WESTPORTS
PROVEN. TRUSTED. FRIENDLY.

Annual Report 2020

About The Annual Report

Westports Holdings Berhad ("Westports" or "Company") is presenting its Integrated Annual Report 2020, after incorporating all the key elements from the Integrated Report framework, after having started on this transition two years ago. We have selected disclosure of material information to provide a holistic perspective of our Company, and the main parameters disclosed have been presented for consistency and comparability with the previous years.

Westports has also published Sustainability Report 2020. Bureau Veritas Certification has provided their independent verification on our fifth sustainability report. The Company continues to highlight the Corporate Social Responsibility ("CSR") activities as we published our CSR Report every quarter in 2020. We shared our activities and contribution, especially to the communities at Pulau Indah, where our port is situated.

The Annual Report 2020, Sustainability Report 2020, quarterly CSR Reports and also the Corporate Governance Report 2020 can be downloaded from www.westportsholdings.com.

We have continued using the horizontal layout format for the first three reports for the ease of electronic reading. Westports refrained from offset lithography printing since the Annual Report in 2018, and we eschewed such printing method since 2016 for the Sustainability Report. For 2020, we seek to continue to minimise the ecological footprint arising from the printing of these reports.

Electronic reading would reduce the carbon emissions associated with the printing and delivery of these reports such as electricity, ink usage, deforestation and fuel consumption. Even if the paper is manufactured from sustainable forests or recycled paper, chemicals, ink, and other environmentally harmful processes still have to be used. We have intentionally adopted and maintained a minimalist design to reduce ink usage when printing is needed. Westports shareholders that wish for a printed copy of the Annual Report 2020 should submit their request online at http://www.westportsholdings.com/.

The back cover shows the logo of Westports Foundation. The Company will now be undertaking its contribution to the community through the Westports Foundation in 2021

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Group Performance
Highlights

For the Financial Year Ended 31 December	2020	2019	2018	2017	2016
Financials					
Revenue (RM'000)	1,974,968	1,782,890	1,614,694	2,088,608	2,035,015
Profit before tax (RM'000)	865,067	773,809	701,217	676,882	754,819
Profit after tax (RM'000)	654,486	590,896	533,474	651,511	636,981
Shareholders' equity (RM'000)	2,829,110	2,560,295	2,415,086	^2,336,847	^2,131,091
Total assets (RM'000)	5,261,648	5,132,206	5,087,420	^5,146,145	^4,411,243
Per Share And Ratios					
Earnings per share (sen)	19.2	17.3	15.6	19.1	18.7
Dividend per share (sen)	11.52	13.0	11.7	14.3	14.0
Dividend payout ratio (%)	60.0%	75.0%	75.0%	75.0%	75.0%
Return on equity (%)	23.1%	23.1%	22.1%	^27.9%	^29.9%
Return on total assets (%)	12.4%	11.5%	10.5%	^12.7%	^14.4%
Operations					
Container throughput (million TEUs)	10.5	10.9	9.5	9.0	9.9
Container handling capacity (million TEUs)	13.6	13.9	14.0	13.0	12.0
Westports market share of Port Klang	79%	80%	77%	75%	76%
Conventional throughput (million MT)	10.9	9.9	10.7	10.9	11.8
Number of vessels accommodated	8,515	8,997	8,550	8,502	9,627
Sustainability					
Diesel consumption (million litres)	^50.1	^50.3	^46.6	44.0	44.9
Electricity consumption (million kWh)	119.8	101.3	97.0	90.7	94.6
Water consumption (million m^3)	1.12	1.01	1.30	1.34	1.60
Direct GHG emissions, Scope 1 (tonnes)	^132,397	^133,093	^123,214	116,416	118,814
Indirect GHG emissions, Scope 2 (tonnes)	70,109	59,277	56,752	^53,071	70,125

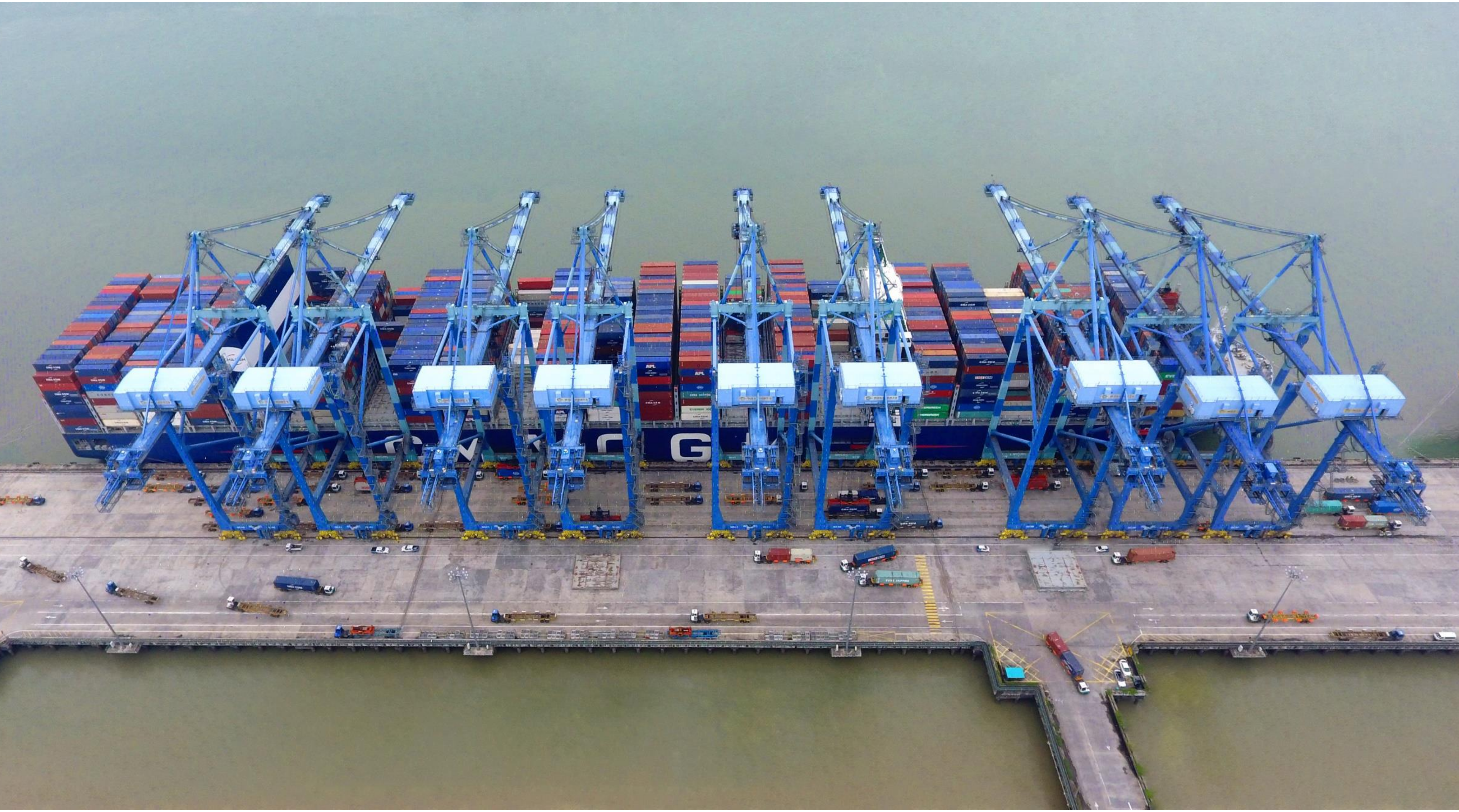
^Restated

Statement Of Value Added And Distribution
For The Financial Year Ended 31 December

In RM'000	2020	2019	2018	2017	2016
VALUE ADDED:					
Revenue	1,974,968	1,782,890	1,614,694	2,088,608	2,035,015
Less: Construction revenue	(139,146)	0	0	(372,727)	(230,679)
Operational revenue	1,835,822	1,782,890	1,614,694	1,715,881	1,804,336
Purchase of goods and services	(358,852)	(421,837)	(370,623)	(557,173)	(584,040)
Total value added available for distribution	**1,476,970**	**1,361,053**	**1,244,071**	**1,158,708**	**1,220,296**
DISTRIBUTION:					
To employees					
- salaries and other staff costs	286,202	256,290	246,490	228,215	233,228
To government					
- income tax	210,581	182,913	167,743	25,371	117,838
To provider of capital					
- dividends	385,671	445,687	455,235	445,755	446,028
- finance costs (net)	65,256	74,955	81,075	67,779	64,165
Retained for future reinvestment and growth					
- depreciation and amortisation	260,445	255,998	215,289	185,832	168,084
- retained profits	268,815	145,210	78,239	205,756	190,953
Total distributed	**1,476,970**	**1,361,053**	**1,244,071**	**1,158,708**	**1,220,296**
RECONCILIATION:					
Profit for the year	654,486	590,896	533,474	651,511	636,981
Add: Depreciation and amortisation	260,445	255,998	215,289	185,832	168,084
Finance costs (net)	65,256	74,955	81,075	67,779	64,165
Staff costs	286,202	256,290	246,490	228,215	233,228
Income tax	210,581	182,913	167,743	25,371	117,838
Total value added	**1,476,970**	**1,361,053**	**1,244,071**	**1,158,708**	**1,220,296**

Value added is a measure of wealth created. The above Statement shows the Group's value added for 2020 and the prior years and its distribution by way of payments to employees, government and capital providers with the balance being retained in the Group for future reinvestment and growth.

A new container volume record by handling 23,183 Twenty-foot Equivalent Units on a single vessel over 46 hours of continuous operations



Our Value Creation Model

Perspective

External Environment

2nd Quarter lockdown led to lower economic activities and container volume, but both rebounded in 2nd half of 2020. Discipline in matching capacity with demand and lower bunker prices contributed to liners' profitability

Industry Outlook

Global container port throughput should improve in 2021 while South East Asia is expected to get a greater inflow of investments. Economic activities and confidence level should improve as more people receive vaccinations

Stakeholders
Who is affected

External, industry-related
- Container shipping lines and cargo vessel operators
- NVOCCs+
- Logistics-forwarding companies

Regulatory bodies, government
- Port Klang Authority
- Royal Malaysian Customs Dept.
- Inland Revenue Board Of Malaysia
- Ministry of Health Malaysia

Pulau Indah communities
- Primary and secondary schools
- Community clinic, residents
- Less-privileged, aged families on the island

Business partners, suppliers
- Equipment suppliers
- Local vendors
- Sub-contractors
- Solution providers, consultants

Financial contributors
- Shareholders, investors
- Sukuk subscribers-holders
- Investment banks, sustainability and debt rating agencies

Internal
- Employees
- Port Police and Emergency Response Team
- Medical clinic personnel

+ NVOCCs are Non Vessel Owning Common Carriers

Input
when we deploy resources

Financial Capital
- Shareholders' equity and retained earnings of the Company
- SMTN subscribers-holders
- Cash and working capital

Manufactured Capital
- Fleet of Terminal Operating Equipment such cranes and trucks
- Concession and landed property
- Capital expenditure

Intellectual Capital
- Westports corporate culture
- Knowledge garnered and expertise cultivated
- An innovative culture and mindset

Human Capital
- The cohesive and responsible teamwork of Westportians
- 256,101 training hours in 2020
- New staff recruitment

Social Relationship Capital
- Supportive clients and port users
- Established relationships with authorities and community
- Confidence of financial contributors

Natural Capital
- Land
- Electricity
- Diesel and fuel
- Water

Business Model
to execute our business model

VISION
- To be one of the leading gateway and transhipment ports of call in the world while continuing to be the pride of Malaysia on employee relations, customer satisfaction and corporate citizenship

MISSION
- To conduct our business with operational excellence and integrity to create value for all our stakeholders

STRATEGIC OBJECTIVES
- Best-in-class services to our clients, high productivity levels
- Facilitate trade and development of the nation
- Meet internal and external stakeholders' requirements

2020 Achievements
- Enhanced container yard capacity with CT9 Yard Zone Z
- Port authority's approval for next phase in concession agreement

2021 KPIs
- Facilitate container throughput growth of between 0% and 5%
- Accommodate Very Large Gas Carriers berthing at Westports

Output
to generate results

Financial Capital
- Operational revenue of RM1.84 billion from 4 business segments
- Profit for the year of RM654 million
- CY paid dividends RM386 million

Manufactured Capital
- Terminal capacity of handling 13.6 million TEU containers per annum
- Container yard 51,123 ground slots
- Total quay length of 8.8 kilometres

Intellectual Capital
- Accommodated 8,515 container, RORO and cargo vessels
- Total of 2.47 million transactions at the two container gates

Human Capital
- Total employees cost of RM286 million for salaries and staff costs
- Subscribed to video conferencing facilities for virtual engagement

Social Relationship Capital
- Total CSR investments for the year amounted to RM2.7 million
- Total income tax to Government of RM211 million for 2020

Natural Capital
- CO_2e emissions Scope 1 and 2 of 202,506 tonnes for the year
- Indirect GHG emissions under Scope 3 of 8,939 tonnes

Outcome
that benefit our stakeholders

Financial Capital
- Continued financial strength
- $AA+_{IS}$ rating by MARC in 2020
- AAA rating by RAM in 2021
- Net gearing ratio of below 0.2x

Manufactured Capital
- Fulfilling exporters and importers' containerised cargo requirements
- Accommodating the largest and also feeder container vessels

Intellectual Capital
- Terminal-wide integrated planning and execution
- IT-supported. Achieving global standards for terminal operations

Human Capital
- Largest employer at Pulau Indah
- Largely in-house nurtured and trained workforce with continuous scope for capability improvement

Social Relationship Capital
- Harmonious, mutually symbiotic and sustaining positive working relationships with all stakeholders
- Support from our stakeholders

Natural Capital
- Supported tree-planting initiative to mitigate environmental impact
- Reduced some water consumption with rain-water harvesting tanks

Impact
and impact our society

The only listed entity for exposure to container operations at Port Klang. Highest market capitalization, and also representative of the transport and logistics sector in Malaysia

The key gateway terminal supporting Malaysia and especially Klang Valley's vibrant economy. Westports is also a regional transhipment hub, especially for South East Asia

The busiest container terminal in Malaysia. Westports also facilitates operations of Regional Distribution Centre and Transhipment Staging Post for MNCs and commodities

Enhanced and improved human capabilities for effective, productive capacity especially for the transport and logistics industry and broadly also for the job market in Malaysia

Notable positive contribution and a commitment to the socio-economic well-being, safety and health of the community at Pulau Indah, in which Westports operates

Environmental impact awareness and stewardship as we focus on minimising our carbon emission intensity with greater utilisation of energy-efficient equipment

Operational Performance

Container throughput decreased by 3% to 10.5 million TEUs, and 61% of containers handled are for countries within Intra-Asia. Conventional segment enjoyed higher volume of 10% at 10.9 million metric tonnes in 2020

Risks Management

Competition, ports of call selection and service changes can affect container volume. Extenuated by productivity, client-engagement. Westports expansion risks mitigated by studies, financial, commercial and operational inputs

Dear shareholders,

On behalf of the Board of Directors, I present the Integrated Annual Report of Westports Holdings Berhad for the financial year ended 31 December 2020.

2020 has been an unprecedented year. Despite the worst pandemic in a century and its pervasive subsequent adverse impact on the global economy and employment levels, the decline in container throughput during the first half of the year was followed by a strong rebound in the second half of 2020. Westports still handled a container throughput of 10.5 million Twenty-Foot Equivalent Units ("TEUs"), the second-highest ever in its history and was only 3% lesser than the previous year's record volume.

In 2020, Westports still handled a container throughput of 10.5 million TEUs

Macroeconomic review

The global Gross Domestic Product (GDP) contracted by 4% in 2020 as economic activities were curtailed at various times of the year across the globe to minimise the spread of COVID-19. The pandemic reinforced the growing need to diversify the global supply chain, into regions such as the ASEAN, and increase its resilience against unexpected shocks.

Malaysia's GDP eased by -5.6% in 2020, mainly due to COVID-19 induced economic slowdown and secondary effects. The Government's fiscal stimulus cushioned the negative impact and provided support to designated groups that needed the most assistance.

Westports expansion

Westports received an Approval-In-Principle from the Government of Malaysia to expand our container terminal facilities in 2017. In 2018, we appointed external consultants to carry out technical studies. By 2019, the studies, such as topography and bathymetric survey, hydrodynamic modelling and terminal extension layout, have been completed. The preliminary Environmental Impact Assessment (EIA) was also completed. In 2020, the detailed EIA was completed. The Company has also obtained approval from our port authority on the broad new concession agreement's proposed terms. Westports has now commenced commercial discussion with the Government on the proposed mega port expansion.

Despite lower container volume in 2020, the planning work continued unabated because of the long gestation period for the dredging, land reclamation, settlement, and wharf construction. Container Terminal 10 should commence operations by 2025. To accommodate near-term container volume growth, Westports would be acquiring more Terminal Operating Equipment for its existing container terminals.

Dividends

Since Westports became a public listed company in 2013, the Company practised a dividend payout of 75% on the reported profit after tax. The distribution of dividend takes into consideration, among others, the projected levels of capital expenditure, future investment plans and working capital requirements.

For the financial year ended 31 December 2020, the Company has adopted the prudent approach of temporarily trimming the payout ratio to 60% to conserve cash in preparation for the Westports container terminal expansion. Hence, the Company has paid two lower interim dividends amounting to RM393 million. We will revert to a payout ratio of 75% in the coming financial year.

Awards

In 2020, it was an honour to receive the 'Entrepreneur of the Year' award bestowed by The Asia Corporate Excellence & Sustainability Awards (ACES) in recognition of our bold vision and ability to stay the course through adversity as we transformed Westports into Malaysia's largest container terminal.

The APEC Port Services Network (APSN) has awarded its Green Port Award System (GPAS) 2020 to Port Klang, of which Westports is the bigger terminal, to recognise the green initiatives implemented over the last three years to improve environmental sustainability.

The ASEAN Capital Markets Forum (ACMF), a high-level grouping of capital market regulators from all of the ten ASEAN jurisdictions of which Malaysia is represented by the Minority Shareholders Watch Group (MSWG), awarded the 'ASEAN Asset Class Publicly Listed Companies' Award in November 2020 to Westports in recognition of our good corporate governance practices that create more than financial value to the organisation.

Our commitment

Westports recognise the risks posed by global climate change, such as severe weather events, and its likely detrimental impact on society. Westports has made a long-term commitment to reduce our carbon emission intensity in the coming years, when operationally and financially possible. We are also beginning to invest in renewable sources of energy to complement our existing energy inputs.

Acknowledgement

The worst pandemic in a century has accelerated certain nascent trends such as digitalisation while reminding us what is essential to the economy and society. Westports would like to express our utmost gratitude and appreciation to all frontliners for their sacrifice and professionalism for the nation's well-being. I also acknowledge Westportians' teamwork throughout 2020 as we practised all precautionary measures while maintaining our productivity levels.

I also express my sincere gratitude to all our government agencies, especially our Ministry of Health, Ministry of Transport and Port Klang Authority, which have guided us through an unprecedented year to ensure uninterrupted operations and services to the nation. Westports remember the unwavering support by our customers, business partners, shareholders and other external stakeholders throughout the challenging year. I also want to thank our distinguished colleagues on the Board for your valuable input and contribution throughout the year.

Tan Sri Datuk G. Gnanalingam
Executive Chairman

Review of results

The COVID-19 induced lockdowns across the globe and the subsequent repercussions contributed to Westports' container volume decreasing by 9% in the first half of the year. However, throughput recovered in the second half of 2020 by posting a growth of 2% as global supply chain fulfilled pent-up demand and the shift in consumption patterns towards more goods instead of services. Westports ended the year by posting a modest volume decline of only 3% after handling 10.5 million TEUs. Containers destined for Intra-Asia continued to be Westports' main volume contributor. The favourable growth for the Asia-America trade lane reflected some of the personal protective equipment cargoes exported by Malaysia. Given the pandemic affected economies, gateway containers grew at a respectable rate of 3% to 3.75 million TEUs.

Westports embarked on the Container Yard Zone Z expansion, the final area next to the wharf, at the beginning of 2020. The development was extremely timely as it was fully utilised even during its progressive completion. The reduced speed of the global supply chain partly contributed to the higher container yard utilisation in 2020.

Westports' operational revenue increased to RM1.84 billion, due to growth in the container segment, while profit after tax improved by 11% to RM654 million. In 2019, a berthing vessel damaged two Ship-to-Shore cranes and one berth. In 2020, the insurance companies investigated and concluded that Westports would be compensated. Hence, the Company will record the insurance recoveries in the coming years when we receive compensations.

External Operating Environment

The most critical aspect of the Company's external environment is the container shipping industry as Westports derives most of its revenue from container operations. When many countries imposed various forms of lockdowns during the second quarter of 2020, container liners responded to the sharp decline in global economic activities by curtailing carrying capacity through extensive blank sailings. The surge in Work-From-Home practices necessitated some purchases such as home-office furnishings while consumption shifted to goods instead of services due to gathering restrictions. The pandemic also necessitated an unseen level of demand for personal protective equipment.

The fulfilment of these intense demands leads to a sharp rebound in container throughput in the third quarter of the year as Asian countries are net exporters of containerised cargoes. As containers reach their destinations, the surge in volume and COVID-19 precautionary measures adopted along the supply chain reduced the typical efficiency by which the mostly empty containers return to Asia. As sailing schedules and the return rate of empty boxes to the ports are not synchronised, the shortage of empty containers arose in Asia. This has the unintended effects of pushing shipping rates upward as exporters compete for limited empty containers to send their cargoes abroad.

The greater discipline of matching carrying capacity with demand by the container shipping alliances, lower bunker prices and non-excessive new vessel deliveries contributed to the significantly improved liners' profitability.

Strategic Objectives

- We provide best-in-class services to our clients by achieving high productivity levels.
- We facilitate trade and development of the nation by expanding facilities at Westports to meet growing requirements.
- We fulfil our responsibilities by ensuring that we cater to internal and external stakeholders' requirements.

Strategic Targets And Outcomes In 2020

- Accommodate our clients' requirements due to dynamic market conditions.
  - ❑ Westports supported our clients' increased ad-hoc requirements and repositioning empty containers, especially to China, to meet the increased demand in that exporting nation.

- Enhance Westports' container yard capacity with the additional Yard Zone Z at Container Terminal 9.
  - ❑ Westports completed Yard Zone Z's development at the end of 2020 and commissioned into service 40 terminal tractors, 145 trailers, and 12 Rubber-Tyred Gantry cranes to enhance the operational efficiency of the enlarged container yard area.

- Attain prudent progress towards meeting regulatory and stakeholders' approval for the expansion of Westports container terminal facilities at Pulau Indah.
  - ❑ We have completed the detailed Environmental Impact Assessment (EIA) study in 2020. Westports has also obtained approval from Port Klang Authority on the broad concession terms and has now commenced discussion with the Government.

Strategic Targets And KPIs For 2021

- Support our clients as they deploy more Ultra-Large Container Vessels and Very Large Gas Carriers berthing at Westports.
- Work towards finalising details of the concession agreement with the Government of Malaysia to expand Westports container terminal facilities.
- Facilitate container throughput growth of between 0% and 5%.

Outlook

After a pandemic ravaged year, economic growth should recover in 2021. The eventual cumulative immunity of the general population after receiving the COVID-19 vaccination also augurs well for the gradual restoration of confidence and resumption of economic activities that involve the gathering people. However, some new-normal established in 2020, which proliferated in acceptance and adoption by many, is expected to continue.

Global organisations broadened their manufacturing base to mitigate the risks of protectionist tendencies a few years back. The pandemic in 2020 reinforced the need to diversify and build greater resilience into the global manufacturing supply chain. With more trade agreements within the region, South-East Asia has emerged as a manufacturing zone. The growing affluence and favourable demographics are also transforming the area into an attractive market for consumption growth. These developments augur well for Westports as we continue to be a regional transhipment hub and the pre-eminent port for the nation's gateway trade.

Datuk Ruben Emir Gnanalingam
Group Managing Director

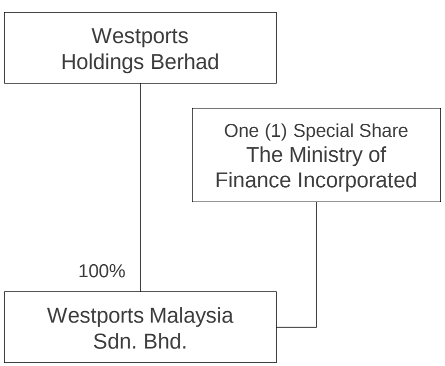
Corporate Profile

Our Company

Westports Holdings Berhad was incorporated in Malaysia under the Companies Act, 1965 as a private company limited by shares on 27 April 1993. The Company is principally involved in investment holding and the provision of management services to its subsidiary, namely, Westports Malaysia Sdn. Bhd. (“**WMSB**”). The Company commenced its business operations on 1 August 1994 and was subsequently converted into a public company limited by shares on 26 April 2013. The Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 18 October 2013.

WMSB was incorporated on 24 January 1990 under the Companies Act, 1965 as a private limited company under the name of Kelang Multi Terminal Sdn. Bhd. and its principal activities are port development and management of port operations. WMSB assumed its present name on 29 December 2006.

Group Corporate Structure



Corporate Information

Our Company

Board Of Directors

Tan Sri Datuk Gnanalingam A/L Gunanath Lingam
(Executive Chairman)

Tan Sri Dato’ Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil
(Senior Independent Non-Executive Director)

Tan Sri Ismail bin Adam
(Independent Non-Executive Director)

Ip Sing Chi
(Non-Independent Non-Executive Director)

Ruth Sin Ling Tsim
(Non-Independent Non-Executive Director)

Dato’ Yusli bin Mohamed Yusoff
(Independent Non-Executive Director)

Chan Soo Chee
(Independent Non-Executive Director)

Datuk Ruben Emir Gnanalingam bin Abdullah
(Group Managing Director)

Chan Chu Wei
(Non-Independent Non-Executive Director)

Kim, Young So
(Independent Non-Executive Director)

Shanthi Kandiah
(Independent Non-Executive Director)

John Stephen Ashworth
(Alternate Director to Ip Sing Chi)

Andy Wing Kit Tsoi
(Alternate Director to Ruth Sin Ling Tsim)

Audit And Risk Management Committee

Dato’ Yusli bin Mohamed Yusoff
(Chairman)

Tan Sri Dato’ Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil
(Member)

Chan Soo Chee
(Member)

Chan Chu Wei
(Member)

Nomination, Remuneration And Corporate Governance Committee

Tan Sri Dato’ Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil
(Chairman)

Tan Sri Ismail bin Adam
(Member)

Shanthi Kandiah
(Member)

Company Secretaries

Tai Yit Chan
(MAICSA 7009143)
(SSM PC No. 202008001023)

Tan Ai Ning
(MAICSA 7015852)
(SSM PC No. 202008000067)

Registrar

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 - 7890 4700
Fax : +603 - 7890 4670

Auditors

Deloitte PLT
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : +603 - 7610 8888
Fax : +603 - 7726 8986

Registered Office

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 - 7890 4800
Fax : +603 - 7890 4650

Principal Bankers

Malayan Banking Berhad
AmInvestment Bank Berhad
Standard Chartered Bank Malaysia Berhad
Alliance Bank Berhad
CIMB Bank Berhad
OCBC Bank (Malaysia) Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Code: WPRTS 5246

Website

www.westportsholdings.com

Board Of Directors
Our Company

Tan Sri Datuk Gnanalingam A/L Gunanath Lingam
Executive Chairman

Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil
Senior Independent Non-Executive Director

Tan Sri Ismail bin Adam
Independent Non-Executive Director

Ip Sing Chi
Non-Independent Non-Executive Director

Ruth Sin Ling Tsim
Non-Independent Non-Executive Director

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Independent Non-Executive Director

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Group Managing Director

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Non-Independent Non-Executive Director

Kim, Young So
Independent Non-Executive Director

Shanthi Kandiah
Independent Non-Executive Director

John Stephen Ashworth
Alternate Director to Ip Sing Chi, Non-Independent Non-Executive Director

Andy Wing Kit Tsoi
Alternate Director to Ruth Sin Ling Tsim, Non-Independent Non-Executive Director

Tan Sri Datuk Gnanalingam A/L Gunanath Lingam
Executive Chairman
Age 76, Male, Malaysian

Tan Sri Datuk Gnanalingam was appointed as Director of the Company on 1 January 2009 and as the Executive Chairman on 1 September 2013. Tan Sri Gnanalingam is also the Executive Chairman of WMSB, a wholly-owned subsidiary of the Company, a position he has held since 2000. Prior to that, he was the Managing Director of WMSB from 1995 to 1999.

Tan Sri Datuk Gnanalingam attended the Royal Military College from 1960 until 1964 before obtaining his Bachelor of Arts Degree from University of Malaya in 1968. He is also an alumni of the Harvard Business School in Boston, USA, having attended the School's Advanced Management Programme in 1983.

Tan Sri Datuk Gnanalingam started his career with the British American Tobacco group in 1968 as a sales representative, and was later promoted as Marketing Director in 1980. In 1988, he started G-Team Consultants Sdn Bhd, a marketing consultancy which acted as the Corporate Consultant for the marketing operations of Radio Television Malaysia from 1988 to 2000. In 1994, Tan Sri Datuk Gnanalingam successfully secured the concession to operate Westports.

Tan Sri Datuk Gnanalingam's efforts were recognized when he was named Transport Man of the Year in 2001 by the Ministry of Transport, Malaysia. In 2007, he received the Small and Medium Enterprise (SME) Platinum Award, the Chartered Institute of Logistics and Transport ("CILT") Malaysia Achiever of the Year Award and was admitted as a Chartered Fellow by the CILT, UK.

He was also presented with the Outstanding American Alumnus Award 2007 in the field of Logistics and Transport by the American Universities Alumni Malaysia.

In 2017, Tan Sri Datuk Gnanalingam was awarded as the Value Creator: Most Outstanding CEO by the Edge Billion Ringgit Club for his visionary leadership excellence in transforming Westports as Port Klang's leading terminal operator.

Tan Sri Datuk Gnanalingam previously sat on the National PEMUDAH committee from 2007 until 2012 and reappointed in 2014, a special task force set-up by the then Prime Minister of Malaysia to facilitate businesses in Malaysia by identifying improvements to existing government processes and regulations based on global benchmarking reports and public feedback. He was also appointed a member of the National Export Council in March 2015.

In 2020, Tan Sri Datuk Gnanalingam was appointed to the Economic Action Council ("EAC"), which comprise members from the government and private sectors. The EAC has been tasked to ensure economic sustainability, find ways to stimulate the economy, recommend short and medium-term plans to ensure economic growth, and ensure that the EAC's decisions are being executed efficiently.

