



ACCELERATING ADVANCEMENT

# ECONOMIC CONTRIBUTION



■ HIGH IMPORTANCE  
■ MEDIUM IMPORTANCE  
■ LOW IMPORTANCE

## SIGNIFICANCE

Within the sophisticated structure of business influence, the critical issue of Economic Contribution serves as a powerful illustration of the extensive impact our operations exert on the wider socio-economic fabric. Our pledge to sustainable growth, economic stability and societal advancement is demonstrated through a carefully orchestrated revenue allocation strategy that extends well beyond simple financial exchanges.

This strategy embodies a comprehensive approach, showcasing our dedication to preserving and creatively advancing our core business model. It underscores our commitment to progressive growth and societal improvement, ensuring that our business activities contribute positively to the broader economic and social landscape.



### OUR APPROACH ECONOMIC CONTRIBUTION

01

#### CORE BUSINESS - HIGHWAY OPERATIONS AND TOLL MANAGEMENT

Our economic strategy is twofold, ensuring a robust impact and sustained growth.

**01:** We prioritise the efficient management and operation of highways to improve intracity commuting and stimulate regional development. Our toll business is meticulously designed, reflecting financial responsibility and sustaining an economic symbiosis.

02

#### NEW BUSINESS DEVELOPMENT - HIGHWAY COMMERCIAL VENTURES AND EXPANSION

**02:** We engage in strategic ventures and expansions that go beyond our core business operations to encourage growth in trade, tourism and local economies. Our approach involves thoughtful investment in new technologies, exploring diverse avenues for business development and ensuring the sustained, long-term growth of our business.



## ACCELERATING ADVANCEMENT ECONOMIC CONTRIBUTION

01

### CORE BUSINESS - HIGHWAY OPERATIONS AND TOLL MANAGEMENT

#### STRATEGIC CONCESSIONS, TRAFFIC DYNAMICS AND REVENUE GROWTH IN 2023

Within our operational framework, toll collection from our six strategically positioned highways stands as the primary economic driver, constituting the cornerstone of our revenue stream. This revenue source fuels the financial machinery necessary for our day-to-day activities, ensuring the consistent upkeep and improvement of our extensive highway infrastructure. This commitment not only upholds safety standards but also enhances the overall convenience for millions of road users.

In Financial Year 2023 (FY2023), PROLINTAS entered into a pivotal Supplementary Concession Agreement (SCA) with the Federal Government, leading to a notable reduction in toll rates by 15% for AKLEH and by 8% for GCE, LKSA, and Kajang SILK. This strategic move resulted in a discernible impact, evidenced by a significant increase in traffic volume.

The Average Daily Traffic (ADT) for Kajang SILK, CGE and LKSA has surpassed pre-pandemic levels recorded in 2019.

Strategically projecting forward, the traffic volume for these four key highways is anticipated to see a compound annual growth rate (CAGR) ranging from 2% to 3% between 2022 and 2062. This growth trajectory is further supplemented by the comprehensive operations of SUKE and DASH, initiated in October 2022.

*(Please refer to Dialogue with our Group Chief Executive Officer on page 56 of this Report).*

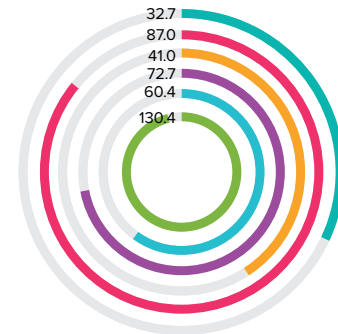
Significantly, there was a considerable uptick in SUKE's traffic volume with the opening of Phase 2 (Sri Petaling-Bukit Jalil to Cheras-Kajang) in June 2023 and Phase 3 (Alam Damai Elevated Interchange) in October 2023.

In FY2023, the cumulative Average Daily Traffic (ADT) exhibited an impressive ascent, reaching an estimated 32%, compared to 467,449 in the previous reporting period. This growth translated into a substantial rise in toll revenue, amounting to RM439 million in 2023, marking a significant increase of RM46 million from the preceding year's RM393 million.

