

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

MINUTES OF THE THIRTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT 3RD FLOOR, TOWER BLOCK, JALAN PELABUHAN BARAT, PULAU INDAH, 42009 PORT KLANG, SELANGOR DARUL EHSAN ON TUESDAY, 30 APRIL 2024 AT 2.00 P.M.

PRESENT:-

DIRECTORS

Datuk Ruben Emir Gnanalingam bin Abdullah – *Executive Chairman and Group Managing Director* - Also a proxyholder

Sing Chi IP

Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman

Datuk Siti Zauyah binti Md Desa

Dato' Tengku Marina binti Tunku Annuar

Chan Soo Chee - Also a shareholder

Shanthi Kandiah

Ahmad Zubir bin Zahid

Diana Tung Wan LEE

Shaline Gnanalingam

IN ATTENDANCE

Eddie Lee Mun Tat	- Chief Executive Officer
Vijaya Kumar S Puspwanam	- Deputy 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**"), Datuk Ruben Emir Gnanalingam bin Abdullah ("**Datuk Chairman**") presided as Chairman of the Meeting and welcomed all shareholders, proxies and guests to the Thirty-First Annual General Meeting ("**AGM**") of the Company which is 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. Datuk Chairman 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, Datuk 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 Datuk Chairman reported that the Company had received 189 proxy forms from shareholders for a total of 3,212,609,337 ordinary shares representing 94.21% of the issued share capital of the Company.

Out of those, there were 150 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 2,780,572,049 ordinary shares representing 81.54% 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. Datuk 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

Datuk Chairman acknowledged the contributions of the former Chairman and founder of Westports Holdings Berhad, the late Tan Sri Datuk Gnanalingam A/L Gunanath Lingam who had passed away in 2023. A video tribute was played, in remembrance of his vision, passion and legacy.

At the invitation of the Company Secretary, Datuk Chairman gave a review of the results of the Group for the financial year ended 31 December 2023 and the financial performance, operations of the Group for the financial year ended 31 December 2023 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 Chairman 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 invited the Chairman of the Nomination and Remuneration Committee, Mr Chan Soo Chee to clarify the appointment of Datuk Chairman to the role of the Chairman and Group Managing Director. The Meeting noted that Datuk Chairman assumed the position of Executive Chairman and Group Managing Director on 20 July 2023, after the passing of the late Executive Chairman on 11 July 2023. This is an interim measure to minimise disruption to the organisation. The Meeting further noted that the Board has a succession plan in place to separate both positions before the next AGM.

The Company Secretary then 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 2023 TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS

The Audited Financial Statements for the financial year ended 31 December 2023 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 2023 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 2023 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**

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 RM2.88 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**

The Company Secretary informed that Ordinary Resolution 2 is on the re-election of Datuk Ruben Emir Gnanalingam bin Abdullah 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**

The Company Secretary informed that Ordinary Resolution 3 is on the re-election of Datuk Siti Zauyah binti Md Desa who retired from the Board pursuant to Clause 115 of the Constitution of the Company and being eligible, offered herself for re-election.

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

The Company Secretary informed that Ordinary Resolution 4 is on the re-election of Ms Diana Tung Wan LEE 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**

The Company Secretary informed that Ordinary Resolution 5 is on the re-election of Ms Shaline Gnanalingam who retired from the Board pursuant to Clause 122 of the Constitution of the Company and being eligible, offered herself for re-election.

**7. ORDINARY RESOLUTION 6
RE-APPOINTMENT OF DELOITTE PLT AS THE COMPANY'S AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The Company Secretary informed that Ordinary Resolution 6 is on the re-appointment of Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

**8. ORDINARY RESOLUTION 7
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016**

The Company Secretary informed that Ordinary Resolution 7 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.

Datuk 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 Datuk 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 2.53 p.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineer. The meeting resumed at 3.05 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

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:	417	No. of Shareholders:	98	
No. of Shares:	3,213,058,611	No. of Shares:	97,711	
% of Voted Shares:	99.9970	% of Voted Shares:	0.0030	

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 RM2.88 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

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:	421	No. of Shareholders:	94	
No. of Shares:	2,704,903,078	No. of Shares:	508,334,143	
% of Voted Shares:	84.1800	% of Voted Shares:	15.8200	

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

That the retiring Director, namely Datuk Ruben Emir Gnanalingam bin Abdullah be and is hereby re-elected as Director of the Company.