Tan Sri Datuk Gnanalingam is a Non-Executive Director of Pembinaan Redzai Sdn Bhd. He is a major shareholder of the Company through his indirect interest in Pembinaan Redzai Sdn Bhd. He is also a Director of Westports Foundation.

His eldest son, Datuk Ruben Emir Gnanalingam, is the Group Managing Director of the Company.

He attended all four Board Meetings held during the financial year.

Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil
Senior Independent Non-Executive Director
Age 78, Male, Malaysian

Tan Sri Dato' Nik Ibrahim Kamil was appointed as Director of the Company on 7 September 1994 and was an Independent Non-Executive Director since 8 April 2013. He was redesignated to Senior Independent Non-Executive Director on 6 February 2018.

He obtained a Bachelor of Science Degree in Economics and Business Administration from Georgetown University, Washington D.C., US in 1966. He has extensive managerial and business experience in various industries ranging from mining, petroleum, media, manufacturing, merchant banking and finance, port management to golf resort development.

He commenced his career in 1966 as Assistant Company Secretary with Associated Mines Sdn Bhd. Subsequently he joined Shell Malaysia Sdn Bhd in 1967. In 1971, he joined The New Straits Times Press (Malaysia) Berhad ("NSTP") as Assistant General Manager and was with the company until 1991 where his last position held was as Managing Director of the NSTP Group.

Currently, Tan Sri Nik is an Independent Non-Executive Chairman of OCB Berhad. His previous appointments in Malaysian public listed companies were Independent Non-Executive Chairman of Octagon Consolidated Berhad, Chairman of QSR Brands Bhd and Non-Executive Independent Director of Camerlin Group Berhad. He also sits on the board of several other private limited companies. He was also Chairman of Southern Investment Bank Bhd.

Tan Sri Nik currently serves as the Chairman of the Nomination, Remuneration and Corporate Governance Committee and is a member of the Audit and Risk Management Committee of the Company.

He has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company. He attended all four Board Meetings held during the financial year.

Tan Sri Ismail bin Adam
Independent Non-Executive Director
Age 70, Male, Malaysian

Tan Sri Ismail bin Adam was appointed as Independent Non-Executive Director of the Company on 30 August 2013.

Tan Sri Ismail obtained a Bachelor of Arts (Economics) Degree from University of Malaya in 1972, a Diploma in Public Administration from University of Malaya in 1975 and a Masters of Arts (Economics) from Vanderbilt University, USA, in 1979. He attended the Advanced Management Programme at Harvard Business School in Boston, USA, in 2002.

He started his career in 1972 as an Officer of the Malaysian Administrative and Diplomatic Service and was posted as an Assistant Director in the Ministry of Trade and Industry. Throughout his career with the civil service, he held senior positions including Chief Administrative Officer in the Department of Statistics Malaysia, Director General of the National Productivity Corporation (now known as the Malaysia Productivity Corporation), the Secretary General of the Ministry of Health and the Director General of Public Service Malaysia. He retired from civil service in 2010.

Currently, Tan Sri Ismail is an Independent Non-Executive Director of Tass Tech (M) Sdn Bhd and Sungai Klang Expressway Sdn Bhd. He served as Group Chairman of Prasarana Malaysia Berhad from September 2011 until his retirement in August 2017 and Independent Non-Executive Director of BIMB Holdings Berhad from September 2011 until his retirement in January 2020.

Tan Sri Ismail is currently a member of the Nomination, Remuneration and Corporate Governance Committee upon his appointment as the Board committee member on 1 January 2018.

Tan Sri Ismail has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company. He attended all four Board Meetings held during the financial year.

Ip Sing Chi
Non-Independent Non-Executive Director
Age 67, Male, Chinese

Mr. Ip Sing Chi was appointed as Non-Independent Non-Executive Director of the Company on 5 April 2013.

Mr. Ip graduated with a Bachelor of Arts Degree from Coventry University, UK in 1979.

Mr. Ip has over 40 years' of experience in the maritime industry, having joined Sun Hing Shipping Co., Ltd. in 1979 as an account executive. Subsequently, he joined Hongkong International Terminals Limited in 1993 as General Manager of commercial and was the Managing Director of the company from 1998 to 2011. In 2005, he was appointed as Director of Hutchison Port Holdings Limited ("Hutchison Ports"), and is currently the Group Managing Director of Hutchison Ports.

Mr. Ip is also an Executive Director of Hutchison Port Holdings Management Pte. Limited, the Trustee-Manager of Hutchison Port Holdings Trust (a business trust listed on the Singapore Exchange) and the Chairman of Yantian International Container Terminals Limited. In addition, he is an Independent Non-Executive Director of Piraeus Port Authority S.A., a company listed on the Athens Exchange, a Non-Executive Director of both Orient Overseas (International) Limited and COSCO SHIPPING Development Co., Ltd., companies listed on the Stock Exchange of Hong Kong Limited.

He was a member of the Hong Kong Port Development Council until the end of December 2014 and was the founding Chairman (in 2000-2001) of the Hong Kong Container Terminal Operators Association Limited.

Hutchison Ports, through South Port Investment Holdings Limited, is a major shareholder of the Company. Mr. Ip is not involved in the management and day-to-day operations of the Company. He attended all four Board Meetings held during the financial year.

Ruth Sin Ling Tsim
Non-Independent Non-Executive Director
Age 64, Female, Canadian

Ms. Ruth Sin Ling Tsim was appointed as Non-Independent Non-Executive Director of the Company on 16 November 2015.

She is a qualified accountant and holds a Master of Business Administration degree from the Chinese University of Hong Kong. She is an Associate Member of The Institute of Chartered Accountants in England and Wales, a Fellow Member of the Chartered Association of Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and a Member of the Chartered Professional Accountants of British Columbia, Canada.

Ms. Tsim has extensive experience in the accounting and finance profession, and specializes in internal auditing and controls, as well as financial analysis and reporting. Prior to joining the Hutchison Ports group in 2001, Ms. Tsim has over 20 years of experience in professional practice in public accounting firm and several different industries in the commercial sector with roles in financial controllership.

Ms. Tsim is currently the Group Chief Financial Officer of Hutchison Port Holdings Limited as well as a Non-Executive Director of Hutchison Port Holdings Management Pte. Limited, the Trustee-Manager of Hutchison Port Holdings Trust (a business trust listed on the Singapore Exchange).

Hutchison Ports, through South Port Investment Holdings Limited, is a major shareholder of the Company. Ms. Tsim is not involved in the management and day-to-day operations of the Company. She attended all four Board Meetings held during the financial year.

Profile Of Directors

Our Company

Dato' Yusli bin Mohamed Yusoff
Independent Non-Executive Director
Age 62, Male, Malaysian

Dato' Yusli bin Mohamed Yusoff was appointed as Independent Non-Executive Director of the Company on 13 March 2013.

Dato' Yusli graduated with a Bachelor of Economics Degree from University of Essex, UK and later qualified as a member of the Institute of Chartered Accountants in England and Wales. He is also a member of the Malaysian Institute of Accountants.

He began his career with Peat, Marwick, Mitchell & Co in London, UK and has since held various key positions in a number of public listed and private companies in Malaysia, providing him with experience in property and infrastructure development, telecommunications, engineering, merchant banking and stockbroking. From 2004 to 2011, he was the Executive Director / Chief Executive Officer of Bursa Malaysia Berhad, previously known as the Kuala Lumpur Stock Exchange.

Currently, Dato' Yusli serves as an Independent Non-Executive Deputy Chairman on the board of FGV Holdings Berhad and as an Independent Non-Executive Chairman on the boards of Mudajaya Group Berhad and KPJ Healthcare Berhad respectively. He also is an independent Non-Executive Director on the board of AirAsia X Berhad. He also sits on the boards of Dato' HM Shah Foundation, Australasia Resources & Minerals Berhad and Malaysian Institute of Corporate Governance.

Dato' Yusli currently serves as the Chairman of the Audit and Risk Management Committee.

He has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company. He attended all four Board Meetings held during the financial year.

Chan Soo Chee
Independent Non-Executive Director
Age 65, Male, Malaysian

Mr. Chan Soo Chee was appointed as Independent Non-Executive Director of the Company on 1 January 2018. Prior to his appointment on the Board of the Company, he was a member on the Board of WMSB, a wholly-owned subsidiary of the Company, until his resignation on 1 January 2018.

He holds a Masters in Business Administration, majoring in Finance and Marketing from the University of Leicester. He also attended and completed the Executive Management Programme by Penn State University of Pennsylvania, USA.

Mr. Chan started his career in the maritime industry and has over 35 years of experience spanning South East Asia, Africa, South and West Asia. He qualified as a Master Mariner from the Government of Great Britain in 1987 prior to joining Orient Overseas Container Lines ("OOCL") Hong Kong and Japan, first serving as a Fleet Captain and later serving the OOCL Head Office in Hong Kong with responsibilities across a broad portfolio covering Operations, Audit & Risk, Consortium and Corporate Strategic Planning. Mr. Chan also represented OOCL on the Steering Committee leading to the formation of the Consortium of the Global Alliances comprising 5 major international shipping lines. In 1997, Mr. Chan was appointed as the Regional Director of OOCL Singapore and later appointed as the company's Regional Managing Director in 2004, overseeing more than 30 countries across South East Asia, Africa, South and West Asia. He then joined China Sonangol International Singapore as its Chief Executive Officer in 2015. He retired from the active day-to-day operations management in China Sonangol, whilst maintaining an advisory role in the sea transportation business community.

Mr. Chan is currently a member of the Audit and Risk Management Committee upon his appointment as the Board committee member on 1 January 2018. Mr. Chan has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company. He attended all four Board Meetings held during the financial year.

Chan Chu Wei
Non-Independent Non-Executive Director
Age 67, Female, Malaysian

Ms. Chan Chu Wei was appointed as a Director of the Company on 15 December 2000.

Ms. Chan obtained a Bachelor of Social Science Degree from University Sains Malaysia in 1977 and has attended the International Senior Managers Programme by Harvard Business School in Boston, USA, in 1993, as well as the Advance Management Programme by Templeton College in Oxford, UK in 1997.

She began her career with Tourist Development Corporation of Malaysia as Assistant Director in 1977 and moved on to join Malaysian Tobacco Company Berhad a year later, where she had working experience in the company's human resources and marketing divisions over a 10 year period.

In 1988, she became a General Manager in G-Team Consultants Sdn Bhd, which acted as the Corporate Consultant for the marketing operations of Radio Television Malaysia. Ms. Chan joined WMSB, a wholly-owned subsidiary of the Company in 1994 as an Executive Director and assisted in drawing up the blueprint proposal that secured the concession for Westports. She oversaw both marketing and operational leadership roles for WMSB up until 2008, especially in container operations. Since 2014, Ms. Chan has been a Non-Executive Director of PKT Logistics Group Sdn Bhd.

Ms. Chan was re-designated as a Non-Independent Non-Executive Director of the Company in 2008. She is currently a member of the Audit and Risk Management Committee upon her appointment as the Board committee member on 1 January 2018.

She is a Non-Executive Director of Pembinaan Redzai Sdn Bhd, which is a shareholder of the Company. She attended all four Board Meetings held during the financial year.

Datuk Ruben Emir Gnanalingam bin Abdullah
Group Managing Director
Age 44, Male, Malaysian

Datuk Ruben Emir Gnanalingam bin Abdullah was appointed as Director of the Company on 5 July 2005.

He attended Victoria Institution between 1989 to 1993 and later, Eton College in the UK from 1994 until 1995. Datuk Ruben graduated with a Bachelor of Science (Honours) Degree in Economics from the London School of Economics and Political Science, the UK, in 1998. He also holds a diploma in Port Management, awarded by the University of Cambridge Local Examinations Syndicate. Datuk Ruben has also attended various Executive Education Programmes under the Harvard Business School, including the Senior Manager Development Programme and the Programme for Leadership Development.

Datuk Ruben started his career as a trainee in WMSB in 1999 before leaving WMSB to set up a start-up incubator known as The Makmal Group in 2000 until his departure in mid-2005. He then re-joined the Company as a Director in 2005 and was later appointed as Chief Executive Officer on 15 January 2009, a position he held until 31 December 2017 before being appointed as the Group Managing Director for Westports Holdings Bhd on 1 January 2018.

Datuk Ruben is the Owner and Vice-Chairman of Queens Park Rangers Football Club, which participates in the English Football League (EFL). He is also a founder and Board Member of the Los Angeles Football Club (LAFC) which is a member of the US Major League Soccer (MLS). He also serves as an Executive Council Member of the Football Association of Selangor. He also founded and co-owns the KL Dragons, which participates in the ASEAN Basketball League (ABL). Datuk Ruben serves on the Board of the ABL and is also a member of the NBA Junior Asia Advisory Board.

He has been appointed as a Director of Bintang Capital Partners Berhad on 1 October 2018 and with effect from 1 January 2019, he has been appointed to the Board of the Malaysian Productivity Corporation. On 1 September 2020, he has also been appointed to the Board of the Employees Provident Fund (EPF) as a Professional Representative.

Outside his professional engagements, Datuk Ruben has involvement in many other business and industry-related groups. He is the Deputy President of Kuala Lumpur Business Club Malaysia and a Member of the APEC Business Advisory Council (ABAC). From a charitable perspective, he also serves as the Chairman of the QPR Community Trust. He has been appointed to the Westports Foundation on 5 September 2019 and joined the CEO Action Network in 2020.

He is the eldest son of our Executive Chairman, Tan Sri Datuk Gnanalingam A/L Gunanath Lingam. He is also a Director of Pembinaan Redzai Sdn Bhd and Semakin Ajaib Sdn Bhd, which in turn hold shares in the Company. Datuk Ruben is also a shareholder in Semakin Ajaib Sdn Bhd. He attended all four Board Meetings held during the financial year.

Kim, Young So
Independent Non-Executive Director
Age 58, Male, South Korean

Mr. Kim, Young So was appointed as Independent Non-Executive Director of the Company on 5 September 2013.

He graduated with a Bachelor of Arts Degree in Business Administration from Korea University, South Korea in 1985 and subsequently obtained his Masters in Business Administration from George Washington University, USA, in 1988. He also attended executive courses at The Wharton School of the University of Pennsylvania, USA.

Mr. Kim began his career with Banque Paribas as a Manager of the corporate banking division in 1989. He joined Dow Chemical Korea Ltd in 1992 as a Credit Manager and was subsequently promoted to a Treasurer in 1994. In 1996, he joined Hanjin Shipping Co., Ltd. as a General Manager and was subsequently promoted to a Managing Director for South East and West Asia. In 2009, he started an investment advisory business known as Braintrust Partner Co., Ltd. and has been the Executive Managing Director since then. Mr. Kim is also a member of the Investment Committee of RRJ Capital group.

Mr. Kim has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company. He attended all four Board Meetings held during the financial year.

Shanthi Kandiah
Independent Non-Executive Director
Age 51, Female, Malaysian

Ms. Shanthi Kandiah was appointed as Independent Non-Executive Director of the Company on 1 August 2017.

She holds a Masters in Law from King's College London, a Bachelor of Law (Honours) Degree from University of London as well as a Postgraduate Diploma in Competition Economics from King's College London.

She founded Shanthi Kandiah Chambers (SK Chambers) in 2014, a law firm providing niche legal and regulatory services in new, evolving and complex areas of law and regulation namely competition law, the full spectrum of telecommunications and multimedia laws, privacy and data protection matters, cybersecurity laws as well as capital market laws and exchange rules.

Ms. Shanthi began her career in Securities Commission Malaysia in 1993 where she was part of the pioneer team that oversaw seminal law reform initiatives towards modernising and strengthening the Malaysian capital market. She was intimately involved in the development of the Finance Committee Report on Corporate Governance and the first Malaysian Code of Corporate Governance in 2000. She has also co-authored Malaysia's reports for the World Bank and Organisation for Economic Co-operation and Development.

Ms. Shanthi is currently a member of the Nomination, Remuneration and Corporate Governance Committee upon her appointment as the Board committee member on 1 January 2018.

She has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company. She attended all four Board Meetings during the financial year.

John Stephen Ashworth
Alternate Director to Ip Sing Chi,
Non-Independent Non-Executive Director
Age 57, Male, Chinese

Mr. John Stephen Ashworth was appointed as Alternate Director to Mr. Ip Sing Chi, a Non-Independent Non-Executive Director of the Company, on 1 July 2016.

Mr. Ashworth graduated with a Bachelor of Arts degree from the University of Leeds, United Kingdom. He is a member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

He started his career as a Chartered Accountant for Peat Marwick in London. Between 1992 and 2001, Mr. Ashworth worked for CK Hutchison Holdings Limited and the Hutchison Ports group in a number of senior finance and management positions. Between 2002 and 2010, he was Asia Pacific Chief Financial Officer for the Constituency Management Group, the marketing communications division of the U.S. listed Interpublic Group.

Mr. Ashworth was appointed Managing Director, South East Asia for Hutchison Ports in January 2017. Prior to his current position, he was Managing Director, Myanmar, Thailand & Vietnam between 2015 and 2016 and Chief Executive Officer of Hutchison Ports Indonesia between 2010 and 2014. He is also a Director and Alternate Director to Ms. Ruth Sin Ling Tsim in WMSB, a wholly-owned subsidiary of the Company.

Hutchison Ports, through South Port Investment Holdings Limited, is a major shareholder of the Company. Mr. Ashworth is not involved in the management and day-to-day operations of the Company.

Andy Wing Kit Tsoi
Alternate Director to Ruth Sin Ling Tsim,
Non-Independent Non-Executive Director
Age 54, Male, Chinese

Mr. Andy Wing Kit Tsoi was appointed as Alternate Director to Ms. Ruth Sin Ling Tsim, a Non-Independent Non-Executive Director of the Company, on 26 March 2018.

Mr. Tsoi graduated from York University in Canada with Bachelor of Arts degree in 1989 and Master of Business Administration degree in 1991 before he started his career in ABN AMRO Bank N.V. Hong Kong where he held various senior positions between 1992 to 1997. Thereafter, he joined Debt Markets Division of BNP Paribas Hong Kong as an Associate Director where he was responsible for loan syndication prior to joining Hutchison Port Holdings Limited ("Hutchison Ports") in 1998.

He was appointed as Hutchison Ports' Regional Director for Pakistan, Oman and Saudi Arabia in 2011 and since 2012, he had added management responsibilities for United Arab Emirates and Tanzania.

Mr. Tsoi has been the Managing Director, Middle East & Africa since January 2014 overseeing Hutchison Ports' business in Pakistan, Oman, Saudi Arabia, United Arab Emirates, Iraq and Tanzania.

Hutchison Ports, through South Port Investment Holdings Limited, is a major shareholder of the Company. Mr. Tsoi is not involved in the management and day-to-day operations of the Company.

None of the Directors have been:
(i) Convicted of any offence (other than traffic offence, if any) within the past five years; and
(ii) Imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Lee Mun Tat (Eddie)
Chief Executive Officer/
Acting Chief Financial Officer
Age 49, Male, Malaysian

Mr. Lee Mun Tat (Eddie), Chief Executive Officer of WMSB, is primarily responsible for controlling and overseeing across multiple divisions covering Terminal Planning, Container Operations, Commercial, Finance, Marketing and Engineering of WMSB.

Prior to his current role and responsibility with WMSB, Mr. Eddie has demonstrated his competency by holding different management roles including the Senior General Manager (in 2017), Head of Commercial (from 2006 to 2016) and Finance Manager (from 2003 to 2005). Before joining WMSB, Mr. Eddie started his career with Matsushita Electronics Components (M) Sdn Bhd, after which he joined Jutajaya Holdings Berhad and All Best Furniture (M) Sdn Bhd with his last position as Group Finance Manager.

All these previous roles have equipped him with extensive working experience in the areas ranging from commercial affairs, business development, terminal service contracts, pricing, and statistics as well as credit control. Mr Eddie received a Bachelor Degree in Business at Edith Cowan University in Australia. He has been active in undertaking the professional programme, including participated the Senior Management Development Programme organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, USA, in 2004, and also attended the General Management Programme in Boston US in 2016. In addition, he is an Alumnus of the Harvard Business School. Mr. Eddie is also recognized as a qualified Chartered Accountant from Malaysia Institute of Accountants and a member of the Certified Practising Accountants in Australia (CPA Australia).

Mr. Eddie has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offences within the past five years.

Vijaya Kumar Puspowanam
General Manager
Marketing and Conventional
Age 44, Male, Malaysian

Mr. Vijaya Kumar Puspowanam joined the Westports Group in January 2000 as Gate Operations Executive and has since served under various departments such as gate, vessel operations and terminal planning before assuming his present position in January 2008.

He is currently responsible for marketing activities to meet the Group's volume projections, grow regional feeder services, encourage logistics businesses to use the terminal more, and lead customer services initiatives. He is also responsible for the Customer Service IT team, which focusses on improving customers experience using the E-Terminal Plus customer portal. The conventional operations report to him as well.

He has 19 years of experience and in-depth terminal operations knowledge. Having served under a few Port Klang Authority ("PKA") and the Ministry of Transport Task Forces, he is also well-versed in the overall logistics industry matters.

Mr. Vijaya holds a Business Administration (International Business) Degree from Universiti Kebangsaan Malaysia. He attended the Harvard Business School's Senior Management Development Programme organised by the Harvard Business School Alumni Club of Malaysia in collaboration with the Harvard Business School, Boston, USA, in 2004. He was awarded the 'Port / Terminal Professional of The Year 2019' by Global Ports Forum for his contributions to the ports and terminals industry. He represents the Company in the Port Consultative Committee under the purview of the PKA. He is also in the Steering Committee of the Port Klang Operations Task Force, which is chaired by the PKA.

Mr. Vijaya has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offences within the past five years.

Tan Wei Chun
General Manager
Information Technology
Age 46, Male, Malaysian

Mr. Tan Wei Chun joined the Westports Group in September 1998 as an Operations Executive and has since been attached to various departments including operations, customer services, gate and logistic operations, berth planning, vessel planning and yard planning prior to assuming his present position in January 2011. He is currently responsible for the overall Information Technology department for Westports.

He holds a Degree in transportation and logistics from the Chartered Institute of Transport and is a member of the Chartered Institute of Transport since 1997. He attended the Senior Management Development Programme organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, USA, in 2004. He also attended Linkage's Global Instutute of Leadership Development (GILD) in 2017.

Mr. Tan has 22 years of experience in areas of capacity planning, strategic yard planning, vessel stowage planning, cargo terminal operations, control room operations, project management and operations information technology development. He is involved in the successful implementation of new Terminal Operating System, development of internal software development and establishing IT support besides introducing new innovations involving digitalisation and automation for Container department. Prior to joining the Westports Group, he worked with Kontena Nasional Berhad from 1993 to 1998 in various positions involving haulage, customer services, container freight station and depot management.

Mr. Tan has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offences within the past five years

Nanthakumar A/L Murokana @ Murugan
General Manager
Container Operations and Resources
Age 48, Male, Malaysian

Mr. Nanthakumar A/L Murokana @ Murugan joined the Westports Group in May 1999 as a management trainee focusing on yard planning. Thereafter, he was transferred to the container operations department in 2003 to manage the operations team. In 2006, he headed the container department as Head of Container Operations overseeing the planning, operations and resource functions. In 2015, he was made Head of Container Logistics department before returning as Head of Container Operations department in 2016. He also focuses on succession planning and competencies development through constant coaching and training.

Mr. Nanthakumar has 20 years of experience in Container Operations and in areas of capacity planning, yard planning, Logistic section, control room operations and Project management. Prior to joining the Westports Group, he worked for Wal Mart in Detroit, USA, as an Assistant Manager in 1998 before returning to Malaysia in 1999.

He holds a Bachelor of Business Administration Degree from Western Michigan University, USA. He did his Major in Operation Management and Minor in Economics.

He attended the Senior Management Development Programme organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, USA, in 2006. He also obtained a Diploma and Port Management from the University of Cambridge, Local Examination Syndicate in 2001.

Mr. Nanthakumar has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offences within the past five years.

Ahmad Damanhury bin Ibrahim
Head of Engineering
Age 53, Male, Malaysian

Encik Ahmad Damanhury bin Ibrahim joined the Westports Group in July 1995 as a civil engineer and assumed his present position in July 2007. He is currently fully involved in the technical assessments, feasibilities, authorities compliances and planning of construction program for the development of the future 4.8km Westports' 8 new terminals CT10 to CT17, port expansion projects, besides rendering other technical supports to the existing port infrastructures and facilities maintenance, hydrography and maintenance dredging works.

He holds a Degree in Civil Engineering from Syracuse University, New York, USA, a Diploma in Port Management from the University of Cambridge Local Examinations Syndicate and a Masters of Science in Facilities Management. He is a member of the Institution of Engineers Malaysia, Board of Engineers Malaysia and Project Management Institute (PMI), USA. He attended the Harvard Business School's Senior Management Development Programme organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, USA, in 1998. Encik Ahmad has performed various port infrastructure development projects and project management roles ranging from construction planning and design management, tenders and contracts administration, and head of projects position for a myriad of engineering projects. Prior to Westports, he worked with a UEM Group subsidiary involved in the planning and construction management of the PLUS and Metramac highway projects. Thereafter, he was attached to a consultancy firm from 1992 to 1995 involved in the Subang Airport Redevelopment project and the Kuala Lumpur International Airport project.

Encik Ahmad has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offences within the past five years.

G.Ravindran Gunasekaran
Head of Human Resources
Age 50, Male, Malaysian

Mr. G.Ravindran Gunasekaran joined the Westports Group in January 1996. He started as a Traffic Executive, and then moved to Warehouse and later as a Claim Executive in the Conventional Department. He was subsequently transferred to the Container Department in 1999 as a Vessel Planner and then joined the Yard Planning Team. In 2001, he was absorbed into Container Operation and was assigned various designation and responsibilities such as the Shift Operation manager (SOM), Vessel Operation Manager (VOM), 5th Vessel Operation Manager and Head of Container Operations and Marine.

He assumed his current position as Head of Human Resource Department since September 2018. He is also the chairperson for the Westports Join Consultative Committee (WJCC).

He holds a Bachelor Degree in Anthropology and Sociology from University Kebangsaan Malaysia. He attended the Senior Management Development Programme organised by the Harvard Business School Alumni Club of Malaysia in 2004. Some of the key seminars or courses that he has attended in recent years are Lean Management, Mind Valley Talk, Oracle's System Integration and KPI and Creation of Objectives for Organization.

He started his career as a Marine Surveyor in SGS Malaysia. To date, Mr. G.Ravindran has 25 years of experience in the field of Logistic and Ports.

Mr. G.Ravindran has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offences within the past five years.

Nadarajan A/L Krishnan
Head of Planning Department
Age 44, Male, Malaysian

Mr. Nadarajan A/L Krishnan joined the Westports Group in November 1999. He had started his career as a Traffic Executive and was transferred to container operation as a shift Operation Executive. He subsequently moved to the Planning Department as a Yard Planning Executive. In 2005, he was promoted as the Operation Planning Manager. In 2011, he was assigned to the Yard Planning Section as a Head of Yard Planning section. Currently, he is heading the Planning Department, and he is responsible for the overall yard planning, berth planning, vessel planning and operations of the container gates. He is also involved in succession planning and competencies development for his team members through coaching and training.

Mr. Nadarajan has 20 years of experience in container operations and yard planning. He holds a Bachelor of Urban Planning and Economy from University Malaya, and started his career as a Town Planner with the Shah Alam Municipal. He has also attended the Senior Management Development Programme organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, USA, in 2015.

Mr. Nadarajan has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offences within the past five years.

Megat Amirul Zameer bin Megat AB.Rahman
Head of Finance
Age 30, Male, Malaysian

Mr. Megat Amirul joined the Westports Group in November 2019 as a Senior Finance Manager and he assumed his current position with effect from August 2020 with the responsibility for overseeing financial related matters of Westports. He holds a Bachelor Degree in Accounting and Finance from University of New South Wales, Australia.

Mr. Megat has more than eight years of experience in the field of accounting and finance. He started his career as an auditor with Ernst & Young in 2012. Subsequently, he joined Schlumberger as a Senior Financial Analyst in 2015, overseeing the region of Algeria, Tunisia and Libya for BITS and Drilling Tools Segment, and subsequently became the Head of Finance in KAT Technologies Sdn Bhd, the main distributor of CELCOM for Peninsular Malaysia in 2018 prior to joining Westports.

Mr. Megat has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has no convictions for any offences within the past five years.

Financial Capital

Value Creation Process

Our financial sustainability will rely on the availability and management of our own internal and externally sourced capitals. Financial capital enables and supports value creation along with all other capitals. Through the prudent combined use of capital inputs, such as share capital, cash reserves, and externally sourced borrowings, we fund our operations, terminal expansion projects, enhance existing facilities, and improve our facilities and people's productive capacity through training and innovation. Our strategy is to create long-term, sufficient capacity and sustainable growth.

All of the Company's borrowings are by its subsidiary, WMSB, and denominated in the local currency, Ringgit Malaysia. The borrowings, Sukuk Musharakah Medium Term Note ("SMTN"), has a profit rate of between 4.43% and 5.38% per annum. Beside the SMTN facility, WMSB also has Revolving Credit Facility with a financial institution. In accordance with the repayment schedule, the Company repaid RM100 million of the SMTN in 2020.

Financial Capital

Input RM'000	2020	2019	2018
Total Group Equity	2,829,110	2,560,295	2,415,086
LT And ST Borrowings	1,300,000	1,400,000	1,500,000
Cash & Cash Equivalents	779,123	695,695	444,051

Financial Capital

Output RM'000	2020	2019	2018
Total Operational Revenue	1,835,822	1,782,890	1,614,694
Total Profit Before Tax	865,067	773,809	701,217
Total Profit For The Year	654,486	590,896	533,474

Outcome

- Total distribution to employees, government and shareholders of RM882 million in 2020
- Continued financial viability and strength of the Company
- AA+IS rating by MARC for Westports RM2.0 billion Sukuk Musyarakah Programme in April 2020
- AAA rating by RAM Ratings for the same RM2.0 billion Sukuk Musyarakah Programme in February 2021
- The net gearing ratio of below 0.2x

Impact

- Westports is the only listed entity offering investors direct exposure to the container operations at Port Klang
- Given the Company's sizable market capitalisation, Westports also indirectly becomes a designated representative company for the transport and logistics sector in Malaysia

Manufactured Capital

Value Creation Process

Since Westports became a publicly listed company in 2013, it has invested RM3.6 billion in container terminal expansion and other significant infrastructure improvements. Westports is the largest container terminal in Malaysia and is the key gateway port to Klang Valley, the most densely populated region in the country. The Company has transformed Port Klang into the 12th busiest port globally and the 9th best-connected port globally.

