

**WESTPORTS HOLDINGS BERHAD**  
[Registration No. 199301008024 (262761-A)]

MINUTES OF THE THIRTIETH ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT 3<sup>RD</sup> FLOOR, TOWER BLOCK, JALAN PELABUHAN BARAT, PULAU INDAH, 42009 PORT KLANG, SELANGOR DARUL EHSAN ON WEDNESDAY, 3 MAY 2023 AT 2.00 P.M.

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**PRESENT:-**

**DIRECTORS**

|   |                                      |
|---|--------------------------------------|
| Tan Sri Datuk Gnanalingam A/L Gunanath Lingam – <i>Chairman</i> | - Also a shareholder and proxyholder |
| Datuk Ruben Emir Gnanalingam bin Abdullah<br>Shanthi Kandiah    |                                      |
| Chan Soo Chee   | - Also a shareholder                 |
| Datuk Siti Zauyah binti Md Desa                                 |                                      |
| Ahmad Zubir bin Zahid   |                                      |
| Chan Chu Wei  | - Also a shareholder                 |
| Sing Chi IP   |                                      |
| Diana Tung Wan LEE  |                                      |
| Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman             |                                      |
| Dato' Tengku Marina binti Tunku Annuar                          |                                      |

**IN ATTENDANCE**

|                       |  |
|-----------------------|--|
| Eddie Lee Mun Tat     | - Chief Executive Officer                |
| Tan Ai Ning           | - Company Secretary                      |
| Stanley Teo Swee Chua | - Audit Engagement Partner, Deloitte PLT |

The list of shareholders, proxies and invitees who participated in the Meeting are set out in the Attendance Sheets and shall form an integral part of these Minutes.

**CHAIRMAN**

The Chairman of the Board of Directors (the "**Board**"), Tan Sri Datuk Gnanalingam A/L Gunanath Lingam ("**Tan Sri Chairman**") presided as Chairman of the Meeting and welcomed all shareholders, proxies and guests to the Thirtieth Annual General Meeting ("**AGM**") of the Company which conducted through live streaming and online remote participation by using Remote Participation and Electronic Voting Facilities, in accordance with Section 327 of the Companies Act 2016 and Clause 81 of the Constitution of the Company. Ms Tan Ai Ning, the Company Secretary informed that the virtual AGM was in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia.

**QUORUM**

The Company Secretary confirmed that a quorum was present. With the requisite quorum being present, Tan Sri Chairman called the Meeting to order at 2.00 p.m.

The Company Secretary then proceeded to introduce herself and the Members of Board to the shareholders.

## **NOTICE OF MEETING**

With the consent of the members present, the Notice convening the Meeting having been circulated for the prescribed period was taken as read.

## **SUMMARY OF PROXIES RECEIVED**

As part of good governance, the Company Secretary, on behalf of the Chairman reported that the Company had received 262 proxy forms from shareholders for a total of 3,257,620,764 ordinary shares representing 95.53% of the issued share capital of the Company.

Out of those, there were 231 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 2,823,511,640 ordinary shares representing 82.80% of the issued share capital of the Company.

## **POLLING AND ADMINISTRATIVE DETAILS**

In accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the Meeting will be voted on by poll. Tan Sri Chairman, in his capacity as Chairman of the Meeting, demanded for a poll to be taken on all resolutions set out in the Notice convening the Meeting, pursuant to the Company's Constitution.

The Company Secretary informed the Meeting that the poll would be conducted via electronic and remote poll voting. The Company Secretary then highlighted that the Company had appointed Boardroom Share Registrars Sdn Bhd, the Company's Share Registrar as Poll Administrator to conduct the electronic polling process and GovernAce Advisory & Solutions Sdn Bhd as Scrutineer who has verified the attendees and data for voting aside conducting quality assurance and accountability on the electronic polling procedure and process as well as the eventual poll results.

Shareholders and proxies were further informed that they could commence to vote on the resolutions any time throughout the Meeting until the closure of the voting session.

