WESTPORTS
PROVEN. TRUSTED. FRIENDLY.

Annual Report 2021

About The Annual Report

Westports Holdings Berhad ("Westports" or "Company") is presenting its Integrated Annual Report 2021 with the disclosure of selected material information in a concise manner to provide a holistic perspective of our Company. The essential main parameters disclosed have been presented for consistency and comparability with the previous years.

Westports has also published Sustainability Report 2021. SIRIM QAS International Sdn Bhd provided independent verification on our sixth sustainability report. The Company continues to highlight the activities of Corporate Social Responsibility ("CSR") as we published our CSR Report every quarter in 2021. We shared our activities and contribution, especially to the communities at Pulau Indah, where our port is situated.

Westports has assessed that climate change is a potential threat to its seaside-fronting wharves and operations. In 2021, the Company appointed an external consultant, DHI Water & Environment (M) Sdn Bhd, to conduct a comprehensive study. The findings are in the Westports Climate Change Assessment Report.

The Company also appointed FRIM Incorporated Sdn Bhd to assess the carbon sequestration of all the trees within the terminal's premises as we are known as a Garden Port. The results of their work are tabulated and detailed in the Carbon Stock And Sequestration Valuation Of Flora In Westports report.

The Annual Report 2021, Sustainability Report 2021, quarterly CSR Reports, Westports Climate Change Assessment Report, Carbon Stock And Sequestration Valuation Of Flora In Westports and the Corporate Governance Report 2021 can all be downloaded from www.westportsholdings.com.

Westports refrained from offset lithography printing since the Annual Report in 2018, and we eschewed such printing method since 2016 for the Sustainability Report. We adopted the horizontal layout format for the first three reports to ease electronic reading.

Electronic reading would reduce the carbon emissions associated with printing and delivering 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. Westports shareholders that still wish for a printed copy of the Annual Report 2021 should submit their request online at http://www.westportsholdings.com/.

The back cover is the logo of Westports Foundation. The Company is also undertaking its contribution to the community through the Westports Foundation.

Page Contents

Group Performance
Highlights

For the Financial Year Ended 31 December	2021	2020	2019	2018	2017
Financials					
Revenue (RM'000)	2,022,024	1,974,968	1,782,890	1,614,694	2,088,608
Profit before tax (RM'000)	1,039,549	865,067	773,809	701,217	676,882
Profit after tax (RM'000)	808,222	654,486	590,896	533,474	651,511
Shareholders' equity (RM'000)	3,126,854	2,829,110	2,560,295	2,415,086	^2,336,847
Total assets (RM'000)	5,415,300	5,261,648	5,132,206	5,087,420	^5,146,145
Per Share And Ratios					
Earnings per share (sen)	23.7	19.2	17.3	15.6	19.1
Dividend per share (sen)	15.0	11.5	13.0	11.7	14.3
Dividend payout ratio (%)	75.0%	60.0%	75.0%	75.0%	75.0%
Return on equity (%)	25.8%	23.1%	23.1%	22.1%	^27.9%
Return on total assets (%)	14.9%	12.4%	11.5%	10.5%	^12.7%
Operations					
Container throughput (million TEUs)	10.4	10.5	10.9	9.5	9.0
Container handling capacity (million TEUs)	13.6	13.6	13.9	14.0	13.0
Westports market share of Port Klang	76%	79%	80%	77%	75%
Conventional throughput (million MT)	11.3	10.9	9.9	10.7	10.9
Number of vessels accommodated	7,298	8,515	8,997	8,550	8,502
Sustainability					
Diesel consumption (million litres)	52.4	^50.1	50.3	^ 46.1	44.0
Electricity consumption (million kWh)	128.4	119.8	101.3	97.0	90.7
Water consumption (million m^3)	1.53	1.12	1.01	1.30	1.34
Direct GHG emissions, Scope 1 (tonnes)	138,618	^132,397	133,093	121,878	116,416
Indirect GHG emissions, Scope 2 (tonnes)	75,106	70,109	59,277	56,752	^53,071

^Restated

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

In RM'000	2021	2020	2019	2018	2017
VALUE ADDED:					
Revenue	2,022,024	1,974,968	1,782,890	1,614,694	2,088,608
Less: Construction revenue	(44,274)	(139,146)	0	0	(372,727)
Operational revenue	1,977,750	1,835,822	1,782,890	1,614,694	1,715,881
Purchase of goods and services	(318,286)	(358,852)	(421,837)	(370,623)	(557,173)
Total value added available for distribution	**1,659,464**	**1,476,970**	**1,361,053**	**1,244,071**	**1,158,708**
DISTRIBUTION:					
To employees					
- salaries and other staff costs	299,421	286,202	256,290	246,490	228,215
To government					
- income tax	231,324	210,581	182,913	167,743	25,371
To provider of capital					
- dividends	510,477	385,671	445,687	455,235	445,755
- finance costs (net)	61,720	65,256	74,955	81,075	67,779
Retained for future reinvestment and growth					
- depreciation and amortisation	258,774	260,445	255,998	215,289	185,832
- retained profits	297,748	268,815	145,210	78,239	205,756
Total distributed	**1,659,464**	**1,476,970**	**1,361,053**	**1,244,071**	**1,158,708**
RECONCILIATION:					
Profit for the year	808,225	654,486	590,896	533,474	651,511
Add: Depreciation and amortisation	258,774	260,445	255,998	215,289	185,832
Finance costs (net)	61,720	65,256	74,955	81,075	67,779
Staff costs	299,421	286,202	256,290	246,490	228,215
Income tax	231,324	210,581	182,913	167,743	25,371
Total value added	**1,659,464**	**1,476,970**	**1,361,053**	**1,244,071**	**1,158,708**

Value added is a measure of wealth created. The above Statement shows the Group's value added for 2021 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.

Between 2020 and 2021, Westports invested more than RM100 million to increase the total ground slots at the container yard by 12% to 52,455. The capacity to accommodate refrigerated containers grew by 58% to 4,132 reefer sockets.

Our Value Creation Model

Perspective

External Environment

The environment broadened from container shipping industry to some regional gateway and transhipment hubs. Pandemic measures elsewhere also affect liners' actions and ultimately regional and local congestions

Industry Outlook

Outlook is positive but translucent. Gradually increasing vaccination rate reduces the need for lockdown but risks from new virus variants. Economic inflationary pressure, stressed global supply chain, ports congestion expected

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
- Local residents and schools
- The less-privileged and aged families on the island
- Logistics cos. that engage with port

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

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

Internal
- Employees
- Port Police and the 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, all cranes and trucks
- Concession and landed property
- Capital expenditure

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

Human Capital
- The cohesive and responsible teamwork of Westportians
- 552,845 training hours in 2021
- New staff recruitment of 914

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

2021 Achievements
- Completed liquid bulk jetty LBT5
- Added 19-acre container yard
- Land for terminal expansion has been approved for industrial use

2022 KPIs
- Facilitate container throughput growth of between 0% and 5%
- Support clients to complete their units, Westports Logistics Centres

Output
to generate results

Financial Capital
- Operational revenue of RM1.98 billion from 4 business segments
- Profit for the year of RM808 million
- CY paid dividends RM606 million

Manufactured Capital
- Terminal capacity of 14.0 million TEU containers after January 2022
- Container yard 52,455 ground slots
- Total quay length of 8.8 kilometres

Intellectual Capital
- Accommodated 7,298 container, RORO and cargo vessels
- Total of 2.40 million transactions at the two container gates

Human Capital
- Total employees cost of RM299 million for salaries and staff costs
- Leveraged on video conferencing facilities for virtual engagement

Social Relationship Capital
- Total CSR investments for the year amounted to RM5.6 million
- Total income tax to Government of RM231 million for 2021

Natural Capital
- CO_2e emissions Scope 1 and 2 of 213,724 tonnes for the year
- Indirect GHG emissions under Scope 3 of 9,178 tonnes

Outcome
that benefit our stakeholders

Financial Capital
- Continued financial strength
- Reaffirmed AAA rating by RAM in December 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
- Planted 200 mangrove saplings in 2021, total of 8,488 at Pulau Indah
- 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

Last 5 years, busiest container port in Malaysia. Westports 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

10.4 million TEUs container throughput, of which 60% are for Intra-Asia. More refrigerated containers with a higher dwell time. Much higher container yard utilization. Conventional segment at 11.3 million metric tonnes

Risks Management

Pandemic with SOP compliance, Business Continuity Plan. Container has competition from other ports and service changes, extenuated by productivity and client-engagement. Expansion risks mitigated-extensive inputs

Dear shareholders,

2021 is the second full year of the pandemic. The dichotomy between sectors or segments of the economy being affected is further amplified. Economic growth broadly rebounded after the contraction in 2020, but the divergence in economic and social impact necessitated more Government's support, especially for the lower-income groups. The sustainability agenda entered the mainstream news in 2021 after having emerged at the corporate forefront in 2020. The growing impact of climate change abroad and the flooding in various parts of the Klang Valley in December 2021 reinforced the importance of natural capital.

Macroeconomic review

The global Gross Domestic Product (GDP) rebounded and grew by 6% in 2021 as most countries generally imposed fewer movement restrictions. However, Malaysia had to implement various movement restrictions to curtail the pandemic, resulting in a more moderate GDP improvement of around 3%.

Malaysia continued with its fiscal stimulus, supportive banking regulations and pension withdrawals to cushion the negative economic impact of the pandemic and to support designated groups that needed the most assistance.

CSR emphasis

Corporate Social Responsibility (CSR) gained prominence in 2021. Westports invested RM3.8 million towards pandemic and CSR-related contributions. Besides direct financial assistance, Westports also provided medical-related equipment and other necessities.

During the flood in December 2021, we opened Dewan Budaya Tan Sri G Culture Hall and turned it into a temporary flood evacuation centre for the affected residents of Pulau Indah and staff. We accommodated more than 200 people. Westports also provided food and bedding furnishing to those at the hall and other evacuation centres on the island.

Westports expansion

Westports received an Approval-In-Principle from the Government to expand our container terminal facilities in 2017. In 2018, external consultants were appointed. The technical studies and preliminary Environmental Impact Assessment (EIA) was completed in 2019. By 2020, the detailed EIA was completed. In 2021, Westports obtained approvals for converting the two pieces of land on which the proposed expansion would be built to industrial use.

Credit standing

RAM Rating Services Berhad (RAM) has assigned a long-term AAA/stable rating to Westports Malaysia Sdn Bhd's RM2.0 billion Sukuk Musharakah Programme 2011/2031 in February 2021. This highest possible rating was reaffirmed by RAM in its annual review in December 2021.

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 dividends 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 2021, the Company has reverted to a payout ratio of 75% after temporarily trimming it to 60% for only one year in 2020. The Company has paid two interim dividends amounting to RM606 million.

Awards

In 2021, The Edge Billion Ringgit Club Corporate Awards named Westports the winner for the Highest Returns to Shareholders Over Three Years award in the Category of Transportation & Logistics.

The Asia Pacific Enterprise Award 2021 Regional Edition (APEA) gave us the Corporate Excellence in the Transport and Logistics category for demonstrating sustainable growth, responsible leadership and operational excellence. Westports was also the MSOSH OSH Gold Class 2 Award Winner For 2021 in the Logistics and Transportation Sectors. Finally, our Sustainability Report 2020 won The Hallbars Awards 2021 in the Ports Category; Westports is the only selected report representing Malaysia from among other winning publications from 51 countries.

Our commitment

Westports recognised the risks posed by global climate change and the importance of sustainability. We have published our annual Sustainability Report since 2016. On 1 January 2022, Westports formed the Sustainability Committee, and three Independent Non-Executive Directors would constitute it from Westports' Board of Directors.

Acknowledgement

The pandemic of the century highlighted the enormous significance of human capital, which is the foundation of Westports success. I want to express our utmost gratitude and appreciation to all frontliners and volunteers for continuing the fight against the pandemic as the nation gets vaccinated. I also acknowledge Westportians' teamwork throughout 2021 as we practised all precautionary measures while rendering our services to all our clients.

For 2021, the Company has reverted to a payout ratio of 75%, amounting to RM606 million.

I express my sincere gratitude to our government agencies, especially our Ministry of Health, Ministry of Transport and Port Klang Authority, which have guided us through another challenging year to ensure uninterrupted operations and services to the nation. Westports also appreciate the support by our customers, business partners, shareholders, Sukuk holders and other external stakeholders throughout this period.

I want to thank our distinguished colleagues on the Board for your valuable input and contribution throughout the year and welcome Datuk Siti Zauyah Md Desa, Encik Ahmad Zubir Zahid and Ms Diana Tung Wan LEE to the Board. I wish to record the Board's thanks and appreciation to Ms Ruth Sin Ling TSIM, who had served on the Board until the end of 2021. On behalf of the Board, my deepest condolences to the family of Allahyarham Dato' Yusli bin Mohamed Yusoff. He served with integrity, exemplified good governance, and we much appreciated his service.