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

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:	447	No. of Shareholders:	66	
No. of Shares:	3,213,109,442	No. of Shares:	68,679	
% of Voted Shares:	99.9979	% of Voted Shares:	0.0021	

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

That the retiring Director, namely Datuk Siti Zauyah binti Md Desa be and is hereby re-elected as Director of the Company.

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

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:	449	No. of Shareholders:	65	
No. of Shares:	3,213,091,828	No. of Shares:	86,393	
% of Voted Shares:	99.9973	% of Voted Shares:	0.0027	

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 Diana Tung Wan LEE be and is hereby re-elected as Director of the Company.

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

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:	448	No. of Shareholders:	66	
No. of Shares:	3,213,090,849	No. of Shares:	87,372	
% of Voted Shares:	99.9973	% of Voted Shares:	0.0027	

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

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

**6. ORDINARY RESOLUTION 6
RE-APPOINTMENT OF DELOITTE PLT AS THE COMPANY'S AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

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:	466	No. of Shareholders:	48	
No. of Shares:	3,213,123,464	No. of Shares:	54,757	
% 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 Deloitte PLT be and is hereby re-appointed as the Auditors of the Company at a fee to be determined by the Directors.

**7. ORDINARY RESOLUTION 7
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 7 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:	410	No. of Shareholders:	102	
No. of Shares:	2,670,940,339	No. of Shares:	542,199,782	
% of Voted Shares:	83.1255	% of Voted Shares:	16.8745	

Based on the above results, the Company Secretary declared that Ordinary Resolution 7 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.

That in connection with the above, pursuant to Section 85 of the Companies Act 2016 and Clause 75 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

And that the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.

CONCLUSION

There being no other business to be transacted, the Meeting concluded at 3.06 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

CHAIRMAN

Westports Holdings Berhad's Thirty-First Annual General Meeting

Appendix I – Responses to MSWG's Questions

Operational & Financial Matters

Question 1

Westports' has practiced a dividend payout of 75% of its consolidated profit attributable to equity holders. Its dividend payout ratio has been consistently in the range of 70% to 75% for the past five years except for year 2020 where it was temporarily reduced to 60% due to the onset of the pandemic and potential financial uncertainties arising thereof (page 28 of Annual Report (AR) 2023).

Substantial capex of RM5.0 billion is required for Westports 2.0 port expansion which will be allocated to be utilised between 2024 and 2028 (page 2 of Westports Malaysia Sdn Bhd credit rating report by RAM, December 2023).

- a. How does the Group plan to finance its committed capital expenditures of RM5.0 billion?

The Company plans to finance the terminal expansion programme using a combination of internally generated funds, additional equity injection via issuance of new shares up to 10% or a Dividend Reinvestment Programme (DRIP), and the RM5.0 billion Sukuk Wakalah Programme.

- b. In view of the abovementioned huge capital outlay, what is the outlook for dividends going forward? How does the Company plan to balance returns to shareholders through dividends while also supporting the Group's expansion initiatives?

The Company has redistributed all dividends it received since its IPO in 2013. Westports remained committed to rewarding all its shareholders via dividend payout every year.

The payout ratio may be temporarily reduced for a few years if the Company raises fresh equity via a DRIP. The dividend payout ratio should resume once the DRIP has achieved its purposes, together with a financial standing that would support the Company in fulfilling all its financial covenants and retaining the highest credit rating.

Corporate Governance and Sustainability Matters

Question 2

The Company has adopted Practice 4.4 of the Malaysian Code Corporate Governance 2021 (MCCG), which encourages PLCs to perform performance evaluations of the board and senior management by including a review of their performance in addressing the company's material sustainability risks and opportunities. However, the explanation of the application of the Practice is brief (page 23 of corporate governance report 2023).