The growth of Westports has facilitated Malaysia and the region's economic development, including containerised trade growth. In 2020, the Company invested in additional terminal handling equipment, a container yard at Container Terminal 9 and a new jetty for Liquid Bulk operations.

For the medium to longer-term, Westports is planning for a significant expansion at Pulau Indah that would cater to the development from Container Terminal 10 to Container Terminal 17, raising the container terminal handling capacity to 28 million TEUs per annum with an additional 4.8 kilometres of wharves. External consultants have completed the technical studies with favourable findings while the local port authority has granted its approval for the proposed development. The initial Environmental Impact Assessment (EIA) and also detailed EIA studies have been completed and approved. The expansion would strengthen Westports as one of the main transhipment hubs in South East Asia for international container shipping companies.

Manufactured Capital

Input RM'000	2020	2019	2018
Property, Plant & Equipment	1,618,873	1,656,070	1,776,807
Total Concession Assets	2,468,069	2,357,790	2,429,240
Group Capital Expenditure	323,069	80,708	209,807

Manufactured Capital

Output	2020	2019	2018
Container Handling Capacity (TEUs)	13.6m	13.9m	14.0m
Total Ship-To-Shore Cranes	65 units	66 units	67 units
Container Throughput (TEUs)	10.5m	10.9m	9.5m

Outcome

- The highest container handling capacity in Malaysia, fulfilling exporters and importers requirements as they ship their containerised cargoes
- The first and only port in Malaysia that handles more than 10 million TEUs in a year
- An established track record of accommodating the world's largest container vessel

Impact

- A crucial and proven gateway terminal supporting Malaysia and especially Klang Valley's vibrant economy
- Westports is also one of the largest regional transhipment hubs especially for South-East Asia

Intellectual Capital

Value Creation Process

The intellectual capital of Westports consists of organisational capital such as our knowledge in the form of procedures and manuals; the expertise acquired or developed in knowledge-based systems of governance, compliance, leadership skills, and know-how nurtured and gained from copyrights and licences. This capital has supported the innovation, implementation and provision of terminal handling, container yard, gate and bulk cargoes services.

Westports has also placed continuous innovation and effective project implementation as one of its core tenets. Such an emphasis has facilitated the sustained modernisation of Westports at an unprecedented pace since the terminal's inception more than 26 years ago. The Company's initiatives usually are to streamline our processes, enhance operational efficiencies, reduce cost, and are undertaken in collaboration with internal, external stakeholders and technical solution providers.

Intellectual Capital

Input	Westports Corporate Culture
T	Teamwork
A	Accountability and Integrity
N	Now Culture
S	Safety Awareness
R	Responsible
I	Innovation
G	Good Family Values

Intellectual Capital

Input	IT Initiatives And Implemented Projects
2020	Remote Physical-Check System (RPS)
2020	Air Quality & Carbon Monoxide Monitor
2019	Westports Mobile App
2018	Gate System 2 - CCTV Application
2018	OPUS Terminal Operating System
2018	GPS Monitoring System For TOE
2018	Predictive Maintenance System
2018	Tablet Terminal Truck (T-TAB)
2018	CargoMove Depot Booking System
2016	Safety Of Life At Sea Amendment – VGM
2015	e-Terminal Plus
2015	Paperless Gate Pass

Intellectual Capital

Output	**2020**	**2019**	**2018**
Total Movement At Container Gate	2,471,029	2,419,785	2,187,282
Total Vessels Accommodated	8,515	8,997	8,550
Conventional Throughput (MT)	10.9m	9.9m	10.7m

Outcome

- Back-end IT support of international standards
- Technologies adaptation and implementation capabilities
- Terminal-wide integrated planning and execution
- Fast gate-in and gate-out for external logistics-forwarding trucks

Impact

- As the highest performing and biggest terminal in Malaysia, Westports facilitates operations of Regional Distribution Hub and Transhipment Staging Post for multinational corporations

Human Capital

Value Creation Process

Our people are the foundation to Westports success, operational excellence and long-term sustainable growth. Supported by high levels of competencies and our staffs' unwavering commitment to the Company's objectives, these qualities have enabled Westports to be established as the largest container terminal in the country within two decades. Our operating context is industrial and infrastructure in nature. Hence, occupational training and comprehensive policies and procedures guide and safeguard our employees and other stakeholders in and around our premises. The Company emphasises career development, training and on-the-job learning. Staff are encouraged to undertake relevant courses and attend seminars or conferences to enhance their expertise and skills-set.

Westports practises a flat hierarchy with equal treatment for all employees. The Group policy stipulates that equal opportunities must be provided to all employees regarding hiring, pay rates, training and development, promotions and other terms of employment. The term discrimination includes any distinction, exclusion, or preference based on race, colour, sex, religion, political opinion, national extraction, social origin, or age. Any acts of discrimination or harassment when dealing with employees, customers and/or suppliers are not tolerated. Offenders are subject to severe disciplinary action, including the possible termination of employment.

Human Capital

Input	**2020**	**2019**	**2018**
Westports Total Workforce	5,455	5,042	4,603
Total Training Hours Of All Staff	256,101	355,342	418,868
Westports Staff Recruitment	941	1,180	682

Human Capital

Output	**2020**	**2019**	**2018**
Total Employees Cost (RM'000)	285,791	256,290	246,490
Total Incidents And Accidents	538	428	479
Westports Staff Resignation	524	745	718

Outcome

- The largest employer at Pulau Indah
- In-house nurtured and a trained workforce with continuous capability improvement through training and development
- Independent talent-pool creation
- Training, exposure and mentoring to employees to encourage internalisation of the desired organisational culture and values

Impact

- Enhance and improve human capabilities and an effective, productive capacity, especially for the transport and logistics industry and broadly also for the Malaysian job market

Social Relationship Capital

Value Creation Process

Westports operate in an environment with an extensive spectrum of stakeholders. Establishing and nurturing our social and relationship capital enables the Company to create intangible and tangible value, which is expressed through mutual trust, collaborative relationships, partnerships and the provision of excellent operational services and facilities.

Our social relationship capital includes relationships with customers, business partners, logistics entities, suppliers, contractors, regulators, government bodies, the financial community, academic establishments, local communities at Pulau Indah and the media. Forging and nurturing positive stakeholders relationship contribute ultimately to commercial sustainability (such as strong client and logistics entities relationship), operational continuation (with a regulatory and social licence to operate the extensive facilities), and organisational stability and profitability (with support from the financial community, committed employees and strategic partnership).

The Company reduced its physical engagement with various stakeholders in 2020 due to COVID-19 and Movement Control Order's restrictions. Nevertheless, various forms of engagement, such as with the regulatory bodies and members of the financial community, continued through virtual meetings.

Social Relationship Capital

Output RM'000	2020	2019	2018
Total CSR Investments	2,746	2,840	2,878
Income Tax To Government	210,581	182,913	167,743
Total Local Procurement	316,634	294,815	333,460

Social Relationship Capital

Input To	Westports Commitment
Port Users & Clients	We communicate actively and deliver our work performance with speed and consistency
Community	Charity begins at home and we are committed to the development, well-being and future of Pulau Indah
Employees	To be a great place to work, where both individual accomplishments and team efforts are rewarded
Government & Authorities	We build constructive, respectful, open and transparent relationships with all regulators and authorities
Suppliers	We develop and maintain effective professional relationships with our suppliers to enjoy quality services
Shareholders & Investors	We adhere to the highest standards of corporate governance and work towards a healthy returns

Outcome

- Harmonious, mutually symbiotic and sustaining positive working relationships with all stakeholders
- Support from stakeholders for the continuous operation of Westports
- The ongoing active engagement with various stakeholders for Westports' proposed expansion would enable the Company to incorporate and mitigate potential concerns arising from the project

Impact

- Positive contribution and a commitment to the socio-economic well-being, safety and health of the community at Pulau Indah, in which Westports operates

Natural Capital

Value Creation Process

Westports is involved in building and maintaining an extensive container terminal and maritime port infrastructure, operating a sizeable number and type of terminal operating equipment, and facilitating the frequent movement of heavy vehicles carrying large volumes of cargo into and out of the Company's premises.

Our activities have an impact on the ecosystems where we operate. The natural capital for Westports includes land, water, air, and the island's general biodiversity where our operations are located.

Our stakeholders, such as our clients, logistics entities, regulatory bodies, contractors, suppliers and employees, would inadvertently impact the natural environment. Consequently, our operations generate wastes, including greenhouse gases, which are acknowledged to contribute to climate change.

Westports has initiated the process to prepare for the proposed container terminal expansion. The Company has also conducted and completed preliminary and detailed Environmental Impact Assessment (EIA) reports highlighting implications that could arise from the proposed project.

Natural Capital

Input	2020	2019	2018
Diesel Fuel (million litres)	50.1	50.3	46.6
Electricity (million kWh)	119.8	101.3	97.0
Water Usage (million m^3)	1.12	1.01	1.30

Natural Capital

Output (Tonnes)	2020	2019	2018
CO_2e Emissions Scope 1	132,397	*133,093	*123,214
CO_2e Emissions Scope 2	70,109	59,277	56,752
CO_2e Emissions Scope 3	^8,939	^9,948	^6,598

^Scope 3 in 2020 [2019] (2018) comprises 8,811 [9,462] (6,340) tonnes of CO_2 arising from employees commuting and 128 [486] (258) tonnes from air travel.
*Restated due to improved monitoring processes

Outcome

- The emissions intensity (measured by kg/CO2e produced) is a reflection of the proportionate environmental impact arising from the operations at the port
- Ongoing initiatives to continuously assess and, when viable, enhance equipment deployment efficiency to reduce emissions, energy and operational costs

Impact

- Environmental impact awareness and stewardship as Westports focus on the long-term commitment of reducing our carbon emission intensity in the coming years as we focus on greater utilisation of more energy-efficient terminal operating equipment

Container Throughput

'000 TEUs	2020	2019	2018
Transhipment Containers	6,751	7,230	6,226
Gateway Containers	3,753	3,631	3,298
Total Container Throughput	10,504	10,861	9,524
Container Terminal Capacity Utilisation	77%	78%	68%

Key Terminal Operating Equipment

Units	2020	2019	2018
Ship-to-Shore Crane	65	66	67
Conventional RTG Crane	115	115	115
Variable Speed / Hybrid RTG Crane	74	70	70
Terminal Tractors	565	526	527

Energy Consumption

	2020	2019	2018
Diesel (million litres)	50.1	50.3	46.6
Efficiency (litres/TEUs)	3.38	3.32	3.51
Electricity (million kWh)	119.8	101.3	97.0
Efficiency (kWh/TEUs)	11.4	9.3	10.2

Conventional Throughput

million tonnes	2020	2019	2018
Dry Bulk	4.1	4.0	4.1
Liquid Bulk	5.9	4.6	4.8
Break Bulk	0.9	1.3	1.7
Cement	0.0	0.0	0.1
Total Bulk Cargo Throughput	10.9	9.9	10.7
RORO ('000 units)	97	135	156

Westports handled a slightly lower container throughput of 10.5 million TEUs in 2020. The lesser throughput of 3% over the previous year was due to container volume and demand being affected by the various forms of lockdown across the world to control the coronavirus disease transmission ("COVID-19").

Due to Malaysia's export-oriented sectors, gateway volume still increased by 3% to 3.75 million TEUs despite the nation's lower GDP and lesser overall domestic consumption.

Meanwhile, transhipment volume declined by 7% to 6.75 million TEUs in tandem with the lower level of economic activities across the region and some changes to specific lines that call at the terminal.

The container volume mix shifted marginally as Westports handled proportionately more gateway containers at 36% than the previous year of 33%. Transhipment containers made up the remaining balance at 64% of the throughput handled.

In 2020, Intra-Asia remained as the most significant trade lane as container volume here constituted 61% of Westports total container volume handled. These containers were loaded in Asia and were subsequently shipped to another destination port within Asia as well.

The notable growth was at Asia-America as container volume here increased by 21%. The containerised rubber gloves exports to the North American continent is included in this trade lane.

During the fourth year of Ocean Alliance's operations and the industry's trend towards deploying larger vessels, 33% of all ships berthing at the Company's terminals have a Length Overall (LOA) of more than 250 meters.

The total number of container vessels calling at Westports declined by 5% in 2020. In contrast, the total container volume handled by the terminal declined at a lesser rate of 3% due to the deployment of larger vessels that can carry more container boxes.

Westports has invested RM2.5 billion in expanding Container Terminal 7, 8 and 9 in recent years. The latest state-of-the-art terminal operating equipment, contiguous linear container terminal berth and the deep draft have enabled our terminal to support our clients' plans of deploying more larger vessels.

In 2020, the overall average container terminal utilisation declined marginally to 77% from 78% the year before despite the lower container throughput. The terminal has two lesser Ship-to-Shore cranes at 65 units throughout the year following the berthing container vessel incident in November 2019 – which we reported last year. Nevertheless, during certain months of 2020, the terminal utilisation exceeded 80%.

The Company has invested and taken delivery of newer terminal operating equipment. We have commissioned into service 40 Terminal Trucks, 121 Terminal Trailers, three forklifts and one stacker. Westports also completed the container yard Zone Z at CT9, which cost RM81 million. The additional yard space had immediate full utilisation upon completion. These investments will support the long-term growth of the Company and also Port Klang.

The terminal accommodated the maiden call of the world's largest LNG-powered containership on her way to China in December 2020. With her length overall (LOA) of 400 meters and a carrying capacity of 23,000 TEUs of containers, the vessel is the highest nominal capacity container ship ever called at Westports. Similar vessels will be calling at Westports regularly under Ocean Alliance services.

The total conventional throughput in 2020 increased by 10% to 10.9 million metric tonnes due to strong growth at the liquid bulk bunker and palm oil categories, and dry bulk edible-cargo segment.

The lesser construction-related activities caused a lower quantity of project cargoes to be handled by the breakbulk segment. Roll-on/roll-off (RORO) vehicles also lessen in 2020 due to slower consumer consumption and a broadly lower level of economic activities requiring less heavy vehicles.

Financial Review

Operational And Financial Review

Revenue

RM million	2020	2019	2018
Container	1,605	1,537	1,350
Conventional	116	122	143
Marine	76	83	77
Rental	39	41	45
Operational Revenue	1,836	1,783	1,615
Construction	139	0	0
Total Revenue	1,975	1,783	1,615

Cost Of Sales

RM million	2020	2019	2018
Container	98	94	89
Conventional	14	18	21
Marine	9	7	29
Fuel	79	105	103
Electricity	45	39	35
Manpower	238	213	196
Depreciation	191	195	187
Operational Cost Of Sales	674	671	660
Construction	138	0	0
Total Cost Of Sales	812	671	660

Income Statement

RM million	2020	2019	2018
Gross Profit	1,163	1,112	954
Other Income	26	13	9
Admininstrative Expenses	(69)	(81)	(16)
Other Expenses	(190)	(195)	(165)
Operating Profit	930	849	782
EBITDA	1,191	1,076	998
Finance Income	17	16	11
Finance Costs	(83)	(91)	(92)
Profit Before Tax	865	774	701
Taxation	(211)	(183)	(168)
Profit After Tax	654	591	533

Cash Flow

RM million	2020	2019	2018
Operating Profit Before Working Capital Changes	1,228	1,166	1,005
Net Cash From Operating Activities	1,025	960	588
Net Cash Used In Investing Activities	(356)	(64)	(198)
Net Cash Used In Financing Activities	(587)	(645)	(508)
Net Change In Cash & Cash Equivalents	82	250	(118)
Closing Balance	739	657	407

Westports achieved total revenue growth of 11% to RM1.97 billion. In 2020, the Company recorded some construction revenue in accordance with IC interpretation 12 due to construction activities at container yard Zone Z and building a jetty at Liquid Bulk Terminal 5. Westports imputed a marginal 1% gross profit margin on construction revenue under the accounting requirements.

Since the principal activity of Westports is in port development and the management of port operations, the operational revenue improvement to RM1.84 billion is the more appropriate benchmark for the Company's performance.

The container revenue increased by 4% despite lower container volume due to higher revenue from Value Added Services. Notably, units of refrigerated containers, which require regular temperature monitoring and electricity supply, grew by 10%. As the largest source of revenue, container cost likewise is the highest among the four business segments. Maintenance and repair cost for the fleet of Terminal Operating Equipment is the most significant cost component.

Conventional revenue declined even though overall throughput increased by 10% as the volume growth came mostly from the bunker, which has a lower revenue per tonne. Hence, the conventional cost reduction is in-line with the revenue as there were lesser direct handling charges.

Marine revenue reflected the lower number of vessels calling at Westports, but the decline rate is less than the container throughput as there are more boxes moved per vessel. Marine cost meanwhile is lower due to lower dredging cost.

Rental revenue declined partly due to the adoption of MFRS 16 adjustment and lesser land area leased or rented.

Fuel cost declined by 25% in 2020, mainly due to lower Mean of Platts (MOPS) prices. The foreign currency exchange rate between Ringgit and US Dollar largely remained unchanged.

The Company's key electricity consumption is to power Ship-to-Shore Cranes to move containers and to maintain refrigerated containers at their desired temperature. Hence, the total electricity cost increased with higher units of refrigerated containers handled in 2020.

Manpower is the largest operational cost component, and it increased in 2020 due to higher headcount at the operational level, higher basic salaries and provision for bonus payments. The Company provided a special incentive payout to operational staff due to the Movement Control Order (MCO) to contain the spread of COVID-19.

Depreciation charges increased moderately to RM190.5 million as the Company capitalised 40 Terminal Trucks, 121 Terminal Trailers, three forklifts and one stacker.

The construction cost, which is only RM1 million lesser than the construction revenue, reflected the 1% profit margin in accordance with IC interpretation 12.

The higher Other Income reflected some insurance recovery following the impairment made in the previous year for the two Ship-to-Shore cranes and berths damaged by a container vessel. The lower Administrative Expenses is partly due to curtailed overseas travel and engagement activities following the MCO and border closures. Other Expenses is lesser, among others, due to lower supplementary lease payment with the lower container throughput.

There were no additional borrowings, and the Company redeemed RM100 million of the Sukuk Musharakah Medium Term Note (SMTN) in August 2020. This contributed to lower finance cost. After the effective tax rate of 24% and a higher tax expense of RM210.6 million, Westports reported a profit after tax of RM654.5 million for 2020.

At the cash flow statement, net cash generated from operating activities increased to RM1.02 billion, and the closing cash and cash equivalents amounted to RM739.2 million.

Risks Management

The objective of risk management is to provide a systematic methodology to identify, prioritise and manage risks. As we integrate risk management into our business decision-making processes, we would anticipate better and manage risks posed, especially by the external environment, more effectively. We maintain a comprehensive risk register which the Company reviews on a quarterly basis. New risks are being identified and included, while issues that no longer pose as risks are excluded from the risk register. The material risk items that have a higher potential impact on our business are elaborated below, along with our mitigation plans.

1. Changes to the port of call

Impact
- Main Line Operators ("MLO") and other vessel operators could change their port of call. This may adversely affect the Company's transhipment volume and overall profitability.

Mitigation
- Westports' strengths are in its world-class productivity levels, modern port facilities, IT capabilities, competitive port charges, and excellent responsiveness to customers' requirements.
- The regular engagement with our clients facilitates proactive actions to ensure a sustained satisfactory level of customer services. These are some of the critical factors that clients evaluate when selecting their choice for a port of call.

2. Competition from other ports

Impact
- Competition from regional ports and MLO with joint-ventures between MLO and other terminal operators may influence transhipment volume at Westports.

Mitigation
- In addition to the mitigation factors outlined in the first risk, Westports also actively engage with our clients to assess how we can serve them better. Westports is embarking on a longer-term expansion programme that would cater to our clients' longer-term growth aspirations and service level requirements.

3. Virus and infectious disease outbreak

Impact
- The spread of an infectious disease could affect workforce deployment to support operational and business requirements.

Mitigation
- We ensure compliance with instructions and advice provided by the statutory body and government agencies within the Company's premises by staff, foreign workers, and all others that require access to the port.
- The Company has body temperature screening at every entry point, provides Personal Protection Equipment (PPE), sanitises the terminal's operating equipment and conducts online meetings.

4. Fire or liquid spillage

Impact
- Operational disruption, injury to the workforce and financial implications

Mitigation
- There is continuous enforcement of all safety rules and regulations, especially at the Liquid Bulk Terminal by our Port Police and Conventional Operations, with support from the landed clients.
- Fire drill once a year and regular training for the Port Police and EHS team.
- Surveillance audit and regular maintenance of all appliances and equipment are required.

5. Westports expansion development cost

Impact
- High development, construction, and operational costs of the proposed Westports' container terminal expansion could adversely affect the Company's projected financial profitability.

Mitigation
- The Company curtailed the development cost at the design phase by selecting an optimum number of berths, and the layout chosen took into consideration environmental factors.
- Westports would incorporate the length of the concession period and tariff into the negotiation phase of the proposed development.
- When the construction phase commences, an open tender to local and foreign construction companies will allow the Company to select the most cost-competitive and optimum construction services to manage the overall project cost.

Investor Relations Report

Westports is committed to maintaining a strong relationship with our investors. We regularly engage with our institutional investors, sell-side and buy-side equity analysts, and rating analysts to keep them sufficiently updated with our operational, financial performance, prospects and the proposed terminal expansion to enable them to make informed decisions about their investment in Westports. The Group Managing Director, Chief Executive Officer or Head of Investor Relations, participated in the engagement meetings. We also have engagement with international ESG rating analysts.

Quarterly Financial Results And Analyst Coverage

Upon disclosing the quarterly results to Bursa Malaysia Securities Berhad ("Bursa Securities"), Westports issues press releases and conduct briefings or conference calls. These engagement sessions provide a balanced and updated perspective of our operational and financial performance, expansion plan, and the Company's prospects and outlook.

To ensure consistent and transparent external communication, the presentation materials referred to during the quarterly conference calls and briefings are being made available immediately on our website at www.westportsholdings.com. We also emailed the same materials to those on our Investor Relations contact list after releasing the announcement to Bursa Securities. In 2020, two additional investment bank sell-side initiated their coverage of Westport's. At the end of the year, a total of 19 local and regional equity analysts provide active coverage on Westports.

Meetings, Conferences And Roadshows

In 2020, after the initial two months of physical and teleconference meetings, all subsequent one-to-one meetings and investment conferences were conducted virtually or online using video conference applications. Westports continues to enhance investors' understanding of the Company while maintaining regular contacts with existing shareholders virtually. The increased ease of access by the financial community facilitated more engagement sessions. By the end of the year, Westports participated in 12 virtual conferences arranged locally and abroad, and we had 72 meetings with analysts and investors.

Index Member

Westports retained its inclusion as one of the constituents of the FTSE4Good Bursa Malaysia Index and FTSE Bursa Malaysia Mid 70 Index in 2020. The Company is also a constituent in the following international benchmarks: MSCI Malaysia Index, Amsterdam-based Global Property Research's GPR Pure Infrastructure Index Series and Belgium-based Global Listed Infrastructure Organisation's Marine Port Index.

Westports is the only listed entity offering investors direct exposure to the container operations at Port Klang. Given the Company's sizable market capitalisation, it also indirectly becomes a designated representative company for Malaysia's transport and logistics sector.

Dividend Policy

It is the policy of our Board of Directors ("Board") in recommending dividends to allow shareholders to participate in our profits while retaining adequate profits and reserves for our working capital requirements and capital expenditure to invest for future growth. The recommendation and declaration of dividends are subjected to the discretion and approval of our Board. Our financial capacity to pay dividends or make other distributions to our shareholders will depend upon several factors, including:

- The level of our cash, gearing, return on equity and retained earnings;
- Expected financial performance;
- Projected levels of capital expenditure, and future investment plans;
- Working capital requirements; and
- Existing and future debt obligations.

For the financial period 2020, the Board has decided, and the Management of Westports has communicated to the financial community, that the Company would reduce the dividend payout ratio to 60% of our consolidated profit attributable to our equity holders – instead of the 75% since the Company became a public listed company in 2013. The reduction is temporary for one financial period only. The Company is reverting to a dividend payout ratio of 75% for the financial period of 2021.

The dividend policy merely describes our Company's ongoing intention and shall not be constituted as a legally binding statement. The Company's future dividends are also subjected to modification at the discretion of Westports Board of Directors.

Dividend Payment

For the financial year ended 31 December 2020, Westports has declared dividends amounting to RM392.8 million:

- 1st interim dividend of 5.05 sen per share amounting to RM172.2 million, paid on 21 August 2020; and
- 2nd interim dividend of 6.47 sen per share amounting to RM220.6 million, paid on 1 March 2021.

The total dividend declared represented 60% of the Company's profit after taxation for the financial year ended in 2020. It represents a total payout of 11.52 sen per share.

Shareholder Base

As of 31 December 2020, Westports had 4,549 shareholders accounts holding a total of 3.410 billion shares. Foreign shareholdings interest was 33.24%, and this included South Port Investment Holdings Limited's shareholding of 23.55% in the Company.

Credit Rating

Westports continues to exhibit strong operational performance, financial fundamentals and balance sheet strength. Malaysia Rating Corporation Berhad (MARC) has assigned a credit rating of AA+IS since January 2008 to the Company's wholly-owned subsidiary, Westports Malaysia Sdn Bhd (WMSB). MARC affirmed the rating in its April 2020 review.

In February 2021, RAM Rating Services Bhd has assigned a long-term AAA/stable rating to WMSB's RM2.0 billion Sukuk Musharakah Programme 2011/2031 programme.

Corporate Responsibility

Westports is committed in its corporate responsibility efforts and has close engagement with the community, workforce, environment and marketplace. We believe this also ensures the sustainability of our business operations and is one of the reasons for our success as Malaysia's main transhipment and gateway port.

We have produced a separate Westports CSR Report 2020 to highlight our activities which contribute primarily to the communities at Pulau Indah. The report can be downloaded from www.westportsholdings.com. There is a reduction in the total number of activities implemented in 2020 due to restrictions and precautionary measures adopted to prevent the spread of the COVID-19 pandemic.

Department	Area Of Focus	Programme
Human Resource	Education	• Seminar Tapow A • Essay Competition for Form 5 students
Container	Community Services	• Gotong - Royong at Dewan Orang Ramai, Kg Teluk Nipah • Distribution of 'Bubur Lambuk'
Conventional	Asli Community	• Back to School Program • Birthday Celebration With Asli Students • 'Badan Sihat Otak Cerdas' Program • Back to School Program • Tuition Classes For Asli Student
M&R	Kolej Vocational Klang	• OSH Awareness Program • Air-Conditioning Service at Masjid Ar-Rahman, Sg. Pinang • Electrical Services at Kampung Teluk Nipah
Engineering	Facilities Refurbishment	• House Repairing Program • House Repairing Program at Kg Teluk Nipah, Pulau Indah • House Refurbishment at Pulau Indah • Kindergarten and Hall Repair

Department	Area Of Focus	Programme
Marketing	Environmental Related Initiatives	• Plastic Hunt
Finance	Poor Families / Warga Emas / Orphans	• Visiting Senior Citizen in Pulau Indah • Identifying Poor Families in Pulau Indah • Entrepreneur Program
Planning	Fertigation Farming	• Fertigation Farming – Chilies • Hanging Fertigation Program • Fertigation Farming I • Fertigation Farming II
IT	IT Awareness	• Workshop on Microsoft Word • PC and Internet Audit and Survey
EHS	Prevention Of Dengue	• Dengue Prevention Program
Port Police	Safety And Security	• Fire extinguishers audit at SMK Pulau Indah • Program Komuniti Bersama PDRM

The Board of Directors ("the Board") of Westports Holdings Berhad ("Westports" or "the Company") recognises the importance of good corporate governance and is committed to ensuring that good corporate governance is practised throughout the Company and its subsidiary ("the Group") with the ultimate objective of protecting and enhancing shareholders' value and the financial performance of the Group.

As required under the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), this Corporate Governance Overview Statement outlines on how the Company has applied the Principles and Practices to the extent of compliance with the recommendations of good corporate governance as set out in the Malaysian Code on Corporate Governance 2017 ("MCCG") and Corporate Governance Guide (3rd Edition) throughout the financial year ended 31 December 2020 ("the Year" or "2020") and up to the date of this Annual Report. This statement is to be read together with Corporate Governance Report 2020 based on a prescribed format pursuant to Paragraph 15.25(2) of the Listing Requirements, which can be downloaded from Westports' website at www.westportsholdings.com or from Bursa Securities' website.

The Corporate Governance Report provides the details on how the Company has applied each Principles and Step-Ups as set out in the MCCG during the year. Westports will further enhance its MCCG adoption and put in effort to adhere to all recommended best practices from time to time.

PRINCIPLE A
BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD ROLES AND RESPONSIBILITIES

Board's Role

The Company is led by an experienced and dynamic Board. It has a balanced composition with effective independent directors. The Board plays a pivotal role in the stewardship of the Group and ultimately enhancing shareholders' value. To fulfil this role, the Board assumes the duties and responsibilities as set out in the Board Charter.

The Board is charged with leading and managing the Company in an effective and responsible manner. The Board's role is to oversee and provide stewardship to the Company's strategic direction to maximise shareholders' value while Management manages the day-to-day operations of Westports in accordance with the direction and delegation of the Board.

The Board reserves for its decision a formal schedule of matters, which include approval of the following, to ensure that the direction and control of the Group is firmly in its hands:

- Conflict of interest issues relating to a substantial shareholder or a Director including related party transactions;
- Material acquisitions and disposals of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions as well as corporate exercises;
- Authority levels;
- Treasury policies;
- Yearly and quarterly financial results;
- Risk management policies; and
- Key human resources issues.

The Board is supported by Board Committees with delegated responsibilities to oversee the Group's affairs and authorise to act on behalf of the Board in accordance with their respective charters. Matters outside the scope of the formal schedule are decided by the Board Committees and the Management in accordance with delegated authorities approved by the Board. Management manages the day-to-day operations in accordance with a Policy on Delegation & Limit of Authority with clearly defined authority limits for capital expenditure, operating expenditure, contract awards, safeguarding of assets, business decision activities, segregation of duties and other significant transactions, among others. Defined authority limits continue to be closely monitored in response to prevailing market conditions.

All the Board Committees are actively engaged and act as oversight committees. They evaluate and recommend matters under their purview for the Board to consider and approve. The Board receives updates from the respective Chairman of the Board Committees on matters that have been discussed and deliberated at the respective meetings.