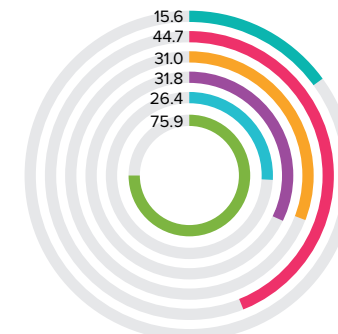


**Our Front Line Assistants are on standby 24/7 to ensure seamless travel along our highways.**

#### FY2023 TOLL COLLECTION (RM MILLION)



#### FY2023 TRAFFIC VOLUME (MILLION)



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## ACCELERATING ADVANCEMENT ECONOMIC CONTRIBUTION

02

### NEW BUSINESS DEVELOPMENT - HIGHWAY COMMERCIAL VENTURES AND EXPANSION

Embarking on a strategic trajectory of New Business Development, we recognise that while toll revenue remains the main contributor to Group revenue, a comprehensive approach entails actively exploring avenues to cultivate our non-toll segment. This proactive initiative involves the transformation of our highway spaces into vibrant points of destination, unleashing the untapped potential within our extensive network.

In our current landscape, we have already positioned ourselves with diverse commercial interests along our highways. Apart from the conventional leasing of stall lots, kiosks and push-carts at Rest Service Areas (RSA), we also capitalise on advertising space on billboards and leasing land for telecommunication towers. In 2023, the strategic addition of an event hall named Urban Park along the LKSA Highway further solidifies our commitment to creating dynamic, community-centric spaces along our highway network.



As highway operators, we are dedicated to providing a comfortable and connected journey with engaging and informative experiences. To achieve this, we have strategically placed advertising billboards along our highways to offer an extra layer of interaction for drivers and passengers.

Our billboards are towering structures located at key points along the route, offering a dynamic visual and textual landscape. They display bold brand logos, catchy slogans, vivid product images, and enticing promotional messages designed to capture attention and keep commuters informed and entertained. Our billboards reflect the latest trends, offers, and innovations, transforming the highway into a vibrant corridor of communication and commerce.

### FY2023 COMMERCIAL REVENUE



#### BILLBOARDS



**RM654,551**

FY2022: RM783,208

▼ 16%



**RM321,044**

FY2022: RM314,407

▲ 2%



**RM741,904**

FY2022: RM724,205

▲ 2%



**RM42,000**

FY2022: RM194,481

▼ 78%



## ACCELERATING ADVANCEMENT ECONOMIC CONTRIBUTION

### FY2023 COMMERCIAL REVENUE



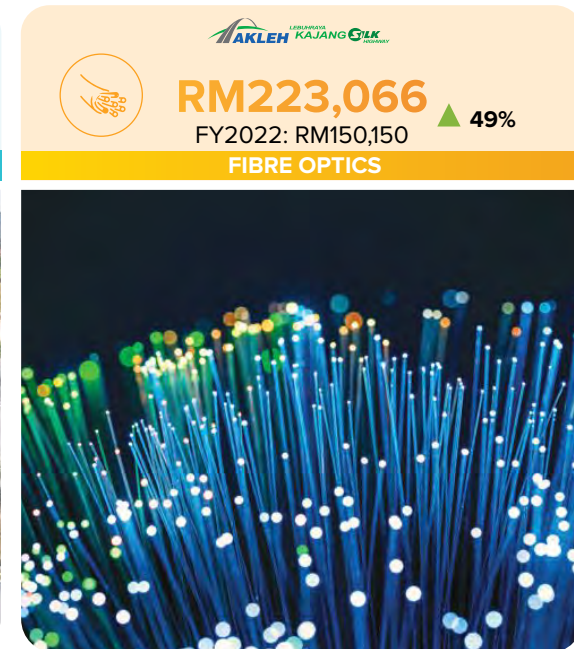
We are committed to delivering an unparalleled level of comfort and convenience for all who travel on our highways. Our Rest and Service Areas (RSAs) are meticulously designed to meet the diverse needs of commuters, ensuring their journeys are relaxing and pleasurable as they head towards their destinations. Offering an array of dining options, our RSAs cater to various tastes, from quick bites to full-course meals.