- a. What material sustainability risks and opportunities were incorporated in the performance evaluation of the Board and senior management?

Sustainability goals, sustainability activities, and innovation parameters have been incorporated into the Balanced Scorecard system for the Company's senior management. At the Board level, the performance evaluation process has dedicated 15% of the questionnaires to sustainability-related matters.

The performance evaluation process reflected that the Board and senior management have deliberated, are cognizant of, and have identified material sustainability risks and opportunities for the organisation. On pages 25 to 26 of the Annual Report 2023, matters related to the Task Force for Climate-related Financial Disclosures ("TCFD") have been disclosed.

Leveraging on the TCFD framework, the scope of coverage included the following:-

- i. **On Governance, the Management Sustainability Committee (“MSC”) and Board Sustainability Committees (“BSC”) convene regular meetings. The BSC has reviewed numerous reports tabulated on page 35 of the Annual Report. The MSC conducts monthly meetings to identify sustainability-related concerns, address operational risks and seek opportunities to improve the Company’s sustainability performance.**
 - ii. **Strategic issues are addressed. We have identified two relevant and critical aspects of climate-related disclosures. We engaged a consulting firm in 2021 to prepare a comprehensive report identifying critical potential climate-related risks to our operation. The consultant’s comprehensive report is available on our website. The details of the physical and transitional risks are included in the Annual Report on pages 25 and 26.**
 - iii. **Risk Management is disclosed in the Annual Report on page 26.**
 - iv. **Metrics and Targets are disclosed in the Annual Report on page 26**
- b. What was the weightage of sustainability related KPIs (by percentage) vis-à-vis operational and financial metrics in the overall evaluation of the Board and senior management? How did the Board and senior management perform in relation to these metrics?

Westports is a well-managed, publicly listed entity, reflected by the five (5) awards the Company won in 2023. Hence, the Board can allocate its resources and spend more than 50% of its time to deliberate and focus on broadly sustainability-related considerations.

The highest senior management of the Company/WMSB has up to 25% of their KPI weightage on sustainability-related considerations. The critical areas under assessment in 2023 were the current and future equipment electrification, safety and security challenges at the terminal, and diversity, equity, and inclusion-related hiring and implementation with existing personnel.

- c. Which area requires more focus and attention from the Board and management?

The Company will soon be guided by its no-green-washing policy. Westports focuses on sustaining change and doing good rather than just planning to do good sustainably. We purchased and deployed two autonomous electric trucks but found the total emissions unfavourably high due to the national grid’s current high dependence on coal and fossil fuel-based inputs.

We are now exploring the possibility of sourcing more energy from renewable sources. To reduce Scope 2 emissions, we have installed and will install more solar panels. Ultimately, decarbonisation entails costs. The triple-bottom-line framework will guide the Company, i.e. better people, planet and profit.

We will emphasise the safety requirements of the terminal as we reinforce work processes that would underpin a larger container terminal operations with the expansion of Westports 2.

Question 3

The table below shows the health and safety performance of Westports (page 62 of the sustainability report 2023).

	2021	2022	2023
Incidents and Accidents (total)	836	669	791
Average number of cases per 100,000 TEU’s (container operation)	8.12	6.68	7.27

The above indicators show a deterioration in 2023. What were the nature of the incidents and accidents? What lessons have been learned from these incidents and accidents? What are the Company's proactive plans to prevent or minimise such occurrences?

The common feature of most accidents and incidents is failing to comply with existing standard Safe Operating Procedures (SOP) and Safety requirements. The root cause of accidents is the unsafe behaviour of some individuals who choose not to comply with all the SOP and Safety requirements.