The Company Secretary then invited the Poll Administrator to play a video, guiding shareholders and proxies on how the electronic and remote poll voting would be conducted and the housekeeping rules for the electronic and remote poll voting process. The voting session had commenced from the start of the Meeting at 2.00 p.m.

## **PRESENTATION ON FINANCIAL PERFORMANCE AND CORPORATE GOVERNANCE**

At the invitation of the Company Secretary, the Group Managing Director, Datuk Ruben Emir Gnanalingam bin Abdullah ("**Datuk Ruben**") gave a review of the results of the Group for the financial year ended 31 December 2022 and the financial performance, operations of the Group for the financial year ended 31 December 2022 and strategies going forward.

The Meeting further noted that the Company had received questions from the Minority Shareholders Watch Group ("**MSWG**") seeking clarification/information on several issues raised pertaining to operations and financial performance, Datuk Ruben responded to the questions raised from MSWG, details as set out in Appendix 1 attached herein. Having addressed to the questions raised from MSWG, the Company Secretary

highlighted that per the Company's standard policy, there would be no e-Vouchers or door gifts and proceeded with the business of the AGM.

**1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS**

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The Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon, which had been circulated to all the shareholders for the prescribed period, were tabled for discussion.

As this agenda item is meant for discussion only as Section 340 of the Companies Act 2016 does not require a formal approval by the shareholders, hence, it will not be put for voting. The Meeting duly received the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon.

Thereafter, the Company Secretary opened to the floor for questions, details as set out in Appendix 2 attached herein.

After having addressed all the questions raised, it was recorded that the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2022 together with the Directors' and Auditors' Report thereon were properly received by the shareholders.

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**2. ORDINARY RESOLUTION 1  
DIRECTORS' FEES AND BENEFITS PAYABLE**

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The Company Secretary informed that Ordinary Resolution 1 is to approve the aggregate Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiary, Westports Malaysia Sdn Bhd of an amount not exceeding RM2.72 million from this Annual General Meeting until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service of the Directors.

**3. ORDINARY RESOLUTION 2  
RE-ELECTION OF DIRECTOR**

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The Company Secretary informed that Ordinary Resolution 2 is on the re-election of Tan Sri Datuk Gnanalingam A/L Gunanath Lingam who retired from the Board pursuant to Clause 115 of the Constitution of the Company and being eligible, offered himself for re-election.

**4. ORDINARY RESOLUTION 3  
RE-ELECTION OF DIRECTOR**

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The Company Secretary informed that Ordinary Resolution 3 is on the re-election of Mr Chan Soo Chee who retired from the Board pursuant to Clause 115 of the Constitution of the Company and being eligible, offered himself for re-election.

**5. ORDINARY RESOLUTION 4  
RE-ELECTION OF DIRECTOR**

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The Company Secretary informed that Ordinary Resolution 4 is on the re-election of Ms Shanthi Kandiah who retired from the Board pursuant to Clause 115 of the Constitution of the Company and being eligible, offered herself for re-election.

**6. ORDINARY RESOLUTION 5  
RE-ELECTION OF DIRECTOR**

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The Company Secretary informed that Ordinary Resolution 5 is on the re-election of Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman who retired from the Board pursuant to Clause 122 of the Constitution of the Company and being eligible, offered himself for re-election.

**7. ORDINARY RESOLUTION 6  
RE-ELECTION OF DIRECTOR**

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The Company Secretary informed that Ordinary Resolution 6 is on the re-election of Dato' Tengku Marina binti Tunku Annuar who retired from the Board pursuant to Clause 122 of the Constitution of the Company and being eligible, offered herself for re-election.

**8. ORDINARY RESOLUTION 7  
RE-APPOINTMENT OF DELOITTE PLT AS THE COMPANY'S AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

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The Company Secretary informed that Ordinary Resolution 8 is on the re-appointment of Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration

**9. ORDINARY RESOLUTION 8  
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016**

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The Company Secretary informed that Ordinary Resolution 9 is to consider and if thought fit, pass an ordinary resolution to renew the general mandate to allot and issue shares of the Company not exceeding ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) pursuant to Section 76 of the Companies Act 2016.