Separation of Chairman and Group Managing Director ("GMD")

The Chairman of the Board, Tan Sri Datuk Gnanalingam A/L Gunanath Lingam leads the Board to focus on governance and compliance and acts as a facilitator at Board meeting to ensure that contributions from Directors are forthcoming on matter being deliberated and that no Board member dominates the discussion.

The Executive Chairman is responsible for leadership and governance of the Board so as to create the conditions for the overall Board's and individual Director's effectiveness, and ensures all key and appropriate issues are discussed by the Board in a timely manner.

Datuk Ruben Emir Gnanalingam bin Abdullah is the GMD and he serves as the conduit between the Board and the Management in ensuring the success of the Group's governance and management function. The GMD, in association with the Executive Chairman, is accountable to the Board for the achievement of the Group's mission, vision and objectives. The GMD has the executive responsibility for the day-to-day operations of the Company and shall implement the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the management are delegated through the GMD and this will be considered as the GMD's authority and accountability as far as the Board is concerned.

Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries who play a vital role in advising the Board in relation to the Company's Constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. They constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending the relevant training programmes/conferences.

Access to Information

The Directors have timely, full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties effectively.

The Board is expected to meet at least four (4) times for each financial year, with additional meetings to be convened when necessary to review financial, operational and business performances. Board meetings for each financial year are normally scheduled before the end of the preceding financial year and to be confirmed at the end of the preceding meeting.

Board Meeting

The Board meetings are chaired by the Executive Chairman. The Executive Chairman leads the Board effectively and encourages contribution from all members to ensure a balance of power and authority.

Prior to every Board meeting, the Directors are furnished with an agenda and a set of meeting papers electronically at least fourteen (14) days before the Board meeting in order for them to study and evaluate in advance the matters to be discussed.

During 2020, Board papers were circulated to the Board members in advance via board portal and this remains an ongoing priority to facilitate informed decision making. The Board papers contain both quantitative and qualitative information. The papers are presented in a manner which is concise and include comprehensive Management reports, minutes of meetings and proposal papers. This will enable the Directors to review, consider, and if necessary, obtain further information from the Management on the subject matter. The Management is responsible for providing the Board with the required information in an appropriate and timely manner. All proceedings of the Board and the Board Committees are minuted and signed by the respective Chairmen of the meetings.

Notices on the closed period for trading in Westports are served to Directors and principal officers of the Group who are deemed to have privy to price-sensitive information of the Company for the applicable periods especially during the scheduled Board meetings to approve the quarterly financial results. This is to comply with the Listing Requirements where Directors and principal officers are prohibited from trading in securities based on price-sensitive information which have not been publicly announced within thirty (30) calendar days before the targeted date of announcement of the quarterly financial results up to the date of announcement.

Board Charter

Westports has in place a Board Charter which serves as a reference point for Board activities and promotes high standards of corporate governance. It is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its Committees, the requirement of the Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board's operating practices including matters reserved for the Board.

In accordance with the MCCG, Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil who is the Chairman of the Nomination, Remuneration and Corporate Governance Committee ("NRCGC") is designated as the Board's Senior Independent Director. The Senior Independent Director, who acts as a sounding board for the Executive Chairman of the Board, acts as an intermediary for other Board members as well as acting as a point of contact for shareholders and other stakeholders where required.

The Board reviews its Board Charter periodically to keep abreast with the new changes in regulations and best practices.

The Board Charter is updated in accordance with the requirements of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter was last reviewed and approved by the Board on 23 February 2021 to further strengthen the governance and management of the Company. The latest Board Charter is accessible on the Company's website at www.westportsholdings.com.

Code of Conduct and Business Ethics

The Board has formalised and adopted the Code of Ethics of Directors, which is based on the core principles of integrity, transparency, accountability and corporate social responsibility. The Code of Ethics of Directors enables the Board and each Director to focus on areas of ethical risk, provides guidance to Directors to help them recognise and deal with ethical issues, provides mechanisms to report unethical conducts and helps foster a culture of honesty and accountability. It also serves as an avenue for any Director to channel any suspected violations of the Code of Ethics of Directors to the Chairman of the Audit and Risk Management Committee ("ARMC"). Investigation will be carried out by the Board and appropriate action will be taken in the event of any violations of the Code of Ethics of Directors.

Besides, the Group also adopted a Code of Conduct which sets standards for the employees within the Group to promote honest and ethical conduct, including the ethical handling of actual or apparent conflict of interest between personal and professional relationships in the workplace and to observe applicable rules, regulations and local laws.

The Board and all employees are committed to observe the highest standards of personal and corporate integrity when dealing within the Group and with external parties.

The Board had on 4 May 2020 adopted the Anti-Corruption and Bribery Policy ("ABAC Policy") to ensure that it has adequate procedures in place to prevent persons associated with the Group from undertaking corrupt conduct in relation to the business activities.

Whistle Blower Policy

In addition to the above, the Company's Whistle Blower Policy aims to maintain the highest level of corporate ethics within the Group. All employees of the Group have a professional responsibility to disclose any known malpractices or wrongdoings. The Board has the overall responsibility for overseeing the implementation of the policy, and all whistleblowing reports are addressed to the Chairman of the ARMC (for matters relating to financial reporting, unethical or illegal conduct), and the GMD or Head of Human Resource Department (for employment-related concerns).

The Code of Ethics of Directors, Code of Conduct, ABAC Policy and Whistle Blower Policy can be found on the Company's website at www.westportsholdings.com.

II. BOARD COMPOSITION

Westports is led by a capable and experienced Board. During the year, the Board comprised thirteen (13) Directors, including the Executive Chairman, GMD, three (3) Non-Independent Non-Executive Directors, six (6) Independent Non-Executive Directors and two (2) Alternate Directors. The Independent Directors make up the majority of the composition of the Board.

The composition of the Board is fundamental to its success in providing strong and effective leadership. The Independent Directors are free from interests and influences that may conflict with their duties to the Company.

The Board Charter provides that the Board should consist of qualified individuals with diverse experiences, backgrounds and perspectives. The Constitution of the Company provides a minimum of three (3) and a maximum of fifteen (15) Directors. The composition and size of the Board should be such that it facilitates the making of informed and critical decisions without limiting the level of individual participation, involvement and effectiveness.

The Board believes that the current Board composition provides the appropriate balance in terms of skills, knowledge and experience in the fields of port operations, marketing, finance, legal, information technology, project management, engineering, accounting and general experience in management. This combination of different professions and skills working together enables the Board to promote the interests of all shareholders and to govern our Group effectively.

The Company practices recruitment of Directors based on meritocracy. In the event two (2) candidates are of equal merit, other considerations such as diversity in respect of gender, ethnicity and age will be taken into account to aid the final selection process. The Board believes the Company's existing processes have served the purpose of a formal policy on diversity and at the same time ensuring that all Directors are appointed on merit. There are three (3) female Board members, representing 27.3% of female representation on the Board, rounding to nearest ten percentile to 30% as recommended by MCCG. The aforesaid female Board members provide the Board with gender diversity that bring value to the Board's deliberations from the different perspectives and insights of the female Board members. The Board agreed that the existing female representation is appropriate for the Company.

The Board maintains a strong record on Board diversity with a wide range of backgrounds and nationalities represented among the Board members. A brief description of the background of each Director is presented under the Profile of Directors of this Annual Report.

Ethnicity		Age		Gender	
Bumiputera	3	<50 years	1	Male	8
Malaysian Indian	3	50-59 years	2	Female	3
Malaysian Chinese	2	60-69 years	5		
Foreigners	3	>70 years	3		

* Excluded two (2) alternate directors

Board Committees

In discharging its fiduciary duties, the Board has delegated specific tasks to Board Committees. These Board Committees have the authority to examine particular issues and report to the Board on their proceedings and deliberations together with its recommendations. However, the ultimate responsibility for the final decision on all matters lies with the entire Board.

a. ARMC

The ARMC assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group.

The ARMC Charter is published on the Company's website at www.westportsholdings.com.

More information on the ARMC and its activities for 2020 is contained on pages 41 of this Annual Report.

b. NRCGC

The NRCGC comprises three (3) Independent Non-Executive Directors.

The duties and responsibilities of the NRCGC are set out in the NRCGC Charter, which is published on the Company's website at www.westportsholdings.com.

During the year, the NRCGC has undertaken the following activities:

a. Conducted annual review on the following policies and recommended to the Board for approval:

- Board and NRCGC Charters;
- Code of Ethics of Directors;
- Directors' Remuneration Policy;
- Directors' Assessment Policy;
- Code of Conduct;
- Whistle Blower Policy;
- Corporate Disclosure Policies and Procedures;
- Sustainability Policy;
- Succession Planning Policy; and
- Environment Policy.

b. Discussed and reviewed on the ABAC Policy before recommending to the Board for approval;

c. Conducted annual review of the structure, size and composition of the Board, including the balance of mix of skills, knowledge, experience, diversity in respect of age, gender and ethnicity as well as independence of the Independent Non-Executive Directors. The NRCGC also focused on having a balanced mix of skills, independence and diversity (including gender, ethnicity and age) to facilitate optimal decision-making by harnessing different insights and perspectives;

d. Reviewed, considered and recommended the re-election of Directors at the forthcoming Annual General Meeting ("AGM") pursuant to the Constitution of the Company and the Companies Act 2016;

e. Reviewed and recommended the Corporate Governance Overview Statement for the Annual Report and Corporate Governance Report to the Board for approval;

f. Reviewed the Board Evaluation Exercise process;

g. Deliberated on the findings of the Board's and Board Committees' Assessments and reported the findings to the Board;

h. Reviewed the salary structure for Senior Management.

i. Reviewed the key performance indicators for Executive Directors and Senior Management;

j. Reviewed the training needs of the Directors;

k. Reviewed and recommended the remuneration packages of the Executive Chairman and GMD to the Board for approval;

l. Reviewed and recommended the Non-Executive Directors' fees and benefits to the Board subject to approval by shareholders at the AGM; and

m. Reviewed the terms of office and performance of the ARMC and each of its members in compliance with the Listing Requirements.

Board Independence

The Board recognises the significant contribution by the Independent Directors to the Company in bringing independent and objective judgement to the Board in decision making. The Executive Chairman, Tan Sri Datuk Gnanalingam A/L Gunanath Lingam who is not an Independent Director, is the founder of the Company and the Board considers it appropriate for him to hold the fort as Chairman based on his wealth of knowledge, deep appreciation of the operations of the Group and differentiated foresight as long as no one individual or group has unrestricted powers of decision. The Board has a strong presence of nine (9) Non-Executive Directors, whereby six (6) of its members are Independent Directors, in compliance with the MCCG. The strong presence of a majority of Independent Directors provides effective check and balance in the functioning of the Board.

The six (6) Independent Directors are not substantial shareholder's representatives nor employees and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgment.

They are tasked with ensuring there are checks and balances on the Board as they are able to provide unbiased and independent views in Board deliberations and decision making of the Board taking into accounts the interests of the Group and minority shareholders. The Independent Directors bring external perspectives through their diverse backgrounds and experiences, enabling them to put in place necessary checks and balances, contributing to Board's decision making. They are also engaged proactively with both the internal and external auditors. This is especially so for Dato' Yusli Bin Mohamed Yusoff who is the Chairman of the ARMC.

The Board Charter limits the tenure of the Independent Directors to a cumulative term of not more than nine (9) years.

In line with the recommendation of the MCCG, if the Board intends to retain the Independent Directors beyond nine (9) years, the Independent Directors shall be subject to the assessment of the NRCGC with valid justifications be recommended to the Board for shareholders' approval at general meeting. Presently, none of the Independent Directors of the Company has served the Board for more than nine (9) years.

Assessment of Independent Directors

The Board, through the NRCGC, undertakes the independence assessment of all its Independent Directors which was carried out as part of the Board Assessment annually. The NRCGC and the Board reviewed the independence assessment results and are satisfied that all the Independent Directors meet the independence criteria prescribed by the Listing Requirements. The Board opined that the Independent Directors continue to remain objective and independent in expressing their respective views and in participating in deliberations and decision-making of the Board and the Board Committees.

Board Appointment

During year 2020, no new Director was appointed to the Company. Nonetheless, the Board has delegated to its NRCGC with the responsibility to review and assess the proposed new Board nominees in terms of the appropriate balance of skills, expertise, attributes and core competencies before making any recommendation to the Board for approval. While the Board is responsible for the appointment of new Directors, the NRCGC is charged with the role of screening and conducting initial selection based on the criteria and qualification as specified in the Board Charter, which include the following summarised criteria:

- ability to ask probing operational related questions and make informed business decisions;
- entrepreneurial talent;
- relevant experience in regional and/or international markets;
- education;
- high ethical standards;
- ability to devote sufficient time to fulfil his/her responsibilities as a Board and/or Board committee member; and
- total commitment in furthering the interests of shareholders and achievement of the Company's goals.

Whilst the written criteria were used as benchmarks for selection of candidates, the NRCGC continues to have regard to the benefits of diversity, including gender, ethnicity, age, competency, skills, character, time commitment, integrity and experience.

The NRCGC is also responsible for reviewing candidates for the appointment to the Board Committees and makes appropriate recommendations thereon to the Board for approval. The Company maintains a formal and transparent procedure for the appointment of new Directors.

At least one-third (1/3) of the Directors, including the GMD, are required to retire from office at least once in every three (3) years but shall be eligible for re-election. The Company's Constitution further provides that at least one-third (1/3) of the Board is subject to retirement by rotation at each AGM.

Based on the office period of the Directors since their last election and upon recommendation by the NRCGC, the Board is proposing the re-election of Datuk Ruben Emir Gnanalingam bin Abdullah, Dato' Yusli bin Mohamed Yusoff, Ms Chan Chu Wei and Ms Ruth Sing Ling Tsim pursuant to Clause 115 of the Company's Constitution respectively at the forthcoming Twenty-Eighth (28th) AGM and being eligible, they have offered themselves for re-election.

To assist the shareholders in their decision, sufficient information such as personal profiles of the Directors standing for re-election are disclosed in the Profile of Directors of this Annual Report. The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings of this Annual Report.

Fostering Commitment

Recognising the important responsibility of a Director towards the Board's success, the Board has incorporated time commitment as one of the appointment criteria for Directors whereby the candidate should have sufficient available time to be able to fulfil his or her responsibilities as a member of the Board and any of the Board Committees to which he or she may be appointed.

The Board considers that there is no need for a formal protocol for Directors to accept new directorships at this point in time as the number of directorships a Director can hold is restricted by Paragraph 15.06 of the Listing Requirements whereby the Directors are not allowed to hold more than five (5) directorships in public listed companies.

The Company has the practice of requiring its Directors to disclose and update his or her directorships in other companies as and when necessary at every Board meeting, and further, in cognisance of the criterion of substantial time devotion to the Company expected from each Director contained in the Company's annual Board Assessments as well as the time commitment clause enumerated in the Company's Board Charter; the Directors are mindful that they will serve on the boards of other companies only to the extent that such services do not detract from the Directors' ability to devote the necessary time and attention to the Company. The Board is satisfied that the external directorships of the Board members have not impaired their availability to provide sufficient time in discharging their roles and responsibilities effectively.

The Board is satisfied that each individual Director of Westports is committed to the Board and has a good attendance record for meetings for the year 2020. All Directors complied with the minimum attendance of at least 50% of Board meetings held in the financial period pursuant to the Listing Requirements. In addition, Board members are well prepared, having read the Board papers and all background materials before every Board meeting.

The decisions made at Board meetings are mostly consensus or via majority votes. Additionally, the resolutions in writing duly signed by a majority of the Directors or their alternates shall be valid and effectual as if the resolution had been passed at a Board meeting.

The table below shows the attendance record of the Directors for the meetings held during 2020.

Board Meetings

	Number of Board Meetings	
Name of Director	Held During Tenure In Office	Attended
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam *(Executive Chairman)*	4	4
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil *(Senior Independent Non-Executive Director)*	4	4
Tan Sri Ismail bin Adam *(Independent Non-Executive Director)*	4	4
Dato' Yusli bin Mohamed Yusoff *(Independent Non-Executive Director)*	4	4
Datuk Ruben Emir Gnanalingam bin Abdullah *(Group Managing Director)*	4	4
Chan Chu Wei *(Non-Independent Non-Executive Director)*	4	4
Kim, Young So *(Independent Non-Executive Director)*	4	4
Ip Sing Chi *(Non-Independent Non-Executive Director)*	4	4
Ruth Sin Ling Tsim *(Non-Independent Non-Executive Director)*	4	4
Shanthi Kandiah *(Independent Non-Executive Director)*	4	4
Chan Soo Chee *(Independent Non-Executive Director)*	4	4

ARMC Meetings

	Number of ARMC Meetings	
Name of Director	Held During Tenure In Office	Attended
Dato' Yusli bin Mohamed Yusoff - *ARMC Chairman* *(Independent Non-Executive Director)*	5	5
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil *(Senior Independent Non-Executive Director)*	5	5
Chan Chu Wei *(Non-Independent Non-Executive Director)*	5	5
Chan Soo Chee *(Independent Non-Executive Director)*	5	5

NRCGC Meetings

	Number of NRCGC Meetings	
Name of Director	Held During Tenure In Office	Attended
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil *– NRCGC Chairman* *(Senior Independent Non-Executive Director)*	2	2
Tan Sri Ismail bin Adam *(Independent Non-Executive Director)*	2	2
Shanthi Kandiah *(Independent Non-Executive Director)*	2	2

Succession Planning

Succession planning for senior management below the Executive Board level is driven by the GMD. A review of senior management resources is carried out annually in conjunction with the annual remuneration review. We have in place a career development plan including succession planning at all levels of management. The annual management evaluation process is the key to performance improvement as well as the succession plan. The Company's Succession Planning Policy submitted by the GMD has been reviewed by the NRCGC and approved by the Board on 23 February 2021.

Training & Development of Directors

The Board acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skills and knowledge in discharging its responsibilities. The Board encourages its members to participate in continuous education programmes by allocating certain training budget for the Directors every year.

The Board, through the NRCGC, reviews and assesses the training needs of the Directors and determines the area of training that he or she may require for personal development as a director to strengthen their contributions to the Board. Furthermore, the Directors from time to time visited the port to familiarise and to have a thorough understanding and insights of the Group's operation.

During 2020, all Board members had attended various training programmes, conferences, seminars and courses organised by regulatory authorities and professional bodies. The programmes in which members of the Board have participated were as follows:

Month	Training/Seminar	Presenter/Organiser
January 2020	LIBOR and reference Rate Reform	PricewaterhouseCoopers
	Security Awareness Training Programme	Hutchison Ports
March 2020	Corporate Governance & Ethics - Graduate for the Corporate Sector (Presented as Adjunct Professor of University Putra Malaysia School of Education)	Dato' Yusli bin Mohamed Yusoff (presenter)
April 2020	Raising Defences : Section17A, MACC Act	The ICLIF Executive Education Centre
May 2020	The Clear and Present Risks facing organisations under COVID-19	MACD & FPLC
	Coronavirus Impact on Financial Reporting	The Chartered Association of Certified Accountants
June 2020	What are the Temporary Relief Measures for Listed Issuers during the COVID-19 pandemic?	TRICOR
July 2020	Envisioning the new normal - COVID-19 recovery strategies in the digital economy	The Chartered Association of Certified Accountants
	Tax controversy series : How your business deals with potential tax controversy issues	PricewaterhouseCoopers
September 2020	How to be an effective Non-Executive Director in a disruptive world	ICDM
	Money Laundering (AMLA) Refresher Course	AffinHwang
	Asset Management Series - The Limited Partnership Fund Regime - Highlighting its use for PE, Real Estate and Private Credit and Debt Fund	KPMG
October 2020	Transforming Business Performance through digitalization	TUV Rheinland & Tricors
	MACC Act Section 17A Private Healthcare Act	KPJ / Muhammad Ridza & Co KPJ / Raja, Darly & Loh
November 2020	Container Shipping and trade trends Sustainability in Container terminals	Jason Chiang Royal Haskoning DHV
	Tax Treaty 101	Hong Kong Institute of Certified Public Accountants
	Annual Accounting Update 2020 : The New Normal financial reporting Investing like Warren Buffet	Hong Kong Institute of Certified Public Accountants Hong Kong Institute of Certified Public Accountants
December 2020	Malaysian Financial Reporting Standard	FGV holdings / PricewaterhouseCoopers
	COVID-19 and the future of business (Panellist as Adjunct Professor of University Kebangsaan Malaysia Faculty of Economics & Management - Centre for Governance, Resilience & Accountability)	Dato' Yusli bin Mohamed Yusoff

The Company Secretaries keep the Directors informed of the relevant external training programmes. The Company Secretaries also circulate relevant guidelines on statutory and regulatory requirements from time to time for the Board's references and brief the Board on the necessary updates at Board meetings.

Board Assessments

The NRCGC is tasked to assist the Board in carrying out the annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution or performance of each individual Director. The NRCGC also assists the Board in assessing the independence of the Independent Directors annually (all the above mentioned assessments are collectively referred to as the "Board Assessments").

The Board Assessments are aimed to improve the Board's effectiveness as well as to draw the Board's attention to key areas that need to be addressed in order for the Board and individual Directors to maintain its significance. The Board Assessments consist of the following:

i. Board and Board Committees evaluation;
ii. Assessment of character, experience, integrity, competence and time commitment Directors;
iii. Assessment on mix of skill and experience; and
iv. Evaluation of level of independence of an Independent Director.

To facilitate the Board Assessments, a set of questionnaires are developed based on the criteria stipulated in the Directors' Assessment Policy of the Company. The methodology of the Board Assessment together with the assessment forms are reviewed by the NRCGC and approved by the Board. The set of questionnaires were carried out on self and peer assessment basis which assesses the effectiveness of the Board as a whole, Board Committees, Chairman and individual Directors. The results of the assessment were tabled to the NRCGC for review and comments which were subsequently briefed to the Board. All assessments and evaluations carried out are properly documented. For the year under review, the questionnaires were revised to reflect the latest corporate governance requirements. The NRCGC had on 15 December 2020 assessed the performance of the Board as a whole and its Board Committees for the period from 1 January 2020 to 31 December 2020.

For the year under review, the evaluations were facilitated by the external Company Secretaries from independent external secretarial firm making references to the guides available and the good corporate governance compliance.

The results and recommendations from the evaluation of the Board and Committees are presented to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the Westports Group's profitable performance.

III. REMUNERATION

Directors' Remuneration

The Company has in place a Directors' Remuneration Policy which sets out the criteria applied in recommending the remuneration package of the Directors of the Group. In its deliberation of remuneration level and mix, the NRCGC takes into consideration industry practices and benchmarks against relevant industry players as well as comparable positional responsibilities to ensure remuneration practices are competitive.

The determination of Directors' remuneration is a matter deliberated by the NRCGC and approved by the Board as whole.

The Non-Executive Directors concerned abstain from the discussion of their own remuneration. In recommending the proposed Directors' fees, the NRCGC takes into consideration the qualification, duty and responsibility, and contribution required from a Director in view of the Group's complexity, and also the market rate among the industry.

The Non-Executive Directors are paid fixed annual directors' fees as members of the Board which are approved by the Company's shareholders at the AGM. The Non-Executive Directors are also paid an attendance allowance for each Board meeting that they attend.

The NRCGC also recommends to the Board the remuneration packages of Executive Directors and it is the responsibility of the Board to approve the remuneration packages of Executive Directors. In evaluating the Executive Chairman and GMD's remuneration, the NRCGC takes into account the Group's financial performance and performance on a range of non-financial factors which reflects the level of risk, responsibility as well as performance of the Company and the industry norm. The Executive Chairman and GMD are being paid at the subsidiary level and in line with the Group's general remuneration policy for its Senior Management. Their remunerations are structured so as to link rewards to Group and individual performance.

The details of Directors' remuneration (including benefits-in-kind) from the Company and Group respectively are as follows:-

Note	Particulars All figures in thousands	Directors' Fees & Allowance Group	Directors' Fees & Allowance Company	Board Committee Fees Company	Salary Group	Bonus Group	BIK Note 4 Group	Others Note 5 Group	Total
	Non-Executive Director								
	Tan Sri Dato Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil		122	190			9		321
	Tan Sri Ismail bin Adam		122	70					192
1	Ip Sing Chi	122	123						245
2	Ruth Sin Ling Tsim	122	123						245
3	John Stephen Ashworth	122							122
	Dato' Yusli bin Mohamed Yusoff		122	120					242
	Chan Soo Chee		123	100					223
	Chan Chu Wei	122	122	100			6		350
	Kim Young So		123						123
	Shanthi Kandiah		122	70					192
	Ahmayuddin bin Ahmad	122					13		135
	Jeyakumar Palakrishnar	122							122
	Dato' Haji Mohamed Shahabar bin Abdul Kareem	122							122
	Shaline Gnanalingam	122							122
	Mohammad Reezal Bin Ahmad	122							122
		1,098	1,102	650	-	-	28	-	2,878
	Executive Director								
	Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	2	2		2,400	800	514	544	4,262
	Datuk Ruben Emir Gnanalingam bin Abdullah	2	2		2,064	860	408	497	3,833
		4	4	-	4,464	1,660	922	1,041	8,095
	Grand Total	1,102	1,106	650	4,464	1,660	950	1,041	10,973

Note - remuneration prorated up to Directors appointment or resignation

1 *Remuneration paid to South Port Investments Holdings Limited*
2 *Remuneration paid to South Port Investments Holdings Limited.*
3 *Remuneration paid to South Port Investments Holdings Limited.*
4 *Benefits in kind refer to driver, car, and fuel, club membership, security services provided.*
5 *Others refer to employee provident funds paid.*

The aggregate remuneration of the Company's Senior Management Team in respective bands of RM50,000 for the financial year 2020 are as follows:-

Remuneration (RM)	Number Of Senior Management
300,000 – 350,000	2
350,000 – 400,000	2
700,000 – 750,000	1
Total	**5**

Although MCCG had stipulated that the Company should disclose on a named basis the top five (5) Senior Management's detailed remuneration, the Board believes that disclosure in such detail may be prejudicial to the business interest of the Group given the highly competitive environment it is operating in as well as competitive pressure in the talent market.

PRINCIPLE B
EFFECTIVE AUDIT AND RISK MANAGEMENT

I. ARMC

Composition

The ARMC assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group. The Chairman of the ARMC is not the Chairman of the Board.

The ARMC Charter requires a former key audit partner to observe a cooling off period of at least two (2) years before being appointed as a member of the ARMC.

The ARMC members possess a wide range of necessary skills to discharge their duties effectively. All the ARMC members are financially literate and able to understand matters under the purview of ARMC including the financial reporting standards. The ARMC members had attended relevant professional training during the year that will continue to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules as set out in this Corporate Governance Overview Statement on page 31.

More information on the ARMC and its activities for 2020 is contained on pages 41 of this Annual Report.

Financial Reporting

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders and the Executive Chairman and GMD message, Operational Review, Financial Review and our Value Creation Model in the Annual Report. The Board is assisted by the ARMC to oversee the Group's financial reporting processes and the quality of its financial reporting.

The quarterly financial results and audited financial statements are reviewed by the ARMC to ensure compliance with the applicable financial reporting standards and are approved by the Board before being released to Bursa Securities.

External Auditors

The ARMC and Board place great emphasis on the objectivity and independence of the external auditors in providing a true and fair report to the shareholders. The Board, through its ARMC, maintains a transparent relationship with its external auditors, Deloitte PLT. The ARMC is empowered to communicate directly with the external auditors and vice versa.

The external auditors also have direct access to the ARMC to highlight any issues of concern at any point in time. It is a policy of the ARMC to meet with the external auditors at least twice a year without the presence of the Executive Directors and Management to discuss on audit findings, audit plans and the Company's financial statements. The ARMC Charter provides procedures to assess the suitability, objectivity and independence of the external auditor.

The ARMC discusses with the external auditors periodically on the nature and scope of audits and reporting obligations before the audit commences, and seeks their professional advice to ensure that accounting standards are complied with. The ARMC also ensures that the Management provides timely responses on all material queries raised by the external auditors after the audit in respect of the accounting records, financial statements or systems of control.

In safeguarding and supporting external auditors' independence and objectivities, the ARMC has adopted in its ARMC Charter, the External Auditors' assessment which sets out the assessment of external auditors, basic principles and the prohibition of non-audit services and the approval process for the provision of non-audit services.

With respect to the appointment or re-appointment of external auditors, the ARMC is accorded with the responsibility to review the suitability and independence of the external auditors before appropriate recommendation is made to the Board and shareholders. In assessing the suitability and independence of the external auditors for 2020, the ARMC received a confirmation in writing from the external auditors that they were and had been independent during the year in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The Board considers the declaration of independence, integrity and objectivity made by the external auditors in their Audit Report for 2020 as adequate to serve as an assurance from the external auditors on their independence and integrity throughout the conduct of their audit engagement.

II. RISK MANAGEMENT AND INTERNAL CONTROLS FRAMEWORK

Risk Management and Internal Control Framework

The ultimate responsibility for ensuring a sound and effective internal control framework lies with the Board. The Board sets policies and procedures for internal control and oversees that the implementation of the internal control system is properly carried out by the Management to safeguard shareholders' investments and the Company's assets. The oversight of the Group and Company's risk management framework and policies is also embedded in the ARMC Charter.

The Board concluded that the risk management and internal control framework of the Group is generally adequate and effective for 2020. Further details of the Group and Company risk management and internal controls framework are as set out in the Statement on Risk Management and Internal Control on page 38 of this Annual Report.

Internal Audit Function

The Internal Audit Department is an integral part of the Group's internal control system, with the function reporting directly to the ARMC and administratively to the GMD. The primary role is to provide independent, objective assurance and consulting services designed to add value and improve the operations in the Group.

An annual assessment on the performance of Internal Audit was conducted by ARMC on 25 January 2021 and the ARMC was satisfied with the performance of the Internal Auditor for 2020.

Further details of Internal Audit are set out on page 43 of this Annual Report.

PRINCIPLE C
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. STAKEHOLDERS COMMUNICATION

Timely and High Quality Disclosure

In Westports, we believe that it is important to achieve corporate accountability by disclosing timely and appropriate information to our stakeholders. In this regard, the Board has established and adopted the Corporate Disclosure Policy and Procedures. The policy aims to promote a high standard of integrity and transparency through timely, accurate, quality and full disclosure.

We continue to actively embrace timeliness and quality in our disclosures. As shown below, the Company's Annual Report was issued earlier than the statutorily required date and the Company's quarterly results continued to be published ahead of the mandatory requirement so that shareholders can avail themselves to financial information earlier.