Tan Sri Datuk G. Gnanalingam
Executive Chairman

Review of results

The pervasive operational impact in 2021 was the pandemic with several movement restrictions and the high container yard utilisation. The lower baseline volume in the previous year contributed to a container throughput growth of 11% in the first half of 2021.

However, the cumulative effects of more than six Movement Control Orders (MCO) since March 2020 finally tipped the scale with MCO 3.0, which began in June 2021, as domestic economic consumption became materially affected. The fully utilised container yard at Westports, due to transhipment containers that cannot connect to destination ports on schedule and slower domestic economic activities, hindered productivity and potential throughput growth. In December 2021, Port Klang and parts of Klang Valley were affected by flooding after unusually heavy rainfall. Our container and conventional facilities were not affected, but some staff were unable to report to work due to travel difficulties or flooding. These cumulative effects contributed to a volume decline in the second half of 2021. The Company ended the year with a marginally lower container throughput by 1% at 10.4 million TEUs.

The high container yard utilisation has been an ongoing challenge at many ports since the pandemic started, including Westports. We had planned to raise our container storage capacity earlier. The Container Yard Zone Z expansion at the beginning of 2020 proved timely as it was fully utilised even during its progressive completion. Over the last two years, Westports increased its container storage by 12% to 52,455 ground slots and reefer plugs by 58% to 4,132.

Financially, Westports' operational revenue improved to RM1.98 billion despite a marginally lower container volume due to enhanced contribution from the added container storage and reefer capacity. The Company reported a profit after tax of RM808 million. 2021's profit included non-recurrent insurance recoveries of RM73 million, which was written off previously when a berthing vessel damaged two Ship-to-Shore cranes and one berth two years ago.

External Operating Environment

In the past, the most critical aspect of the Company's external environment is the container shipping industry since Westports derives most of its revenue from container operations. However, since the pandemic started and especially in 2021, container yard utilisation, lockdowns and congestion at other regional gateway and transhipment hubs also directly affect Westports.

When other regional ports experience lockdowns or congestions, container shipping lines may choose to omit calling at those ports and discharge containers intended for the omitted ports at other regional container terminals. The throughput gain by the beneficiary terminal could be offset by higher container storage requirements; the latter could ultimately adversely affect the overall terminal's productivity. The cascading and secondary effects ripple across regional ports as container boxes are temporarily stored at unintended locations due to congestion or other lockdown issues.

The delays in sending boxes to the intended destinations lengthen the turnaround time and reduce the availability of empty boxes. This reduced velocity of container boxes and the shift in consumption from goods to services, especially in North America, decreased available empties. Rates increased, and container boxes were deployed according to market forces, contributing to shortages of empties for certain cargo types or destinations. The upside is significantly-higher shipping rates that contributed to the billion-dollar quarterly profit level of major container lines.

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 catering to internal, external stakeholders' requirements.

Strategic Targets And Outcomes In 2021

- Support our clients as they deploy more Ultra-Large Container Vessels and Very Large Gas Carriers berthing at Westports.
- ❑ The general trend towards larger container ships continued in 2021. Westports completed the new liquid bulk jetty LBT5; berthing of gas carriers will commence from 1st Quarter 2022 instead of 2021.

- Work towards finalising details of the concession agreement with the Government of Malaysia to expand Westports container terminal facilities.
- ❑ Westports obtained approvals for converting the two pieces of land for expansion to industrial use. We have ongoing concession agreement discussions with the Government.
- Facilitate container throughput growth of between 0% and 5%.
- ❑ Westports container throughput declined by 1% because of the several movement restrictions and container productivity affected by high container yard utilisation and extreme rainfall in December 2021.

Strategic Targets And KPIs For 2022

- Facilitate and support our clients as they complete their warehouses at Westports Logistics Centre.
- iTap System that allows real-time digitalisation for Conventional operations.
- Facilitate a low single-digit positive container throughput.

Outlook

The outlook is positive but translucent. As vaccination rates across the globe increase, the necessity for lockdowns lessen. This facilitates sustained economic recovery and employment levels. However, as the multiplier effect from the generous fiscal and monetary stimulus ripples across economies, but without the accompanying increase in supply, inflationary pressure increases. The global supply chain has been under stress since the second half of last year, mainly due to congestions, limited availability of boxes or shipping slots, and container shipping rates. The zero-Covid policy practised by certain nations and the risk of new Covid Variant-of-Concern could also dampen the recovery momentum. Nevertheless, Malaysia's high vaccination rate and Westports' strategic location would allow us to continue operating as a regional transhipment hub to support domestic economic recovery and regional container shipping requirements.

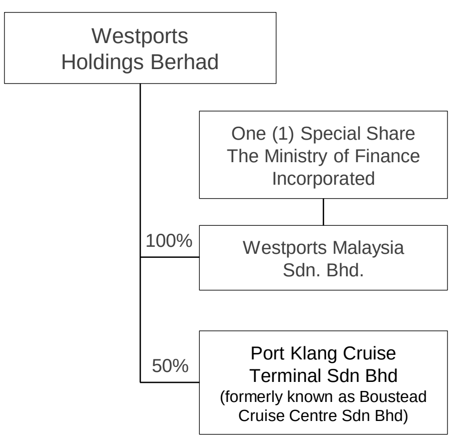
Datuk Ruben Emir Gnanalingam
Group Managing Director

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)

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

Diana Tung Wan LEE
(Non-Independent Non-Executive Director)

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

Chan Soo Chee
(Senior 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)

Datuk Siti Zauyah binti Md Desa
(Independent Non-Executive Director)

Ahmad Zubir bin Zahid
(Independent Non-Executive Director)

John Stephen Ashworth
(Alternate Director to Sing Chi IP)

Andy Wing Kit TSOI
(Alternate Director to Diana Tung Wan LEE)

Audit Committee
Ahmad Zubir bin Zahid (Chairman)

Datuk Siti Zauyah binti Md Desa (Member)

Chan Soo Chee (Member)

Nomination And Remuneration Committee
Chan Soo Chee (Chairman)

Tan Sri Ismail bin Adam (Member)

Chan Chu Wei (Member)

Risk Management Committee
Shanthi Kandiah (Chairman)

Ahmad Zubir bin Zahid (Member)

Diana Tung Wan LEE (Member)

Sustainability Committee
Datuk Siti Zauyah binti Md Desa (Chairman)

Shanthi Kandiah (Member)

Kim, Young So (Member)

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

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

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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
Independent Non-Executive Director

Tan Sri Ismail bin Adam
Independent Non-Executive Director

Sing Chi IP
Non-Independent Non-Executive Director

Diana Tung Wan LEE
Non-Independent Non-Executive Director

Dato' Yusli bin Mohamed Yusoff
Independent Non-Executive Director

Chan Soo Chee
Senior 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

Datuk Siti Zauyah binti Md Desa
Independent Non-Executive Director

Ahmad Zubir bin Zahid
Independent Non-Executive Director

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

Andy Wing Kit TSOI
Alternate Director to Diana Tung Wan LEE, Non-Independent Non-Executive Director

Profile Of Directors

Our Company

Tan Sri Datuk Gnanalingam A/L Gunanath Lingam
Executive Chairman
Age 77, 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
Independent Non-Executive Director
Age 79, 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 until 28 February 2022.
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.

Tan Sri Nik was an Independent Non-Executive Chairman of OCB Berhad until 31 December 2021. 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 was the Chairman of the Nomination, Remuneration and Corporate Governance Committee, renamed as Nomination and Remuneration Committee on 1 January 2022 and was a member of the Audit and Risk Management Committee, renamed as Audit Committee on 1 January 2022. He resigned from both Committees on 28 February 2022.
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 71, 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. He retired from civil service in 2010.

Currently, Tan Sri Ismail is an Independent Non-Executive Director of YTL Power International Berhad. Tan Sri Ismail 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. Effective 1 January 2022, the Committee was renamed as Nomination and Remuneration Committee.

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.

Sing Chi IP
Non-Independent Non-Executive Director
Age 68, Male, Chinese

Mr. Sing Chi IP 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

Diana Tung Wan LEE
Non-Independent Non-Executive Director
Age 53, Female, Chinese

Ms. Diana Tung Wan LEE was appointed as Non-Independent Non-Executive Director of the Company on 1 January 2022.

She is a qualified accountant and holds a Bachelor's degree in Commerce from University of Melbourne. She is an Associate of Chartered Accountants Australia and New Zealand.

Ms. Lee was appointed as Non-Executive Director of Hutchison Port Holdings Management Pte. Limited, the trustee-manager ("Trustee-Manager") of Hutchison Port Holdings Trust ("HPH Trust", a business trust listed on Singapore Exchange) on 1 January 2022 and is currently the Chief Financial Officer of Hutchison Port Holdings Limited ("Hutchison Ports").

She has extensive experience in financial and accounting matters as well as financial reporting and regulatory compliance. Prior to her appointment as Chief Financial Officer of Hutchison Ports, she had been the Chief Financial Officer and Investor Relations Officer of the Trustee-Manager since May 2016 after having been appointed as the Deputy Chief Financial Officer of the Trustee-Manager in February 2011. Ms. Lee was also the Finance and Legal Director and Company Secretary of Yantian International Container Terminals and served as a member of HPH Trust Exco, a committee of executives that determines strategy for HPH Trust.

She was appointed as a member of the Risk Management Committee on 1 January 2022.

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

She did not attend any Board Meetings held during the financial year as she was only appointed to the Board on 1 January 2022.

Dato' Yusli bin Mohamed Yusoff
Independent Non-Executive Director
Age 63, 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 is an Independent Non-Executive Director on the board of AirAsia X Berhad. He also 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 sits on the boards of Dato' HM Shah Foundation, Australasia Resources & Minerals Berhad and Malaysian Institute of Corporate Governance.

Dato' Yusli was the Chairman of the Audit and Risk Management Committee, renamed as Audit Committee effective 1 January 2022. He resigned as the Chairman of the Audit Committee on 28 February 2022.

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.

Dato' Yusli passed away on 10 March 2022.

Chan Soo Chee
Senior Independent Non-Executive Director
Age 66, 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 was redesignated as Senior Independent Non-Executive Director on 1 March 2022. He holds a Masters in Business Administration, 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 Ocean Container Line ("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 and the Committee was renamed as Audit Committee on 1 January 2022. Mr. Chan was appointed as the Chairman of Nomination and Remuneration Committee on 1 March 2022. 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 68, 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 and she resigned from WMSB on 31 December 2021. 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 was a member of the Audit and Risk Management Committee and has subsequently resigned on 1 January 2022. She is currently a member of the Nomination and Remuneration Committee upon her appointment as the Board Committee member on 1 January 2022.

She is a Non-Executive Director of Pembinaan Redzai Sdn Bhd, which is a shareholder of the Company, resigned on 1 July 2021. She attended all four Board Meetings held during the financial year.

Datuk Ruben Emir Gnanalingam bin Abdullah
Group Managing Director
Age 45, 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 to 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 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 was appointed to the Board of the Malaysian Productivity Corporation (MPC) on the 1st of January 2019. On the 1st of September 2020, he was also appointed to the Board of the Employees Provident Fund (EPF) as a Professional Representative. He has been recently appointed as the Company's Nominee Director to Port Klang Cruise Terminal Sdn Bhd on 23 September 2021.

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 in 2019 was appointed by the Ministry of International Trade and Industry (MITI) as one of three (3) members representing Malaysia for the APEC Business Advisory Council (ABAC). In 2020, he joined the CEO Action Network (CAN) as a Steering Committee Member. CAN is a coalition of leaders with a purpose to shape policies, win stakeholders, and create a favourable ecosystem for sustainable businesses and sustainable development in Malaysia.

From a charitable perspective, he also serves as the Chairman of the QPR Community Trust and has been appointed to the Westports Foundation on 5 September 2019.

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 59, 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.

He was appointed as a member of the Sustainability Committtee on 1 January 2022.

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 52, 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 a member of the Nomination, Remuneration and Corporate Governance Committee upon her appointment as the Board committee member on 1 January 2018 and resigned on 1 January 2022. She was appointed as the Chairman of the Risk Management Committee and a member of the Sustainability Committee on the same day. She was appointed as the Company's Nominee Director to Port Klang Cruise Terminal Sdn Bhd on 1 December 2021.

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 Sing Chi IP,
Non-Independent Non-Executive Director
Age 58, Male, Chinese

Mr. John Stephen Ashworth was appointed as Alternate Director to Mr. Sing Chi IP, 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 of Westports Malaysia Sdn. Bhd., 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 Diana Tung Wan Lee,
Non-Independent Non-Executive Director
Age 55, Male, Chinese

Mr. Andy Wing Kit Tsoi was appointed as Alternate Director to Ms. Diana Tung Wan Lee, a Non-Independent Non-Executive Director of the Company, on 1 January 2022.

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.