Tan Sri Chairman sought confirmation from the Company Secretary whether the Company had received any notice for transaction of other business which had been given in accordance with the Companies Act 2016. The Company Secretary confirmed that the Company had not received any notice for transaction of any other business at the Meeting.

Shareholders and proxies were given another two (2) minutes to cast their votes. The Company Secretary further conveyed that Tan Sri Chairman, in his capacity as Chairman of the Meeting, he has been appointed as proxy for a number of shareholders and will be voting in accordance with the instructions given.

The Company Secretary declared the polling closed at 2.52 p.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineer. The meeting resumed at 3.00 p.m. for the declaration of the results of the poll.

**PRESENTATION ON FINANCIAL PERFORMANCE AND CORPORATE GOVERNANCE**

**1. ORDINARY RESOLUTION 1  
DIRECTORS' FEES AND BENEFITS PAYABLE**

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Ordinary Resolution 1 was voted by poll and the results of the poll were presented to the meeting as follows:-

| Votes in favour      |               | Votes against        |        | Results |
|----------------------|---------------|----------------------|--------|---------|
| No. of Shareholders: | 471           | No. of Shareholders: | 97     |         |
| No. of Shares:       | 3,257,946,822 | No. of Shares:       | 66,533 |         |
| % of Voted Shares:   | 99.9980       | % of Voted Shares:   | 0.0020 |         |

Based on the above results, the Company Secretary declared that Ordinary Resolution 1 was carried. Accordingly, it was RESOLVED:-

That the aggregate Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiary, Westports Malaysia Sdn Bhd of an amount not exceeding RM2.72 million from this Annual General Meeting until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service of the Directors, be and are hereby approved.

## **2. ORDINARY RESOLUTION 2 RE-ELECTION OF DIRECTOR**

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Ordinary Resolution 2 was voted by poll and the results of the poll were presented to the meeting as follows:-

| Votes in favour      |               | Votes against        |         | Results  |
|----------------------|---------------|----------------------|---------|----------|
| No. of Shareholders: | 482           | No. of Shareholders: | 87      | Accepted |
| No. of Shares:       | 3,257,123,348 | No. of Shares:       | 901,917 |          |
| % of Voted Shares:   | 99.9723       | % of Voted Shares:   | 0.0277  |          |

Based on the above results, the Company Secretary declared that Ordinary Resolution 2 was carried. Accordingly, it was RESOLVED:-

That the retiring Director, namely Tan Sri Datuk Gnanalingam A/L Gunanath Lingam be and is hereby re-elected as Director of the Company.

## **3. ORDINARY RESOLUTION 3 RE-ELECTION OF DIRECTOR**

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Ordinary Resolution 3 was voted by poll and the results of the poll were presented to the meeting as follows:-

| Votes in favour      |               | Votes against        |        | Results  |
|----------------------|---------------|----------------------|--------|----------|
| No. of Shareholders: | 504           | No. of Shareholders: | 64     | Accepted |
| No. of Shares:       | 3,258,013,552 | No. of Shares:       | 22,603 |          |
| % of Voted Shares:   | 99.9993       | % of Voted Shares:   | 0.0007 |          |

Based on the above results, the Company Secretary declared that Ordinary Resolution 3 was carried. Accordingly, it was RESOLVED:-

That the retiring Director, namely Mr Chan Soo Chee be and is hereby re-elected as Director of the Company.

