

1. Concession Period

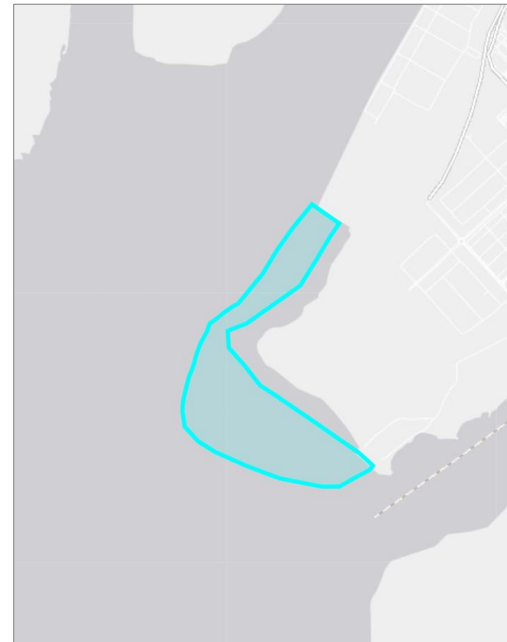
- **The 3rd Supplemental Privatisation Agreement with the Government and the Port Klang Authority**
 - To facilitate WP2 container terminal development
 - To extend the concession period beyond 31 August 2024 for all existing concession areas
- **Concession period extended to 31 August 2070 with CT10-CT13**
- **Concession period will be further extended to 31 August 2082, with**
 - The acquisition and the transfer of the 3rd land (underwater) by 31 August 2045
 - The development of CT14-CT17



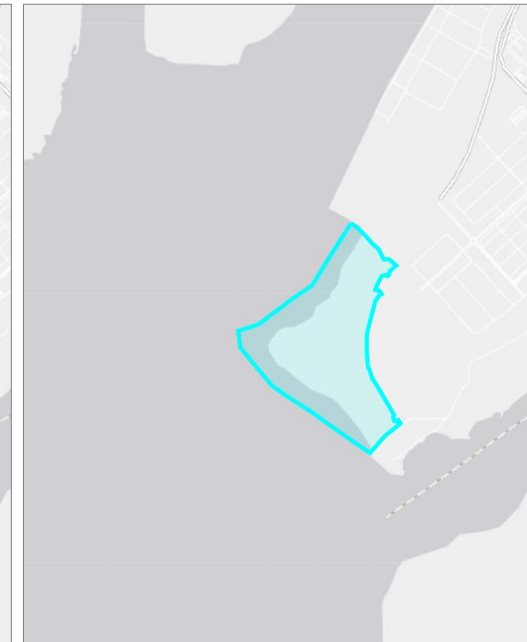
2. Demised Area, Land Transfer And Implications

- **WP1 existing demised area is 2,011 acres**
- **WP2 area**
 - Westports is **transferring 2 parcels of land** to the Port Klang Authority
 - The total land costs and other related expenses incurred amounted to approximately **RM610m**
 - 381-acre PKNS Land to be transferred by 01 September 2024
 - 362-acre Marina Land to be transferred by 31 August 2026
- **Risk mitigation on land transfer**
 - If the concession ends earlier, a compensation mechanism will be activated

PKNS Land



Marina Land

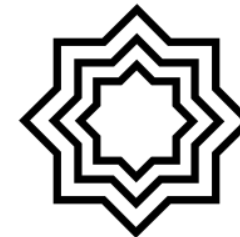


3. Lease Terms And Payments To The Port Klang Authority

- **Fixed lease effective 01 September 2024**
 - **WP1 of RM90m**
 - The future lease increase rate will be in line with the container tariff revision rate
 - WP1 demised area fixed annual payment to the port authority is 40% higher than the year before
 - **WP2 of RM1m** annually since 2 parcels of land are transferred to the port authority
- **Container variable lease effective 01 September 2024**
 - RM3.00 per local box
 - RM2.00 per transshipment box
- **Conventional variable lease unchanged at RM0.10 per tonne**



1. **Internally generated funds**
2. **New RM5.0 billion Wakalah Shariah principle Sukuk Programme for WP2**
 - Proposing perpetual tenure with no expiry date
 - Incorporate green features in line with sustainability objectives/commitment
 - **Sustainable and Responsible Investment (SRI) Sukuk framework**
 - 4 criterias. Use of proceeds, evaluation, management, reporting and KPIs
 - Wakalah bi Al-Istithmar or other Shariah principal
 - The target for a **maximum debt-to-equity ratio of 40:60**
 - Current indicative rate is 3.9% to 4.5%, with an AAA rating
3. **Equity injection via dividend reinvestment, share placements or strategic investor**
 - Between RM800 million and RM1.2 billion **by 2027**
4. **Maintain existing Sukuk Musharakah Medium Term Note RM850m until full redemption in 2028**
 - Finance to equity ratio of not more than 2.0x
 - Finance Service Cover Ratio (FSCR) of not less than 1.25x