2020 Annual Report			
	Issued	Requirement	Ahead By
2020 Annual Report	23 March 2021	30 April 2021	38 Days

2020 Quarterly Results			
	Announced	Requirement	Ahead By
First Quarter 2020	6 May 2020	31 May 2020	25 Days
Second Quarter 2020	24 July 2020	31 August 2020	38 Days
Third Quarter 2020	26 November 2020	30 November 2020	4 Days
Fourth Quarter 2020	2 February 2021	28 February 2021	26 Days

Westports strives to develop an effective Investor Relations programme and strategy to communicate the corporate vision, strategies, developments, financial plan and prospects to investors, shareholders and other stakeholders fairly and accurately and to obtain feedback from them. The Company's Executive Chairman and GMD have been appointed as the spokesperson to communicate with the audience and to respond accordingly to queries that may arise.

In disseminating the corporate information and disclosure, Westports has made use of a broad range of communication channels, which includes but is not limited to, the electronic facilities provided by Bursa Securities, press releases, letters to shareholders, the Company's website, e-mails, investors/news conferences, road shows/events and general meetings of the Company.

Westports recognises the need and importance of leveraging on information technology in communicating with its shareholders and stakeholders efficiently and effectively. All timely disclosures and material information are published and retained in the Company's website, such as the Company's Annual Report, Sustainability Report, Corporate Social Responsibility (CSR) Report, quarterly financial results, announcements to Bursa Securities, press releases etc. In addition, the contact details of the Company's designated persons are listed in the Company's website to enable the public to forward their queries to or request information from the Company.

The Company also organises quarterly briefings and conference calls to fund managers, institutional investors, investment analysts and the media upon the announcement of the Company's quarterly financial results to keep the interested public updated on the progress and development of the business and prospects of the Company.

Strengthening Relationship with Stakeholders

Westports has been transparent and accountable to its shareholders and recognises the importance of timely dissemination of information to shareholders. The Board is committed to ensure that the shareholders are well informed of major developments of the Group and the information is communicated to them through the following channels:

- The Company's Annual Report;
- various disclosures and announcements to Bursa Securities including quarterly financial results;
- press releases and announcements to Bursa Securities and to the media;
- dialogues and presentations at general meetings to provide overview and clear rationale with regards to the proposals tabled for approval by shareholders; and
- investor relations section on the Company's website at www.westportsholdings.com.

Material price sensitive and other pertinent information are simultaneously disseminated to Bursa Securities, and where relevant, the press.

In addition to general meetings, shareholders and the interested public are also welcomed to raise their queries at any time through the designated person listed in the Company's website or to the Executive Chairman and GMD.

The Company has established a corporate website including the creation of an Investor Relations web portal to reach out to current and potential investors. The website is regarded by the Company as an important source of information on the Group, including press releases, quarterly and year-end financial results presentations, documentation of policies and other shareholder communication (such as Notice of AGM, all announcements released by the Company to the Bursa Securities, and so forth). The Company's website continues to be developed and updated to ensure it remains a principal source of information on the Group and its activities. Details of the Company's engagement with investors are reported in the Investor Relations Report page 23 of this Annual Report.

II. CONDUCT OF GENERAL MEETINGS

The AGM and any general meeting of the Company serves as the principal forum for shareholders to have direct access to the Board and provides the opportunity for shareholders to raise questions pertaining to issues related to the Annual Report, Audited Financial Statements, corporate developments, resolutions being proposed, and the businesses of the Group.

Due to the Movement Control Order implemented by the Government of Malaysia (“Government”) to curb the spread of coronavirus disease (“COVID-19”), the Company had on 5 May 2020 successfully conducted its AGM as well as Extraordinary General Meeting (“EGM”) entirely via remote participation and electronic voting. This is in accordance to Section 327 of the Companies Act 2016 and Clause 81 of the Company’s Constitution which allows for General Meetings to be held using any technology or electronic means.

During the AGM, the GMD presented the Company’s performance and highlighted salient items to the shareholders. The Board also encourages participation from shareholders by having question and answer session during the AGM (inclusive of the Chairman of the Board, ARMC and NRCGC) were available to provide meaningful responses to queries raised. Similarly, at the EGM held for the Company’s proposed acquisition, a thorough presentation on the exercise together with the Company’s reply to Minority Shareholder Watchdog Group’s question were also presented for the benefit of the shareholders.

All our Directors attended the fully virtual AGM and meanwhile for EGM, those interested Directors, i.e. Tan Sri Datuk Gnanalingam A/L Gunanath Lingam, Datuk Ruben Emir Gnanalingam bin Abdullah and Ms Chan Chu Wei, were abstained from participating the EGM. Due to the restrictions imposed by the Government, only limited essential individuals such as Chairman of the Board, Chairman of NRCGC, Chairman of ARMC, GMD, Acting CFO, Auditors, and Company Secretary were allowed to physically present at the broadcast venue while the rest of the Directors and meeting participants participated the meeting remotely. Shareholders had direct access to the Board during the AGM proceedings and to participate in the question-and-answer session (via typed-text) on the resolutions being proposed or on the Group’s operations in general. Shareholders who are unable to participate in the fully virtual AGM and EGM are allowed to appoint proxies to participate and vote on their behalf in accordance with the Company’s Constitution. The GMD, Board members in attendance and the external auditors, if so required, will endeavour to respond to shareholders’ questions during the meeting. All questions posed by shareholders during the AGM and EGM were well attended by the Board and/or the Senior Management.

Proper notices of AGM or any general meeting are at all times despatched to the shareholders at least 21 days prior to the meetings, unless otherwise required by law, in order to provide sufficient time for shareholders to understand and evaluate the subject matter. Notwithstanding that, MCCG strongly advised that the notice of AGM should be given to the shareholders at least 28 days prior to the meeting. The Notice convening the 2020 AGM was first issued to shareholders at least 28 days before the date of AGM. Each item of special business included in the notice of the meeting is accompanied by a full explanatory statement for the proposed resolution to facilitate better understanding and evaluation of issues involved. However, as a precautionary measure amid COVID-19 and in accordance with the Guidance Note issued by Securities Commission Malaysia, the notification of postponement of the 27th AGM and the notification of revised date of 27th AGM were issued to the shareholders on 13 April 2020 and 20 April 2020 respectively to keep shareholders informed on the changes to the conduct of general meeting.

During the 2020 AGM and EGM, in line with Listing Requirements, all resolutions were voted via electronic poll voting. Leveraging on information technology or effective meeting procedures, an electronic poll voting system was put in place whereby all shareholders of the Company participated in the polling procedure. An independent scrutineer was appointed to validate the poll results. Voting results of the general meetings are also announced instantaneously by being displayed on the screen to shareholders/ proxies after each resolution is put to vote. The decision of each resolution put to poll as well as the name of the independent scrutineer were announced to Bursa Securities on the same day as the AGM.

A summary of the key matters discussed at the 2020 AGM was published on the Company’s website at www.westportsholdings.com.

FUTURE PRIORITIES

The Board will continue to enhance the corporate disclosure requirements in the best interest of the Company’s shareholders and stakeholders in the upcoming years. The areas to be prioritised would be those principles which have not adopted by the Company as disclosed in the Corporate Governance Report 2020.

This Corporate Governance Overview Statement was approved by the Board of Directors via resolution dated 26 February 2021.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF ANNUAL AUDITED STATEMENT

The Directors are required by the Companies Act 2016, to state whether, in their opinion, the Group and Company's financial statements for the financial year are drawn up in accordance with approved accounting standards, i.e. Malaysian Financial Reporting Standards and International Financial Reporting Standards, Listing Requirements and Companies Act 2016 so as to provide a true and fair view of the Group and Company's financial position and performance for the financial year.

Towards this, the Directors ensure that relevant accounting policies have been used and applied consistently and that reasonable and prudent judgments and estimates have been made, in the preparation of financial statements. The Directors also ensure that applicable approved accounting standards have been followed and that proper accounting records are being kept so as to enable disclosure of the Group's and Company's financial position in compliance with laws and regulations.

The Board is satisfied that in preparing the financial statements of the Company and the Group as at 31 December 2020, the Company and the Group have used appropriate accounting policies and applied them consistently and prudently.

This section has been intentionally left blank.

INTRODUCTION

The Board of Westports Holdings Berhad sets out below its Statement on Risk Management and Internal Control for the year in line with Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Issuers issued by Bursa Securities.

BOARD'S RESPONSIBILITY

The Board is fully responsible and accountable for the governance of the Group's risk management and internal controls. It acknowledges that a controlled environment and a framework that is conducive are necessary to achieve a sound system of risk management and internal control. The Board has delegated its authority and empowered the Audit and Risk Management Committee ("**ARMC**") to oversee the implementation of a system of risk management and internal control within the Group.

The Board acknowledges that the risk management and internal control systems are designed to manage, rather than eliminate risks that hinder the Group from achieving its goals and objectives. The Board wishes to state that all these risk controls and mitigation can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud and losses.

The Board has received assurance from the Group Managing Director ("**GMD**") and Acting Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management model adopted by the Group.

RISK MANAGEMENT

The Board regards the risk management and internal control system as an integral part of the Group's strategic planning and day-to-day operations. The Board and Management have established an Enterprise Risk Management ("**ERM**") Framework to continuously identify, evaluate, monitor and to manage significant risks that materially affect the achievement of the Group's corporate objectives.

Risk assessment and evaluation are integral to the Group's annual strategic planning and day-to-day operations. Under the ERM Framework, the detailed risk management process is the responsibility of the Risk Sub-Committee ("**RSC**") comprising of senior members of the Management team. The RSC meets on a quarterly basis to review, identify and assess key risks facing the Group and submit its report to the ARMC. Supporting the RSC in its roles are the Risk Champions who are representatives from the respective sections of the Group and business units, who will be responsible for identifying, evaluating, managing and monitoring key risks. An annual Risk Register is formalised, with identified Heads of Departments being responsible for setting up action plans to manage and mitigate the risks to be completed within an agreed timeframe.

The ERM Framework uses the ORCA (objectives, risks, control and alignment) methodology and comprises the following activities:

- Articulating and communicating the objective of the organisation;
- Determining the risk appetite of the organisation;
- Establishing an appropriate internal environment, including a risk management framework;
- Identifying potential threats to the achievement of the objectives;
- Assessing the risk i.e. the impact and likelihood of the threat occurring;
- Selecting and implementing responses to the risks;
- Undertaking control and other response activities;
- Communicating information on risks in a consistent manner at all levels in the organisation;
- Centrally monitoring and coordinating the risk management process and the outcomes; and
- Providing assurance on the effectiveness with which risks are managed.

INTERNAL CONTROL SYSTEM

The Board and Management have established numerous processes for identifying, evaluating and managing the significant risks faced by the Group.

The key components of the Group's internal control system include:

a. Organisational Structure

In providing direction and oversight, the Board is supported by its Board Committees, namely the ARMC and Nomination, Remuneration and Corporate Governance Committee. Each Committee has formal defined terms of reference and responsibilities.

Responsibility for implementing the Group's strategies and day-to-day businesses, including implementing the system of risk management and internal control, is delegated to Management. The organisation structure facilitates the segregation of roles and responsibilities, lines of accountability and levels of authority to promote an effective and independent stewardship.

b. Audit and Risk Management Committee

The ARMC comprises of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The ARMC members bring with them a wide range of knowledge, expertise and experience from various industries and backgrounds.

The ARMC responsibilities include amongst others, to deliberate over the Group's financial reporting process, the system of internal controls and management of enterprise risk, the audit process both external and internal, related party transactions and the Group's processes for monitoring compliance with laws and regulations, its own code of conduct and such other matters which may be specifically delegated to the ARMC by the Board from time to time.

The ARMC also reviews and reports to the Board on the re-appointment and independence of the external auditors and their audit plan, nature, approach, scope and other examinations of external audit matters. During the financial year, the ARMC had recommended the re-appointment of the external auditors, Deloitte PLT. It also reviews the adequacy and effectiveness of the internal audit function as set out below. The ARMC convenes meetings at least once every quarter and has unrestricted access to the internal and external auditors and all employees of the Group. The Chairman of the ARMC provides the Board with reports on all meetings of the ARMC.

c. Internal Audit

The Internal Audit Department (**"IAD"**) is an integral part of the Group's internal control system, with the function reporting directly to the ARMC and administratively to the GMD. The primary role is to provide independent, objective assurance and consulting services designed to add value and improve the operations in the Group. It assists the Group to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, control and governance processes.

IAD develops risk-based audit plans annually, consistent with the Group's objectives and strategies articulated in the annual budget plan and conducts internal audit engagements accordingly. In the course of performing its duties, IAD has unrestricted access to all functions, records, documents, personnel and any other resource or information at all levels throughout the Group. Audits are performed on key units or areas in the audit population, the frequency of which is determined by the level of risk assessed, with a view of providing an independent and objective report on operational and management activities in the Group.

The yearly internal audit plans are reviewed and approved by the ARMC and the results of the audits are communicated and reported periodically to Management and the ARMC.

d. Code of Conduct

The Group is committed to conduct its business fairly, impartially and ethically and to comply with all laws and regulations. To this end, the Group has a Code of Conduct (the "**Code**") which sets standards for the employees within the Group. The Code primarily promotes honest and ethical conduct, including the ethical handling of actual or apparent conflict of interest between personal and professional relationships at the workplace and for employees to observe applicable rules, regulations and local laws. In the performance of duties, the employees are expected to carry out their mandate and responsibility to the best of their ability and judgement and maintain the highest standard of integrity and conduct.

e. Whistle Blower Policy

The Group has also established the Whistle Blower Policy. The policy encourages employees or a person or entity making a protected disclosure ("**Whistleblower**") to raise concerns, be they internally and/or at a high-level, and to disclose information where such Whistleblower believes that a form of malpractice or misconduct is being committed. This also covers concerns which are in the public interest and may be investigated at least initially, so that appropriate remedial action can be taken.

The Whistle Blower Policy also includes provisions which protect the confidentiality of the Whistleblower and ensures no retaliation against the Whistleblower if he or she had acted in good faith.

Any complaints or reports can be directed to the GMD, Chief Executive Officer or the Head of Human Resources. In addition, should the Whistleblower believe that the Group is better served if the report was addressed to levels higher than Management, the complaint or report can be submitted directly to the Chairman of the ARMC.

f. Anti-Corruption and Bribery Policy ("ABAC Policy")

The Board had on 4 May 2020 adopted the ABAC Policy to ensure that it has adequate procedures in place to prevent persons associated with the Group from undertaking corrupt conduct in relation to the business activities.

g. Information Security Management System

Our Information Security Management System ("**ISMS**") is certified under the MS ISO/IEC27001 standard. The objective of ISMS is to ensure that core and supporting business operations operate with minimal disruptions, to protect the integrity of information generated as well as to ensure confidentiality in the management and protection of data. The ISMS standard for the Group covers the management, operation, maintenance of information assets and information system.

h. Policies and Procedures

The Group has policies, procedures, service level agreements and contracts to guide staff in their day-to-day tasks. The policies and procedures cover Company-wide functions and are regularly reviewed and updated as and when necessary.

i. Management Committees

The Group has various management committees with specific terms of reference and authority limits. The objective of the committees is to act collectively in making key decisions in relation to activities of the Group.

j. Limits of Authority

The Limits of Authority ("**LOA**") describes the system of delegation of authority. The LOA outlines matters reserved for the Board's approvals, delegation and authority limits to the Executive Chairman and GMD. It also provides guidance on the segregation of responsibilities between the Board and Management. The objective of the LOA is to ensure effective authorisation limits and their delegations within the Group for consistent good business practices and governance and to safeguard the Group's assets.

k. Business Continuity Plan

The Group recognises the importance of setting a Business Continuity Plan ("**BCP**") in place to ensure business resilience and capability in recovering from a crisis should it occur. The Group's BCP contains the strategies and responses that the Group will undertake for its critical business functions and the resource requirements to ensure business continuity during a crisis period.

ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

For the financial year under review, the Board has reviewed and is pleased to report that the state of the internal control system and risk management practices are able to meet the objectives of the Group and to facilitate good corporate governance. There was no material control failure or weakness that would have a material adverse impact on the results of the Group for the period under review and up to the date of this report that would require a separate disclosure in the Group's annual report or financial statements.

THE REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement in accordance with Audit and Assurance Practice Guide 3 ("**AAPG3**"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Group for the year ended 31 December 2020, and reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor it is factually inaccurate.

AAPG3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This statement is made in accordance with a resolution of the Board dated 26 February 2021.

Pursuant to Paragraph 15.15 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Malaysian Code of Corporate Governance 2017.

ROLE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee ("**ARMC**") was constituted by the Board on 13 March 2013. The ARMC assists the Board in fulfilling the Board's responsibilities with respect to its oversight responsibilities. The ARMC reviews and monitors the integrity of the Group's financial reporting process, its management of risk and internal control system, its audit process as well as compliance with legal and regulatory matters, its own code of business conduct and such other matters that may be specifically delegated to the ARMC by the Board from time to time.

In addition, with regards to the Company's internal audit function, the ARMC is also responsible for any appointment and/or removal of internal audit personnel, scope of internal audit activities carried out for the year, the annual assessment of the Company's internal audit function as well as to approve the Company's internal audit function for the year.

COMPOSITION AND MEETINGS

The ARMC currently comprises of four (4) members, all of whom are Non-Executive Directors, with a majority of them being Independent Directors which is in compliance with Paragraph 15.09 of the Listing Requirements of Bursa Securities. No alternate director is appointed as a member of the ARMC.

A total of five (5) ARMC meetings were held during the financial year ended 31 December 2020 ("**FYE 2020**"), and the details of the ARMC members and meeting attendance are as follows:-

	Number of ARMC Meetings	
Name of Director & Directorship	Designation Held During Tenure In Office	Attended
Dato' Yusli bin Mohamed Yusoff *(Independent Non-Executive Director)*	Chairman	5/5
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil *(Senior Independent Non-Executive Director)*	Member	5/5
Chan Soo Chee *(Independent Non-Executive Director)*	Member	5/5
Chan Chu Wei *(Non-Independent Non-Executive Director)*	Member	5/5

Minutes of each ARMC meeting were recorded and tabled for confirmation at the next ARMC meeting and subsequently tabled to the Board for notation. The ARMC Chairman reports to the Board on activities undertaken and key recommendations for the Board's consideration and decision.

The Chairman of the ARMC, Dato' Yusli bin Mohamed Yusoff, qualified as a member of the Institute of Chartered Accountants in England and Wales and is currently a member of the Malaysian Institute of Accountants. All members of the ARMC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the ARMC.

THE ARMC TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the ARMC is guided by its terms of reference. The ARMC Charter is accessible on the Company's website at www.westportsholdings.com.

SUMMARY OF THE ARMC ACTIVITIES

The Chairman of the ARMC reports regularly to the Board on the activities carried out by the ARMC in the discharge of its duties and responsibilities as set out in its Charter.

The principal activities undertaken by the ARMC during the FYE 2020 and up to the date of this report were as follows:

a. Risk Management and Internal Control

- Reviewed the Risk Register of the Group on a quarterly basis with deliberation on key risk items as disclosed in this Annual Report.
- Carried out the annual review and recommended the following policies to the Board for approval and adoption:

  i. ARMC Charter;
  ii. Insider Dealing Policy;
  iii. Internal Audit Charter; and
  iv. Risk Management Policy.

b. Financial Reporting

- Reviewed the audited/unaudited quarterly financial results, annual audited financial statements and any other related financial statement and announcements of the Group prior to recommending to the Board for consideration and approval for public release. In discharging this role, the ARMC deliberated with officers of the Group and external auditors on the following matters:

i. new accounting standards applicable during the FYE 2020;
ii. revenue recognition;
iii. adequacy of impairment for property, plant and equipment and concession assets;
iv. adequacy of impairment loss made on receivables;
v. adequacy of accruals on expenses; and
vi. adequacy of provisions and contingencies for litigation cases.

- Reviewed significant related party transactions as reported in the quarterly financial results to ensure compliance with Bursa Securities's Listing Requirements and the Group's policies and procedures as well as the appropriateness of such transactions before recommending them to the Board for approval; and
- Reviewed the Report of the ARMC and the Statement on Risk Management and Internal Control prior to Board's approval for inclusion into the Company's Annual Report.

c. Internal Audit

- Reviewed and approved the Group's Internal Audit Plan for the financial year ending 2021 for adequacy of scope and coverage on the activities of the Group. Reviewed the Internal Audit Reports ("**IA Reports**") on a quarterly basis, which encompassed findings, recommendations, Management's responses and action plans. The ARMC also reviewed Management's implementation status of the action plans to ensure that findings had been addressed and duly resolved. During the FYE 2020, the ARMC reviewed the IA Reports for audits carried out on the core sections of the Group's business including Container operations, Support and Financial Services.
- Confirmed with the Head of Internal Audit through communication and interaction at the quarterly meetings, that all the internal auditors had the full cooperation of the Management and employees of the Group during the conduct of their audit and that their independence and objectivity were not compromised.
- Conducted the annual review of the Group's Internal Audit Charter.
- Assessed the adequacy of scope, functions, competency and resources of the Internal Audit Function.
- Met with the Internal Auditors twice without the presence of Executive Board members and Management. The Internal Auditors reported that there were no issues requiring their attention other than those reported in the audit findings.

d. External Audit

- Reviewed with the external auditors, their terms of engagement, proposed audit remuneration and the audit plan for the FYE 2020 to ensure that their scope of work adequately covers the activities of the Group;
- Reviewed and discussed with the external auditors the audit findings, audit analytics on key items and the application of new Malaysian Financial Reporting Standards in relation to the statutory audit for the FYE 2020;
- Reviewed Management's representation and approach to fraud, potential non-compliance with laws and regulations and any potential instances of major litigations;
- Reviewed with the external auditors on audit materiality and setting of materiality thresholds for the FYE 2020 audit;
- Reviewed the independence, suitability, objectivity and cost effectiveness of the external auditors before recommending their re-appointment and remuneration to the Board. The external auditors had provided written assurance to the ARMC they had been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and
- Met with the external auditors twice without the presence of Executive Board members and Management to discuss issues requiring attention/significant matters arising from the audit. The external auditors were satisfied with support received from Management.

Following the outcome of the assessment and having satisfied with the external auditors' independence, suitability and objectivity, the ARMC at its meeting held on 25 January 2021 recommended to the Board to re-appoint Deloitte PLT as the external auditors of the Company. A resolution for their re-appointment will be tabled for approval by the shareholders at the forthcoming Twenty-Eighth (28th) Annual General Meeting.

e. Others

- Reviewed with Management, the Group's budget and capital expenditure together with the assumptions for the financial year ending 31 December 2021.
- Reviewed the solvency test prior to recommending the declaration of the interim single tier dividends paid out to the Company's shareholders for the FYE 2020 to the Board for approval, having been satisfied that the Company will remain solvent after the distribution is made, pursuant to the Companies Act 2016.
- Reviewed the performance of the Company and its Group.

EXTERNAL AUDIT FUNCTIONS

The Company's external auditors, Deloitte PLT, plays an essential role in enhancing the Company's reliability in its financial reporting. The external auditors have an obligation to highlight any significant weakness in the Company's control and compliance systems and bring the same to the attention of Management, the ARMC and the Board.

Throughout the year, the ARMC had two (2) meetings with external auditors, Deloitte PLT. The ARMC is pleased to report that there was no significant matter of disagreement that arose between the external auditors and Management.

During the year, the external auditors provided both audit and non-audit related services as follows:-

	Audit Related Fees (RM '000)	Non-Audit Related Fees (RM '000)
Company	55	0
Group	255	0

INTERNAL AUDIT FUNCTION

The Group has established an in-house Internal Audit Department ("**IAD**") that functionally reports directly to the ARMC and administratively to the GMD. IAD comprises of three (3) internal auditors, which clocked in 5,496 man hours for internal audit and risk management activities carried out in 2020. IAD is currently led by Ms Chee Yen Lee, who has been with Westports Group for twenty (20) years. She is a chartered accountant by profession and is a member of both the Malaysian Institute of Certified Public Accountant and Malaysian Institute of Accountant since 1995. Costs amounting to RM362,919 were incurred in relation to the Internal Audit function for the FYE 2020.

The IAD conducts independent scheduled audits to ensure there are effective risk monitoring, internal controls, governance processes and compliance procedures to provide the level of assurance required by the Board. The conduct of IAD work is governed by the Internal Audit Charter that provides for its independence and reflects the roles and responsibilities, accountability and scope of work of the department. The ARMC is satisfied that the internal auditors' independence and objectivity have been maintained as adequate safeguards are in place.

In conducting their independent audits, the IAD places emphasis on a risk-based auditing approach which forms an integral part of the audit plan. The key to solving lapses in internal controls is the submission of audit findings, recommendations and execution of agreed action plans which are encompassed in the audit reports.

The IAD submits their findings and audit recommendations to the Management for attention and further action. Management is responsible to ensure that the corrective actions are implemented within the required timeframes. Subsequently, the audit report which provides the results of the audit conducted is submitted to the ARMC for review. Key control issues and recommendations are highlighted to enable the ARMC to execute its oversight function.

The key activities carried out by IAD for the FYE 2020 were as follows:-

a. Prepared the internal audit plan for financial year ending 2021, which is reviewed and approved by the ARMC.
b. Completed a total of nine (9) internal audit engagements as per the approved audit plan for FYE 2020.
c. Discussed with auditees, process owners and Management on the results of the audit for each activity or process, and the recommendations for action plan to mitigate the identified risk or control work flow improvements.
d. Reported to the ARMC on a quarterly basis, the internal audit findings together with recommendations for improvements in the processes and control framework.
e. Followed up on all the action plans recommended from the previous internal audit reports to ensure that all matters are adequately addressed by Management.

The ARMC remains satisfied:-

- That the Internal Audit Manager has the relevant experience, standing and authority in ensuring that the Company's internal audit function is carried out objectively and independently;
- That the IAD personnel are competent, experienced and has been provided with the necessary resources information in order to discharge their duties accordingly;
- That the personnel carrying out the Company's internal audit activities are free from relationships and conflicts of interest which impaired or may impair the objectivity and independence of the Company's internal audit function;

This statement is made in accordance with a resolution of the Board dated 26 February 2021.

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS

The Directors of WESTPORTS HOLDINGS BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities and the provision of management services to its subsidiary, whilst the principal activities of the subsidiary are as disclosed in Note 15 to the financial statements.

RESULTS

The results of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Profit for the year	654,486	384,843

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the amounts of dividends paid by the Company are as follows:

(i) a second interim dividend of 6.26 sen per ordinary share, amounting to RM213,466,000 in respect of the financial year ended 31 December 2019 on 3 March 2020; and
(ii) a first interim dividend of 5.05 sen per ordinary share, amounting to RM172,205,000 in respect of the financial year ended 31 December 2020 on 21 August 2020.

On 2 February 2021, the Directors declared a second interim dividend of 6.47 sen per share, amounting to RM220,627,000 in respect of the financial year ended 31 December 2020.

No final dividend has been paid or declared during the financial year and the Directors do not recommend any final dividend to be paid for the financial year under review.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no new issue of shares or debentures during the financial year.

SHARES OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) 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 all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
(iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the Directors, 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 operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Datuk Gnanalingam A/L Gunanath Lingam
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil
Tan Sri Ismail Bin Adam
Dato' Yusli bin Mohamed Yusoff
Datuk Ruben Emir Gnanalingam bin Abdullah
Chan Chu Wei
Ip Sing Chi
Kim, Young So
Ruth Sin Ling Tsim
Shanthi A/P Kandiah
Chan Soo Chee
John Stephen Ashworth (Alternate Director to Ip Sing Chi)
Andy Wing Kit Tsoi (Alternate Director to Ruth Sin Ling Tsim)

The Directors who held office in the subsidiary of the Company during the financial year and up to the date of this report are:

Tan Sri Datuk Gnanalingam A/L Gunanath Lingam
Datuk Ruben Emir Gnanalingam bin Abdullah
Dato' Haji Mohamed Shahabar bin Abdul Kareem
Ahmayuddin bin Ahmad
Ip Sing Chi
Chan Chu Wei
Ruth Sin Ling Tsim (Also act as Alternate Director to Ip Sing Chi)
Edith Shih (Alternate Director to John Stephen Ashworth)
John Stephen Ashworth (Also act as Alternate Director to Ruth Sin Ling Tsim)
Shaline Gnanalingam
Jeyakumar Palakrishnar
Mohammad Reezal bin Ahmad

DIRECTORS' INTERESTS

The interests in shares in the Company and in related corporations of those who were Directors of the Company at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares			
	At 1.1.2020	**Bought**	**Sold**	**At 31.12.2020**
Shareholdings in which Directors have direct interests				
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	210,000	-	-	210,000
Chan Chu Wei	920,000	-	-	920,000
Chan Soo Chee	50,000	-	-	50,000
Shareholdings in which Directors have deemed indirect interests				
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam				
Others:				
- Pembinaan Redzai Sdn. Bhd.φ	1,446,461,500	-	-	1,446,461,500
- Semakin Ajaib Sdn. Bhd. @	105,638,500	-	-	105,638,500
Datuk Ruben Emir Gnanalingam bin Abdullah				
Own:				
- Semakin Ajaib Sdn. Bhd. #	105,638,500	-	-	105,638,500

φ Tan Sri Datuk Gnanalingam A/L Gunanath Lingam is deemed interested in the shares held by Pembinaan Redzai Sdn. Bhd. in the Company by virtue of his direct interest in Gryss (L) Foundation which has interest in Gryss Limited, which in turn holds shares in Pembinaan Redzai Sdn. Bhd. pursuant to Section 8(4) of the Companies Act, 2016.

@ Puan Sri Datin Ng Siew Yong is the spouse of Tan Sri Datuk Gnanalingam A/L Gunanath Lingam. In accordance with Section 221(9) of the Companies Act, 2016, the interests and deemed interests of Puan Sri Datin Ng Siew Yong in the shares of the Company and of its related corporations (other than a wholly-owned subsidiary) shall also be treated as the interests of Tan Sri Datuk Gnanalingam A/L Gunanath Lingam.

Datuk Ruben Emir Gnanalingam bin Abdullah is deemed interested in the shares of the Company by virtue of his interest in Semakin Ajaib Sdn. Bhd. to the extent that Semakin Ajaib Sdn. Bhd. has an interest in the Company.

By virtue of their interest in the shares of the Company, Tan Sri Datuk Gnanalingam A/L Gunanath Lingam and Datuk Ruben Emir Gnanalingam bin Abdullah are also deemed interested in the shares of the subsidiary to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 37 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which the he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain Directors of the Company are also directors and/or shareholders as disclosed in Note 36 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, Directors and Officers of the Company, together with its subsidiary are covered under the corporate liability insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the Directors and Officers of the Group subject to the terms of the policy. The total amount of corporate liability insurance effected for the Directors and Officers of the Company was RM50 million. The total amount of premium paid for the corporate liability insurance by the Company during the year was RM40,000.