**4. ORDINARY RESOLUTION 4  
RE-ELECTION OF DIRECTOR**

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Ordinary Resolution 4 was voted by poll and the results of the poll were presented to the meeting as follows:-

| Votes in favour      |               | Votes against        |        | Results  |
|----------------------|---------------|----------------------|--------|----------|
| No. of Shareholders: | 497           | No. of Shareholders: | 73     | Accepted |
| No. of Shares:       | 3,258,001,337 | No. of Shares:       | 34,928 |          |
| % of Voted Shares:   | 99.9989       | % of Voted Shares:   | 0.0011 |          |

Based on the above results, the Company Secretary declared that Ordinary Resolution 4 was carried. Accordingly, it was RESOLVED:-

That the retiring Director, namely Ms Shanthi Kandiah be and is hereby re-elected as Director of the Company.

**5. ORDINARY RESOLUTION 5  
RE-ELECTION OF DIRECTOR**

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Ordinary Resolution 5 was voted by poll and the results of the poll were presented to the meeting as follows:-

| Votes in favour      |               | Votes against        |        | Results  |
|----------------------|---------------|----------------------|--------|----------|
| No. of Shareholders: | 498           | No. of Shareholders: | 71     | Accepted |
| No. of Shares:       | 3,257,981,950 | No. of Shares:       | 28,015 |          |
| % of Voted Shares:   | 99.9991       | % of Voted Shares:   | 0.0009 |          |

Based on the above results, the Company Secretary declared that Ordinary Resolution 5 was carried. Accordingly, it was RESOLVED:-

That the retiring Director, namely Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman be and is hereby re-elected as Director of the Company.

**6. ORDINARY RESOLUTION 6  
RE-ELECTION OF DIRECTOR**

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Ordinary Resolution 6 was voted by poll and the results of the poll were presented to the meeting as follows:-

| Votes in favour      |               | Votes against        |        | Results  |
|----------------------|---------------|----------------------|--------|----------|
| No. of Shareholders: | 498           | No. of Shareholders: | 71     | Accepted |
| No. of Shares:       | 3,257,980,254 | No. of Shares:       | 56,001 |          |
| % of Voted Shares:   | 99.9983       | % of Voted Shares:   | 0.0017 |          |

Based on the above results, the Company Secretary declared that Ordinary Resolution 6 was carried. Accordingly, it was RESOLVED:-

That the retiring Director, namely Dato' Tengku Marina binti Tunku Annuar be and is hereby re-elected as Director of the Company.

**7. ORDINARY RESOLUTION 7  
RE-APPOINTMENT OF DELOITTE PLT AS THE COMPANY'S AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

Ordinary Resolution 8 was voted by poll and the results of the poll were presented to the meeting as follows:-

| Votes in favour      |               | Votes against        |            | Results  |
|----------------------|---------------|----------------------|------------|----------|
| No. of Shareholders: | 517           | No. of Shareholders: | 53         | Accepted |
| No. of Shares:       | 3,216,597,976 | No. of Shares:       | 41,438,289 |          |
| % of Voted Shares:   | 98.7281       | % of Voted Shares:   | 1.2719     |          |

Based on the above results, the Company Secretary declared that Ordinary Resolution 7 was carried. Accordingly, it was RESOLVED:-

That Deloitte PLT be and is hereby re-appointed as the Auditors of the Company for the financial year ending 31 December 2022 at a fee to be determined by the Directors.

**8. ORDINARY RESOLUTION 8  
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 9 was voted by poll and the results of the poll were presented to the meeting as follows:-

| Votes in favour      |               | Votes against        |             | Results  |
|----------------------|---------------|----------------------|-------------|----------|
| No. of Shareholders: | 457           | No. of Shareholders: | 111         | Accepted |
| No. of Shares:       | 2,722,428,627 | No. of Shares:       | 494,202,136 |          |
| % of Voted Shares:   | 84.6360       | % of Voted Shares:   | 15.3640     |          |



Based on the above results, the Company Secretary declared that Ordinary Resolution 8 was carried. Accordingly, it was RESOLVED:-

That pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next Annual General Meeting upon such terms and conditions and or for such purposes, as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being, subject always to the approval of the relevant regulatory bodies being obtained for such allotment and issuance.