5. Sustainability

▪ Marina Land

- To extract some mangrove tree saplings, replant in other areas
- Will lose 97-hectare of mangroves with WP2 development

▪ To replace mangroves lost

- Target to earmark areas and **replant 100 hectares of mangroves**
- Proposed to plant more than 250,000 mangrove trees over 25 years

▪ Decarbonisation via electrification of terminal operating equipment

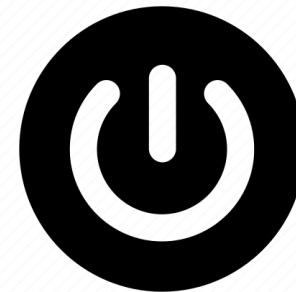
- **Scope 1 operational net zero carbon emission of WP2** terminal from Day 1 of operations
- Testing/evaluating/considering electric/autonomous terminal trucks, electric Rubber Tyred Gantry Cranes, Automated Guided Vehicles



6. Automation And Digitalisation

- **An electrified architecture facilitate**

- The flexibility for complete and semi-automation of terminal equipment
- Future-proofing WP2. Support future advances such as IoT, blockchain and AI
- The capability for greater integration with liners' operations
- Enhancing the terminal's energy efficiency profile and **reducing GHG emissions**
- Raising operational reliability, efficiency and safety standards
- Nurturing and employing **high-skilled local talent pool**
- Fostering the development of local logistics-related technologies
- Reducing long-term operational cost



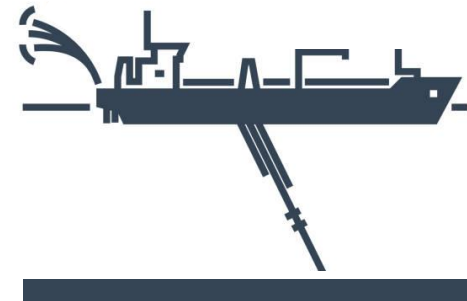
7. Economic Multiplier Effect And Job Creation

- **Economic benefits from the entire WP2**
 - **Output impact of RM55bn** – triggered by initial demand created through WP2 investment
 - RM22bn from direct impact on economic output
 - RM23bn from indirect impact on the supply chain, e.g. construction-related
 - RM10bn from induced impact by wages paid by the impacted businesses
 - **Contribution to GDP of RM19bn** from value-added impact such as goods and services, sectoral linkages, supply chain effects, salaries paid by beneficiary businesses
 - **Create 6,000 additional full-time job opportunities** for Malaysians

- **Strengthen Westports' competitive position**
 - Catalyse growth in the nation's trade with capacity and productivity
 - Improve Malaysia's logistics efficiency and global competitiveness
 - Support liners' growing regional transshipment requirements

8. Initial Development CapEx

- **The overall total projected CapEx to 2082 for WP1 and WP2**
 - Including all replacement and maintenance CapEx, approximately RM39.6bn
- **WP2 initial development CapEx of RM12.6 billion**
 - Phase 1 for CT10-CT13 between 2024 and 2038, at RM6.3bn
 - Phase 2 for CT14-CT17 between 2036 and 2053, at RM6.3bn
- **The first two terminals, CT10-CT11**
 - **Initial development CapEx** of RM2.2bn to RM2.4bn
 - Target CT10 to commence operations by 2H27 and then CT11 by 2H29
- **Phase 1 land reclamation, dredging and containment bund**
 - From Year 1 to 4
 - To accommodate the development of CT10 to CT13
 - Each year, annual CapEx from RM250m to RM600m
- **Year 1**
 - Complete Marina Land acquisition and the transfer both lands
 - Project's Environmental Management Plan to include areas identified to replant mangroves
 - Year 1 dredging and reclamation CapEx of **less than RM400m**



- **PKNS Land and Marina Land**
 - Addition to the balance sheet as concession assets
 - No impact to the profit or loss statement on the transfer of both lands
- **Rental revenue**
 - Rental income from land and building is recognised in the profit or loss statement on a straight-line basis over the term of the lease
- **Depreciation and amortisation**
 - Over the concession period
 - For land, dredging, reclamation, wharf, yard, buildings and infrastructure costs
 - Over the operational lifespan
 - For Terminal Operating Equipment. 30 years for most capital-intensive Quay Cranes
- **Initial financing cost**
 - **Capitalised** until CT10 commences
- **Payments to Port Klang Authority, at 'Other Expenses'**
 - Fixed lease – to recognise the revised lease liabilities from 01 September 2024
 - Variable lease
- **Tax implications**
 - 10-year **Investment Tax Allowance** from 01 January 2022 to 31 December 2031
 - With WP2, an estimated average effective tax rate of 18% to 21% for 2024-2028



Thank You

Westports Holdings Berhad
<http://www.westportsholdings.com/>

- Available for download from the corporate website
- Westports Climate Change Assessment Report
 - Carbon Stock And Sequestration Valuation Of Flora In Westports
 - Corporate Impact Report
 - Sustainability Report 2022
 - Annual Report 2022

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