There was no indemnity given to or insurance effected for the auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors for the financial year ended 31 December 2020 is as disclosed in Note 10 to the financial statements.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

…………………………………………………………………
DATO' YUSLI BIN MOHAMED YUSOFF
Director

…………………………………………………………………
DATUK RUBEN EMIR GNANALINGAM BIN ABDULLAH
Director

Kuala Lumpur,
2 February 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WESTPORTS HOLDINGS BERHAD, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 84.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' 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 Group for the current year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition from port operations	
Refer to Note 6 to the financial statements	**How the matter was addressed in our audit**
Revenue from port operations of RM1.8 billion represents 91% of the Group's revenue for the year ended 31 December 2020. Revenue from port operations is recognised based on the throughput handled, consisting of large volumes of individually low value transactions, and the tariffs applied to each transaction is based on rates approved by the port authority. Discounts and rebates given to customers are accounted for as net of revenue according to various contract terms agreed with customers. Although the recognition of revenue transactions from port operations is largely automated, manual adjustments to revenue are recorded by management to account for discounts and rebates and accrued revenue where services have been rendered but not billed. This therefore gives rise to a risk of material misstatement in the revenue recognised from port operations.	Our audit procedures, amongst others, include the following: • We evaluated the design and implementation of the relevant internal controls over revenue recognition and tested their operating effectiveness. • We engaged our information technology specialists to test the control environment of the IT systems and the application controls relevant to the recognition of revenue. • We tested the accuracy of the data interface between the relevant application systems pertaining to the revenue workflows. • We deployed data analytics in the testing of revenue from container operations. • We performed procedures to corroborate the occurrence of revenue by tracing samples of revenue recognised to invoices and supporting documents. • We agreed the applied tariff rates and discounts and rebates rates to the applicable terms in the respective customers' contracts. • We assessed the appropriateness of manual adjustments recorded in relation to revenue from port operations.

Notice of additional assessment raised by the Inland Revenue Board ("IRB")	
Refer to Note 35(c) to the financial statements	**How the matter was addressed in our audit**
On 2 October 2020, the Inland Revenue Board ("IRB") issued the notice of additional assessment ("Notice") for additional tax liabilities of RM120.6 million, inclusive of penalties, in relation to the following: a) total annual lease payment made by a subsidiary of the Company, Westports Malaysia Sdn. Bhd. ("WMSB") to the Port Klang Authority ("PKA") amounting to RM299.9 million for the years of assessment from 2013 to 2018 was assessed by IRB as not allowable for deduction; and b) deferred revenue of RM8 million for the year of assessment 2018. WMSB had initiated legal proceedings to challenge the Notice. As of 31 December 2020, the additional assessment of RM120.6 million had been disclosed as contingent liabilities in Note 35 to the financial statements. The Notice raised by the IRB is considered a matter of significance as the amount involved is material and the accounting of which involves significant judgement and estimation.	Our audit procedures, amongst others, include the following: • We assessed the relevant tax documents and legal correspondences furnished by management. • We enquired with management, external tax specialist and legal advisor who represent the Group, and our internal tax specialist about the potential tax exposure of the Notice. • We obtained an understanding and assessed the objectivity and competency of the external tax specialist and legal advisor. • We obtained external legal confirmation in relation to the Notice. • We evaluated management's assessment of the outcome on the Notice.

We have determined that there is no key audit matter in the audit of the financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company 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 Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company 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 Group and of the Company, 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 Group and of the Company 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.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company'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 Group or the Company 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 Group and of the Company 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 Group and of the Company, 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' 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 Group's or the Company'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 Group and of the Company 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 Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company 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 Group to express an opinion on the financial statements of the 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 Directors 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 Directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company 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.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

TEO SWEE CHUA
Partner - 02846/01/2022 J
Chartered Accountant

Kuala Lumpur
2 February 2021

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	6	1,974,968	1,782,890	387,294	447,279
Cost of sales	7	(811,645)	(671,156)	-	-
Gross profit		1,163,323	1,111,734	387,294	447,279
Other income		25,894	12,856	-	-
Administrative expenses		(68,653)	(81,097)	(2,709)	(2,407)
Other expenses		(190,241)	(194,729)	-	-
Results from operating activities		930,323	848,764	384,585	444,872
Finance income	8	17,248	16,311	339	578
Finance costs	9	(82,504)	(91,266)	-	-
Profit before tax	10	865,067	773,809	384,924	445,450
Tax expense	11	(210,581)	(182,913)	(81)	(138)
Profit and total comprehensive income for the year		654,486	590,896	384,843	445,312
Total comprehensive income attributable to the owners of the Company		654,486	590,896	384,843	445,312
Basic earnings per ordinary share (sen)	28	19.19	17.33		

The notes on pages 54 to 84 are an integral part of these financial statements.

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
ASSETS					
Non-current Assets					
Property, plant and equipment	12	1,618,873	1,656,070	-	-
Concession assets	13	2,468,069	2,357,790	-	-
Right-of-use assets	14	62,273	59,230	-	-
Investment in subsidiary	15	-	-	1,030,130	1,030,130
Investment	16	50,000	-	-	-
Total non-current assets		4,199,215	4,073,090	1,030,130	1,030,130
Current Assets					
Inventories	17	4,752	5,478	-	-
Trade and other receivables	18	278,558	357,944	76	6
Cash and short term investments	19	779,123	695,695	14,134	15,041
Total current assets		1,062,433	1,059,117	14,210	15,047
TOTAL ASSETS		5,261,648	5,132,207	1,044,340	1,045,177
EQUITY AND LIABILITIES					
Equity					
Share capital	20	1,038,000	1,038,000	1,038,000	1,038,000
Reserves	20	1,791,110	1,522,295	6,283	7,111
Total equity		2,829,110	2,560,295	1,044,283	1,045,111

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (continued)

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-current liabilities					
Borrowings	21	1,150,000	1,300,000	-	-
Employee benefits	23	8,936	8,660	-	-
Deferred tax liabilities	24	391,031	368,187	-	-
Service concession obligation	26	168,136	215,812	-	-
Lease liabilities	27	41,765	30,588	-	-
Total non-current liabilities		1,759,868	1,923,247	-	-
Current liabilities					
Trade and other payables	22	167,021	116,756	56	31
Provisions	25	271,127	339,803	-	-
Tax payable		12,811	16,128	1	35
Borrowings	21	150,000	100,000	-	-
Service concession obligation	26	47,677	45,299	-	-
Lease liabilities	27	24,034	30,679	-	-
Total current liabilities		672,670	648,665	57	66
Total liabilities		2,432,538	2,571,912	57	66
Total equity and liabilities		5,261,648	5,132,207	1,044,340	1,045,177

The notes on pages 54 to 84 are an integral part of these financial statements.

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

		← Attributable to owners of the Company →			
Group	Note	**Share capital RM'000**	**Non-distributable Goodwill written off reserve RM'000**	**Distributable Retained earnings RM'000**	**Total RM'000**
At 1 January 2019		1,038,000	(47,732)	1,424,818	2,415,086
Total comprehensive income for the year		-	-	590,896	590,896
Distributions to owners of the Company					
- Dividends	29	-	-	(445,687)	(445,687)
Total transactions with owners of the Company		-	-	(445,687)	(445,687)
At 31 December 2019		1,038,000	(47,732)	1,570,027	2,560,295
At 1 January 2020		1,038,000	(47,732)	1,570,027	2,560,295
Total comprehensive income for the year		-	-	654,486	654,486
Distributions to owners of the Company					
- Dividends	29	-	-	(385,671)	(385,671)
Total transactions with owners of the Company		-	-	(385,671)	(385,671)
At 31 December 2020		1,038,000	(47,732)	1,838,842	2,829,110

The notes on pages 25 to 102 are an integral part of these financial statements.

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Company	Note	**Share capital RM'000**	**Distributable Retained Earnings RM'000**	**Total RM'000**
At 1 January 2019		1,038,000	7,486	1,045,486
Total comprehensive income for the year		-	445,312	445,312
Distributions to owners of the Company				
- Dividends	29	-	(445,687)	(445,687)
Total transactions with owners of the Company		-	(445,687)	(445,687)
At 31 December 2019		1,038,000	7,111	1,045,111
At 1 January 2020		1,038,000	7,111	1,045,111
Total comprehensive income for the year		-	384,843	384,843
Distributions to owners of the Company				
- Dividends	29	-	(385,671)	(385,671)
Total transactions with owners of the Company		-	(385,671)	(385,671)
At 31 December 2020		1,038,000	6,283	1,044,283

The notes on pages 54 to 84 are an integral part of these financial statements.

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	865,067	773,809	384,924	445,450
Adjustments for:				
Depreciation of property, plant and equipment	141,535	137,574	-	-
Amortisation of concession assets	81,073	81,488	-	-
Depreciation of right-of-use assets	37,837	36,936	-	-
Finance costs - borrowings and others	64,195	70,971	-	-
Finance costs - accretion of service concession obligation	13,709	15,968	-	-
Finance costs - lease liabilities	4,600	4,327	-	-
Concession assets written off	-	13,953	-	-
Dredging expenditure	3,537	8,094	-	-
Impairment loss on trade receivables	6,764	1,468	-	-
Property, plant and equipment written off	27,379	39,878	-	-
Provision/(Reversal of provision) for retirement benefits	412	(1,013)	-	-
Dividend income	-	-	(387,294)	(447,279)
Finance income	(11,391)	(13,485)	(339)	(578)
Income from money market fund	(5,857)	(2,826)	-	-
Reversal of impairment loss on trade receivables	(537)	(748)	-	-
Gain on disposal of property, plant and equipment	(152)	(3)	-	-
Operating Profit/(Loss) Before Working Capital Changes	1,228,171	1,166,391	(2,709)	(2,407)

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Changes in working capital:				
Inventories	726	668	-	-
Trade and other receivables, excluding payment for dredging expenses	69,622	77,222	(70)	(1)
Payment for dredging expense	-	(12,804)	-	-
Trade and other payables	51,954	(61,023)	25	(28)
Provisions	(68,676)	50,855	-	-
Cash Generated From/(Used In) Operations	1,281,797	1,221,309	(2,754)	(2,436)
Income tax paid	(191,054)	(188,540)	(115)	(145)
Interest paid	(65,884)	(72,631)	-	-
Retirement benefits paid	(136)	(182)	-	-
Net Cash Generated From/(Used In) Operating Activities	1,024,723	959,956	(2,869)	(2,581)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	11,391	13,485	339	578
Dividend received	-	-	387,294	447,279
Income received from money market fund	5,857	2,826	-	-
Proceeds from disposal of property, plant and equipment	152	5	-	-
Subscription for investment	(50,000)	-	-	-
Purchase of concession assets	(191,352)	(23,991)	-	-
Purchase of property, plant and equipment	(131,717)	(56,717)	-	-
Net Cash (Used In)/Generated From Investing Activities	(355,669)	(64,392)	387,633	447,857

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Dividends paid to shareholders		(385,671)	(445,687)	(385,671)	(445,687)
Redemption of borrowings – SMTN		(100,000)	(100,000)	-	-
Annual lease paid for use of port infrastructures and facilities		(59,007)	(59,007)	-	-
Fixed deposits pledged for borrowings		(1,088)	(1,414)	-	-
Payment of lease liabilities					
-Principal		(36,348)	(34,899)		
-Interest		(4,600)	(4,327)		
Net Cash Used In Financing Activities		(586,714)	(645,334)	(385,671)	(445,687)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		82,340	250,230	(907)	(411)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		656,845	406,615	15,041	15,452
CASH AND CASH EQUIVALENTS AT END OF YEAR	(i)	739,185	656,845	14,134	15,041

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash and bank balances	19	215,668	538,644	1,051	828
Money market fund	19	509,845	103,988	-	-
Fixed deposits with licensed banks	19	53,610	53,063	13,083	14,213
		779,123	695,695	14,134	15,041
Less: Pledged deposits	19	(39,938)	(38,850)	-	-
		739,185	656,845	14,134	15,041

(ii) Reconciliation of liabilities arising from financing activities

The table below details the reconciliation of the movement of borrowings in the statements of cash flows:

Group	1.1.2020 RM'000	Additions RM'000	Net changes from financing cash flows RM'000	Accretion of interest RM'000	31.12.2020 RM'000
Sukuk MTN	1,400,000	-	(100,000)		1,300,000
Lease liabilities	61,267	40,880	(40,948)	4,600	65,799
Service concession obligation	261,111	-	(59,007)	13,709	215,813
	1,722,378	40,880	(199,955)	18,309	1,581,612

Group	1.1.2019 RM'000	Net changes from financing cash flows RM'000	Accretion of interest RM'000	31.12.2019 RM'000
Sukuk MTN	1,500,000	(100,000)	-	1,400,000
Lease liabilities	96,166	(39,226)	4,327	61,267
Service concession obligation	304,150	(59,007)	15,968	261,111
	1,900,316	(198,233)	20,295	1,722,378

The notes on pages 54 to 84 are an integral part of these financial statements.

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally engaged in investment holding activities and the provision of management services to its subsidiary, whilst the principal activities of the subsidiary are as disclosed in Note 15.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Westports, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan.

These financial statements of the Group and of the Company have been approved by the Board of Directors and were authorised for issuance on 2 February 2021.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

2.1 Amendments to MFRSs that are mandatorily effective for the current year

In the current year, the Group and the Company have applied a number of amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for annual periods beginning on or after 1 January 2020:

Amendments to MFRS 3	*Definition of a Business*
Amendments to MFRS 101 and MFRS 108	*Definition of Material*
Amendments to MFRS 9, MFRS 139 and MFRS 7	*Interest Rate Benchmark Reform*
MFRSs	*Amendments to References to the Conceptual Framework in MFRS Standards*

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.2 Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendment to MFRS 16	COVID-19 Related Rent Concessions[1]
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform-Phase 2[2]
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract[3]
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use[3]
Amendments to MFRS 3	Reference to the Conceptual Framework[3]
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018-2020[3]
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current[4]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between on Investor and Its Associate or Joint Venture[5]

1 Effective for annual periods beginning on or after 1 June 2020, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
5 Effective date deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned Amendments will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Amendments will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Group and of the Company have been prepared on historical cost, except for certain financial instruments that are measured at fair values, at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of MFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 Inventories or value in use in MFRS 136 Impairment of Assets.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

A subsidiary is an entity, including structured entity, controlled by the Company. The financial statements of subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Company also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

In the Company's separate financial statement, investment in subsidiary is stated at cost less accumulated impairment losses. The cost of investment includes transaction costs. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiary acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiary to bring the accounting policies used into line with the Group's accounting policies.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions of non-controlling interests

Non-controlling interests in subsidiary are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Business combinations (continued)

Loss of control

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Transactions eliminated on consolidation

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Foreign currency transactions

In preparing the financial statements of the Group entities, transactions in foreign currencies are recognised at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated at the rates prevailing at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period, except for those that are measured at fair value are translated at the rates prevailing at the date when the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of certain equity instruments or a financial instrument designated as a hedge of foreign currency risk, which are recognised in other comprehensive income.

Functional and presentation currency

These financial statements of the Group and of the Company are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. Where applicable, discounts and rebates to customer are accounted as net of revenue according to contract. Payment of the transaction price is within the allowed credit periods granted by the Group.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Revenue recognition (continued)

Port operations

The port operations of the Group principally generate revenue from providing port related services. The primary services are container cargo services, conventional cargo services and marine services. The Group accounts for each service separately as a distinct source of income at the point in time when each service is rendered separately upon completion of the services.

(i) Container service revenue

The Group provides container-related terminal handling services to shipping lines and forwarders. Container revenue includes Terminal Handling Charges (“THC”) and Value Added Services (“VAS”), of which the tariff rates are governed by the Government of Malaysia (“GOM”) through Port Klang Authority (“PKA”).

THC includes the provision of container handling between the wharf and yard as well as certain storage days as stipulated in the PKA tariff circular. Container is stored at the port premise for either pick-up by customer or loading to vessel. Additional service may be performed on the stored container upon request and charged as VAS.

THC revenue is recognised at the point in time when control of the container has been transferred upon completion of handling which refers to the movement of container between wharf and yard. Separately, VAS revenue is recognised at the point in time when control of the container has been transferred upon completion of service that refers to either completion of requested service or departure of container from the port premise.

Revenue is recognised when the service is completed as this represents the point in time at which the right to consideration becomes unconditional, as only passage of time is required before the payment is due.

(ii) Conventional service revenue

The Group provides non-container-related terminal handling services to shipping lines and consignees. Conventional revenue comprises Dry Bulk, Break Bulk, Liquid Bulk, Cement Cargo and Roll-On-Roll-Off (“RORO”).

Revenue is recognised at the point in time when control of cargo has been transferred upon completion of handling which refers to movement of cargo between wharf and yard.

(iii) Marine service revenue

All vessels that call the terminal may engage the Group for marine services where tugboats and pilot boat will be deployed to berth and unberth the vessels. Marine revenue comprises marine consolidated charge and VAS.

Revenue is recognised at the point in time when the service has been rendered.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Revenue recognition (continued)

Construction revenue

The Group constructs and operates the terminal facilities based on the terms of the service concession arrangement disclosed in Note 4. The consideration, including non-cash, received or receivables by the Group is recognised at its fair value indirectly by reference to the stand-alone selling price of the construction services delivered. The fair value is calculated as the estimated total construction costs plus a profit margin, which the Group evaluates and determines to be a reasonable margin earned.

Revenue is recognised over time using input method i.e. cost-to-cost method based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, plus a profit margin.

Rental income

Rental income from land and building is recognised in profit or loss on a straight-line basis over the term of the lease.

Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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, until such time as the assets are substantially ready for their intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset 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 is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Borrowing costs (continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related services is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

State plan

The Group's contributions to the statutory pension fund are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

Defined benefit plan

The Group's net obligation in respect of its defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group determines the present value of the defined benefit obligation and fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

The defined benefit obligation, calculated using the Projected Unit Credit Method, is determined by independent actuaries, considering the estimated future cash outflows using market yields of government securities at the reporting date, which have currency and terms to maturity approximating the terms of the related liability.

Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurements recognised in the statement of comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs.

The Group has a defined benefit plan, the benefit of which is payable upon retirement, calculated by reference to length of service and the employees' estimated retirement basic salary. The liability in respect of the defined benefit plan recognised as at the reporting date is the present value of the defined benefit obligation at the reporting date. As at the reporting date, the defined benefit plan is unfunded.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Spare parts are recognised in property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventories.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised so as to write off the cost of assets (other than asset under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

• Plant, machinery and equipment	5 to 30 years
• Motor vehicles	5 to 7 years
• Office equipment, furniture and fittings	3 to 7 years

Asset under construction is not depreciated. Asset under construction comprises contractors' payments and directly attributable costs incurred in preparing these assets for their intended use. Depreciation on assets under construction commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Property, plant and equipment *(continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "Other income" and "Other expenses" respectively in profit or loss.

Concession assets

(a) Service concession arrangement

Pursuant to a privatisation agreement signed between a subsidiary, namely Westports Malaysia Sdn. Bhd. ("WMSB") and the Government of Malaysia ("GOM") and Port Klang Authority ("PKA") on 25 July 1994, the subsidiary is granted a license to provide port services for an initial period of 30 years with an additional 30 years (which was granted on 26 June 2014) upon the fulfilment of the terms and conditions as set out under the supplemental privatisation agreement, primarily on commitments to construct and operationalise certain additional port infrastructures and facilities in respect of the subject port.

The Group recognises concession assets arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructures and facilities. Concession assets received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition. Subsequent to initial recognition, the concession assets are measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of concession assets in a service concession arrangement is over the concession period extended to the Group.

The Group recognised port infrastructure and facilities as concession assets which include land reclamation, terminals, buildings, warehouse, paved areas, landscaping and certain assets under constructions.

Cost includes expenditures that are directly attributable to the acquisition or construction of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

(b) Annual lease payments for the use of port infrastructures and facilities

The Group recognises concession assets (and related service concession obligation) arising from lease rental payable for the relevant port infrastructures and facilities under the privatisation agreement at fair value on the first day of service concession arrangement or where impracticable, on the earliest period presented, arising from the adoption of IC Interpretation 12 Service Concession Arrangements ("IC Interpretation 12").

The concession assets arising from the above are amortised over the relevant concession period.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Concession asset (continued)

(b) *Annual lease payments for the use of port infrastructures and facilities* (continued)

Upon initial recognition, the concession assets are measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the concession assets are accounted for in accordance with the accounting policy applicable to concession assets.

Minimum lease payments made are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the concession period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

When significant parts of concession assets are required to be replaced in intervals, the Group recognises such parts as individual assets at cost with specific useful lives and amortisation, respectively, if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss.

Concession assets (other than annual lease payments for the use of land and facilities) are amortised over the extended concession period. The initial concession period is 30 years ending 2024 and an additional period of 30 years which was granted on 26 June 2014. Amortisation on assets under construction included in concession assets commences only when the assets are ready for their intended use and are amortised over the remaining concession period.

The fair value of a concession asset received as consideration for providing construction services in a service concession arrangement is estimated by reference to the fair value of the construction services provided. The fair value is calculated as the estimated total construction cost plus a profit margin, which the Group evaluates and determines to be a reasonable margin earned.

When the Group receives a concession asset and a financial asset as consideration for providing construction services in a service concession arrangement, the Group estimates the fair value of concession assets as the difference between the fair value of the construction services provided and the fair value of the financial asset received.

Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Impairment of Non-Financial Assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leases

(a) The Group as lessor

The Group enters into lease agreements as a lessor that subleases out certain lands and buildings.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of MFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Leases (continued)

(a) The Group as lessor (continued)

When a contract includes both lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

(b) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract and recognises right-of-use assets and lease liabilities at commencement date.

The lease liability is initially measured at the present value of the lease payments, which comprise the fixed lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset at the commencement date and the Group applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Impairment of Non-Financial Assets".

Lease that is associated to short term leases and leases of low value assets is recognised as an operating expense in the profit and loss on a straight-line basis over the terms of the lease. Short term leases are leases with a lease term of 12 months or less. Low value assets are those assets with value of less than RM10,000 each when purchase new.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs comprises expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing the inventories to their existing location and condition. Cost is calculated using the First-In, First-Out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments (continued)

Financial assets *(continued)*

Classification of financial assets (continued)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortisation cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any credit loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any credit loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments (continued)

***Financial assets** (continued)*

Classification of financial assets (continued)

(i) Amortisation cost and effective interest method (continued)

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss.

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Other gains and losses".

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

Impairment of financial assets

The Group recognises a credit loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the credit loss allowance for that financial instrument at an amount equal to 12-month ECL.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments (continued)

***Financial assets** (continued)*

Impairment of financial assets (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments (continued)

Financial assets *(continued)*

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 180 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments (continued)

Financial assets *(continued)*

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- *significant financial difficulty of the issuer or the borrower;*
- *a breach of contract, such as a default or past due event (see (ii) above);*
- *the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;*
- *it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or*
- *the disappearance of an active market for that financial asset because of financial difficulties.*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with MFRS 16 Leases.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments (continued)

Financial assets *(continued)*

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses (continued)

If the Group measures the credit loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the credit loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Ordinary shares are classified as equity.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments (continued)

Financial liabilities and equity *(continued)*

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and MFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments (continued)

Financial liabilities and equity *(continued)*

Financial liabilities at FVTPL (continued)

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3 **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial instruments (continued)

Financial liabilities and equity *(continued)*

Derecognition of financial liabilities (continued)

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Provisions

Provisions are recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that the reimbursement will be received if the entity settles the obligation. The reimbursement shall be presented as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. In the statement of profit or loss and other comprehensive income, the expense relating to a provision is presented net of the amount recognised for a reimbursement.

Contingent liabilities and Contingent assets

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognized.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Earnings per ordinary share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment's results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Cash and cash equivalents

The Group and the Company adopt the indirect method in the preparation of statements of cash flows. Cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and are used by the Group and the Company in the management of their short term commitments. Money market fund are deposited in the money market and are managed by investment institutions. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

4. **SERVICE CONCESSION ARRANGEMENT**

On 25 July 1994, a subsidiary of the Company, Westports Malaysia Sdn. Bhd. ("WMSB") entered into a privatisation agreement with Port Klang Authority ("PKA") and Government of Malaysia ("GOM") (collectively, PKA and GOM are known as the "Grantor"). The privatisation agreement ("Privatisation Agreement") provides WMSB with the licence to operate the port and to lease the said port property. Under the terms of the agreement, the subsidiary will operate the port for a period of 30 years, commencing from 1 September 1994 ("Take-over Date").

WMSB has the right to charge the users of the port for services rendered, which WMSB will collect and retain; however, the fees are capped subject to the tariffs for port services as determined by PKA and GOM. At the end of the concession period, the relevant port infrastructures and facilities will revert to the Grantor and WMSB will have no further involvement in its operation and maintenance requirements.

As consideration to lease the said port property from PKA and GOM, WMSB has agreed to the annual base lease rentals and profit sharing payments at agreed terms.

A supplementary privatisation agreement dated 27 March 1999 was entered into in connection with the Privatisation Agreement. The supplementary privatisation agreement primarily provides for a moratorium of 5 years and 7 years in respect of the respective specified annual base lease rental payments; the expanded development plan of the port; incremental revision of the annual base lease rentals and certain clarifications to the existing terms and definitions of the Privatisation Agreement.

4. **SERVICE CONCESSION ARRANGEMENT** (continued)

Subsequently, second supplemental agreement dated 15 January 2010 was entered into in connection with the Privatisation Agreement. The terms of the second supplemental agreement primarily provides for an additional concession period of 30 years; revision of the terms of the profit sharing payments and certain clarifications and/or additions to the existing terms and definitions of the Privatisation Agreement and supplementary privatisation agreement. The additional concession period of 30 years will commence on the day after the 30th anniversary of the Take-over Date upon the fulfilment of the following conditions:

(a) completion of land reclamation works for container terminal ("CT") no. 6 to no. 9 on or before 1 January 2014; and

(b) completion of construction works for the CT no. 6 and for it to be operationalised on or before 1 January 2014.

On 25 April 2013, a second supplementary lease agreement was entered into between PKA and WMSB. The second supplementary lease agreement provided for general covenants and the obligation to pay quit rent for the specified leased areas effective from financial year 2010.

PKA has vide its letter dated 26 June 2014, consented to the extension of concession period of 30 years from 1 September 2024 to 31 August 2054, subject to the terms and conditions as set out in the Privatisation Agreement dated 25 July 1994 and the supplemental agreements executed thereafter, between the GOM, PKA and WMSB.

The Grantor may terminate the service concession agreement by giving not less than 3 calendar months' notice to that effect to WMSB (without any obligation to give any reason thereof) if it considers that such termination is necessary for national interest, in the interest of national security or for the purpose of GOM policy or public policy. Upon such termination, WMSB shall be entitled to compensation which shall be determined by an independent auditor appointed by GOM after due consultation with PKA.

On 7 February 2020, WMSB entered into a conditional sale and purchase agreement with Pembinaan Redzai Sdn Bhd to acquire a parcel of leasehold land for a total cash consideration of RM393,958,900 ("Proposed Acquisition"). The Proposed Acquisition is intended to be used for the development of container terminal ("CT") facilities involving the development of 8 additional berths comprising CT 10 to CT 17. As of 31 December 2020, the Proposed Acquisition is yet to complete and conditional upon the fulfilment of conditions precedent.

5. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (**continued)

(a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in 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 period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows.

(i) Calculation of credit loss allowance

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The information about the ECL of the Group is disclosed in Note 31(b).

(ii) Recognition of construction revenue and cost for service concession arrangements

The Group adopts the intangible asset model as defined in IC Interpretation 12 and has recognised construction revenue and costs of RM139,146,000 (2019: RM Nil) and RM137,758,000 (2019: RM Nil), respectively in the construction of port infrastructure as disclosed in Notes 6 and 7. The estimated profit margin is based on relative comparison with general industry even although actual margin may differ due to location, materials and other pricing considerations.

(iii) Estimated useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

The carrying amount of the Group's property, plant and equipment is disclosed in Note 12.

5. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY** (continued)

(b) Key sources of estimation uncertainty (continued)

(iv) Contingent liabilities

Contingent liabilities are recognised when a possible obligation pending on whether some uncertain future events occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably. Significant management estimate is required to determine likelihood of the obligations to be realized.

The information about the contingent liabilities of the Group is disclosed in Note 35.

6. **REVENUE**

	Group		**Company**	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Port operations				
- Container	1,605,131	1,536,752	-	-
- Conventional	115,774	122,095	-	-
- Marine	75,509	83,232	-	-
	1,796,414	1,742,079	-	-
Construction revenue	139,146	-	-	
Rental income - lands and buildings	39,408	40,811	-	-
Dividend income	-	-	387,294	447,279
	1,974,968	1,782,890	387,294	447,279

In accordance with MFRS 15, the Group recognises its port operations and construction revenue based on the timing detailed below:

	Group	
	2020 RM'000	**2019 RM'000**
Timing of revenue recognition		
Over time	139,146	-
At a point in time	1,796,414	1,742,079
	1,935,560	1,742,079

The Group expects construction revenue of RM10,706,000 (2019: RM Nil) from unsatisfied performance obligations to be recognised in the next financial year.