### **CONCLUSION**

There being no other business to be transacted, the Meeting concluded at 3.02 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

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CHAIRMAN

## Westports Holdings Berhad's Thirtieth Annual General Meeting

### Appendix I - Responses to MSWG's Questions

#### Operational & Financial Matters

##### Question 1

At the 29th AGM of the Company last year, it was shared that Westports hoped to finalize and conclude the concession terms for Westports 2.0 expansion by the 4th quarter of 2022. What is the current status of the concession agreement for Westports 2.0, the expansion plans of which were unveiled in August 2017 when the company received approval in principle from the government to expand its container terminal facilities?

**Over the past year, Westports have been involved in negotiating various details and terms of the concession agreement with the Government. Both the Government and Westports want to ensure that all key stakeholders' interests are considered.**

**Admittedly, formulating and agreeing on all the required terms with all these factors involved have taken some time. We hope to conclude and finalise the concession agreement by the end of this year.**

##### Question 2

The Conditional Period for the proposed acquisition of land from Pembinaan Redzai Sdn Bhd for the development of container terminals CT10 to CT17 has been extended from 9 February 2023 to 8 August 2023. Based on the initial company announcement dated 7 February 2020, the proposed acquisition was expected to complete by the 4th quarter of 2020. Besides the Covid-19 pandemic, what are the reasons for the delay in the completion of the proposed land acquisition? What is the new target completion date?

**The completion of the proposed acquisition of the Marina Land, which is required to expand Westports 2, is conditional upon the Company signing the concession agreement with the Government for the proposed container terminal expansion.**

**Once the concession agreement is executed, steps to complete the Marina land acquisition will be implemented.**

##### Question 3

Westports reported an average capacity utilisation ratio of 74% out of the average container handling capacity of 13.7m TEUs for FY2022. When is it projected that the handling capacity of the existing container terminals will reach full utilization? Based on the Board's projection, when does CT10 need to be ready to meet the expected increase in throughput demand at Westports?

**The timing of the projected full utilisation of the existing container handling capacity depends on how much container volume growth there would be. Over the past few years, Covid 19 and the conflict in Ukraine have dampened overall global container growth.**

**For 2023, we expect a single digit positive container volume growth rate, which we can accommodate easily.**

**However, to support domestic economic activities and regional growth over the longer term, we will still need to expand our container handling capacity. Based on our updated schedule, we target to get CT10 operational by 2027 2028.**

Question 4

Employment (Amendment) Act 2022 was effected from 1 January 2023. What is the expected financial impact from the amendments, which include revision of threshold of wages entitled for overtime payments to RM4,000/month and reduction of working hours from 48 hours to 45 hours a week?

**We wish to indicate there is no additional cost impact to Westports despite the recent said Employment (Amendment) which came to effect from 1st January 2023.**

**This is averted due to our salary structure which has been above the minimum stipulated under the present amendments since 2021.**

**Similarly, our employees' weekly work hours do not exceed the 45 hours stipulated in the Employment (Amendment) Act 2022.**

## Westports Holdings Berhad's Thirtieth Annual General Meeting

### Appendix II - Responses to Questions from Shareholders

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(i) New Malaysian Government and partnership with China

Mr Kow Lih Shi ("**Mr Kow**") had enquired whether the newly formed government is a catalyst for company growth, and if the Company benefits from the potential investors from China and Memorandum of Understanding ("**MOU**") with the Chinese government.

Datuk Ruben replied that the numerous changes in the Federal Government of Malaysia have had minimal impact to the Company's expansion plans. The Ministry of Transport has remained steadfast in terms of their commitments, ensuring that the expansion plan progresses without any hindrance. As such, the formation of new government has had no impact to the Company.

With regards to the investments from China, Datuk Ruben replied that the MOUs will enhance trade and economic cooperation between the 2 nations and thereby amplifies local throughput volume from China to the South-East Asia Region, which will be beneficial for the Company. Furthermore, Datuk Ruben replied that MOUs facilitates further growth for companies relocating to the region, which in turn may enhance the Company's transshipment opportunities.