Datuk Siti Zauyah binti Md Desa
Independent Non-Executive Director
Age 62, Female, Malaysian

Datuk Siti Zauyah was appointed as Independent Non-Executive Director of the Company on 1 January 2022. Prior to that, she was appointed to WMSB on 17 May 2021 and resigned on 31 December 2021.

She graduated with a Bachelor of Science (Hons) in Quantity Surveying from the University of Reading, United Kingdom. She started as a Quantity Surveyor with the Public Works Department. She subsequently held several positions in various institutions and the private sectors before obtaining a Diploma in Public Administration from the National Institute of Public Administration (INTAN). She joined the Ministry of Finance Malaysia (MOF) as an Assistant Secretary. Later, she obtained a Master in Business Administration (International Banking) from the University of Manchester and was promoted as the Principal Assistant Secretary. She also attended the Oxford High-Performance Leadership Programme.

In 2003, she was seconded to the Asian Development Bank, Manila, as Director's Advisor. She returned to MOF in 2006 and was the Deputy Secretary (Economy, Public Transportation and Infrastructure), Investment, MOF (Inc.) and Privatisation Division in April 2008. She became the Secretary, Loan Management Division, and then Secretary, Government Investment Company Division. She then served as the Director of National Budget, National Budget Office and finally the Deputy Secretary-General (Policy) until her retirement in 2019.

Datuk Siti Zauyah is currently a Director of Telekom Malaysia Berhad, Cagamas Holdings Berhad, Cagamas SRP Berhad and a Member of Board of Trustee of Capital Market Development Fund.

She was appointed as the Chairman of the Sustainability Committee on 1 January 2022 and a member of the Audit Committee on 1 March 2022. She has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company. She did not attend any Board Meetings held during the financial year as she was only appointed to the Board on 1 January 2022.

Ahmad Zubir bin Zahid
Independent Non-Executive Director
Age 49, Male, Malaysian

Encik Ahmad Zubir Zahid was appointed as Independent Non-Executive Director of the Company on 1 January 2022. Prior to that, he was appointed to WMSB on 17 May 2021 and resigned on 31 December 2021.

He holds a Master of Business Administration from the University of Chicago Booth School of Business and obtained his Bachelor of Science in Economics and Accounting from the University of Bristol in the United Kingdom.
He is a Fellow of the Institute of Chartered Accountants in England and Wales, an Associate of the Chartered Accountants Australia and New Zealand, a member of the Malaysian Institute of Accountants and is a Business Valuation Specialist of Chartered Accountants Australia and New Zealand. He holds a Capital Markets Services Representative's Licence from the Securities Commission (SC) and is a licensed company auditor.

He is a Director of Zulu Capital Sdn Bhd, a registered private equity firm he co-founded in 2014, an Executive Director of Thinkat Advisory Sdn Bhd, a licensed boutique corporate finance advisory firm, and a managing partner of Zubir Chang & Co. PLT, a licensed audit firm.

Encik Zubir was an Independent Director of Mass Rapid Transit Corporation Sdn Bhd. He was also the Chief Financial Officer (CFO) of Daya Offshore Construction Sdn Bhd, Labuan Shipyard & Engineering Sdn Bhd, and SapuraAcergy Sdn Bhd. He was also with Ethos Consulting, ECM Libra, CIMB Investment Bank and PwC Malaysia.

He was appointed as a member of the Risk Management Committee on 1 January 2022 and as the Chairman of the Audit Committee on 1 March 2022.

He has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company. He did not attend any Board Meetings held during the financial year as he was only appointed to the Board on 1 January 2022.

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.

Profile Of Management Team

Our Company

Lee Mun Tat (Eddie)
Chief Executive Officer/
Acting Chief Financial Officer
Age 50, 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 45, 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 responsible for marketing activities to meet the Group's volume projections for both container and conventional, grow regional feeder services, attract logistics businesses to use the terminal as their hub, and lead customer services initiatives. He is responsible for the Customer Service IT team which he led to achieve 100% of all transactions conducted by clients done through our E-Terminal Plus online portal from September 2021. The conventional operations reports to him as well.

He has 20 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 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 47, 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 23 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 49, 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 21 years of experience in Container Operations and in areas of capacity planning, yard planning, Training & Development, 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 54, Male, Malaysian

Encik Ahmad Damanhury bin Ibrahim joined the Westports Group in July 1995 as a civil engineer and assumed his present position in 2007. He is currently fully involved in all technical matters and the planning of construction developments for the future 4.8km of Wesports' 8 new terminals CT10 to CT17, besides rendering technical supports to the existing port infrastructures/facilities, 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 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 in collaboration with senior faculty members of the Harvard Business School, Boston, USA, in 1998.

Encik Ahmad has performed various key roles for the port infrastructure developments ranging from designs management and optimisations, constructions planning and management, tenders contracts administration, economics and commercial evaluations as head of projects position. Prior to Westports, he worked with a UEM Group subsidiary involved in the designs and constructions audits of the PLUS and Metramac's KL highway projects. Thereafter, he was attached to a consultancy firm from 1992 to 1995 involved in designs and constructions management of 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 51, 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 26 years of experience in the field of People Management , 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 45, 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 21 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 31, 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 ten 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 relies on the availability and management of our own internal and externally sourced capital. 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, internally generated funds, and externally sourced long-term Sukuk borrowings, we fund our operations, terminal expansions, enhance existing facilities, and improve our facilities and people's productive capacity through training and innovation. Our strategy is to create long-term, supply-led sufficient capacity for sustainable operational expansion and growth.

All of Westports' borrowings are by its subsidiary, WMSB, and they are 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. During the year 2021, WMSB redeemed RM150 million of the SMTN in accordance with the redemption schedule.

Financial Capital

Input RM'000	2021	2020	2019
Total Group Equity	3,126,855	2,829,110	2,560,295
LT And ST Borrowings	1,150,000	1,300,000	1,400,000
Cash & Cash Equivalents	656,003	779,123	695,695

Financial Capital

Output RM'000	2021	2020	2019
Total Operational Revenue	1,977,750	1,835,822	1,782,890
Total Profit Before Tax	1,039,548	865,067	773,809
Total Profit For The Year	808,222	654,486	590,896

Outcome

- Total distribution to employees, government and shareholders of RM1.04 billion in 2021
- Continued financial viability and strength of the Company
- AAA rating by RAM Ratings for the RM2.0 billion Sukuk Musyarakah Programme in March 2021. Reviewed in December 2021 and retained the AAA rating
- 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 almost RM3.9 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 the Klang Valley, which is the most densely populated region in the country. The Company has transformed Port Klang into the 12th busiest port globally and one of the best-connected ports globally.

In 2021, the Company invested in additional terminal handling equipment, constructing a new liquid bulk jetty LBT5 and establishing a new 19-acre container yard. The sustained gradual expansion and growth of Westports have facilitated Malaysia and the region's economic development, especially in the growth of containerised cargoes.

For the medium to longer-term, Westports has planned for a significant expansion at Pulau Indah that would envisage the development from Container Terminal 10 (CT10) to Container Terminal 17 (CT17), 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 while the local port authority has approved the proposed development. The initial and detailed Environmental Impact Assessment (EIA) has been completed and approved. In 2021, the State of Selangor approved the land earmarked for the development of CT10 to CT17 to be converted to industrial use.

Manufactured Capital

Input RM'000	2021	2020	2019
Property, Plant & Equipment	1,727,165	1,618,873	1,656,070
Total Concession Assets	2,499,028	2,468,069	2,357,790
Group Capital Expenditure	370,933	323,069	80,708

Manufactured Capital

Output	2021	2020	2019
Container Handling Capacity (TEUs)	13.6m	13.6m	13.9m
Total Ship-To-Shore Cranes	65 units	65 units	66 units
Container Throughput (TEUs)	10.4m	10.5m	10.9m

Outcome

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

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 in 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, operational practices and established manuals; the expertise acquired or nurtured in knowledge-based systems of governance, compliance, leadership skills, and know-how acquired and gained, including from copyrights and licences. This capital has facilitated the innovation, implementation and provision of terminal handling, container yard, gate, bulk cargoes and customer services.

Westports has emphasised continuous innovation that seeks further improvements, efficient productivity and effective project implementation as its core tenets. Such emphasis has facilitated the sustained modernisation and growth of Westports at an unprecedented pace since the terminal's inception. The Company's initiatives usually streamline our processes, enhance operational efficiencies, accommodate new regulatory requirements or best practices, reduce cost, and are undertaken in collaboration with internal, external stakeholders and technical solution providers when needed.

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
2021	e-Terminal 3.0
2021	Port Health Vessel Clearing System
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)
2016	Safety Of Life At Sea Amendment – VGM
2015	e-Terminal Plus, Paperless Gate Pass

Intellectual Capital

Output	2021	2020	2019
Total Movement At Container Gate	2,399,105	2,471,029	2,419,785
Total Vessels Accommodated	7,298	8,515	8,997
Conventional Throughput (MT)	11.3	10.9m	9.9m

Outcome

- Back-end IT support of global operational 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 one of the highest performing and biggest terminals 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 terminal. The Company also 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 relatively 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. 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 will not be tolerated. Offenders are subject to disciplinary action, including the possible termination of employment.

Human Capital

Input	2021	2020	2019
Westports Total Workforce	5,797	5,455	5,042
Total Training Hours Of All Staff	552,845	256,101	355,342
Westports Staff Recruitment	914	941	1,180

Human Capital

Output	2021	2020	2019
Total Employees Cost (RM'000)	299,421	286,202	256,290
Total Incidents And Accidents	699	538	428
Westports Staff Resignation	1,009	524	745

Outcome

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

Impact

- Enhance and improve human capabilities and nurture a high-calibre, 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 array of stakeholders. Establishing and cultivating our social and relationship capital enables the Company to create intangible and tangible value, expressed through mutual trust, collaborative relationships, partnerships, and, eventually, 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 supportive client and logistics entities relationship), operational continuation (with a regulatory and social licence to operate), and organisational stability and profitability (with support from the financial community, committed employees and strategic partnership).

The Company increased its physical engagement with various stakeholders in 2021 after many restrictions in 2020. Some engagements, such as with the members of the financial community, continued largely through virtual meetings. The overall level of activities is still below pre-Covid-19 years.

Social Relationship Capital

Output RM'000	2021	2020	2019
Total CSR Investments	5,649	2,746	2,840
Income Tax To Government	231,324	210,581	182,913
Total Local Procurement	397,517	316,634	294,815

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. In 2021, we also guided and piloted the berthing and unberthing of 7,298 vessels, container and bulk ships.

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

Westports initiated the proposed container terminal expansion and has conducted and completed preliminary and detailed Environmental Impact Assessment (EIA) reports which highlighted implications that could arise from the proposed project. The Company is also evaluating the possibility of using low-carbon emitting terminal operating equipment at the new proposed terminal.

Natural Capital

Input	2021	2020	2019
Diesel Fuel (million litres)	52.4	50.1	50.3
Electricity (million kWh)	128.4	119.8	101.3
Water Usage (million m^3)	1.53	1.12	1.01

Natural Capital

Output (Tonnes)	2021	2020	2019
CO_2e Emissions Scope 1	138,618	132,397	*133,093
CO_2e Emissions Scope 2	75,106	59,066	59,277
CO_2e Emissions Scope 3	^9,198	^8,939	^9,948

^Scope 3 in 2021 [2020] (2019) comprises 9,130 [8,811] (9,462) tonnes of CO_2 arising from employees commuting and 68 [128] (486) 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	2021	2020	2019
Transhipment Containers	6,750	6,751	7,230
Gateway Containers	3,650	3,753	3,631
Total Container Throughput	10,400	10,504	10,861
Container Terminal Capacity Utilisation	77%	77%	78%

Key Terminal Operating Equipment

Units	2021	2020	2019
Ship-to-Shore Crane	65	65	66
Conventional RTG Crane	114	115	115
Variable Speed / Hybrid RTG Crane	86	74	70
Terminal Tractors	601	565	526

Energy Consumption

	2021	2020	2019
Diesel (million litres)	52.4	50.1	50.3
Efficiency (litres/TEUs)	5.04	4.77	4.64
Electricity (million kWh)	128.4	119.8	101.3
Efficiency (kWh/TEUs)	12.3	11.4	9.3

Conventional Throughput

million tonnes	2021	2020	2019
Dry Bulk	4.1	4.1	4.0
Liquid Bulk	5.6	5.9	4.6
Break Bulk	1.5	0.9	1.3
Cement	0.0	0.0	0.0
Total Bulk Cargo Throughput	11.3	10.9	9.9
RORO (‘000 units)	127	97	135

Westports handled a container throughput of 10.4 million TEUs in 2021. The marginally lower throughput of 1% over the previous year was due to above-average container yard utilisation that ultimately affected the terminal’s optimum productivity levels.

The cumulative effects of various movement restrictions domestically and abroad since 2020 inadvertently contributed to disrupted economic activities, a distressed global supply chain and eventually port congestions.