The proactive plans being implemented are as follows:

- a. **Behaviour-based safety programme. Build a profile of perpetrators.**
- b. **Demerit system. A measurable system whereby staff's year-end appraisal would be adversely affected when unsafe acts are committed.**
- c. **DOSH-SIRIM endorsed PPE (Personal Protective Equipment). Regular briefings are provided to all staff, landed clients and contractors to wear the valid types of PPE registered with the DOSH and SIRIM.**
- d. **All departments take their respective lead in promoting a Quarterly Safety Campaign to all levels of staff through education, staff engagement, walkabouts with management, Toolbox talk and examples of best practices.**
- e. **To brief all key management, middle management, all departments within Westports, staff, landed clients, contractors, lashing gang and other relevant port users on the OSH Act Amendments 2022.**

Westports Holdings Berhad's Thirty-First Annual General Meeting

Appendix II - Responses to Questions from Shareholders

(i) Oversupply and Intense Price Competition with Other Regional Ports

Mr Chua Song Yun (“**Mr Chua**”) had enquired whether other regional ports such as Singapore Tuas Mega Port who are also aggressively expanding their capacity would lead to oversupply and intense price competition.

Datuk Chairman informed that the Company’s expansion plans align with the region’s growth. Despite the expansion of Singapore Tuas Mega Port, there is ample opportunity for Westports to increase its capacity as the Company projects the regional volume to double.

With reference to the intense price competition with other ports, Datuk Chairman replied that Westports maintains its competitiveness and is able to compete well in the region.

(ii) Threats to Westports

Mr Chua further enquired whether the following events are a threat to Westports:-

- (a) Development of Kra Canal by Thailand to bypass Straits of Malacca; and
- (b) Port Dickson is being considered to be developed into a full Artificial Intelligence (“**AI**”) port.

Datuk Chairman clarified that Thailand is considering building a land bridge instead of a canal, which does not pose any threat to the Company since it does not offer cost or time savings to customers. He noted that while a canal could be game-changing if feasible, it does not appear to be part of Thailand's current plans as there have been no successful developments in that regard.

Regarding the AI port development in Port Dickson, Datuk Chairman stated that very little information is available, so he could not provide any comments on the matter.

(iii) Competition in Port Industry

Mr Kow Lih Shi (“**Mr Kow**”) enquired about the Company’s competition in the port industry and what are its competitive advantages. He also enquired if the Company has plans to venture into new ports in Malaysia.

Datuk Chairman responded that the Company’s competitors include North Port and Port of Singapore Authority. He highlighted that while there is room for multiple competitors in the region, but the Company is comfortable with its standing among the competition.

He also informed that the Company recently acquired a 50% stake in Port Klang Cruise Terminal. Regarding further expansion in Malaysia, Datuk Chairman stated that the Company will consider any opportunities that provide the right value.

(iv) Thailand’s New Canal near Perlis State

In response to an enquiry by Mr Lim San Kim (“**Mr Lim**”) on the impact of a new canal by Thailand near Perlis State to the Company’s business, Datuk Chairman reiterated that Thailand is not developing a new canal but is building a land bridge. The land bridge, which would be a road or a rail track connecting both ports in Kra, will not have an impact to the Company.

Westports Holdings Berhad's Thirty-First Annual General Meeting

Appendix II - Responses to Questions from Shareholders

(v) Dividend

The Meeting noted a further enquiry by Mr Kow on the possibility of the Company paying higher dividend in view of the new Government. Besides that, Mr Kow also enquired whether there is any impact on Westport's performance and action plans following the several government changes in Malaysia.

Datuk Chairman stated that regardless of political party changes, all parties are supportive of the Company's expansion plans. He informed that the delay in these plans was due to administrative issues arising from the Covid-19 pandemic, which affected the approval process. Datuk Chairman emphasized that the Company's expansion plans are supported by various political parties as they contribute to Malaysia's growth in logistics and port infrastructure.

(vi) Dividend Policy

In response to an enquiry raised by Mr Law Wei Yang on the Company's dividend policy, Datuk Chairman replied that Westport's dividend payout policy is to distribute dividends from 75% of profit after tax of Westports Malaysia Sdn Bhd. On the holding company level, all dividends received from its subsidiaries will be distributed as dividends.

(vii) Payment of Dividend and Distribution of Treasury Shares

Mr Lim further enquired on when the Company would pay dividend and distribute its treasury shares.

Datuk Chairman informed that Westports usually pays dividends in February and August every year. The Company does not have any treasury shares.