7. COST OF SALES

	Group 2020 RM'000	Group 2019 RM'000
Port operations	673,887	671,156
Construction cost	137,758	-
	811,645	671,156

8. FINANCE INCOME

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Income received from financial assets designated at fair value through profit or loss:				
Income received from investment in money market fund	5,857	2,826	-	-
Interest income of financial assets that are not at fair value through profit or loss:				
Fixed deposits interest	10,436	13,360	339	578
Other interest	955	125	-	-
	17,248	16,311	339	578

9. FINANCE COSTS

	Group 2020 RM'000	Group 2019 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
Borrowings - SMTN	65,821	70,000
Less: Amounts capitalised during the year (Note 13)	(1,626)	-
	64,195	70,000
Accretion - service concession obligation (Note 26)	13,709	15,968
Lease liabilities (Note 27)	4,600	4,327
Other interest expenses	-	971
	82,504	91,266

10. PROFIT BEFORE TAX

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Statutory audit fees	255	240	55	55
Depreciation of property, plant and equipment (Note 12)	141,535	137,574	-	-
Amortisation of concession assets (Note 13)	81,073	81,488	-	-
Depreciation of right-of-use assets (Note 14)	37,837	36,936	-	-
Dredging expenditure	3,537	8,094	-	-
Property, plant and equipment written off	27,379	39,878	-	-
Concession assets written off	-	13,953	-	-
Impairment loss on trade receivable	6,764	1,468	-	-
Personnel expenses (including key management personnel):				
- Provision/(Reversal of provision) for retirement benefits	412	(1,013)	-	-
- Defined contribution plan	35,185	31,962	-	-
- Wages, salaries and bonus	247,207	222,242	-	-
- Other employee benefits	3,398	3,099	-	-
Short-term leases	248	334	220	-
Equipment services	7,176	10,087	-	-
Profit sharing with PKA	11,737	12,005	-	-
Net realised foreign exchange loss	230	173	-	-
and after crediting:				
Dividend income				
- Subsidiary	-	-	387,294	447,279
Insurance claims income	7,100	-	-	-
Reversal of impairment loss on trade receivables	537	748	-	-
Gain on disposal of property, plant and equipment	152	3	-	-

11. **TAX EXPENSE**

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss				
Income tax expense				
- Current	185,172	187,731	81	138
- Underprovision in prior years	2,565	490	-	-
	187,737	188,221	81	138
Deferred tax expense/(credit)				
- Origination of temporary differences	24,787	1,813	-	-
- Overprovision in prior years	(1,943)	(7,121)	-	-
	22,844	(5,308)	-	-
	210,581	182,913	81	138
Reconciliation of tax expense				
Profit before tax	865,067	773,809	384,924	445,450
Income tax calculated using Malaysian tax rate of 24%	207,616	185,714	92,382	106,908
Non-deductible expenses	5,878	4,965	650	577
Non-taxable income	(3,535)	(1,135)	(92,951)	(107,347)
	209,959	189,544	81	138
Under/(Over)provision in prior years				
- Current tax	2,565	490	-	-
- Deferred tax	(1,943)	(7,121)	-	-
	210,581	182,913	81	138

12. **PROPERTY, PLANT AND EQUIPMENT**

Group	Plant, machinery and equipment	Motor vehicles	Office equipment, furniture and fittings	Assets under construction	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Cost					
At 1 January 2019	2,754,222	19,468	64,677	14,488	2,852,855
Additions	-	-	-	56,717	56,717
Disposals	-	(8)	-	-	(8)
Write-off	(43,908)	-	(129)	-	(44,037)
Transfers	52,209	196	7,884	(60,289)	-
At 31 December 2019/ 1 January 2020	2,762,523	19,656	72,432	10,916	2,865,527
Additions	-	-	-	131,717	131,717
Disposals	(1,065)	-	(79)	-	(1,144)
Write-off	(23,140)	(36)	-	(6,864)	(30,040)
Transfers	54,588	2,127	2,145	(58,860)	-
At 31 December 2020	2,792,906	21,747	74,498	76,909	2,966,060
Accumulated depreciation					
At 1 January 2019	1,036,110	10,225	29,713	-	1,076,048
Charge for the year	124,084	2,077	11,413	-	137,574
Disposals	-	(6)	-	-	(6)
Write-off	(4,040)	-	(119)	-	(4,159)
At 31 December 2019/ 1 January 2020	1,156,154	12,296	41,007	-	1,209,457
Charge for the year	128,189	2,220	11,126	-	141,535
Disposals	(1,065)	-	(79)	-	(1,144)
Write-off	(2,642)	(19)	-	-	(2,661)
At 31 December 2020	1,280,636	14,497	52,054	-	1,347,187
Carrying amounts					
At 31 December 2019	1,606,369	7,360	31,425	10,916	1,656,070
At 31 December 2020	1,512,270	7,250	22,444	76,909	1,618,873

The write-off of RM20,500,000 (2019: RM39,878,000) was the result of an incident involving a vessel having physical contact with the port's cranes during a berthing process on 8 November 2019. The partial write off in prior year was made on the basis that one of the damaged cranes will be repaired and the amount written off was based on the cost of replacement of the damaged parts.

During the financial year, the Group has received the insurance claims approval from the insurance company amounting to RM74.8 million for the replacement of the entire cranes. As a result, the remaining carrying amount of the damaged crane was written off during the year.

13. CONCESSION ASSETS

Group	Leased port infrastructures and facilities RM'000	Acquired and constructed port infrastructures and facilities RM'000	Assets under construction RM'000	Total RM'000
Cost				
At 1 January 2019	552,383	2,467,672	117,605	3,137,660
Additions	-	-	23,991	23,991
Write-off	-	(15,000)	-	(15,000)
Transfers	-	16,540	(16,540)	-
At 31 December 2019/ 1 January 2020	552,383	2,469,212	125,056	3,146,651
Additions	-	-	189,726	189,726
Borrowing costs capitalised (Note 9)	-	-	1,626	1,626
Transfers	-	88,296	(88,296)	-
At 31 December 2020	552,383	2,557,508	228,112	3,338,003
Accumulated amortisation				
At 1 January 2019	181,887	526,533	-	708,420
Amortisation for the year (Note 10)	18,189	63,299	-	81,488
Write-off	-	(1,047)	-	(1,047)
At 31 December 2019/ 1 January 2020	200,076	588,785	-	788,861
Amortisation for the year (Note 10)	18,189	62,884	-	81,073
At 31 December 2020	218,265	651,669	-	869,934
Carrying amounts				
At 31 December 2019	352,307	1,880,427	125,056	2,357,790
At 31 December 2020	334,118	1,905,839	228,112	2,468,069

During the year, borrowing costs arising from the general borrowing pool were capitalised to concession assets and were calculated by applying a capitalisation rate of 5% (2019: Nil).

In the previous financial year, the write-off of RM13,953,000 was the result of an incident involving a vessel having physical contact with the port's wharf during a berthing process on 8 November 2019. During the financial year, the Group has received the insurance claims approval from the insurance company amounting to RM4.4 million.

14. RIGHT-OF-USE ASSETS

	Equipment RM'000
Cost	
At 1 January 2019/1 January 2020	96,166
Additions (Note 27)	40,880
At 31 December 2020	137,046
Accumulated depreciation	
At 1 January 2019	-
Charge for the year (Note 10)	36,936
At 31 December 2019/1 January 2020	36,936
Charge for the year (Note 10)	37,837
At 31 December 2020	74,773
Carrying amount	
At 31 December 2019	59,230
At 31 December 2020	62,273

The Group leases several assets including marine equipment and IT equipment. The lease term ranges from 2 to 9 years (2019: 2 to 9 years). The maturity analysis of lease liabilities is presented in Note 27.

15. INVESTMENT IN SUBSIDIARY

	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares, at cost	1,030,130	1,030,130

Details of the subsidiary, which is incorporated in Malaysia, are as follows:

Name of subsidiary	Principal activities	Effective Ownership interest 2020 %	Effective Ownership interest 2019 %
Westports Malaysia Sdn. Bhd.	Development and management of port operations	100	100

Included in Westports Malaysia Sdn. Bhd.'s share capital is a special share of RM1 issued to the Ministry of Finance (Incorporated).

15. INVESTMENT IN SUBSIDIARY (continued)

The special share enables the Government of Malaysia ("GOM") through the Ministry of Finance (Incorporated) to ensure that certain major decisions affecting the operations of the subsidiary are consistent with GOM policies. The special shareholder or any person acting on behalf of the special shareholder shall be entitled to receive notice of and to attend and speak at all general meetings or any other meeting of any class of shareholders of the subsidiary, but the special shareholder shall carry no right to vote nor any other rights at any such meeting.

The special shareholder shall be entitled to nominate one director to be on the Board of Directors of the subsidiary.

Certain matters, in particular the alteration of the Articles of Association of the subsidiary relating to the rights of the special shareholder, creation and issue of additional shares which carry different voting rights, the dissolution of the subsidiary, substantial disposal of assets, amalgamations, merger and takeover and any proposals affecting the interests of the GOM or the national interest require prior consent of the special shareholder.

The special shareholder does not have any right to participate in the capital or profits of the subsidiary. The special shareholder has the right to require the subsidiary to redeem the special share at par at any time.

16. INVESTMENT

	Group	
	2020 RM'000	2019 RM'000
Investment	50,000	-

During the year, the Group subscribed for the Sukuk Prihatin issued by the Government of Malaysia amounting to RM50 million. The Sukuk Prihatin carries an annual interest rate of 2% and will mature on 22 September 2022.

17. INVENTORIES

	Group	
	2020 RM'000	2019 RM'000
Spares	4,752	5,478
Recognised in profit or loss:		
Inventories recognised as cost of sales	114,310	114,143

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade				
Trade receivables	252,147	275,653	-	-
Less: Impairment loss	(8,076)	(1,914)	-	-
	244,071	273,739	-	-
Non-trade				
Other receivables	29,678	78,498	-	-
Deposits	909	864	76	6
Prepayments	3,900	4,843	-	-
	34,487	84,205	76	6
	278,558	357,944	76	6

Included in other receivables are lease rental receivables of RM19,989,000 (2019: RM39,294,000), input GST recoverable of RM NIL (2019: RM1,832,000), and investments in club memberships amounting to RM1,850,000 (2019: RM1,850,000).

Trade receivables comprise amounts receivables for the revenue generated from port operations. The credit periods range from 14 to 30 days (2019: 14 to 30 days). Included in trade receivables is balance due from a related party amounting to RM111,000 (2019: RM161,000).

At the end of the reporting period, the Group has a concentration of credit risk in the form of trade debtors from 5 (2019: 5) main customers, representing approximately 42% (2019: 43%) of the Group's trade receivables.

19. CASH AND SHORT TERM INVESTMENTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	215,668	538,644	1,051	828
Money market fund	509,845	103,988	-	-
Fixed deposits with licensed banks	53,610	53,063	13,083	14,213
	779,123	695,695	14,134	15,041

Fixed deposits with licensed banks include pledged deposits of RM39,938,000 (2019: RM38,850,000) as securities for Sukuk Musharakah Medium Term Note ("SMTN") programmes of the subsidiary as disclosed in Note 21.

As of 31 December 2020, the Group has utilised RM9,444,000 (2019: RM7,925,000) of its corporate bank guarantee facility which is obtained from an oversea licensed bank.

19. **CASH AND SHORT TERM INVESTMENTS** (continued)

The interest rates are as follows:

	Group 2020 %	Group 2019 %	Company 2020 %	Company 2019 %
Fixed and short-term deposits	1.65-2.05	3.55-3.75	2.00	3.75

The maturity periods of the deposits of the Group and of the Company are ranging from 93 to 183 days (2019: 183 to 185 days).

20. **SHARE CAPITAL AND RESERVES**

	Group and Company 2020 Amount RM'000	2020 Number of shares '000	2019 Amount RM'000	2019 Number of shares '000
Issued and fully paid:				
Ordinary shares				
At 1 January/31 December	1,038,000	3,410,000	1,038,000	3,410,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Goodwill written-off reserve

This reserve relates to goodwill written-off arising from the acquisition of its subsidiary, measured at cost

21. **BORROWINGS**

	Group 2020 RM'000	Group 2019 RM'000
Unsecured:		
Sukuk Musharakah Medium Term Note ("SMTN")	1,300,000	1,400,000
Less: Amount due within 12 months (shown under current liabilities)	(150,000)	(100,000)
Non-current portion	1,150,000	1,300,000

21. **BORROWINGS** (continued)

The non-current portion is repayable as follows:

	Group 2020 RM'000	Group 2019 RM'000
Financial years ending 31 December:		
2021	-	150,000
2022	175,000	175,000
2023	125,000	125,000
2024	125,000	125,000
2025 and above	725,000	725,000
	1,150,000	1,300,000

Sukuk Musharakah Medium Term Note ("SMTN") - representing a 20-years Sukuk Musharakah Medium Term Note programme with an initial draw down of RM450 million on 3 May 2011. This initial draw down is repayable in 6 annual tranches from 3 May 2021 to 3 May 2026. The SMTN is available for issuance of aggregate nominal value of RM2.0 billion. The profit rates range from 4.95% to 5.38% per annum.

On 1 April 2013, an additional RM250 million of SMTN was drawndown and is repayable in 4 tranches from 1 April 2025 to 31 March 2028. The profit rates range from 4.43% to 4.58% per annum.

On 23 October 2013, an additional RM200 million of SMTN was drawndown and is repayable in 5 tranches from 23 October 2024 to 23 October 2028. The profit rates range from 4.58% to 4.90% per annum.

On 3 April 2014, an additional RM250 million of SMTN was drawndown and is repayable in 4 tranches from 2 April 2021 to 3 April 2024. The profit rates range from 4.60% to 4.85% per annum.

On 7 August 2017, an additional RM200 million of SMTN was drawndown and is repayable in 2 tranches from 7 August 2019 to 7 August 2020. The profit rates range from 4.15% to 4.22% per annum.

On 13 December 2017, an additional RM150 million of SMTN was drawndown and is repayable in 3 tranches from 13 December 2021 to 13 December 2027. The profit rates range from 4.53% to 4.90% per annum.

SMTN has been implemented on a clean basis and certain pledged deposits are maintained in the Finance Service Reserve Account with the lender as disclosed in Note 19.

During the year, the Group redeemed RM100 million (2019: RM100 million) of SMTN in accordance with the redemption terms.

21. **BORROWINGS** (continued)

Covenant

The SMTN is subject to certain positive and negative undertakings and the primary financial covenants are as follows:-

(i) Financial service cover ratio of WMSB shall not be less than 1.25 times; and

(ii) Finance to equity ratio of WMSB shall not exceed 2.0 times.

WMSB is required to maintain a minimal rating of AA+IS during the tenor of SMTN. The subsidiary attained a rating of AA+IS from Malaysia Rating Corporation Berhad since January 2008 with the last rating review carried out in April 2020.

22. **TRADE AND OTHER PAYABLES**

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade				
Trade payables (Note a)	57,936	41,561	-	-
Accrued expenses	32,784	30,964	-	-
Deferred revenue	-	10,447	-	-
	90,720	82,972	-	-
Non-trade				
Other payables (Note b)	33,274	20,523	56	31
Accrued expenses (Note c)	43,027	13,261	-	-
	76,301	33,784	56	31
	167,021	116,756	56	31

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs, are unsecured and interest-free.

(a) Included in trade payables is balance due to related parties amounting to RM22,000 (2019: RM35,000) which is unsecured, interest free and repayable on demand. The credit period granted to the Group for trade purchases is 60 days (2019: 60 days).

(b) Included in other payables are balances due to suppliers for the purchases of property, plant and equipment.

(c) Included in non-trade accrued expenses is profit sharing expenses payable to the port authority amounting to RM11,737,000 (2019: RM12,005,000) and accrual of construction costs for port infrastructure.

23. **EMPLOYEE BENEFITS**

	Group	
	2020	**2019**
	RM'000	**RM'000**
Present value of unfunded obligations		
Provision for retirement benefits	8,936	8,660

The Group operates a defined benefit plan for its eligible employees. The obligations under the retirement benefit scheme are determined based on the latest available actuarial valuation by a qualified independent actuary.

Principal assumptions at the end of the reporting periods are as follows:

	Group	
	2020	**2019**
Discount rate	4.7%	4.7%
Expected annual salary increment rate	6.0%	6.0%

Movements in the present value of defined benefit obligations:

	Group	
	2020	**2019**
	RM'000	**RM'000**
Defined benefit obligations at 1 January	8,660	9,855
Expense/(Income) recognised in profit or loss (Note 10)	412	(1,013)
Retirement benefits paid	(136)	(182)
Defined benefit obligations at 31 December	8,936	8,660

The defined benefit plan was frozen on 31 August 2004. Subsequent to 31 August 2004, no new participants have been introduced to the defined benefit plan. Employees under the defined benefit plan continue to be eligible for their retirement benefits but computations of their length of service years with the Group are only until 31 August 2004.

24. DEFERRED TAX LIABILITIES

The deferred tax amounts, determined after appropriate offsetting, are as follows:

	Group 2020 RM'000	Group 2019 RM'000
Deferred tax liabilities	429,898	430,793
Deferred tax assets	(38,867)	(62,606)
	391,031	368,187

Movement in deferred tax assets and liabilities (prior to offsetting of balances) of the Group during the year are as follows:

Group	At 1.1.2019 RM'000	Recognised in profit or loss (Note 11) RM'000	At 31.12.2019/ 1.1.2020 RM'000	Recognised in profit or loss (Note 11) RM'000	At 31.12.2020 RM'000
Deferred tax liabilities					
Property plant and equipment and concession assets	(429,934)	8,083	(421,851)	(4,096)	(425,947)
Others	-	(8,942)	(8,942)	4,991	(3,951)
	(429,934)	(859)	(430,793)	895	(429,898)
Deferred tax assets					
Provisions	56,439	6,167	62,606	(23,739)	38,867
	(373,495)	5,308	(368,187)	(22,844)	(391,031)

Deferred tax liabilities and assets above are offset as there is a legally enforceable right to set off current tax assets against current tax liabilities and that the deferred taxes relate to the same taxation authority and entity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The deductible temporary differences do not expire under the current tax legislation.

25. PROVISIONS

Included in provisions are payables to various external parties relating to marketing activities. The movements in provisions during the reporting period are as follows:

	Group RM'000
At 1 January 2019	290,608
Provisions made	580,083
Payments made	(530,888)
At 31 December 2019/1 January 2020	339,803
Provisions made	498,508
Payments made	(567,184)
At 31 December 2020	271,127

26. SERVICE CONCESSION OBLIGATION

	Group 2020 RM'000	Group 2019 RM'000
At 1 January	261,111	304,150
Finance costs (Note 9)	13,709	15,968
Payment of lease rental	(59,007)	(59,007)
At 31 December	215,813	261,111

26. **SERVICE CONCESSION OBLIGATION** (continued)

The minimum lease payments for the service concession obligation are payable as follows:

Group	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
2020			
Less than one year	59,007	(11,330)	47,677
Between one and four years	186,252	(18,116)	168,136
	245,259	(29,446)	215,813
2019			
Less than one year	59,007	(13,708)	45,299
Between one and five years	245,258	(29,446)	215,812
	304,265	(43,154)	261,111

27. **LEASE LIABILITIES**

Group	2020 RM'000	2019 RM'000
At 1 January	61,267	96,166
Additions (Note 14)	40,880	-
Finance costs (Note 9)	4,600	4,327
Payment of lease rental	(40,948)	(39,226)
At 31 December	65,799	61,267

27. **LEASE LIABILITIES** (continued)

The minimum lease payments for the lease liabilities are payable as follows:

Group	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
2020			
Less than one year	26,990	(2,956)	24,034
Between one and five years	45,005	(4,410)	40,595
More than five years	1,218	(48)	1,170
	73,213	(7,414)	65,799
2019			
Less than one year	33,439	(2,760)	30,679
Between one and five years	30,330	(3,265)	27,065
More than five years	3,731	(208)	3,523
	67,500	(6,233)	61,267

28. **EARNINGS PER ORDINARY SHARE**

Basic earnings per ordinary share

The basic earnings per ordinary share is calculated by dividing the Group's profit attributable to owners of the Company of RM654,486,000 (2019: RM590,896,000) by the weighted average number of ordinary shares outstanding during the financial year of 3,410,000,000 (2019: 3,410,000,000).

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share in the current financial year as the Group does not have dilutive earning instruments

29. **DIVIDENDS**

Amounts recognised as distributions to equity holders in the year:

	Sen per share	Amount RM'000	Date of payment
2020			
Second interim dividend 2019	6.26	213,466	3 March 2020
First interim dividend 2020	5.05	172,205	21 August 2020
		385,671	
2019			
Second interim dividend 2018	6.33	215,853	1 March 2019
First interim dividend 2019	6.74	229,834	23 August 2019
		445,687	

On 2 February 2021, the directors declared a second interim dividend of 6.47 sen per share, amounting to RM220,627,000 in respect of the financial year ended 31 December 2020.

No final dividend has been paid or declared during the financial year and the directors do not recommend any final dividend to be paid for the financial year under review.

30. **OPERATING SEGMENTS**

The Board of Directors reviews internal management reports on a monthly basis. Operating segments are components in which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance of the Group. The Group has identified the business of port development and management of port operations as its sole operating segment.

The Board of Directors does not consider investment holding activities as a reportable segment. For segmental reporting, unallocated costs relate to administrative expenses of the holding company. Unallocated assets and liabilities pertain to the holding company's property, plant and equipment, other receivables, investments in securities, cash and cash equivalents, other payables and tax liabilities.

No entity wide geographic information is provided as the Group's activities are carried out predominantly in Malaysia.

Performance is measured based on segment profit before finance income, finance cost and taxation as included in the internal management reports that are reviewed by the Board of Directors.

Segment assets
Segment assets information is presented regularly to the Board of Directors and hence, no disclosure is made on the segment assets.

Segment liabilities
Segment liabilities information is presented regularly to the Board of Directors and hence, no disclosure is made on the segment liabilities.

30. **OPERATING SEGMENTS** (continued)

Segment capital expenditure
Segment capital expenditure information is the total cost incurred during the financial year to acquire and construct property, plant and equipment and concession assets.

Information about reportable segment

	Port development and management of port operations	
	2020 RM'000	2019 RM'000
Reportable segment profit	933,032	851,171
Included in the measure of segment profit are:		
Revenue - external customers	1,835,822	1,782,890
- construction services	139,146	-
Reversal of impairment loss on trade receivables	537	748
Gain on disposal of property, plant and equipment	152	3
Depreciation of property, plant and equipment	(141,535)	(137,574)
Amortisation of concession assets	(81,073)	(81,488)
Concession assets written off	-	(13,953)
Depreciation of right-of-use assets	(37,837)	(36,936)
Impairment loss on trade receivables	(6,764)	(1,468)
Property, plant and equipment written off	(27,379)	(39,878)

Reconciliation of reportable segment profit and revenue

	Port development and management of port operations	
	2020 RM'000	2019 RM'000
Profit		
Reportable segment	933,032	851,171
Non-reportable segment	(2,709)	(2,407)
Finance income	17,248	16,311
Finance costs	(82,504)	(91,266)
Consolidated profit before tax	865,067	773,809
Revenue		
Reportable segment	1,974,968	1,782,890
Consolidated revenue	1,974,968	1,782,890

30. **OPERATING SEGMENTS** (continued)

Geographical information

The revenue of the Group are from its sole port operations in Malaysia.

All non-current assets of the Group were maintained within Malaysia as at the end of the current and previous financial year.

Major customers

Revenue from a customer of the Group amounted to RM235,305,000 (2019: RM216,001,000) contributed 12% (2019: 12%) of the Group's revenue

31. **FINANCIAL INSTRUMENTS**

(a) Classes and categories of financial instruments and their fair values

The carrying amounts of cash and cash equivalents, receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. Accordingly, the fair values and fair value hierarchy level have not been presented for these instruments.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with fair values and carrying amounts shown in the statement of financial position. Combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

31. **FINANCIAL INSTRUMENTS** (continued)

(a) Classes and categories of financial instruments and their fair values (continued)

	Carrying amount				Fair value		
	Financial assets		Financial liabilities		Level		
	FVTPL – designated	Amortised cost	Amortised cost	Total	1	2	3
2020 Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Investment	-	50,000	-	50,000	-	-	50,153
Trade and other receivables *	-	272,808	-	272,808	Note 1	Note 1	Note 1
Cash and bank balances	-	269,278	-	269,278	Note 1	Note 1	Note 1
Money market fund	509,845	-	-	509,845	509,845	-	-
Trade and other payables ^	-	-	(167,021)	(167,021)	Note 1	Note 1	Note 1
Borrowings	-	-	(1,300,000)	(1,300,000)	-	-	(1,535,939)
Service concession obligation	-	-	(215,813)	(215,813)	-	-	(215,813)
2019 Group							
Trade and other receivables *	-	349,419	-	349,419	Note 1	Note 1	Note 1
Cash and bank balances	-	591,707	-	591,707	Note 1	Note 1	Note 1
Money market fund	103,988	-	-	103,988	103,988	-	-
Trade and other payables ^	-	-	(106,309)	(106,309)	Note 1	Note 1	Note 1
Borrowings	-	-	(1,400,000)	(1,400,000)	-	-	(1,690,262)
Service concession obligation	-	-	(261,111)	(261,111)	-	-	(261,111)

* Excludes investments in club membership, prepayments, and input tax recoverable.
^ Excludes deferred revenue.
Note 1 - the carrying amounts approximate fair values due to the relatively short-term nature of these financial instruments.

31. **FINANCIAL INSTRUMENTS** (continued)

(a) Classes and categories of financial instruments and their fair values (continued)

	Carrying amount			Fair value		
	Financial assets	Financial liabilities		Level		
2020 Company	Amortised cost RM'000	Amortised cost RM'000	Total RM'000	1 RM'000	2 RM'000	3 RM'000
Trade and other receivables	76	-	76	Note 1	Note 1	Note 1
Cash and bank balances	14,134	-	14,134	Note 1	Note 1	Note 1
Trade and other payables	-	(56)	(56)	Note 1	Note 1	Note 1
2019 Company						
Trade and other receivables	6	-	-	Note 1	Note 1	Note 1
Cash and bank balances	15,041	-	-	Note 1	Note 1	Note 1
Trade and other payables	-	(31)	(31)	Note 1	Note 1	Note 1

There were no transfers between Level 1 and 2 during the current or prior year.
Note 1 – the carrying amounts approximate fair values due to the relatively short-term nature of these financial instruments.

The following table shows the valuation techniques used in the determination of fair values within Level 3.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment	Discounted cash flows	Interest rate of 1.84% (2019: Nil) per annum	The estimated fair value would increase/(decrease) if the discount rate is lower/(higher)
Borrowings	Discounted cash flows	Interest rate of 2.41% to 3.23% (2019: 3.4% to 3.92%) per annum	The estimated fair value would increase/(decrease) if the discount rate is lower/(higher)
Service concession obligation	Discounted cash flows	Interest rate of 5.25% (2019: 5.25%) per annum	The estimated fair value would increase/(decrease) if the discount rate is lower/(higher)

31. **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives

The Group has exposure to the following risks from its use of financial instruments
- Market risk
  - Currency risk
  - Interest rate risk
- Credit risk
- Liquidity and cash flow risk

Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

(i) Foreign currency risk management

The Group is exposed to foreign currency risk on purchases of machineries and parts that are denominated in currency other than functional currency.

The carrying amounts of the Group's foreign currency denominated monetary liabilities at the reporting date are as follows:

	Liabilities	
	2020 RM'000	2019 RM'000
Currency		
Europe dollar	-	191
Singapore dollar	276	6

Exposure to foreign currency risk is monitored and where considered necessary, the Group may consider appropriate hedging strategies to mitigate the foreign currency risks.

Foreign currency sensitivity analysis

The Group does not have any significant exposure to foreign currency risk as most of its transactions and balances are denominated in Ringgit Malaysia, other than the purchases of machineries and parts. The exposure to currency risk of the Group is not material and hence, sensitivity analysis is not presented

31 **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives (continued)

Market risk (continued)

(ii) Interest rate risk management

The Group does not have any significant exposure to interest rate risk as the financial assets and financial liabilities are subject to fixed rates but the Group does not measure them at fair value, except money market fund.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate instruments				
Borrowings	(1,300,000)	(1,400,000)	-	-
Service concession obligation	(215,813)	(261,111)	-	-

Fair value sensitivity analysis for fixed rate instruments

The Group has holdings in money market fund at fixed rates measured at fair value through profit or loss. A change in interest rates at the end of the reporting period would not materially affect profit or loss.

Credit risk management

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade receivables from customers and cash and cash equivalents.

Receivables

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed by Credit Committee that sets policies, approves credit evaluations and institutes mitigating actions.

New customers are subject to the credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to setting appropriate terms of trade and credit limits. Where appropriate, further transactions are suspended and legal actions are taken to attempt recoveries and mitigate losses. Financial guarantees from certain customers may be obtained.

31. **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives (continued)

Credit risk management (continued)

Receivables *(continued)*

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group's maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate credit loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses credit risk grading framework to monitor the credit quality of the receivables based on its own trading records to rate its major customers and other debtors.

The Group's current credit risk grading framework comprises the following categories:

Internal credit rating	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
In default	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in financial difficulty and the Group has no realistic prospect of recovery	Amount written off

The Group obtains financial guarantees from certain customers in managing its exposures to credit risks. At the end of the reporting period, financial guarantees received by the Group amounted to RM54 million (2019: RM51 million) from trade receivables.

31. **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives (continued)

Credit risk management (continued)

Receivables *(continued)*

Exposure to credit risk, credit quality and collateral (continued)

The Group measures the credit loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a credit loss allowance of 100% against all receivables over 360 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for credit loss allowance based on past due status is not further distinguished between the Group's different customer bases.

	Trade receivables - days past due				
2020 Group	**Not past due RM'000**	**1 - 30 Days RM'000**	**31 - 180 Days RM'000**	**More than 180 days RM'000**	**Total RM'000**
Estimated total gross carrying amount at default	173,494	50,705	9,708	18,240	252,147
Lifetime ECL	-	-	-	-	(8,076)
					244,071
2019 Group					
Estimated total gross carrying amount at default	187,741	60,522	21,064	6,326	275,653
Lifetime ECL	-	-	-	-	(1,914)
					273,739

31. **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives (continued)

Credit risk management (continued)

Receivables *(continued)*

Exposure to credit risk, credit quality and collateral (continued)

The movements in the impairment loss of trade receivables during the financial year are as follows:

	Group 2020 RM'000	2019 RM'000
Lifetime ECL (simplified approach)		
At 1 January	1,914	1,194
Impairment loss recognised (Note 10)	6,764	1,468
Reversal of impairment loss (Note 10)	(537)	(748)
Write-off	(65)	-
At 31 December	8,076	1,914

Cash and short term investments

The Group's and the Company's cash and short term investments consist of cash and bank balances, money market fund and fixed deposits with licensed banks.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts of cash and short term investments in the statement of financial position and the Group's financial assets as disclosed in Note 31(a) best represents their respective maximum exposure to credit risk. Management does not expect any counterparty to fail to meet its obligations.

Liquidity and cash flow risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group maintains a level of cash and cash equivalents and banking facilities that are deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at a significantly different amount.