As container shipping’s schedule reliability deteriorated, containers did not get transhipped on schedule. Ships tried to avoid overly congested ports, but some containers intended for the omitted port had to be unloaded elsewhere. And some containers that are meant for the skipped vessel has to roll over and wait for the next vessel call. The net effect is transhipment containers, especially staying longer at the yard.

At Westports, the dwell time of refrigerated containers and transhipment containers increased notably in 2021 over 2020.

The strongest growth in global container shipping in 2021 was the Trans-Pacific route. At Westports, this was reflected by the 16% growth at the Asia-America segment; containers were loaded in Asia and were subsequently shipped to the American continent. The much higher Trans-Pacific container shipping rates over the previous year also contributed to the redeployment of more shipping capacity to the Americas as liners sought to meet the increased demand for containerised goods in 2021.

The Ocean Alliance uses a dual transhipment hub in South East Asia. 2021 marked as the fifth year they have used Westports as one of its regional transhipment terminals. In addition to that, the four container liners comprised of the Ocean Alliance also have their services with the Company.

The total number of container vessels calling at Westports declined in 2021. However, due to the industry’s trend of vessel upsizing, there are more unloading and loading of boxes per vessel – on average, Westports performed 23% more moves per vessel than in the previous year.

Westports has invested almost RM2.9 billion in expanding and enhancing Container Terminal 7, 8 and 9 in recent years. The latest state-of-the-art terminal operating equipment, a contiguous linear container terminal berth and the deep draft have enabled our terminal to support our clients as they deploy ever more larger vessels.

In 2021, the Company incurred a total capital expenditure amounting to RM371 million to acquire additional RTG cranes, Quay Cranes, construct a new liquid bulk jetty LBT5 and prepare an additional 19-acre container yard. These investments will further support the Company's growth.

And during the pandemic, over the two years between 2020 and 2021, Westports invested more than RM100 million to increase the total ground slots of the container yard by 12% to 52,455. The capacity to accommodate refrigerated containers expanded by 58% to 4,132 reefer sockets. The additional container storage capacity was rapidly and fully used as the overall yard utilisation increased to more than 90% in 2021.

In 2021, Westports accommodated the world’s largest roll-on/roll-off (RORO) vessel as she carried some cargo from Port Klang to several destinations in the United States of America and Turkey. The 265-metre length overall (LOA) vessel is designed to transport high and heavy cargo loads and vehicles with six fixed heavy decks and three hoistable decks that have a total deck area of 50,335 square metres. RORO vessels operated by seven companies call Westports regularly.

To minimise the impact of the pandemic on our staff, the transportation and the maritime sector, Westports, Northport and the Port Klang Authority collaborated to launch a Covid-19 vaccination program. The then Minister of Science, Technology and Innovation officiated the commencement of the program at the Port Klang Sports and Recreation Club, which was equipped to provide vaccinations to 1,000 recipients a day. The event was successfully implemented, and designated workers received two vaccination doses.

Financial Review

Operational And Financial Review

Revenue

RM million	2021	2020	2019
Container	1,735	1,605	1,537
Conventional	134	116	122
Marine	65	76	83
Rental	43	39	41
Operational Revenue	1,978	1,836	1,783
Construction	44	139	0
Total Revenue	2,022	1,975	1,783

Cost Of Sales

RM million	2021	2020	2019
Container	105	98	94
Conventional	18	14	18
Marine	12	9	7
Fuel	119	79	105
Electricity	45	45	39
Manpower	251	238	213
Depreciation	197	191	195
Operational Cost Of Sales	747	674	671
Construction	44	138	0
Total Cost Of Sales	791	812	671

Income Statement

RM million	2021	2020	2019
Gross Profit	1,231	1,163	1,112
Other Income	86	26	13
Admininstrative Expenses	(26)	(69)	(81)
Other Expenses	(189)	(190)	(195)
Operating Profit	1,102	930	849
EBITDA	*1,360*	*1,191*	*1,076*
Finance Income	13	17	16
Finance Costs	(74)	(83)	(91)
Profit Before Tax	1,040	865	774
Taxation	(231)	(211)	(183)
Profit After Tax	808	654	591

Cash Flow

RM million	2021	2020	2019
Operating Profit Before Working Capital Changes	1,365	1,228	1,166
Net Cash From Operating Activities	1,101	1,025	960
Net Cash Used In Investing Activities	(471)	(356)	(64)
Net Cash Used In Financing Activities	(753)	(587)	(645)
Net Change In Cash & Cash Equivalents	(124)	82	250
Closing Balance	615	739	657

Westports total revenue increased by 2% to RM2.02 billion in 2021. The Company recorded construction revenue in accordance with IC interpretation 12, but at a lesser amount than 2020 as the main activity was building and completing the jetty at Liquid Bulk Terminal 5. Westports imputed a marginal 1% gross profit margin on construction revenue under the accounting requirements.

The principal activity of Westports is in port development and the management of port operations. So, the operational revenue improvement of 8% to RM1.98 billion is the more appropriate benchmark for the Company's performance.

Container revenue increased by 8% despite lower container volume due to revenue from Value Added Services. Notably, the dwell time of refrigerated containers, which require regular temperature monitoring and electricity supply, was longer at the container yard. As the largest source of revenue, container cost likewise is the highest among the four segments. Maintenance and repair cost for the fleet of Terminal Operating Equipment is the most significant cost component.

Conventional revenue improved in tandem with the higher overall throughput of 4%, especially at the Break Bulk segment and vehicles' Roll-On/Roll-Off (RORO). Conventional cost increased due to more direct handling charges.

Marine revenue reflected the lower number of vessels calling at Westports. However, the average moves per container vessel increased by 23% due to vessel upsizing. Marine cost meanwhile increased due to higher dredging and Berthing-Unberthing-Mooring (BUM) cost.

Rental revenue increased with non-recurrent adjustment to short-billed tenants and new tenancy for an On-Dock Depot (ODD) area.

The significant fuel cost increase in 2021 was mainly due to the higher Mean of Platts (MOPS) prices. There was a slight improvement in the foreign currency exchange rate between the Ringgit and Dollar to buffer only the increase in fuel cost marginally.

The key electricity consumption is to power Ship-to-Shore Cranes to move containers and maintain refrigerated containers at their desired temperature. Comparably, total electricity cost did not increase because there was a one-off adjustment in 2020 when we accounted for a 13-month electricity billing cost to eliminate the historical 1-month in arrears from the billing cycle.

Manpower is the most significant operational cost component. It increased in 2021 due to a higher operational headcount to 5,200, higher basic salaries and staff allowances.

The main items contributing to the higher depreciation charges are the new jetty at Liquid Bulk Terminal 5, Back-of-Terminal CT8 Container Yard, 12 new Rubber-Tyred Gantry Cranes and 54 new Terminal Trucks.

The construction cost, which appears identical due to rounding, is only marginally lesser than the construction revenue as it reflected the 1% profit margin in accordance with IC interpretation 12.

The higher Other Income reflected insurance recovery following impairment and writing-off made in the previous years for the two Ship-to-Shore cranes and berths damaged by a container vessel in late-2019. The much lower Administrative Expenses is due to the absence of provision for rental shortfall and substantial assets write-off, which occurred in 2020.

There were no additional borrowings, and the Company redeemed a total of RM150 million of the Sukuk Musharakah Medium Term Note (SMTN) in 2021. This contributed to lower finance costs.

The effective tax rate is lower in 2021 at 22% due to the higher deferred tax assets arising from Cukai Makmur in 2022. Westports' profit after tax of RM808.2 million for 2021 was also artificially boosted by the recoveries mentioned at Other Income. Excluding these, Profit After Tax should be much lower.

Risks Management

The objective of risk management is to provide a systematic methodology to identify, prioritise and manage risks. We integrate risk management into our business decision-making processes to anticipate better and address the potential risks posed, especially by the external environment, in a more effective manner. We maintain a comprehensive risk register that the Company reviews quarterly. New potential risks are identified and included, while no longer relevant issues 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 key mitigation plans.

1. Changes to the port of call

Impact
- Main Line Operators (“MLO”) and vessel operators could change their port of call or omit the terminal due to schedule reliability management. These may adversely affect the Company’s volume and overall profitability.

Mitigation
- Westports’ strengths are its productivity, modern facilities, IT capabilities, competitive port charges, and excellent responsiveness to customers’ requirements.
- Regular engagement with our clients facilitates proactive actions to ensure a sustained satisfactory level of customer service. The supply chain issue and port congestions across the region also necessitated closer collaboration with the MLO to mitigate the associated adverse impacts.

2. Competition from other ports

Impact
- Competition from regional ports and MLO with joint-ventures with 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 as a terminal on our own or as Port Klang as a whole. The terminal also seeks to complement the logistics and warehousing requirements on the island. Furthermore, Westports is still discussing our long-term expansion programme with the authorities to cater to our client's long-term growth and service-level requirements.

3. Virus and infectious disease outbreak

Impact
- The spread of an infectious disease such as COVID-19 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, sanitises the terminal’s operating equipment and conducts online meetings wherever possible or practical.

4. 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 by selecting an optimum number of berths at the design phase. The layout chosen also incorporated consideration for the environment by minimising the potential adverse impacts.
- Westports will incorporate the length of the concession period and tariff rates 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 required to manage the overall project development’s cost.

5. Fire or liquid spillage

Impact
- Operational disruption, injury to the workforce and the associated 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.
- Westports conduct fire drills and training for the Port Police and EHS team.
- Surveillance audit and regular maintenance of all appliances and equipment are also required.

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 expansion to facilitate an informed decision-making process about their investment in Westports. The Group Managing Director, Chief Executive Officer or Head of Investor Relations participated in these meetings. We also engage with international ESG rating analysts.

Quarterly Financial Results And Analyst Coverage

After Westports announced the quarterly results to Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company will disseminate the press releases and quarterly updates, following which a video conference call will be conducted. These sessions provide an instantaneously balanced and updated perspective of our operations, financial performance, expansion plans, and the Company’s outlook.

To ensure consistent and transparent external communication, the presentation materials referred to during the quarterly briefings are available on our website at www.westportsholdings.com. We also email the same materials to those on our contact list after releasing the announcement to Bursa Securities. In 2021, 18 local and regional investment bank-based equity analysts provided active coverage on the Company.

Meetings, Conferences And Roadshows

In the second year of the pandemic, with various movement restrictions and precautionary measures, all one-to-one meetings, group meetings, and investment conferences were conducted virtually or online using video conference applications. The Company also refrained from conducting visits to the port in 2021.

Nevertheless, Westports continued to enhance investors’ understanding of the Company while virtually maintaining regular contacts with existing shareholders. The increased ease of access by the financial community also facilitated some short and more frequent engagement sessions with the financial community for quick updates.

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 2021. 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 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 2021, the Board has reverted to a dividend payout ratio of 75% of our consolidated profit attributable to our equity holders. The reduction in the ratio to 60% for 2020 was only temporary. It was a prudent measure at that time, given the onset of a once-a-century pandemic and the potential financial uncertainties arising thereof. The Management of Westports communicated to the financial community the temporary reduction then and has now reinstated the ratio of 75%.

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 the Westports Board of Directors.

Dividend Payment

For the financial year ended 31 December 2021, Westports has declared dividends amounting to RM606.3 million:

- 1st interim dividend of 8.50 sen per share amounting to RM289.9 million, paid on 26 August 2021; and
- 2nd interim dividend of 9.28 sen per share amounting to RM316.4 million, paid on 24 February 2022.

The total dividend declared represented 75% of the Company’s profit after taxation for the financial year ended in 2021. It represents a total payout of 17.78 sen per share.

Shareholder Base

As of 31 December 2021, Westports had 4,886 shareholders accounts holding a total of 3.410 billion shares. Foreign shareholdings interest was 32.72%, and this included South Port Investment Holdings Limited’s shareholding of 23.55% in the Company.

Credit Rating

Westports continued to exhibit strong operational performance, financial fundamentals and balance sheet strength. In March 2021, RAM Rating Services Bhd assigned a long-term AAA/stable rating to WMSB’s RM2.0 billion Sukuk Musharakah Programme 2011/2031 programme. In December 2021, RAM Rating Services Bhd reaffirmed Westports Malaysia’s AAA Sukuk rating.

Corporate Responsibility

Westports is committed to its corporate responsibility efforts. We have close engagement with the community, workforce, 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 primary gateway and transhipment port.

We have produced separate quarterly Westports CSR Reports in 2021 to highlight our activities primarily in Pulau Indah. The reports can be downloaded from www.westportsholdings.com. Total CSR activities increased in 2021, but it is still a reduction compared to pre-COVID-19 years due to restrictions and precautionary measures adopted to prevent the spread of the pandemic.