(viii) Plans for Business Growth

Mr Kow expressed his hopes for Westports to perform better in view of the Company's capabilities and grow internationally. He then asked about the Company's plans for business growth.

Datuk Chairman thanked Mr Kow for his positive message. He responded that the Company is planning to expand the port and double its capacity over the next 20 to 30 years. With this expansion, the Company aims to grow stronger and attract more international customers to Malaysia, thereby enhancing the country's status as the logistics hub of Southeast Asia.

(ix) Depreciation of Ringgit Malaysia ("MYR")

Mr Hiu Chee Keong posed a question on the potential impact of the depreciating MYR on the Company's operations.

Datuk Chairman replied that the Company is generally not affected by the low value of MYR, except for certain exposure due to the purchase of cranes and fuel, both of which are denominated in USD.

(x) Reasons for non-maintenance of Best Performance Results

Mr Kow raised a question regarding whether the Company's inability to maintain its best performance results was attributable to political reasons or fluctuations in the value of the MYR.

Westports Holdings Berhad's Thirty-First Annual General Meeting

Appendix II - Responses to Questions from Shareholders

Datuk Chairman clarified that the Company has consistently achieved outstanding performance since the 20th century. He reiterated that the depreciation of the MYR does not significantly impact the Company, as both its income and expenses are primarily denominated in MYR. Furthermore, the depreciation of the MYR provides the Company with a competitive advantage over its Singaporean counterparts.

(xi) Impact from Unstable MYR

Mr Kow further enquired about whether the Company is affected by the instability of the MYR and if the Company's strong performance is indirectly related to political factors.

Datuk Chairman reiterated that the instability of the MYR does not have a major impact on the Company, but rather, it provides a competitive advantage.

He added that the Company remains supportive of any political party that forms the government and continues to work closely with the Minister of Transport.

(xii) Impact from Hot Weather

Further to a question by Mr Kow on how the Company's operations are affected by hot weather and whether there have been any complaints from customers about damaged goods.

Datuk Chairman explained that there have indeed been fire incidents caused by extreme heat levels. However, this issue is not unique to Malaysia, as many other countries face similar challenges. The Company has implemented improved procedures to address potential fire incidents, aiming to minimize damage and protect both cargo and employees.

(xiii) Contribution of Port Klang Cruise Terminal ("PKCT")

Madam Koh Chooi Peng ("**Madam Koh**") requested guidance on the expected profitability and growth percentage of PKCT based on the current operational results as of 31 March 2024.

Datuk Chairman clarified that, excluding the one-off impairment in PKCT, the results indicate growth compared to the previous financial year. Both the top line and bottom line of PKCT are also showing growth for the current financial year.

(xiv) Token of Appreciation

The Meeting noted requests from a few shareholders namely, Ms Teh Sue Wei, Mr Lee Siew Hong, Mr Yeoh Yun Wei and Mr Lim San Kim for a token of appreciation in the form of e-Wallet vouchers to the shareholders who attended the AGM.

(xv) Hardcopy of Annual Report

In response to the request by Ms Teh Sue Wei 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.

(xvi) Removal of Diesel Subsidy

Ms Teoh Xu Ying asked about the impact to Westports following the removal of diesel or petrol subsidy.

Westports Holdings Berhad's Thirty-First Annual General Meeting**Appendix II - Responses to Questions from Shareholders**

Datuk Chairman explained that the fuel used for operations was never subsidized; therefore, there is no impact on the Company's operational fuel consumption. However, the removal of the petrol subsidy will increase staff travel costs, and the Company will be increasing the staff travel allowance accordingly.

(xvii) Middle East War

Mr Lim enquired if the Company is affected by the Middle East War.

Datuk Chairman explained that the conflict in the Red Sea has affected the timing of volumes during the last quarter. However, the impact is not significant, as only the timing has become irregular. The Company expects the situation to stabilize in the next few months.

(xviii) Extension of the Concession Agreement

Madam Koh enquired on the impact of the extension of the Concession Agreement for 58 years on the financial statements:-

- (a) Will there be a reduction in the amortisation of concession assets which amounted to RM86.399 million in financial year ended 31 December 2023 ("FY 2023")?