(ii) New Business Outlook

Mr Kow further enquired on the changes in port business after the Movement Control Order ("**MCO**") and what is the new business outlook for Westport. Were there new rules and MOU developed among the Asian countries and what are the Company's action plans.

Datuk Ruben replied that the recently signed Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("**CPTPP**") agreement is significantly benefiting Malaysia. With CPTPP in place, many companies are expecting to choose Malaysia as their manufacturing base and utilise it for transporting goods across South-East Asia and the CPTPP countries. This development opens up opportunities for Westports to handle higher volume of cargos.

In regards to the impact of MCO on port business, Datuk Ruben acknowledged the challenges faced during MCO due to congestions. Nonetheless, things are gradually returning to normal with the lifting of the lockdown measures. Throughout the period, the business outlook of Westports has remained consistent in terms of growth, both prior to and after the lockdown.

Datuk Ruben added that more countries are now diversifying their sources in order to avoid becoming excessive dependence on certain countries only. While there is some inclination towards near sourcing and home sourcing, overall globalisation is expected to continue growing as long as global consumption expands. Westports anticipates future volume growth in line with the trend, notwithstanding potential short-term effects from economic recessions. Ultimately, the container industry as a whole is anticipated to experience long-term growth, with global consumption remaining relatively stable.

(iii) Port Expansions

Further enquiry was received from Mr Kow on the new line of port expansions for Westports and if the Company has intentions to acquire new ports or explore to operate at a new location.

Datuk Ruben emphasized that Westports 2.0 remains the foremost priority in the Company's expansion strategy, which has also been the Company's focus for long time and many resources has been dedicated to it. Nonetheless, the Company is always receptive in exploring good opportunities.

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(iv) Implementation of Artificial Intelligence (“AI”) or Technology

In response to a further enquiry posed by Mr Kow on how the Company's implementation of AI or technology helped in cost saving and has it being implemented for domestic operations?

Datuk Ruben shared that Westports has been considering automation and digitalisation projects. The Company has had automated quite a few processes but they were all dependent on the return on investment. He added that Westports will begin to consider taking on digitalisation projects once there is a return on investment and once it is financially viable to do so.

(v) Dividend

In response to an enquiry raised by Mr Kow to distribute of higher dividend at RM0.50 and above, Datuk Ruben clarified that Westport has a dividend payout policy, distributing from 75% of profit after tax and intends to maintain it. The Company will be pleased to declare a higher dividend the moment the Company generates a higher profit.

(vi) Impacts of Low Export Rate in Malaysia

In response to an enquiry raised by Mr Kow on the impact of declining export rate to the Company, Datuk Ruben explained that any decline in the Malaysian export rate would inevitably impact all Malaysian ports and exporters. Datuk Ruben assured that the Company does not foresee such decline in exports due to the recent surge, predominantly in the form of box shipments. Furthermore, he added that Westports places a greater emphasis on the volume of boxes rather than the value of the goods, as boxes are the primary driving force for Westports' business.

(vii) Hardcopy of Annual Report

In response to the request by Mr Loh Boon Siong for a printed copy of the Annual Report, the Company Secretary replied that shareholders may request for a printed copy of the Annual Report by reaching out to the Company via email.

(viii) Expectations for FY2023 financial performance

Madam Koh Chooi Peng (“**Madam Koh**”) requested for clarification on the lower profit before tax for FY2022 which was cushioned by the reversal of impairment at Port Klang Cruise Terminal (“**PKCT**”) and to provide a guidance on the expectation of the Board for FY2023 Revenue and whether FY2022 profitability can be sustained based on the latest operational results up to 31 March 2023.

In relation to PKCT for FY2023, Datuk Ruben briefed that the results from second half of last year was indicative of its potential, and Westports is optimistic that the results on PKTC's cruise perspective will be better than last year's because the first half of last year saw fewer cruise ships than the second half. Datuk Ruben further informed shareholders to look forward to the results for the first quarter of 2023 which will be announced in near future.