Department	Area Of Focus	Programme
Human Resource	Education	• Smart Study & Motivation Program • Video and Poster Competition • Rewards and Recognition (Hari Kecemerlangan)
Container	Community Services	• Gotong royong (4 sessions)
Conventional	Asli Community	• Gotong Royong @ Kg Asli
M&R	Klang Vocational College	• Airconditioning Inspection & Servicing @ SKPI , SKPI 2 & SMKPI • Motivational Talk • Electrical Inspection & Servicing @ Dewan Kampung Teluk Nipah • Mock Interview • PLC Competition
Engineering	Facilities Refurbishment	• House repairs & upgrading at Kg Sg Pinang • Roof Repair @ Kg Sungai Kembong • House repairs & upgrading at Kg Perigi Nenas
EHS	Prevention of Denggue	• Program basmi Aedes at Indah point Pulau Indah
Marketing	Environmental	• Captain Planet • Mangrove Planting 2021 • Setting up mangrove nursery
Port Police	Security	• Fire drill and fire fighting equipment audit by port police • Awareness Program on Online Scam
Finance	Enterprenuership programs	• 3 enterprenuers were given in kind assistance for their business
Planning	Fertigation Farming	• Fertigation Farming - Chilies
IT	IT	• Internet upgrade Survey at SK Pulau Indah 2 • Providing FOC refurbished PCs & new accessories to P.Indah schools

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 2021 ("**MCCG**") and Corporate Governance Guide (4th Edition) throughout the financial year ended 31 December 2021 ("**the Year**" or "**2021**") and up to the date of this Annual Report. This statement is to be read together with Corporate Governance Report 2021 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 continues to be led by an experienced and dynamic Board. It has a diversified and 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. There is a clear division of functions between the Board and the Management to ensure that no single individual or group dominates the decision-making process.

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 plays an instrumental role in providing the Company with strong leadership and vision, leading the Board in its review of the Group's strategies for sustainable growth. As the Board Chairman, Tan Sri Datuk Gnanalingam A/L Gunanath Lingam also promotes and leads the Group in its commitment to achieve and maintain high standards of corporate governance. He bears primary responsibility for the workings of the Board, by ensuring effectiveness in all aspects of its role including setting the agenda for Board meetings with input from Management, ensuring sufficient allocation of time for thorough discussion of key agenda items at Board meetings, promoting an open environment within the Boardroom for constructive debate, encouraging the NEDs to speak freely and contribute effectively, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management. At AGMs, he plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

The Board has considered Tan Sri Datuk Gnanalingam A/L Gunanath Lingam's role as an Executive Board Chairman and the strengths he brings to such a role by virtue of his stature and experience. Through the establishment of various Committees with power and authority to perform key functions without the undue influence from the Board Chairman, and the putting in place of internal controls for proper accountability and to allow for effective oversight by the Board of the Company's business, the Board ensures that there is appropriate balance of power which allows the Board to exercise objective decision-making in the best interests of the Company.

Taking cognisance that the Board Chairman is an Executive Director and thus not independent, the Board has designated a Senior Independent Director who serves as a sounding board for the Board Chairman and also as an intermediary between the Non-Executive Directors/ Independent Directors and the Board Chairman. The current Senior Independent Director is Mr. Chan Soo Chee. The role of the Senior Independent Director is set out in the Board Charter, which have been approved by the Board.

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.

The Board is also of the view that the Chairman of the Board should not involve in any Board Committees in order to ensure check and balance as well as objectivity will not be impaired/influenced by the Chairman of the Board who is also sit on Board Committee(s). Therefore, our Chairman of the Board is not a member of any Board Committees since listing.

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. In addition to that, the Board Committees meetings are always held between one (1) week and two (2) weeks earlier before the Board meetings to allow the Board Committees to have sufficient time and independence discussion on the subject matters prior to recommending to the Board for deliberation and approval. The minutes of the said Board Committee meetings are prepared on time and included in the same Board papers for better discussion and transparent.

During 2021, Board papers were circulated to the Board members in advance via board portal developed by the Company 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.

Senior Management are requested to attend Board meetings to present and provide additional information on matters being discussed and to respond to any queries that the Directors may have. In the furtherance of its duties, the Board is also authorised to obtain at the Company's expense, independent professional advice on specific matters, if necessary, to enable the Board to discharge its functions in the decision-making process.

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. Effective 1 January 2022, the NRCGC renamed as Nomination and Remuneration Committee ("**NRC**") as the Corporate Governance function has been assumed by a separate Sustainability Committee ("**SC**").

Thereafter, Mr. Chan Soo Chee had on 1 March 2022 appointed as the Chairman of NRC and designated as the Board's Senior Independent Director replacing Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil following his resignation as NRC Chairman on 28 February 2022.

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 1 January 2022 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 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. On 13 December 2021, Westports conducted Anti-Corruption and Bribery Pledge event in the presence of the state of Selangor Director of Malaysian Anti-Corruption Commission ("**MACC**"), state Deputy Director and five (5) other officers. The event was attended by our Executive Chairman and Senior Management team. It reinforces our commitment to MACC and to the public on our zero tolerance on Corruption and Bribery.

On 28 July 2021, the Board adopted two (2) new policies namely, Equal Employment Opportunity policy and Sexual Harassment at Workplace Policy. These policies to ensure smooth implementation of women's employment in Westports, which is male dominated industry due to nature of the work. The policies serve to safeguard all our employees, especially woman from untoward incidents.

Vaccination and Immunisation Policy

The Board had on 28 January 2022 adopted Vaccination and Immunisation Policy. The policy provides a framework on vaccination against contagious diseases that threatens health and safety of employees and port users when such vaccines for the diseases are approved by the Ministry of Health.

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.

Sustainability

Westports acknowledges the importance of sustainability relating to environmental, social and governance ("ESG") including their risks and opportunities to/for our Group. Aside from the above policies, the Company has also implemented the Environmental Policy with the objective of protecting the environment while developing and running the business at the port.

The Company continuously and constantly communicates the targets and performances of the ESG to all the stakeholders of the Group regardless internally or externally. Detailed information pertaining to the sustainability of the Group can be found in the standalone Sustainability Report issued together with the Annual Report 2021 which is available on Bursa Securities and the Company's website at www.westportsholdings.com.

On 1 January 2022, a new Board Committee known as Sustainability Committee was formed to assist the Board in discharging the duties relating to ESG.

II. BOARD COMPOSITION

Westports is led by a capable and experienced Board. During the year, the Board comprised thirteen (13) Directors, comprising the Executive Chairman, GMD, three (3) Non-Independent Non-Executive Directors, eight (8) Independent Non-Executive Directors and two (2) Alternate Directors. The Independent Directors make up the majority of the composition of the Board. On 1 January 2022, two other Independent Non-Executive Directors namely Datuk Siti Zauyah binti Md Desa and Encik Ahmad Zubir bin Zahid were appointed, as replacements for Independent Non-Executive Directors reaching nine years term limit by April 2022.

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 current Board composition comprises business leaders and professionals with port operations, marketing, risk management, 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.

In 2021, the NRCGC screened twenty-three (23) candidates' profiles for independent director positions before formally considering and recommending for appointment to the Board. The candidates were sourced from Annual Reports of Companies listed in Bursa Malaysia, Government Linked Companies, referred by our independent board members, outsourced company secretarial firm – Boardroom Corporate Services Sdn Bhd and direct application by the candidates. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/ professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

In reviewing and recommending to the Board any new Director for the financial year under review, the NRCGC considered:-

a) Diversity on gender and age;
b) Collective skills of the Board;
c) Member of Malaysia Institute of Accountant or a member of another recognised professional accounting body;
d) Any competing time commitments if the candidate has multiple listed company board representations and/ or other principal commitments; and
e) The composition requirements for the Board and Committees after matching the candidate's skills set to the requirement of the relevant Committees.

The NRCGC interviewed three (3) shortlisted candidates and selected two (2) candidates. On 17 May 2021, Datuk Siti Zauyah binti Md Desa and Encik Ahmad Zubir bin Zahid were appointed to our wholly owned subsidiary, i.e. the Board of Westports Malaysia Sdn. Bhd., for them to familiarise with our business and subsequently they were appointed to the Company Board on 1 January 2022.

The NRCGC also reviewed and recommended the candidate for Non-Independent Non-Executive Director namely Miss Diana Tung Wan LEE, in replacement of Miss Ruth Sin Ling TSIM who had resigned on 31 December 2021 due to retirement. Miss Diana Tung Wan LEE was then appointed to our Board on 1 January 2022 and she is the representative of the Company's major shareholder, South Port Investment Holdings Limited.

The Board welcomes the push for greater diversity in the boardroom which can provide a more diverse approach to business decision-making and the Company shared the view "that a diverse Board will enhance decision making by harnessing the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board."

With Datuk Siti Zauyah binti Md Desa and Miss Diana Tung Wan LEE's appointments on the Board, Westports has achieved at least 30% female representation, adopting MCCG's target to achieve at least 30% female representation on the Board.

As at the date of this report, there are four (4) female Board members, representing 30.8% of female representation on the Board.

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	5	<50 years	2	Male	9
Malaysian Indian	3	50-59 years	3	Female	4
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.

Effective 1 January 2022, the Committee was renamed as the Audit Committee ("**AC**") as the functions of Risk Management has been assumed by a separate Risk Management Committee.

The AC Charter is published on the Company's website at www.westportsholdings.com. More information on the ARMC and its activities for 2021 is contained on pages 45 to 48 of this Annual Report.

b. NRCGC

The NRCGC comprises three (3) Independent Non-Executive Directors. The members of the NRCGC 2021 are as follows:-

Name of Director	Designation Held During Tenure In Office
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil *(Senior Independent Non-Executive Director)*	Chairman
Tan Sri Ismail bin Adam *(Independent Non-Executive Director)*	Member
Shanthi Kandiah *(Independent Non-Executive Director)*	Member

On 1 January 2022, the NRCGC was renamed as NRC and had on 1 March 2022 recomposed, following the resignation of Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil from NRC on 28 February 2022. The current composition of NRC is as follows:-

Name of Director	Designation Held During Tenure In Office
Chan Soo Chee *(Senior Independent Non-Executive Director)*	Chairman
Tan Sri Ismail bin Adam *(Independent Non-Executive Director)*	Member
Chan Chu Wei *(Non-Independent Non-Executive Director)*	Member

The duties and responsibilities of the NRCGC and NRC are set out in their respective Charters, which are 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:

   - 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;
   - Environment Policy; and
   - ABAC Policy.

b. Discussed and reviewed on the Equal Employment Opportunity Policy, Sexual Harassment at Workplace Policy and Vaccination and Immunisation 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 key performance indicators for Executive Directors and Senior Management;

i. Reviewed the training needs of the Directors;

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

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

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

m. Reviewed Board candidates based on Westports’ requirements and recommended three (3) board candidates for appointment to Company’s Board, i.e. two (2) independent non-executive directors and one (1) non-executive director;

n. Reviewed the formation of two new Board Committees namely RMC and SC and reassign functions of ARMC and NRCGC to RMC and SC respectively;

o. Reviewed the existing Charters and formation of new RMC and SC Board Charters while incorporating changes made to MCCG 2021. The Charters are as follows:-

   - Existing Board Charter;
   - Existing ARMC Charter to incorporate AC Charter;
   - Existing NRCGC Charter to incorporate NRC Charter;
   - New RMC Charter; and
   - New SC Charter;

p. Recommended members to Board Committees effective 1 January 2022 and 1 March 2022 to the Board for approval;

q. Reviewed and recommended Non-Executive Directors' fees and Committee Allowance effective 1 January 2022 to the Board for approval as follows:-

Non-Executive Directors Fee	RM120,000 per annum each
Chairman of AC, NRC, RMC and SC	RM80,000 per annum each
Members of AC, NRC, RMC and SC	RM60,000 per annum each

The Board meeting attendance allowance is RM500 for each local meeting and RM1,000 for each overseas meeting; and

r. Reviewed and recommended on the nomination of Corporate Representative for Port Klang Cruise Terminal Sdn Bhd, formerly known as Boustead Cruise Centre Sdn Bhd, a jointly controlled Company to the Board for approval.

c. RMC

The Company formed the RMC on 1 January 2022. The RMC comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Directors.

The primary functions of the RMC are to assist the Board in fulfilling its statutory and fiduciary responsibilities, including ensuring that the Company has in place a sound and robust risk management and internal control framework and also ensure that such framework has been effectively implemented to enhance the Company's ability to achieve its strategic objectives.

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

d. SC

The Company formed the SC on 1 January 2022. The SC comprises of three (3) Independent Non-Executive Directors.

The primary functions of the SC are to assist the Board in reviewing policies and practices relating to Environmental, Social and Governance; and Sustainable practices in accordance with applicable laws.

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

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 Board has a strong presence of eleven (11) Non-Executive Directors, whereby eight (8) 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 eight (8) 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 the late Dato' Yusli bin Mohamed Yusoff who was 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. As periodic refresh of composition, two Independent Directors who will be reaching the cumulative term of nine years on 13 March 2022 and 8 April 2022. In replacement thereof, the Board appointed two (2) Independent Directors on 1 January 2022.

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

On 1 January 2022, three new Directors were 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.