Recognising the importance of tranquility following extended periods of travel, the RSAs at GCE is strategically nestled within verdant surroundings, providing a serene retreat for travellers to pause and rejuvenate. Additionally, we accommodate the spiritual needs of our visitors with a dedicated prayer room, emphasising the cleanliness and upkeep of both the prayer facilities and restrooms to ensure a comfortable experience for all.



We know that staying connected while travelling is important. Therefore, we have invested in robust telecommunications infrastructure along our highways. Our telco towers and fibre optic networks provide uninterrupted data and call services, allowing our customers to remain connected throughout their journey. Our seamless connectivity enhances our customers' experiences, whether travelling for business, pleasure or peace of mind.

Our highways are not just roads, they provide comfort, convenience and connection. We are committed to delivering journeys that surpass transportation, ensuring that every km travelled with us is enjoyable and productive.



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ACCELERATING ADVANCEMENT

## ECONOMIC CONTRIBUTION

### OUR PERFORMANCE

**W**e remain committed to transparency concerning our financial responsibilities, encompassing social contributions and tax payments, demonstrated through proactive disclosure.

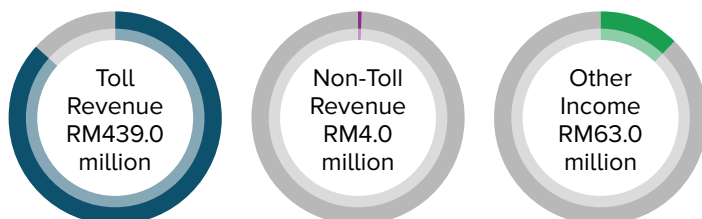
#### ECONOMIC VALUE GENERATED

TOTAL VALUE GENERATED (RM MILLION)

**RM506 million**

FY2022: RM421 million

**▲ 20%**



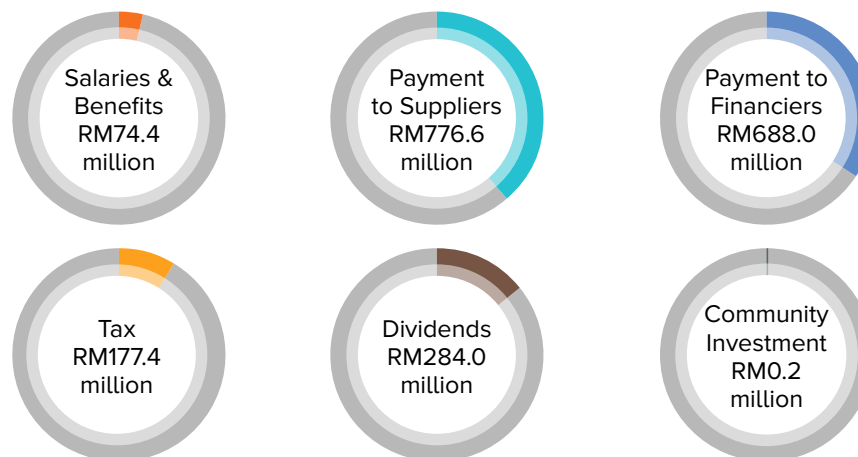
87% of the economic value generated was derived from the toll revenue segment, a contribution made across all six highways.

### TOTAL VALUE DISTRIBUTED (RM MILLION)

**RM2,001 million**

FY2022: RM491 million

**▲ 308%**



Despite the economic value distributed being approximately 4.0 times greater than that generated, we remain committed to prioritising distributions, utilising our operational cash flow to meet these obligations.

### GOING FORWARD

**P**ROLINTAS remains committed to creating meaningful value for all stakeholders, going beyond our role as a leading highway concessionaire in Malaysia. We are evolving our sustainable business model that places the wellbeing of people and the environment at the core of every decision, while ensuring our growth and governance.





## ACCELERATING ADVANCEMENT ECONOMIC CONTRIBUTION



Our meticulous management of operating cash flow, which incorporates thorough financial planning and effective liquidity management, ensures that we can meet our commitments to stakeholders while maintaining the long-term viability and financial health of our operations.



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