(ix) Improved Revenue Performance

In response to Madam Koh's enquiry in relation to the improved performance with revenue increasing to RM21.166 million as stated in page 78 of the Annual Report 2022, (i) Based on Westports's internal

## Westports Holdings Berhad's Thirtieth Annual General Meeting

### Appendix II - Responses to Questions from Shareholders

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operating target, will PKCT continue to post double digit increase in revenue for FY2023 and (ii) Are there any capital expenditure budgeted for PKCT in FY2023.

Datuk Ruben shared that as the cruise terminal business started in June 2022, there would be significant growth as compared to first half of last year. And with regards to the capital expenditures, Datuk Ruben clarified that a budgeted amount of RM5 million to RM10 million will be allocated for PKCT.

(x) Updates on the Expansion Plan

Madam Koh then enquired on the update for CT10-CT17 under "Manufactured Capital" as disclosed in page 17 of the Annual Report 2022 as it has remained the same for the past 2 financial years. Madam Koh requested for an update on the expansion plan of the Company in view that it was expected to conclude and finalise the concession terms by the 4th Quarter of 2022.

Datuk Ruben replied that after further discussion with the Government, the expansion is expected to be completed and signed by the second half of 2023, with multiple commitments seen from the Government.

(xi) Voting

In response to an enquiry raised by Mr Stephen Lye Tuck Meng, the Company Secretary replied that voting has commenced at the start of the meeting.

(xii) Declining Capacity Utilisation

Madam Koh had further posed enquiries on the operational review as disclosed in page 20 of the Annual Report 2022, shown a declining Capacity Utilisation since 2020 to current levels of 74%, (i) Can shareholders expect an improvement in the capacity utilisation rate in FY2023 and (ii) What are the Company's strategy in reversing the double-digit decline of the transshipment containers.

In regard to the utilisation rate, Datuk Ruben explained that the utilisation rate in FY2022 was slightly affected mainly due to flooding, which hindered Westports' employees from reporting to work and led to congestion build up. As a result, a high utilization was observed in Q1 FY2023. The utilisation rate for the remainder of the year is dependent on the global volume trends, as long as there is no recession and the global volume continues to rise a high utilisation rate can be expected for FY2023. Depending on the volumes and global factors, the Company may drive utilisation to the wharves.

Furthermore, Datuk Ruben shared that the significant changes in transshipment due to changes to business plans, focusing on locations with higher freight income. However, as the situation stabilises, Westports anticipates a return to normalcy and growth for transshipment in the coming years.

(xiii) Capital Expenditure reported under Capital Commitments

In response to Madam Koh's enquiry in relation to the authorised and contracted capital expenditure amounting RM548.128 million reported under Capital Commitments in Note 33 of page 90 of the Annual Report 2022, Madam Koh requested for (i) The amount of capital expenditure budgeted for FY2023 and (ii) If capital expenditure will be funded from existing SMTN raised or will Westports be required to issue new SMTN and what will be the expected amount to be raised in FY 2023.

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Datuk Ruben replied that the capital expenditures budgeted this year are mainly for the land the Company is acquiring, essential maintenance components, Liquid Bulk Terminal 4 ("**LBT 4**"), electric trucks and the final payments for the previously procured Quay Cranes.

Datuk Ruben added that the Sukuk Musharakah Medium Term Note ("**SMTN**") is set to expire in 2031. Westports plans to raise RM500 million from the SMTN to fund the expansion plan after signing the concession agreement.

(xiv) Cukai Makmur and Minimum Wages

In response to an enquiry raised by Mr Hiu Chee Keong ("**Mr Hiu**") on how cukai Makmur and minimum wage has affected the Company, Datuk Ruben replied that Westports' statutory tax rate is 24% and it had incurred 33% cukai Makmur. The overall tax impact was around 8% after reversal of the Investment Tax Allowance.