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 NRC, the Board is proposing the re-election of Tan Sri Ismail bin Adam, Mr Sing Chi IP and Mr Kim, Young So pursuant to Clause 115 of the Company's Constitution at the forthcoming Twenty-Ninth (29th) AGM and being eligible, they have offered themselves for re-election. The newly appointed Directors, namely Datuk Siti Zauyah binti Md Desa, Encik Ahmad Zubir bin Zahid and Ms Diana Tung Wan LEE have sought for re-election pursuant to Clause 122 of the Company's Constitution at the forthcoming AGM.

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 is satisfied with the level of commitment given by the Directors in carrying out their responsibilities which is evidenced by the attendance record of the Directors. The Board is also mindful of the importance of devoting sufficient time and effort to carry out their responsibilities and enhance their professional skills.

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 2021. 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. 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 meetings.

The table below shows the attendance record of the Directors for the meetings held during 2021.

Board Meetings

Name of Director	Number of Board Meetings	
	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 [1] *(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
Sing Chi IP *(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

Audit and Risk Management Committee Meetings

Name of Director	Number of ARMC Meetings	
	Held during tenure in office	Attended
Dato' Yusli bin Mohamed Yusoff [1] - 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**

Nomination, Remuneration and Corporate Governance Committee Meetings

Name of Director	Number of NRCGC Meetings	
	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)*	3	3
Tan Sri Ismail bin Adam *(Independent Non-Executive Director)*	3	3
Shanthi Kandiah *(Independent Non-Executive Director)*	3	3

Note:
[1] Dato' Yusli bin Mohamed Yusoff passed away on 10 March 2022.

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 2022.

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 2021, 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 2021	Tax controversy series: Mutual Agreement Procedure development in Hong Kong	PricewaterhouseCoopers Hong Kong
	Workplace in the New Normal - An opportunity or challenge?	PricewaterhouseCoopers Hong Kong
	Primer on Climate Change Governance	ICDM
March 2021	Inclusion in Action: A conversation with Helen Brand & Ainsle Van Onselen	The Chartered Association of Certified Accountants
May 2021	Capital Market Regulatory Updates of Malaysia	The ICLIF Executive Education Centre
	Succeeding in the new normal : preparing for the next normal	Institute of Enterprise Risk Practitioners / Ramesh Pillai
June 2021	Corporate Liability Under Section 17A of the MACC Act 2009	Affin Hwang
	Sustainable & Responsible Investment 2021	Securities Industry Development Corporation
	Top 10 Issue for Boards in 2021: A Brave New World	Institute of Enterprise Risk Practitioners / Ramesh Pillai
July 2021	Corporate Structures: How should groups position themselves	KPMG
	Nominating And Remuneration Committees: Beyond Box-Ticking And Enhancing Effectiveness	FIDE
	The New Reality of CyberHygiene	KPMG Board Leadership Centre Exclusive
August 2021	Update on recent development on Hong Kong Tax Resident Certificate application in Hong Kong	PricewaterhouseCoopers Hong Kong
	Governance Program	CRMS Indonesia
	Anti-Money Laundering Program	Affin Hwang
September 2021	Climate Change, Reporting And Sustainability Trends	Malaysian Institute of Corporate Governance
	The Inter-links towards Addressing SDG & Climate Change	Francis Xaviour Joe
	ESG Academy - "Creating Value with Board Diversity "	The Stock Exchange of Hong Kong Limited
October 2021	Container Shipping Trend and Impact to Container Terminal	Liner Research Service
	Future Proof Container Port	Tan Hua Joo
November 2021	Competition Law Training	Skrine / Tan Shi Wen
	Directors' Seminar - Overview and Recent Developments in Sanctions and Anti-Money Laundering Laws	CK Asset
	Becoming a Boardroom Star	Malaysian Institute of Corporate Governance
	Annual Accounting Update Conference 2021: "You Gotta Move On"	Hong Kong Institute of Certified Public Accountants
December 2021	Conversation with Audit Committees	Securities Commission Audit Oversight Board
	9th Governance in Procurement Conference	Malaysian Institute of Corporate Governance
	ABMS Refresher	Mudajaya Group Bhd

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 9 December 2021 assessed the performance of the Board as a whole and its board committees for the period from 1 January 2021 to 31 December 2021.

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:-

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
Sing Chi IP [3]	122	122						244
Ruth Sin Ling TSIM [3]	122	122						244
John Stephen Ashworth [3]	122							122
Andy Wing Kit TSOI								-
Dato' Yusli bin Mohamed Yusoff [6]		122	120					242
Chan Soo Chee		122	100					222
Chan Chu Wei	122	122	100			6		350
Kim, Young So		122						122
Shanthi Kandiah		122	70					192
Ahmayuddin bin Ahmad	122					13		135
Jeyakumar Palakrishnar [2]	41							41
Dato' Haji Mohamed Shahabar bin Abdul Kareem [2]	41							41
Shaline Gnanalingam	122							122
Mohammad Reezal Bin Ahmad	122							122
Datuk Siti Zauyah binti Md Desa [1]	76							76
Ahmad Zubir bin Zahid [1]	76							76
	1,088	1,098	650	-	-	28	-	2,864
Executive Director								
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	2	2		2,400	800	498	544	4,246
Datuk Ruben Emir Gnanalingam bin Abdullah	2	2		2,064	860	352	497	3,777
	4	4	-	4,464	1,660	850	1,041	8,023
Grand Total	1,092	1,102	650	4,464	1,660	878	1,041	10,887

Note - remuneration prorated up to Directors appointment or resignation

1 *Appointed as a Director of Westports Malaysia Sdn Bhd on 17 May 2021.*
2 *Resigned as a Director of Westports Malaysia Sdn Bhd on 27 April 2021.*
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.*
6 *Dato' Yusli bin Mohamed Yusoff passed away on 10 March 2022.*

The aggregate remuneration of the Company's Senior Management Team in respective bands of RM50,000 for the financial year 2021 are as follows:-

Remuneration (RM)	Number Of Senior Management
350,000 – 400,000	2
450,000 – 500,000	2
1,100,000 – 1,150,000	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 three (3) 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 35.

More information on the ARMC and its activities for 2021 is contained on pages 45 to 48 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 2021, 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 2021 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.

Effective 1 January 2022, the Board has established a new Board Committee known as Risk Management Committee to assume the functions of risk management.

The Board concluded that the risk management and internal control framework of the Group is generally adequate and effective for 2021. 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 42 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 in 20 January 2022 and the ARMC was satisfied with the performance of the Internal Auditor for 2021.

Further details of Internal Audit are set out on page 47 of this Annual Report.

PRINCIPLE C
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

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.

2021 Annual Report			
	Issued	Requirement	Ahead By
2021 Annual Report	22 March 2022	30 April 2022	40 Days

2020 Quarterly Results			
	Announced	Requirement	Ahead
First Quarter 2021	28 April 2021	31 May 2021	33
Second Quarter 2021	30 July 2021	31 August 2021	32
Third Quarter 2021	29 October 2021	30 November 2021	32
Fourth Quarter 2021	27 January 2022	28 February 2022	32

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, 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 24 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 continuous restricted movement to curb the spread of coronavirus disease ("**Covid-19**"), the Company had its AGM 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.

Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via 'live' audio-visual webcast), submission of questions to the Chairman of the Meeting in advance of the 2020 AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, were put in place for the 2020 AGM.

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. All our Directors attended the fully virtual AGM and due to the restrictions imposed by the Government, only limited essential individuals such as the Chairman of the Board, Chairman of NRCGC, Chairman of ARMC, GMD, Acting Chief Financial Officer, NRCGC, 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 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 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 2021 AGM was issued to shareholders on 24 March 2021, which was within 30 days prior to the AGM date. 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.

During the 2021 AGM, 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.

The 2021 AGM's minutes, presentation slides and responses to questions raised by Minority Shareholder Watchdog Group (MSWG) and shareholders were 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 2021.

This Corporate Governance Overview Statement was approved by the Board of Directors via resolution dated 3 March 2022.

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 2021, 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.

Effective 1 January 2022, the risk management functions and internal control functions have been assigned to Risk Management Committee ("**RMC**") and Audit Committee ("**AC**") respectively to allow for better focus on the key areas of responsibility.

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 RMC and AC 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 AC, RMC, Nomination and Remuneration Committee; and Sustainability 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 Committee

Effective 1 January 2022, the AC comprises of three (3) Independent Non-Executive Directors. The AC members bring with them a wide range of knowledge, expertise and experience from various industries and backgrounds.

The AC responsibilities include amongst others, to deliberate over the Group's financial reporting process, the system of internal controls, 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. Risk Management Committee

The RMC was established on 1 January 2022 which comprises of three (3) Non-Executive Directors. The RMC members bring with them a wide range of knowledge, expertise and experience from various industries and backgrounds.

The RMC assists the Company in fulfilling its statutory and fiduciary responsibilities, including ensuring the Company has in place a sound and robust risk management framework and ensuring such framework has been effectively implemented.

The RMC also reviews the enterprise risk management reports and crisis management and business continuity plan that ensures. It also review the corruption risk assessment while taking impact criteria and control measures into consideration.

d. 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 AC and the results of the audits are communicated and reported periodically to Management and the AC.

e. 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.

f. 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 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 AC.

g. 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.

Where applicable, the requirements of the Group's existing policies, systems and procedures in relation to anti-bribery and anti-corruption are extended to the Group's agents, counterparties and business partners to ensure that anti-corruption and bribery initiatives are applied throughout the Group's supply chain. The Group will continue to foster anti-corruption culture and adhere to the anti-corruption laws and regulations in countries in which it operates. The Group's stance in combating corruption is publicly available on the Company's website together with the Group's Codes of Conduct and Ethics, Sustainability Policy and other relevant policies and procedures.

h. 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.

i. 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.

j. 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.

k. 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.

l. 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 which is reviewed by the RMC.

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 2021, 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 3 March 2022.

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 2021 ("**Code**").

ROLE OF THE AUDIT COMMITTEE

Effective 1 January 2022, the Committee was renamed as the Audit Committee ("**AC**") as the function of Risk Management has been assumed by a separate Risk Management Committee in line with the best practices under the Code.The AC of the Company is pleased to present the AC Report for the financial year ended 31 December 2021.

During the financial year under review, the then Audit and Risk Management Committee ("**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.

COMPOSITION AND MEETINGS

The AC currently comprises of three (3) members, all of whom are Non-Executive Directors, with all of them are 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 AC.

The AC was recomposed on 1 March 2022, following the resignations of Dato' Yusli bin Mohamed Yusoff and Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil from the AC on 28 February 2022 upon both reaching nine-year term limit as Independent Non-Executive Directors. The composition of AC is as follows:-

Name of Director	Designation
Ahmad Zubir bin Zahid *(Independent Non-Executive Director)*	Chairman
Chan Soo Chee *(Senior Independent Non-Executive Director)*	Member
Datuk Siti Zauyah binti Md Desa *(Independent Non-Executive Director)*	Member

The Chairman of the AC, Ahmad Zubir bin Zahid is fellow member of the Institute of Chartered Accountants in England and Wales, an Associate of Chartered Accountants Australia and New Zealand, a member of the Malaysian Institute of Accountants and is a Chartered Valuer and Appraiser of the Institute of Valuers and Appraisers, Singapore. He holds a Capital Markets Services Representative's Licence from the Securities Commission Malaysia (SC) and is a licensed company auditor. The AC, therefore, fulfils the requirements of having at least one (1) of its members be a qualified accountant pursuant to Paragraph 15.09(1)(c) of the Main LR of Bursa Malaysia.

The ARMC comprises of four (4) members, all of whom are Non-Executive Directors, with majority of them being Independent Directors which is in compliance with Paragraph 15.09 of the Listing Requirements of Bursa Securities.

For the financial year under review, a total of five (5) ARMC meetings were held during the financial year ended 31 December 2021 ("**FYE 2021**"), and the details of the ARMC members and meeting attendance are as follows:-

	Number of ARMC Meetings	
Name of Director	Designation Held During Tenure In Office	Attended
Dato' Yusli bin Mohamed Yusoff [1] *(Independent Non-Executive Director)* Resigned on 28.2.2022	Chairman	5/5
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil *(Senior Independent Non-Executive Director)* Resigned on 28.2.2022	Member	5/5
Chan Soo Chee *(Senior Independent Non-Executive Director)*	Member	5/5
Chan Chu Wei *(Non-Independent Non-Executive Director)* Resigned on 01.01.2022	Member	5/5

Note:

[1] *Dato' Yusli bin Mohamed Yusoff passed away on 10 March 2022.*

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

TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the ARMC is guided by its terms of reference. The Terms of Reference and AC Charter which have been revised during the financial year are accessible on the Company's website at www.westportsholdings.com.