Datuk Chairman replied that the extension would lead to a reduction in the amortisation of capital assets as the depreciation has been prolonged to 2070 as compared to 2054 previously.

- (b) Is there any provision for the revision of port services charges in the new concession agreement? If yes, when is the next review?

Datuk Chairman replied that the Company had submitted its request for a review of port service charges and is awaiting a response from the Government.

(xix) Fund Raising Exercise

Madam Koh also enquired whether the Company would be conducting fund-raising exercises through the issuance of new shares via a rights issue, aligning the Company's capital enhancement with the increase in total assets resulting from upcoming capital expenditures.

Datuk Chairman informed that the Company is contemplating a dividend reinvestment plan instead of a rights issue, providing shareholders with greater flexibility in deciding their participation.

(xx) Capital Expenditure

Madam Koh raised the following queries in relation to capital expenditure:-

- (a) What are the main capital expenditure allocated for the RM512 million?

Datuk Chairman responded that majority of the capital expenditure is for the purchase of land for the purpose of expansion and construction of monsoon drain.

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- (b) The amount approved and contracted for in financial year ended 31 December 2022 (“FY 2022”) was RM548 million. However, the Statement of Cash Flows only reported a portion of the amount shown in Note 33. Please clarify.

Datuk Chairman informed that the balance for the amount approved and contracted for was yet to be spent in FY 2023.

- (xxi) Additional Information regarding the Extension of Concession Agreement

Madam Koh sought the following additional information on the extension of the Concession Agreement with the Government until 2082:-

- (a) Was there a tariff revision approved for Westports? If yes, is the new tariff similar or better off compared to the previous rates?

Datuk Chairman informed that the Company has submitted an application to the Government for a tariff increase, which is currently undergoing various processes. The Company is optimistic about receiving a positive response from the Government.

- (b) What will be the payment of concession fees etc. to the Government of Malaysia?

Datuk Chairman explained that the payment takes the form of lease payments to the Port Klang Authority. Detailed information regarding these lease payments can be found in the Annual Report 2023.

- (xxii) Capital Expenditure for Newer Container Terminals

Madam Koh enquired the following with respect to investment tax allowances:-

- (a) What is the current investment tax allowances accumulated for Westports Malaysia Sdn Bhd to utilise for future profits?

Datuk Chairman explained that Westports Malaysia Sdn Bhd utilised RM49 million of its investment tax allowance in FY 2022 for the acquisition of trucks and cranes. In FY 2023, an additional RM16.6 million was utilized for the purchase of three (3) container cranes and three (3) stackers. In total, Westports Malaysia Sdn Bhd has utilised approximately RM66 million of its investment tax allowance.

- (b) The utilisation of investment tax allowances dropped substantially to RM16.570 million in FY 2023. What is the reason for the lower utilisation?

Datuk Chairman informed that the lower utilisation of investment tax allowance in FY 2023 was attributed to reduced equipment purchases during that fiscal year.

- (xxiii) Marina Land Acquisition

Madam Koh highlighted that as the acquisition of the 362-acre Marina Land will require massive reclamation, she enquired on the budget allocated for reclamation and the expected duration of the exercise.

Datuk Chairman indicated that the Company has budgeted slightly over RM1 billion for the reclamation costs, with the entire process expected to span three (3) years or more. The first new container terminal is projected to commence operations in 2028.

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(xxiv) Access Road to West Port

Mr Yong Zhe Wu urged the Company to request the authorities to resurface the access road to West Port as it is not in a good condition.

Datuk Chairman informed that the Company was aware of the access road's condition and had approached the authorities many times to improve the condition of the road. He suggested that the shareholder may also lodge a complaint to the authorities for them to take the necessary actions.

(xxv) Note of Appreciation to Tan Sri Datuk Gnanalingam A/L Gunanath Lingam

Madam Koh expressed her appreciation for the contributions of the late Tan Sri Datuk Gnanalingam A/L Gunanath Lingam, acknowledging that without his vision and efforts, Westports would not have achieved its current success.