In regard to the enquiry on the impact of minimum wage, Datuk Ruben clarified that Westports had implemented the RM1,500 minimum wage ruling way ahead of the Government's requirements. Westports had also increased the minimum wages in January 2023 to RM1,700 in order to be ahead of the Government's minimum wage requirements so as to also reward Westports' employees and to ensure our labour competitiveness. As a result, the increase in the wages will be recorded in the accounts.

(xv) Westports' Competitor

In response to an enquiry posed by Mr Hiu on the closest competitor in market, Datuk Ruben replied that Port of Singapore is Westports' fiercest competitor in the market.

(xvi) Proposed Development of New Port

Madam Koh highlighted that there has been a few media reports on the proposed development of another new port in Pulau Indah and requested for Datuk Ruben for his views on the proposed new port and how will it impact Westports, particularly on Westport 2.0.

Datuk Ruben clarified that the proposed new port will be situated at Pulau Carey and stating that he is unable to comment on the project as it falls outside Westports' project. Datuk Ruben did, however informed that the Minister of Transport had envisioned that the development requires long term planning, extending beyond Westport 2.0's timeline. The focus for the expansion plan is for bulk cargos with Westports' bulk facilities coming to its full utilisation.

Datuk Ruben further disclosed that the Minister of Transport had planned for Westports 2.0 to focus on containers whereas the first phase for expansion at Pulau Carey will be focusing on bulk cargo handling. According to Minister of Transport the new port in Pulau Carey is estimated to take another 5 to 10 years to be complete.

(xvii) Acquisition of leasehold land from Pembinaan Redzai Sdn Bhd ("**PRSB**")

In regards to the acquisition of the leasehold land from PRSB is yet to be completed and further extension of time to 8 August 2023 has been agreed, Madam Koh enquired (i) What are the reason(s) for the delay in completion; and (ii) If the acquisition can be completed in FY 2023.

## Westports Holdings Berhad's Thirtieth Annual General Meeting

### Appendix II - Responses to Questions from Shareholders

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Datuk Ruben explained that the reason behind the delay in acquiring the land is to ensure that it occurs after the concession has been signed. He added that the acquisition of the leasehold land can be completed in 2023 provided that the concession can be signed by 2023.

(xviii) Financing Rate

Madam Koh enquired on the steps taken by Westports to ensure its financing remains similar to its current rate in view that Westports has not been materially impacted from the increase in financing rates in the past year mainly due to its fixed rate financing via SMTN.

Datuk Ruben replied that the Company would have to raise proceeds to support further expansions and highlighted the need to assess the market rates when there are needs for financing. We are hoping for the market rate to become more stable, particularly as inflation begins to normalise in various part of the world. In the meantime, there is an expectation that interest rates will start to decline in the coming year. The Company will aim to raise funds at the best possible time by carefully monitoring market conditions.

(xix) Terminal Charges Rate

Ms Teoh Xu Ying ("**Ms Teoh**") enquired on how often Westports revise or increase the terminal charges and if there are increment plans in FY2023.

Datuk Ruben clarified that the Company does not have the authority to revise or increase the terminal charges rates as, the decision rests with Port Klang Authority. Westports has been seeking for Port Klang Authorities' approval every 5 to 10 years for rate increases with reasonable amount of inflation. In 2019, Westports had an increase in the terminal charges in regards to container rates but had not made adjustments to conventional rate for 11 years. Datuk Ruben further updated that Westports had submitted a proposal to the Port Klang Authority for a conventional tariff increase.

(xx) Electricity Tariff and Solar energy

Ms Teoh then enquired on the impact from increase in electricity tariff and if Westports has any plans to invest in solar energy. Datuk Ruben responded that the electricity rates imposed by Tenaga Nasional Berhad have had a significant impact on all industrial-based companies, leading to a substantial increase of 30% to 40% in electricity bills this year. Westports has started to invest in solar energy which aims to mitigate the anticipated increase in electricity tariff for the year. While the Company was able to pass a portion of the increased cost to certain clients, majority of which were consumed by the Company as it covers the expenses incurred from operations.