SUMMARY OF ACTIVITIES UNDERTAKEN

During the year under review, 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 2021 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. AC Charter;
  ii. Insider Dealing Policy;
  iii. Internal Audit Charter; and
  iv. Risk Management Policy.

b. Financial Reporting

- Reviewed the unaudited quarterly financial results, annual audited financial statements and any other related financial statement and announcements of the Group prior to recommending them to the Board for consideration and approval and 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 2021 ;
  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.
- Reviewed the Report of the ARMC and the Statement on Risk Management and Internal Control prior to their inclusion into the Company's Annual Report.

c. Internal Audit

- Reviewed and approved the Group's internal audit plan for the FYE 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 2021, 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 2021 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 2021.
- 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 2021 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.
- Reviewed the level of compliance of the external auditors with the Group's external audit independence policy.

- Reviewed the annual inspection report 2020 prepared by Audit Oversight Board, Securities Commission Malaysia and noted the findings. The external auditor has provided and presented the Transparency Report for ARMC reference.
- 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 auditors satisfied with support received from Management.

The Company obtained written assurance from the external auditors confirming their independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Following the outcome of the assessment and having satisfied with the external auditors' independence, suitability and objectivity, the AC at its meeting held on 20 January 2022 recommended to the Board to re-appoint Deloitte PLT as auditors of the Company. A resolution for their re-appointment will be tabled for approval by the shareholders at the forthcoming Twenty-Ninth (29th) 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 2022.
- Reviewed the Solvency Tests prior to recommending the declaration of the interim single tier dividends paid out to the Company's shareholders for the FYE 2021 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.
- Reviewed the Related Party Transactions entered into by the Company and the Group and disclosure of such transactions pursuant to the Main LR of Bursa Malaysia, Financial Reporting Standard 124 and the Companies Act 2016.

EXTERNAL AUDIT FUNCTIONS

The Company's independent 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:-

RM '000	Audit Related Fees	Non-Audit Related Fees
Company	51	14
Group	290	44

INTERNAL AUDIT FUNCTION

The Group has established an independent in-house Internal Audit Department ("IAD") that functionally reports directly to the ARMC and administratively to the Group Managing Director. IAD comprises of three (3) internal auditors, which clocked in 5,520 man hours for internal audit and risk management activities carried out in 2021. IAD is currently led by Ms Chee Yen Lee, who has been with Westports Group for twenty-one (21) 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 RM384,943 were incurred in relation to the Internal Audit function for the FYE 2021.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 2021 were as follows:-

a. Prepared the internal audit plan for year 2022, which is reviewed and approved by the ARMC

b. Completed a total of nine (9) internal audit engagements as per the approved audit plan.

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 AC 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 3 March 2022.

This section has been intentionally left blank.

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 2021.

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	808,222	629,362

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 6.47 sen per ordinary share, amounting to RM220,627,000 in respect of the financial year ended 31 December 2020 on 1 March 2021; and
(ii) a first interim dividend of 8.50 sen per ordinary share, amounting to RM289,850,000 in respect of the financial year ended 31 December 2021 on 26 August 2021.

On 27 January 2022, the Directors declared a second interim dividend of 9.28 sen per share, amounting to RM316,448,000 in respect of the financial year ended 31 December 2021.The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for within equity as an appropriation of reserves for the financial year ended 31 December 2022.

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 as follows:

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
Sing Chi IP
Kim, Young So
Ruth Sin Ling TSIM
Shanthi Kandiah
Chan Soo Chee
John Stephen Ashworth (Alternate Director to Sing Chi IP)
Andy Wing Kit TSOI (ceased to be Alternate Director to Ruth Sin Ling TSIM on 31 December 2021 and appointed as Alternate Director to Diana Tung Wan LEE)
Datuk Siti Zauyah binti Md Desa (appointed on 1 January 2022)
Ahmad Zubir bin Zahid (appointed on 1 January 2022)
Diana Tung Wan LEE (appointed on 1 January 2022)
Ruth Sin Ling TSIM (resigned on 31 December 2021)

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

Tan Sri Datuk Gnanalingam A/L Gunanath Lingam
Ahmayuddin bin Ahmad
Sing Chi IP
Edith Shih (Alternate Director to John Stephen Ashworth)
Shaline Gnanalingam
Mohammad Reezal bin Ahmad
Dato' Tengku Marina binti Tunku Annuar (appointed on 1 January 2022)
Diana Tung Wan LEE (appointed to be Alternate Director to Sing Chi IP on 1 January 2022)
Datuk Siti Zauyah Binti Md Desa (appointed on 17 May 2021 and resigned on 31 December 2021)
Ahmad Zubir Bin Zahid (appointed on 17 May 2021 and resigned on 31 December 2021)
John Stephen Ashworth (ceased to be Alternate Director to Ruth Sin Ling TSIM on 31 December 2021)
Ruth Sin Ling TSIM (resigned on 31 December 2021 and ceased to be Alternate Director to Sing Chi IP)
Chan Chu Wei (resigned on 31 December 2021)
Datuk Ruben Emir Gnanalingam bin Abdullah (resigned on 31 December 2021)
Dato' Haji Mohamed Shahabar bin Abdul Kareem (resigned on 27 April 2021)
Jeyakumar Palakrishnar (resigned on 27 April 2021)

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 1.1.2021	**Bought**	**Sold**	**At 31.12.2021**
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.

Report Of The Directors

Financial Statements

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 38 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 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 37 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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The details of significant event during the financial year are disclosed in Note 39 to the financial statements

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 2021 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

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DATUK RUBEN EMIR GNANALINGAM BIN ABDULLAH
Director

Kuala Lumpur,
27 January 2022

Independent Auditors' Report

Financial Statements

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 2021 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 54 to 92.

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 2021, 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 RM1.9 billion represents 95% of the Group's revenue for the year ended 31 December 2021. 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 which 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 36(b) 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 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 was assessed by IRB as a non-deductible expenditure. Separately, on 26 July 2021, WMSB was served with another notice of additional assessment for additional tax liabilities of RM22.7 million in relation to the total annual lease payment made by WMSB to the PKA amounting to RM59 million for the year assessment 2019 which was assessed by IRB as not allowable for deduction in WMSB's tax computation. WMSB had initiated legal proceedings to challenge the abovementioned notices from IRB. As of 31 December 2021, these additional assessment had been disclosed as contingent liabilities in Note 36 to the financial statements. The notices raised by the IRB are considered a key audit matter as the amounts involved are material and the accounting of which involves significant judgement and estimation.	Our audit procedures, amongst others, included the following: • We assessed the relevant tax documents and legal correspondences furnished by management. • We enquired management and legal advisor who represents the Group, and our internal tax specialist about the potential tax exposure of the notices. • We obtained an understanding and assessed the objectivity and competency of the legal advisor. • We obtained confirmation from the legal advisor in relation to the notices. • We evaluated management's assessment of the outcome on the notices which included inputs from management's experts.

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.

Independent Auditors’ Report
Financial Statements

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 - 02846/01/2024 J
Chartered Accountant

Kuala Lumpur
27 January 2022

Statements Of Profit Or Loss And Other Comprehensive Income
Financial Statements

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM’000	RM’000	RM’000	RM’000
Revenue	6	2,022,024	1,974,968	631,619	387,294
Cost of sales	7	(791,323)	(811,645)	-	-
Gross profit		1,230,701	1,163,323	631,619	387,294
Other income		86,114	25,894	-	-
Administrative expenses		(26,349)	(68,653)	(2,758)	(2,709)
Other expenses		(188,762)	(190,241)	-	-
Results from operating activities		1,101,704	930,323	628,861	384,585
Finance income	8	12,691	17,248	659	339
Finance costs	9	(74,411)	(82,504)	-	-
Share of results of a joint venture	16	(436)	-	-	-
Profit before tax	10	1,039,548	865,067	629,520	384,924
Tax expense	11	(231,326)	(210,581)	(158)	(81)
Profit and total comprehensive income for the year		808,222	654,486	629,362	384,843
Total comprehensive income attributable to the owners of the Company		808,222	654,486	629,362	384,843
Basic earnings per ordinary share (sen)	29	23.70	19.19		

The notes on pages 24 to 106 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 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	12	1,727,165	1,618,873	-	-
Concession assets	13	2,499,028	2,468,069	-	-
Right-of-use assets	14	66,831	62,273	-	-
Investment in subsidiary	15	-	-	1,030,130	1,030,130
Investment in a joint venture	16	114,564	-	115,000	-
Investment	17	-	50,000	-	-
Total non-current assets		4,407,588	4,199,215	1,145,130	1,030,130
Current Assets					
Inventories	18	5,374	4,752	-	-
Trade and other receivables	19	296,335	278,558	76	76
Cash and short term investments	20	656,003	779,123	18,026	14,134
Investment	17	50,000	-	-	-
Total current assets		1,007,712	1,062,433	18,102	14,210
TOTAL ASSETS		5,415,300	5,261,648	1,163,232	1,044,340
EQUITY AND LIABILITIES					
Equity					
Share capital	21	1,038,000	1,038,000	1,038,000	1,038,000
Reserves	21	2,088,855	1,791,110	125,168	6,283
Total equity		3,126,855	2,829,110	1,163,168	1,044,283

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (continued)

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Non-current liabilities					
Borrowings	22	975,000	1,150,000	-	-
Employee benefits	24	8,590	8,936	-	-
Deferred tax liabilities	25	384,039	391,031	-	-
Service concession obligation	27	115,933	168,136	-	-
Lease liabilities	28	46,290	41,765	-	-
Total non-current liabilities		1,529,852	1,759,868	-	-
Current liabilities					
Trade and other payables	23	146,581	167,021	60	56
Provisions	26	313,827	271,127	-	-
Tax payable		46,912	12,811	4	1
Borrowings	22	175,000	150,000	-	-
Service concession obligation	27	52,203	47,677	-	-
Lease liabilities	28	24,070	24,034	-	-
Total current liabilities		758,593	672,670	64	57
Total liabilities		2,288,445	2,432,538	64	57
Total equity and liabilities		5,415,300	5,261,648	1,163,232	1,044,340

The notes on pages 24 to 106 are an integral part of these financial statements.

Statements Of Changes In Equity
Financial Statements

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

		← 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 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	30	-	-	(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
At 1 January 2021		1,038,000	(47,732)	1,838,842	2,829,110
Total comprehensive income for the year					
Distributions to owners of the Company					
- Dividends	30	-	-	(510,477)	(510,477)
Total transactions with owners of the Company		-	-	(510,477)	(510,477)
At 31 December 2021		1,038,000	(47,732)	2,136,587	3,126,855

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Company	**Note**	**Share capital RM'000**	***Distributable* Retained Earnings RM'000**	**Total RM'000**
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	30	-	(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
At 1 January 2021		1,038,000	6,283	1,044,283
Total comprehensive income for the year		-	629,362	629,362
Distributions to owners of the Company				
- Dividends	30	-	(510,477)	(510,477)
Total transactions with owners of the Company		-	(510,477)	(510,477)
At 31 December 2021		1,038,000	125,168	1,163,168

The notes on pages 24 to 106 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 2021

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES/(USED IN) OPERATING ACTIVITIES				
Profit before tax	1,039,548	865,067	629,520	384,924
Adjustments for:				
Depreciation of property, plant and equipment	146,091	141,535	-	-
Amortisation of concession assets	84,187	81,073	-	-
Depreciation of right-of-use assets	28,496	37,837	-	-
Finance costs - borrowings and others	58,638	64,195	-	-
Finance costs - accretion of service concession obligation	11,330	13,709	-	-
Finance costs - lease liabilities	4,443	4,600	-	-
Concession assets written off	1,268	-	-	-
Dredging expenditure	4,443	3,537	-	-
Provision for retirement benefits	423	412	-	
Impairment loss on trade receivables	234	6,764	-	-
Property, plant and equipment written off	130	27,379	-	-
Share of results of a joint venture	436	-	-	-
Dividend income	-	-	(631,619)	(387,294)
Finance income	(6,643)	(11,391)	(659)	(339)
Income from money market fund	(6,048)	(5,857)	-	-
Gain on disposal of property, plant and equipment	(1,955)	(152)	-	-
Reversal of impairment loss on trade receivables	(499)	(537)	-	-
Operating Profit/(Loss) Before Working Capital Changes	1,364,522	1,228,171	(2,758)	(2,709)

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Changes in working capital:				
Inventories	(622)	726	-	-
Trade and other receivables, excluding payment for dredging expenses	(17,080)	69,622	-	(70)
Payment for dredging expense	(4,875)	-	-	-
Trade and other payables	(18,175)	51,954	4	25
Provisions	42,700	(68,676)	-	-
Cash Generated From/(Used In) Operations	1,366,470	1,281,797	(2,754)	(2,754)
Income tax paid	(204,217)	(191,054)	(155)	(115)
Interest paid	(60,903)	(65,884)	-	-
Retirement benefits paid	(769)	(136)	-	-
Net Cash Generated From/(Used In) Operating Activities	1,100,581	1,024,723	(2,909)	(2,869)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Interest received	6,643	11,391	659	339
Dividend received	-	-	631,619	387,294
Income received from money market fund	6,048	5,857	-	-
Proceeds from disposal of property, plant and equipment	1,961	152	-	-
Subscription for investment	-	(50,000)	-	-
Investment in a joint venture	(115,000)	-	(115,000)	
Construction of concession assets	(116,414)	(191,352)	-	-
Purchase of property, plant and equipment	(254,519)	(131,717)		-
Net Cash (Used In)/Generated From Investing Activities	(471,281)	(355,669)	517,278	387,633

