's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Trust Group's and the Trust's exposure to bad debts is not significant.

(b) Liquidity risk

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

The Trust Group and the Trust manage liquidity risk by maintaining sufficient cash. In addition, the Trust Group and the Trust maintain bank facilities such as working capital lines deemed adequate by the management to ensure they will have sufficient liquidity to meet their liabilities when they fall due.

Notes to the Financial Statements _____
For the financial year ended 31 December 2024

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

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount RM	On demand or less than one year RM	One to five years RM	More than five years RM	Total RM
2024					
Trust Group					
Financial liabilities:					
Trade and other payables	76,624,456	76,624,456	-	-	76,624,456
Borrowings	2,344,599,065	61,371,474	618,800,774	3,984,557,504	4,664,729,752
Total undiscounted financial liabilities	2,421,223,521	137,995,930	618,800,774	3,984,557,504	4,741,354,208
Trust					
Financial liabilities:					
Other payables	46,438,202	46,438,202	-	-	46,438,202
Borrowings	2,344,599,065	61,371,474	618,800,774	3,984,557,504	4,664,729,752
Total undiscounted financial liabilities	2,391,037,267	107,809,676	618,800,774	3,984,557,504	4,711,167,954

Notes to the Financial Statements
For the financial year ended 31 December 2024

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

(b) Liquidity risk (cont'd.)

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

The table below summarises the maturity profile of the Trust Group's and the Trust's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd.)

	Carrying amount RM	On demand or less than one year RM	One to five years RM	More than five years RM	Total RM
2023 (Unaudited)					
Trust Group					
Financial liabilities:					
Trade and other payables	35,016,056	35,016,056	-	-	35,016,056
Lease liabilities	164,084	164,084	-	-	164,084
Borrowings	2,319,575,340	65,271,693	618,630,313	4,108,317,659	4,792,219,665
Total undiscounted financial liabilities	<u>2,354,755,480</u>	<u>100,451,833</u>	<u>618,630,313</u>	<u>4,108,317,659</u>	<u>4,827,399,805</u>

(c) Profit rate risk

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

The Trust Group's exposure to profit rate risk arises primarily from their cash and bank balances which earns profit at viable rates since the finance cost is managed using fixed rate debts.

Sensitivity analysis for profit rate risk

At the reporting date, if profit rates had been 10 basis points lower/higher, with all other variables held constant, the Trust Group's profit net of tax would have been RM211,877 (Unaudited 2023: RM406,652) higher/lower, arising mainly as a result of lower/higher cash and bank balances. The assumed movement in basis points for profit rate sensitivity analysis is based on the currently observable market environment in Malaysia.

Notes to the Financial Statements

For the financial year ended 31 December 2024

29. Fair value of financial instruments

The following table analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position:

		2024		2023	
	Fair value hierarchy level	Carrying Amount RM	Fair Value RM	Carrying Amount RM (Unaudited)	Fair Value RM (Unaudited)
Trust Group					
Financial asset					
Investment in unit trusts (Note 17)	1	273,379,295	273,379,295	6,653	6,653
Financial liability					
Borrowings (long term) (Note 21)	2	2,344,599,065	2,221,498,749	2,319,575,340	2,280,026,918

		2024		2023	
	Fair value hierarchy level	Carrying Amount RM	Fair Value RM	Carrying Amount RM (Unaudited)	Fair Value RM (Unaudited)
Trust					
Financial asset					
Investment in unit trusts (Note 17)	1	273,372,642	273,372,642	-	-
Financial liability					
Borrowings (long term) (Note 21)	2	2,344,599,065	2,221,498,749	-	-

The carrying amounts of trade and sundry payables, trade and sundry receivables, deposits and the amounts due from/(to) subsidiaries and related companies are reasonable approximation of fair values due to their short-term nature.

Notes to the Financial Statements

For the financial year ended 31 December 2024

30. Capital management

The primary objective of the Trust Group's and the Trust's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their businesses and maximise unitholders' value.

Trust Group and the Trust manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Trust Group and the Trust may adjust the distribution payment to unitholders, return capital to unitholders or issue new units.

The Trust Group and the Trust monitor capital using a gearing ratio, which is calculated based on net debt divided by total capital plus net debt. The Trust Group and the Trust include within net debt, borrowings, trade and other payables, less deposits, cash and bank balances. Capital of the Trust Group and the Trust represents the total equity.

The debt to equity ratio as at 31 December 2024 and 31 December 2023 is as follows:

	2024 RM	Trust Group 2023 RM (Unaudited)	Trust 2024 RM
Borrowings (Note 21)	2,344,599,065	2,319,739,424	2,344,599,065
Trade and other payables (Note 24)	76,624,456	35,016,056	46,438,202
Less: Other investment (Note 17)	(273,379,295)	(6,653)	(273,372,642)
Less: Deposits, cash and bank balances (Note 18)	(211,876,769)	(406,651,993)	(128,917,762)
Net debt	<u>1,935,967,457</u>	<u>1,948,096,834</u>	<u>1,988,746,863</u>
Equity attributable to equity holders of the Trust, representing total capital	<u>642,548,127</u>	<u>650,961,685</u>	<u>945,979,163</u>
Capital and net debt	<u>2,578,515,584</u>	<u>2,599,058,519</u>	<u>2,934,726,026</u>
Gearing ratio	<u>75%</u>	<u>75%</u>	<u>68%</u>

The gearing ratio is not governed by MFRS Accounting Standard and its definition and calculation may vary from one Trust Group to another.

Notes to the Financial Statements

For the financial year ended 31 December 2024

31. Material Litigation

Arbitration proceeding between LATAR and PESB

The arbitration was initiated concerning a cost-sharing agreement dated 18 July 2000, entered into by both parties, whereby:

- (a) PESB is claiming for approximately RM80.1 million (including late payment charges) from LATAR; and
- (b) LATAR is claiming for approximately RM74.9 million from PESB.

The final award was issued on 13 November 2024 where the Arbitrator has determined that both claims by LATAR and PESB were allowed with late payment charges. As a result after both awarded amounts were set off, PESB is to pay RM46,131,147.57 with late payment charges to LATAR ("Arbitration Award")

The Arbitration Award does not have any material financial implications to the Trust Group, as the immediate holding company, PLKHSB has agreed to indemnify the Trust Group against the losses incurred and made against PESB in the arbitration.

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