31. **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives (continued)

Liquidity and cash flow risk management (continued)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	**Carrying amount**	**Contractual profit/ interest rate**	**Contractual cash flows**	**Under 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
	RM'000		**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2020							
Non-derivative financial liabilities							
Borrowings	1,300,000	4.43% - 5.38%	1,559,884	209,817	226,811	537,344	585,912
Trade and other payables	167,021	-	167,021	167,021	-	-	-
Service concession obligation	215,813	5.25%	245,259	59,007	61,031	125,221	-
	1,682,834		1,972,164	435,845	287,842	662,565	585,912
Company							
2020							
Non-derivative financial liabilities							
Trade and other payables	56	-	56	56	-	-	-

31. **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives (continued)

Liquidity and cash flow risk management (continued)

Group	**Carrying amount**	**Contractual profit/ interest rate**	**Contractual cash flows**	**Under 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2019							
Non-derivative financial liabilities							
Borrowings	1,400,000	4.15% - 5.38%	1,725,665	165,780	209,817	558,365	791,703
Trade and other payables	106,309	-	106,309	106,309	-	-	-
Service concession obligation	261,111	5.25%	304,265	59,007	59,007	186,251	-
	1,767,420		2,136,239	331,096	268,824	744,616	791,703
Company							
2019							
Non-derivative financial liabilities							
Trade and other payables	31	-	31	31	-	-	-

32. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to maintain an optimal capital structure and to safeguard the Group's ability to continue as a going concern, so as to maintain the GOM, investors, creditors and market confidence and to sustain future development of the business. The directors monitor and are determined to maintain an optimal net debt-to-equity ratio and to comply with applicable externally imposed covenants or conditions.

	Group 2020 RM'000	Group 2019 RM'000
Debt	1,365,799	1,461,267
Less: Cash and short term investments	(779,123)	(695,695)
Net debt	586,676	765,572
Equity	2,829,110	2,560,295
Net debt-to-equity ratio	0.21	0.30

Debt is defined as long and short-term borrowing and lease liabilities as disclosed in Notes 21 and 27.

Equity includes all capital and reverses of the Group that is managed as capital.

There were no changes in the Group's approach to capital risk management during the financial year.

33. CAPITAL COMMITMENTS

	Group 2020 RM'000	Group 2019 RM'000
Capital expenditure commitments:		
Property, plant and equipment and concession assets		
Authorised and contracted for	590,515	397,202

34. OPERATING LEASES COMMITMENTS

Leases as lessor

The Group subleases out certain lands and buildings under operating leases. The future minimum lease receivables under non-cancellable leases are as follows:

Group	2020 RM'000	2019 RM'000
Less than one year	34,113	34,596
Between one and four years	74,174	5,237
More than four years	-	107,195
	108,287	147,028

35. CONTINGENT LIABILITIES

	2020 RM'000	2019 RM'000
Claims related to bills of demand issued by the Royal Malaysian Customs Department (Note a)	-	35,355
Claims related to Oracle Case (Note b)	24,227	-
Claims related to additional assessment by Inland Revenue Board (Note c)	120,576	-

(a) The subsidiary, WMSB, was subjected to a port clearance audit by the Royal Malaysian Customs Department ("Customs") on 23 November 2016.

The Customs had issued several bills of demand which were dated between 17 July 2017 and 29 September 2017 totalling to RM59,508,000. The bills of demand included, inter alia, assessments for the years 2008 to 2016, import duty remittance for purchases of equipment and Goods and Services Tax for purchases made after April 2015.

During the financial year, WMSB and the Customs had reached an out-of-court settlement on the matter pursuant to which WMSB settled the payment of import duties for non-time barred cases amounting to RM13,613,644 and also Goods and Services Tax amounting to RM10,539,265 and the Customs withdrew the bills of demand on time-barred cases amounting to RM35,355,359. Accordingly, WMSB withdrew the judicial review application against the Customs, and the High Court recorded the out-of-court settlement on 24 September 2020.

In previous years, the Group made a provision amounting to RM24,152,909 for the claims related to bills of demand issued by the Customs, which is the same amount of the out-of-court settlement that WMSB and the Custom agreed.

Therefore, the contingent liabilities of RM35,355,359 have been removed from the Group for the financial year ended 31 December 2020.

35. **CONTINGENT LIABILITIES** (continued)

(b) On 12 June 2020, WMSB has commenced legal proceedings against Oracle Corporation Malaysia Sdn Bhd ("Oracle") and Bank of America Malaysia Berhad ("BOA") at the Kuala Lumpur High Court on the termination of two agreements.

On 30 November 2018, WMSB had subscribed into the Oracle ERP Software System by executing two agreements with Oracle. The first agreement, Oracle Cloud Services Agreement, entailed an Oracle license fee of RM15,692,378. WMSB has entered into another agreement with Oracle and a contract with Oracle's outsource partner, the total value amounting to RM15,285,307 for the implementation of the Oracle ERP Software System and Payroll System. Oracle subsequently assigned the first agreement to BOA, and WMSB is required to pay the license fee directly to BOA.

The Oracle ERP Software Systems project commenced in February 2019. During the User Acceptance Testing ("UAT") phase, WMSB discovered there were data discrepancy and inability of the system to execute the purported requirements. Highlighted technical requests remained unresolved and WMSB could not proceed with the Go-Live of the system. WMSB terminated the two agreements on 30 December 2019. WMSB had paid RM6,750,697 prior to the termination.

Subsequent to the termination, WMSB received a letter of demand from BOA for RM592,838. Oracle made a counter-claim of RM4,059,077 for the services rendered. WMSB is disputing against the counter-claim on the basis that the two agreements have been terminated, and that the system could not proceed with the Go-Live. WMSB is seeking the Court to declare that the termination of the two agreements is valid and negate the obligation to pay BOA and Oracle.

The estimated potential liability arising from this litigation case is RM30,977,685 of which RM6,750,697 has already been paid to the Oracle and BOA as at 31 December 2020. The remaining balance exposure is RM24,226,988 and the counter-claim of RM4,059,077 made by Oracle is part of this amount. The preliminary court hearing is fixed on 28 February 2021 and the Court has fixed the full trial of the main suit on 13 to 16 December 2021.

Based on the legal opinion obtained from legal advisor, there is a reasonable prospect of success against Oracle and BOA. As such, in the opinion of the directors, no provisions have been made in the financial statements.

(c) On 2 October 2020, WMSB has been served with the notice of additional assessment for additional tax liabilities of RM120,576,256, inclusive of penalties for the years of assessment from 2013 to 2018, by the Inland Revenue Board of Malaysia ("IRB") in relation to the following:

(i) total annual lease payment made by WMSB to the Port Klang Authority ("PKA") amounting to RM299,901,840 for the years of assessment from 2013 to 2018 is assessed by IRB as not allowable for deduction in WMSB's tax computation; and
(ii) Deferred revenue of RM7,965,536 for the year of assessment 2018.

On 14 October 2020, WMSB submitted a notice of application of judicial review against Minister of Finance. The court hearing has been fixed on 28 October 2020 but adjourned to 18 January 2021. Also, the High Court had allowed WMSB's application for the interim stay pending the hearing on 18 January 2021.

35. **CONTINGENT LIABILITIES** (continued)

In an effort to contain the COVID-19 pandemic, the Malaysian Government has enforced Movement Control Order ("MCO") from 13 January 2021 to 4 February 2021. Consequently, the court hearing on 18 January 2021 had been adjourned to 11 March 2021 and the High Court has granted an extension of the interim stay until 11 March 2021.

WMSB has obtained confirmation from its tax advisors and legal advice from the tax solicitors to contend incontrovertibly that the IRB's interpretation is fundamentally erroneous. As such, in the opinion of the directors, no provisions have been made in the financial statements.

36. **RELATED PARTIES**

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group. Transactions with key management personnel are disclosed in Note 37.

The Group has related party relationship with its significant investors, subsidiary, related companies, directors and key management personnel.

Related party transactions have been entered into in the normal course of business and under negotiated terms. The balances related to the below transactions are shown in Note 18 and 22.

	Group	
	2020 RM'000	**2019 RM'000**
Corporate shareholder		
Pembinaan Redzai Sdn. Bhd.		
- Administrative expenses paid on behalf	12	12
Companies in which a director has significant financial interest		
KL Dragons Sdn. Bhd.		
- Sponsorship for basketball team	-	2,000
Cloud Ten Executive Travel & Tours Sdn. Bhd.		
- Flight ticket and accommodation	277	1,905
Gryss Holdings Sdn. Bhd.		
- Office rental and utilities	285	367
Westports Foundation		
- Financial support to community	1,000	-
PKT Logistics (M) Sdn. Bhd.		
- Port and storage income	(4,378)	(3,110)

36. **RELATED PARTIES** (continued)

	Company 2020 RM'000	Company 2019 RM'000
Company in which a director has significant financial interest		
Gryss Holdings Sdn. Bhd.		
- Office rental	220	-

37. **KEY MANAGEMENT PERSONNEL COMPENSATION**

Key management personnel are those Group or Company personnel having authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. The key management personnel include all the directors of the Group or Company. The key management personnel compensation are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors' fees	2,160	2,160	1,080	1,080
Remuneration	6,124	6,126	-	-
Defined contribution plan	1,041	1,041	-	-
Allowances	697	717	674	685
	10,022	10,044	1,754	1,765

The estimated monetary value of directors' benefit-in-kind is RM950,000 (2019: RM979,000).

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA

In the opinion of the Directors of WESTPORTS HOLDINGS BERHAD, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors, as approved by the Board in accordance with a resolution of the Directors,

……………………………………………………………………………

DATO' YUSLI BIN MOHAMED YUSOFF
Director

……………………………………………………………………………

DATUK RUBEN EMIR GNANALINGAM BIN ABDULLAH
Director

Kuala Lumpur
2 February 2021

Statutory Declaration

Financial Statements

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016 IN MALAYSIA

I, **LEE MUN TAT**, the officer primarily responsible for the financial management of **WESTPORTS HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements 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 Declarations Act, 1960.

……………………………………………………......

LEE MUN TAT
MIA 14184

Subscribed and solemnly declared by the
abovenamed Lee Mun Tat, I/C No 710320-08-6293,
at Petaling Jaya in the state of Selangor Darul Ehsan,
this 2nd day of February 2021

Before me,

……………………………………………………………

COMMISSIONER FOR OATHS

This section has been intentionally left blank.

Additional Compliance Information

Other Information

In compliance with the Listing Requirements of Bursa Securities, the following information is provided:-

1. Utilisation of Proceeds Raised from Corporate Proposal

There were no corporate proposals or exercises carried out during the financial year to raise proceeds.

2. Material Contracts Involving Interests of Directors and Major Shareholders

The material contracts entered into by the Company and its subsidiary involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial year are as follows:

(a) A conditional sale and purchase agreement entered into between Westports Malaysia Sdn Bhd, a wholly-owned subsidiary of the Company with Pembinaan Redzai Sdn Bhd ("PRSB") on 7 February 2020 to acquire a parcel of leasehold land held under Pajakan Negeri (PN) 7374, Lot No. 72778, Mukim and District of Klang, State of Selangor Darul Ehsan measuring about 146.4 hectares (361.762 acres), from PRSB for a total cash consideration of RM393,958,900 ("**Proposed Acquisition**").

The Company had on 5 May 2020 vide Extraordinary General Meeting obtained the shareholders' approval on the Proposed Acquisition.

3. Contracts Relating to Loans

There were no contracts relating to loans entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests during the financial year ended 31 December 2020.

4. Recurrent Related Party Transactions

There were no Related Party Transactions entered into by the Group during the financial year.

Analysis Of Shareholdings

Other Information

Analysis of Shareholdings as at 26 February 2021

Issued Shares	: 3,410,000,000
Class of Shares	: Ordinary shares
Voting Rights	: One vote per ordinary share

Distribution of Shareholdings

Size of Holdings	No. of holders	%	No. of shares	%
Less than 100	267	5.76	1,460	neglible
100 - 1,000	1,171	25.26	829,498	0.02
1,001 - 10,000	2,008	43.32	9,355,748	0.27
10,001 - 100,000	710	15.32	26,883,397	0.79
100,001 to less than 5% of issued shares	475	10.25	760,992,097	22.32
5% and above of issued shares	4	0.09	2,611,937,800	76.60
Total	**4,635**	**100.00**	**3,410,000,000**	**100.00**

Substantial Shareholders

	No. of shares held		No. of shares held	
Name of Substantial Shareholders	**Direct**	**%**	**Indirect**	**%**
Pembinaan Redzai Sdn Bhd	1,446,461,500	42.42	-	-
South Port Investment Holdings Limited	802,962,600	23.55	-	-
Employees Provident Fund Board	(1) 223,403,600	6.55	-	-
Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	181,556,300	5.32	(2) 7,773,400	0.23
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	210,000	0.01	(3) 1,552,100,000	45.52
Gryss Limited	-	-	(4) 1,446,461,500	42.42
Gryss (L) Foundation	-	-	(5) 1,446,461,500	42.42
Pacific Port Investment Holdings Limited	-	-	(6) 802,962,600	23.55
Wide Ocean Limited	-	-	(7) 802,962,600	23.55
Hutchison Port Holdings Limited	-	-	(8) 802,962,600	23.55
CK Hutchison Global Investments Limited	-	-	(8) 802,962,600	23.55
CK Hutchison Holdings Limited	-	-	(8) 802,962,600	23.55

Notes:

(1) Include shares held through nominee companies.
(2) Deemed interested in the shares held by KWAP Fund Manager.
(3) Deemed interested in the shares held by Pembinaan Redzai Sdn Bhd in the Company by virtue of his direct interest in Gryss (L) Foundation which has interest in Gryss Limited, which in turn holds shares in Pembinaan Redzai Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
(4) Deemed interested in the shares held by Pembinaan Redzai Sdn Bhd in the Company pursuant to Section 8(4) of the Companies Act 2016.
(5) Deemed interested in the shares held by Pembinaan Redzai Sdn Bhd in the Company via Gryss Limited pursuant to Section 8(4) of the Companies Act 2016.
(6) Deemed interested in shares held by South Port Investment Holdings Limited in the Company pursuant to Section 8(4) of the Companies Act 2016.
(7) Deemed interested in shares held by South Port Investment Holdings Limited in the Company by virtue of its subsidiary, Pacific Port Investment Holdings Limited being entitled to exercise not less than 20% of the votes attached to the voting shares in South Port Investment Holdings Limited pursuant to Section 8(4) of the Companies Act 2016.
(8) Deemed interested in shares held by South Port Investment Holdings Limited in the Company, by virtue of its indirect subsidiary, Pacific Port Investment Holdings Limited being entitled to exercise not less than 20% of the votes attached to the voting shares in South Port Investment Holdings Limited pursuant to Section 8(4) of the Companies Act 2016.

Analysis Of Shareholdings

Other Information

Thirty Largest Shareholders

No.	Name	No. Of Shares	%
1.	Pembinaan Redzai Sdn Berhad	1,445,361,500	42.39
2.	Maybank Securities Nominees (Asing) Sdn Bhd - Pledged Securities Account For South Port Investment Holdings Limited	802,962,600	23.55
3.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	182,057,400	5.34
4.	Kumpulan Wang Persaraan (Diperbadankan)	181,556,300	5.32
5.	Semakin Ajaib Sdn Bhd	99,438,500	2.92
6.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	60,948,800	1.79
7.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera 2	26,954,500	0.79
8.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN For AIA Bhd.	21,207,600	0.62
9.	Cartaban Nominees (Asing) Sdn Bhd - Exempt AN For State Street Bank & Trust Company (West CLT OD67)	20,297,400	0.59
10.	HSBC Nominees (Asing) Sdn Bhd - JPMBL SA For Stichting Depositary APG Emerging Markets Equity Pool	16,682,800	0.49
11.	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	15,736,900	0.46
12.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA For Vanguard Emerging Markets Stock Index Fund	14,604,701	0.43
13.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	13,509,200	0.40
14.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA For Vanguard Total International Stock Index Fund	13,328,841	0.39
15.	Permodalan Nasional Berhad	13,077,000	0.38

Thirty Largest Shareholders (continued)

No.	Name	No. Of Shares	%
16.	Amanahraya Trustees Berhad - Amanah Saham Malaysia 3	13,069,200	0.38
17.	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB For Prulink Equity Fund	12,616,800	0.37
18.	Lembaga Tabung Haji	12,600,000	0.37
19.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA For JPMorgan Asean Fund (BK Eastasia TST)	11,399,000	0.33
20.	HSBC Nominees (Asing) Sdn Bhd - TNTC For Somerset Emerging Markets Future Leaders Fund	10,098,084	0.30
21.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Aberdeen)	9,652,500	0.28
22.	HSBC Nominees (Asing) Sdn Bhd - JPMBL SA For JPMorgan Funds	9,560,500	0.28
23.	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN For Citibank New York (Norges Bank 14)	8,415,900	0.25
24.	Citigroup Nominees (Asing) Sdn Bhd - CBNY For Norges Bank (FI 17)	7,729,912	0.23
25.	Amanahraya Trustees Berhad - Public Islamic Equity Fund	7,384,200	0.22
26.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB For Semakin Ajaib Sdn Bhd (PB)	6,200,000	0.18
27.	DB (Malaysia) Nominee (Asing) Sdn Bhd - BNYM SA/NV For People's Bank Of China (SICL ASIA EM)	5,603,100	0.16
28.	HSBC Nominees (Asing) Sdn Bhd - J.P. Morgan Securities PLC	5,020,300	0.15
29.	Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	4,844,000	0.14
30.	Cartaban Nominees (Asing) Sdn Bhd - GIC Private Limited For Government Of Singapore (C)	4,812,900	0.14
	Total	**3,056,730,438**	**89.64**

Analysis Of Shareholdings

Other Information

Directors' Shareholdings

Name of Directors	No. of shares held Direct	%	No. of shares held Indirect	%
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	210,000	0.01	(1) 1,552,100,000	45.52
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil	-	-	-	-
Tan Sri Ismail bin Adam	-	-	-	-
Ip Sing Chi	-	-	-	-
Ruth Sin Ling Tsim	-	-	-	-
Dato' Yusli bin Mohamed Yusoff	-	-	-	-
Chan Soo Chee	50,000	negligible	-	-
Datuk Ruben Emir Gnanalingam bin Abdullah	-	-	(2) 105,638,500	3.10
Chan Chu Wei	920,000	0.03	-	-
Kim, Young So	-	-	-	-
Shanthi Kandiah	-	-	-	-
John Stephen Ashworth (Alternate Director to Ip Sing Chi)	-	-	-	-
Andy Wing Kit Tsoi (Alternate Director to Ruth Sin Ling Tsim)	-	-	-	-

Notes:

(1) Deemed interested in the shares held by Pembinaan Redzai Sdn Bhd in the Company by virtue of his direct interest in Gryss (L) Foundation which has interest in Gryss Limited, which in turn holds shares in Pembinaan Redzai Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

(2) Deemed interested in shares held by Semakin Ajaib Sdn Bhd in the Company pursuant to Section 8(4) of the Companies Act 2016.

List Of Concession Assets

Other Information

Location	Description & Current Use	Ages of Buildings (Years)	Berth length (m)/ Built up area ('000m^2)	Date of Construction	Tenure (Years)	Net Book Value 2020 RM'000
CT1:						
Wharf and Yard	Wharf and yard for berthing and storing containers	23	600m & 91.2 m_2	1997	57	35,473
Building	Container Gate, Marshalling Building, Storage Facilities and M&R workshop	24	6.1 m_2	1996	50	4,570
CT2:						
Wharf and Yard	Wharf and yard for berthing and storing containers	23 & 20	600m & 150.0m_2	1997 & 2000	57 & 53	32,840
Building	Storage Facilities	21	2.7 m_2	1999	50	2,190
CT3:						
Wharf and Yard	Wharf and yard for berthing and storing containers	19	600m & 131.4m_2	2001	52	82,810
Building	Storage Facilities	17	38.3m_2	2003	50	5,338
CT4:						
Wharf and Yard	Wharf and yard for berthing and storing containers	15	600m & 137.6m_2	2005	48	116,448
Building	Admin building and M&R workshop	13	19.2m_2	2007	46	11,099
CT5:						
Wharf and Yard	Wharf and yard for berthing and storing containers	12	600m & 137.6m_2	2008	45	174,073
CT6:						
Wharf and Yard	Wharf and yard for berthing and storing containers	9 & 8	600m & 180.3m_2	2011 & 2012	42 & 43	242,880
CT7:						
Wharf and Yard	Wharf and yard for berthing and storing containers	7 & 6	600m & 175.8m_2	2013 & 2014	41 & 40	280,269
Building	Container Gate, Marshaling Centre, M&R workshop	4	127.1m_2	2016	38	72,373
CT8:						
Wharf and Yard	Wharf and yard for berthing and storing containers	4 & 3	600m 263.1m_2	2016	38	256,028
CT9:						
Wharf and Yard	Wharf and yard for berthing and storing containers	3	600m 100.1m_2	2017	37	273,286
Yard	CT9 yard area	0	157.1m_2	2020	34	79,684

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting ("**28th AGM**") of WESTPORTS HOLDINGS BERHAD will be conducted on a fully 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, Malaysia ("**Broadcast Venue**") on Tuesday, 27 April 2021 at 2.00 p.m. for the following purposes:-

AGENDA
As ordinary business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon.	**Please refer to Explanatory Note 1**
2. 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 RM3,350,000.00 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.	**Ordinary Resolution 1 Please refer to Explanatory Note 2**
3. To re-elect the following Directors who are retiring pursuant to Clause 115 of the Constitution of the Company:-	
(i) Datuk Ruben Emir Gnanalingam bin Abdullah	**Ordinary Resolution 2**
(ii) Dato' Yusli bin Mohamed Yusoff	**Ordinary Resolution 3**
(iii) Ms. Ruth Sin Ling Tsim	**Ordinary Resolution 4**
(iv) Ms. Chan Chu Wei	**Ordinary Resolution 5**
4. To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**

As Special Business
To consider and, if thought fit, to pass the following resolution:-

5. **Proposed Authority to Allot and Issue Shares pursuant to Section 76 of the Companies Act 2016**

"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 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 all relevant regulatory bodies being obtained for such allotment and issuance."	**Ordinary Resolution 7 Please refer to Explanatory Note 3**

6. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No. 202008001023)
TAN AI NING (MAICSA 7015852) (SSM PC No. 202008000067)
Company Secretaries

Selangor Darul Ehsan
Date: 23 March 2021

NOTES:

1. The 28th AGM will be conducted fully virtual through live streaming and online remote voting using the Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at https://web.lumiagm.com. Please follow the procedures provided in the Administrative Guide for the 28th AGM in order to register, participate and vote remotely via the RPEV facilities.

   The Administrative Guide on the conduct of a fully virtual 28th AGM of the Company is available at the Company's website at https://www.westportsholdings.com.

2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the general meeting and in accordance with Clause 81 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate at the general meeting. Members/proxies/corporate representatives **are not allowed** to physically present nor admitted at the Broadcast Venue on the day of the 28th AGM.

3. Since the 28th AGM will be conducted virtually in its entirety, a Member entitled to participate and vote at the Meeting may appoint his/her proxy or the Chairman of the 28th AGM as his/her proxy and indicate the voting instruction in the Form of Proxy.

4. A proxy may but need not be a member. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

6. If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

7. The appointment of proxy may be made in a hardcopy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 28th AGM or at any adjournment thereof, as follows:-

   (i) In Hardcopy Form
   The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan

   (ii) By Boardroom Smart Investor Online Portal
   The Form of Proxy can be electronically submitted via Boardroom Share Registrars' website, Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my/. Please refer to the Administrative Guide for the 28th AGM for further information on electronic submission

8. Individual members may via Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my/, and proxies/corporate representatives may via bsr.helpdesk@boardroomlimited.com *(with the full name of the member and CDS Account Number)*, submit questions relating to resolutions to be tabled at the 28th AGM or financial performance/prospect of the Company, not later than Sunday, 25 April 2021 at 2.00 p.m. Alternatively, members/proxies/corporate representatives may via real time submission of typed texts via RPEV facilities during the live streaming of the 28th AGM as the primary mode of communication.

9. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 April 2021 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

EXPLANATORY NOTES

1. **To receive the Audited Financial Statements**
The Audited Financial Statements under Agenda 1 are meant for discussion only in accordance with Section 340(1)(a) of the Companies Act 2016 ("**the Act**") and do not require shareholders' approval. Hence, this Agenda will not be put forward for voting.

2. **Directors' Fees and Benefits Payable**
The amount of Directors' fees payable includes fees payable to Directors as members of Board and Board Committees. The amount of Directors' benefits payable to Directors comprise meeting allowances from this AGM until the conclusion of the next AGM of the Company to be held by June 2022 (14 Months) pursuant to the Act which shareholders' approval will be sought at this 28th AGM in accordance with Section 230 of the Act.

3. **Proposed Authority to Allot and Issue Shares pursuant to Section 76 of the Act**
The Ordinary Resolution 7 proposed under item 5 of this Agenda seeks the shareholders' approval for a general mandate for issuance of shares by the Company under Section 76 of the Act. The mandate, if passed will empower the Company's Directors to allot and issue up to a maximum of 10% of the Company's total number of issued shares at the time of issue (other than bonus or rights issue) for such purposes as the Directors consider would be in the best interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority will unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

   This authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding investment project(s), working capital and/or acquisition(s). At this juncture, there is no decision to issue new shares. Should there be any decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

   The Directors of the Company did not allot, or issue ordinary shares pursuant to the authority given by its shareholders at the previous AGM.

4. **Voting Procedures**
Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 28th AGM will be conducted by poll. Poll Administrator and Scrutineer will be appointed to conduct the polling process and to verify the results.

5. **Annual Report 2020**
The softcopy of the Annual Report 2020, Sustainability Report 2020 and Corporate Governance Report 2020 are available on the Company's website at https://www.westportsholdings.com/.

   Shareholders of the Company may request for the printed copy of the Annual Report 2020 and Sustainability Report 2020 via the Company's website at https://www.westportsholdings.com/ and must provide *all the required information accurately*, i.e. full name, CDS Account Number, full mailing address and shareholder's mobile number. With the *accurate and complete information*, a copy of the documents would be sent to the shareholders upon request within four (4) working days.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Form of Proxy

WESTPORTS HOLDINGS BERHAD
(Registration No. 199301008024 (262761-A))
(Incorporated In Malaysia)

CDS Account No.	
No. of Shares held	

I/We, ………………………………………………………………………………………… (Full name in block letters),

NRIC No./Passport No./Company No. ……………………………………………… of ………………………………………………

……………………………………………………………………………………………… (Email Address)

………………………………………………(Telephone no.) being a member/members of **Westports Holdings Berhad** (“**the Company**”)

hereby appoint ……………………………………………………… NRIC No. /Passport No. ………………………………………

of ……………………………………(Email Address) and……………………………… (Telephone No.) or failing *him/her ……………………………………

……………………………………………………………… NRIC No. /Passport No. ………………………………………

of ……………………………………(Email Address) and……………………………… (Telephone No.) or failing him/her, *THE CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us on my/our behalf at the Twenty-Eighth Annual General Meeting (“**28th AGM**”) of the Company to be conducted on a fully 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, Malaysia (“**Broadcast Venue**”) on Tuesday, 27 April 2021 at 2.00 p.m. and at any adjournment thereof.

*I/We indicate with an “x” in the spaces below how *I/We wish *my/our vote to be cast

	RESOLUTIONS		**For**	**Against**
1.	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 RM3,350,000.00 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.	Ordinary Resolution 1		
2.	Re-election of Datuk Ruben Emir Gnanalingam bin Abdullah as Director.	Ordinary Resolution 2		
3.	Re-election of Dato’ Yusli bin Mohamed Yusoff as Director.	Ordinary Resolution 3		
4.	Re-election of Ms. Ruth Sin Ling Tsim as Director.	Ordinary Resolution 4		
5.	Re-election of Ms. Chan Chu Wei as Director.	Ordinary Resolution 5		
6.	Re-appointment of Deloitte PLT as Auditors of the Company.	Ordinary Resolution 6		
7.	Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	Ordinary Resolution 7		

Subject to the abovestated voting instructions, my/our proxy/proxies may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.

The proportion of my/our shareholdings to be represented by my/our proxies are as follows:-

First Proxy	%
Second Proxy	%
	100%

If appointment of proxy is under hand …..………………………………………….. Signed by *individual member/*officer or attorney of member/*authorised nominee of …………………………….. ………..…........... (beneficial owner)	No. of shares held: ………………………………………………………..... Securities Account No.: …………..……………………………………….…… (CDS Account No.) (Compulsory) Date :
If appointment of proxy is under seal The Common Seal of ………………………………………………….………………..…………………….……….. was hereto affixed in accordance with its Constitution in the presence of:- ………………………………….………….. Director ………………………………….………….. Director/Secretary in its capacity as *member/*attorney of member/*authorised nominee of ……..………………...………………………. ………..…........... (beneficial owner)	Seal No. of shares held: ………………………………………………………..... Securities Account No.: …………..……………………………………….…… (CDS Account No.) (Compulsory) Date :

Signed this …………………... day of ………………………………, 2021.

** Strike out whichever is not desired. Unless otherwise instructed, the proxy may vote as he/she thinks fit.*

NOTES:

1. The 28th AGM will be conducted fully virtual through live streaming and online remote voting using the Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at https://web.lumiagm.com. Please follow the procedures provided in the Administrative Guide for the 28th AGM in order to register, participate and vote remotely via the RPEV facilities.

   The Administrative Guide on the conduct of a fully virtual 28th AGM of the Company is available at the Company's website at https://www.westportsholdings.com.

2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the general meeting and in accordance with Clause 81 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate at the general meeting. Members/proxies/corporate representatives **are not allowed** to physically present nor admitted at the Broadcast Venue on the day of the 28th AGM.

3. Since the 28th AGM will be conducted virtually in its entirety, a Member entitled to participate and vote at the Meeting may appoint his/her proxy or the Chairman of the 28th AGM as his/her proxy and indicate the voting instruction in the Form of Proxy.

4. A proxy may but need not be a member. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

6. If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

7. The appointment of proxy may be made in a hardcopy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 28th AGM or at any adjournment thereof, as follows:

   (i) In Hardcopy Form

   The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

   (ii) By Boardroom Smart Investor Online Portal

   The Form of Proxy can be electronically submitted via Boardroom Share Registrars' website, Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my/. Please refer to the Administrative Guide for the 28th AGM for further information on electronic submission.

8. Individual members may via Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my/, and proxies/corporate representatives may via bsr.helpdesk@boardroomlimited.com *(with the full name of the member and CDS Account Number)*, submit questions relating to resolutions to be tabled at the 28th AGM or financial performance/prospect of the Company, not later than Sunday, 25 April 2021 at 2.00 p.m. Alternatively, members/proxies/corporate representatives may via real time submission of typed texts via RPEV facilities during the live streaming of the 28th AGM as the primary mode of communication.

9. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 April 2021 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 23 March 2021.

STAMP

Westports Holdings Berhad
Registration No. 199301008024 (262761-A)

c/o Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Please fold here to seal

WESTPORTS FOUNDATION

Westports Holdings Berhad
Registration No. 199301008024 (262761-A)
www.westportsholdings.com