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Dividends paid to shareholders		(510,477)	(385,671)	(510,477)	(385,671)
Redemption of borrowings – SMTN		(150,000)	(100,000)	-	-
Annual lease paid for use of port infrastructures and facilities		(59,007)	(59,007)	-	-
Fixed deposits pledged for borrowings		(746)	(1,088)	-	-
Payment of lease liabilities					
-Principal		(28,493)	(36,348)	-	-
-Interest		(4,443)	(4,600)	-	-
Net Cash Used In Financing Activities		(753,166)	(586,714)	(510,477)	(385,671)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(123,866)	82,340	3,892	(907)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		739,185	656,845	14,134	15,041
CASH AND CASH EQUIVALENTS AT END OF YEAR	(i)	615,319	739,185	18,026	14,134

WESTPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

(i) Cash and cash equivalents

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

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	20	338,124	215,668	5,007	1,051
Money market fund	20	263,370	509,845	-	-
Fixed deposits with licensed banks	20	54,509	53,610	13,019	13,083
		656,003	779,123	18,026	14,134
Less: Pledged deposits	20	(40,684)	(39,938)	-	-
		615,319	739,185	18,026	14,134

(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:

	1.1.2021	Additions	Net changes from financing cash flows	Accretion of interest	31.12.2021
Group	RM'000	RM'000	RM'000	RM'000	RM'000
Sukuk MTN	1,300,000	-	(150,000)	-	1,150,000
Lease liabilities	65,799	33,054	(32,936)	4,443	70,360
Service concession obligation	215,813	-	(59,007)	11,330	168,136
	1,581,612	33,054	(241,943)	15,773	1,388,496

	1.1.2020	Additions	Net changes from financing cash flows	Accretion of interest	31.12.2020
Group	RM'000	RM'000	RM'000	RM'000	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

The notes on pages 24 to 106 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 27 January 2022.

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 amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for annual periods beginning on or after 1 January 2021:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	*Interest Rate Benchmark Reform-Phase 2*

The adoption of the above 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:

MFRS 17	*Insurance contracts*[3]
Amendments to MFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to MFRS 4	*Extension of the Temporary Exemption from Applying MFRS 9*[4]
Amendments to MFRS 16	*COVID-19 Related Rent Concessions beyond 30 June 2021*[1]
Amendments to MFRS 17	*Insurance contracts*[3]
Amendments to MFRS 101	*Classification of Liabilities as Current or Non-current*[3]
Amendments to MFRS 101	*Disclosure of Accounting Policies*[3]
Amendments to MFRS 108	*Disclosure of Accounting Estimates*[3]
Amendments to MFRS 112	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[3]
Amendments to MFRS 116	*Property, Plant and Equipment-Proceeds before Intended Use*[2]
Amendments to MFRS 137	*Onerous Contracts-Cost of Fulfilling a Contract*[2]
Amendments to MFRSs	*Annual Improvements to MFRS Standards 2018-2020*[2]
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 April 2021, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
[4] Effective immediately for annual periods beginning before 1 January 2023.
[5] Effective date deferred to a date to be determined and announced by MASB, with earlier application still permitted.

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.

3. **SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting (continued)

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.*

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 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.

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

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.

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

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

Leases (continued)

(a) The Group as lessor (continued)

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).

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)

Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5.

Under the equity method, investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of MFRS 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9. The difference between the carrying amount of a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that a joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

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

Investment in joint venture (continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent that the Group's interest in the joint venture is not related to the Group

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.

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

Financial instruments (continued)

Financial assets *(continued)*

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.

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.

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

Financial instruments (continued)

Financial assets *(continued)*

Classification of financial assets (continued)

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

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.

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.

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

Financial instruments (continued)

Financial assets *(continued)*

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.

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.

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

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

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:

- 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.

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

Financial instruments (continued)

Financial assets *(continued)*

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

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.

(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.

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

Financial instruments (continued)

Financial assets *(continued)*

Impairment of financial assets (continued)

(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.

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.

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

Financial instruments (continued)

***Financial assets** (continued)*

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 recognised.

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) (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, a company owned by a corporate shareholder, 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 2021, the Proposed Acquisition is yet to complete as conditions precedent are yet to be fulfilled

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 32(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 RM44,274,000 (2020: RM139,146,000) and RM43,827,000 (2020: RM137,758,000), 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 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 realised. The information about the contingent liabilities of the Group is disclosed in Note 36.

6. **REVENUE**

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Port operations				
- Container	1,735,404	1,605,131	-	-
- Conventional	133,647	115,774	-	-
- Marine	65,378	75,509	-	-
	1,934,429	1,796,414	-	-
Construction revenue	44,274	139,146	-	-
Rental income - lands and buildings	43,321	39,408	-	-
Dividend income	-	-	631,619	387,294
	2,022,024	1,974,968	631,619	387,294

In accordance with MFRS 15, the Group recognises its port operations and construction revenue based on the timing detailed below:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Timing of revenue recognition		
Over time	44,274	139,146
At a point in time	1,934,429	1,796,414
	1,978,703	1,935,560

The Group expects no construction revenue (2020: RM10,706,000) from unsatisfied performance obligations to be recognised in the next financial year.

7. COST OF SALES

	Group 2021 RM'000	Group 2020 RM'000
Port operations	747,496	673,887
Construction cost	43,827	137,758
	791,323	811,645

8. FINANCE INCOME

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Income received from financial assets designated at fair value through profit or loss:				
Income received from investment in money market fund	6,048	5,857	-	-
Interest income of financial assets that are not at fair value through profit or loss:				
Fixed deposits interest	6,395	10,436	659	339
Other interest	248	955	-	-
	12,691	17,248	659	339

9. FINANCE COSTS

	Group 2021 RM'000	Group 2020 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
Borrowings - SMTN	59,929	65,821
Less: Amounts capitalised during the year (Note 13)	(1,291)	(1,626)
	58,638	64,195
Accretion - service concession obligation (Note 27)	11,330	13,709
Lease liabilities (Note 28)	4,443	4,600
	74,411	82,504

10. PROFIT BEFORE TAX

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Statutory audit fees	300	255	61	55
Depreciation of property, plant and equipment (Note 12)	146,091	141,535	-	-
Amortisation of concession assets (Note 13)	84,187	81,073	-	-
Depreciation of right-of-use assets (Note 14)	28,496	37,837	-	-
Dredging expenditure	4,443	3,537	-	-
Property, plant and equipment written off	130	27,379	-	-
Concession assets written off	1,268	-	-	-
Impairment loss on trade receivable	234	6,764	-	-
Personnel expenses (including key management personnel):				
- Provision for retirement benefits	423	412	-	-
- Defined contribution plan	36,640	35,185	-	-
- Wages, salaries and bonus	259,174	247,207	-	-
- Other employee benefits	3,606	3,398	-	-
Short-term leases	220	248	220	220
Equipment services	9,022	7,176	-	-
Profit sharing with PKA	11,695	11,737	-	-
Net realised foreign exchange loss	519	230	-	-
and after crediting:				
Dividend income				
- Subsidiary	-	-	631,619	387,294
Insurance claims income	74,267	7,100	-	-
Reversal of impairment loss on trade receivables	499	537	-	-
Gain on disposal of property, plant and equipment	1,955	152	-	-

11. TAX EXPENSE

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Recognised in profit or loss				
Income tax expense				
- Current	241,642	185,172	158	81
- (Over)/Underprovision in prior years	(3,324)	2,565	-	-
	238,318	187,737	158	81
Deferred tax expense/(credit)				
- Origination of temporary differences	(11,488)	24,787	-	-
- Under/(Over)provision in prior years	4,496	(1,943)	-	-
	(6,992)	22,844	-	-
	231,326	210,581	158	81
Reconciliation of tax expense				
Profit before tax	1,039,548	865,067	629,520	384,924
Income tax calculated using Malaysian tax rate of 24%	249,492	207,616	151,084	92,382
Non-deductible expenses	4,966	5,878	663	650
Non-taxable income	(3,973)	(3,535)	(151,589)	(92,951)
Effect of change in tax rate relating to Prosperity Tax	(20,332)	-	-	-
	230,153	209,959	158	81
Under/(Over)provision in prior years				
- Current tax	(3,323)	2,565	-	-
- Deferred tax	4,496	(1,943)	-	-
	231,326	210,581	158	81

The Finance Act 2021 gazetted on 31 December 2021 enacts the Prosperity Tax on companies that generate high income during the Covid-19 pandemic period for Year of Assessment 2022 only with chargeable income up to first RM100 million will be taxed at 24% and the remaining chargeable income will be taxed at a one-off rate of 33%. Accordingly, the computation of deferred tax assets and deferred tax liabilities has been adjusted to reflect such changes.

12. PROPERTY, PLANT AND EQUIPMENT

Group	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Assets under construction RM'000	Total RM'000
Cost					
At 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/ 1 January 2021	2,792,906	21,747	74,498	76,909	2,966,060
Additions	-	-	-	254,519	254,519
Disposals	(17,006)	(1,070)	(22)	-	(18,098)
Write-off	(1,771)	-	(3,847)	-	(5,618)
Transfers	110,863	2,863	5,999	(119,725)	-
At 31 December 2021	2,884,992	23,540	76,628	211,703	3,196,863
Group					
Accumulated depreciation					
At 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 January 2021	1,280,636	14,497	52,054	-	1,347,187
Charge for the year	132,066	2,580	11,445	-	146,091
Disposals	(17,005)	(1,065)	(22)	-	(18,092)
Write-off	(1,666)	-	(3,822)	-	(5,488)
At 31 December 2021	1,394,031	16,012	59,655	-	1,469,698
Carrying amounts					
At 31 December 2020	1,512,270	7,250	22,444	76,909	1,618,873
At 31 December 2021	1,490,961	7,528	16,973	211,703	1,727,165

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 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/ 1 January 2021	552,383	2,557,508	228,112	3,338,003
Additions	-		115,123	115,123
Borrowing costs capitalised (Note 9)	-	-	1,291	1,291
Transfers	-	113,348	(113,348)	-
Write off		(1,300)	-	(1,300)
At 31 December 2021	552,383	2,669,556	231,178	3,453,117
Group				
Accumulated amortisation				
At 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/ 1 January 2021	218,265	651,669	-	869,934
Amortisation for the year (Note 10)	18,189	65,998	-	84,187
Write off	-	(32)	-	(32)
At 31 December 2021	236,454	717,635	-	954,089
Carrying amounts				
At 31 December 2020	334,118	1,905,839	228,112	2,468,069
At 31 December 2021	315,929	1,951,921	231,178	2,499,028

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% (2020: 5%).

14. RIGHT-OF-USE ASSETS

	Equipment RM'000
Cost	
At 1 January 2020	96,166
Additions (Note 28)	40,880
At 31 December 2020/1 January 2021	137,046
Additions (Note 28)	33,054
At 31 December 2021	170,100
Accumulated depreciation	
At 1 January 2020	36,936
Charge for the year (Note 10)	37,837
At 31 December 2020/1 January 2021	74,773
Charge for the year (Note 10)	28,496
At 31 December 2021	103,269
Carrying amount	
At 31 December 2020	62,273
At 31 December 2021	66,831

The Group leases several assets including marine equipment and IT equipment. The lease term ranges from 1 to 6 years (2020: 1 to 7 years). The maturity analysis of lease liabilities is presented in Note 28.

15. INVESTMENT IN SUBSIDIARY

	Company 2021 RM'000	2020 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 2021 %	2020 %
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 IN A JOINT VENTURE**

	Group	
	2021	**2020**
	RM'000	**RM'000**
In Malaysia:		
Unquoted shares, at cost	115,000	-
Share of post-acquisition loss	(436)	-
	114,564	-

	Company	
	2021	**2020**
	RM'000	**RM'000**
In Malaysia:		
Unquoted shares, at cost	115,000	-

Investment in a joint venture is stated at cost in the separate financial statements of the Company. The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.

16. **INVESTMENT IN A JOINT VENTURE** (continued)

Details of the joint venture, which is incorporated in Malaysia, are as follows:

Name of joint venture	**Principal Activities**	**Effective ownership interest**	
		2021	**2020**
		%	**%**
Port Klang Cruise Terminal Sdn Bhd ("PKCT) (formally known as Boustead Cruise Centre Sdn Bhd)	Provision of port facilities and services to cruise and navy vessels	50	-

Acquisition of a joint venture

Port Klang Cruise Terminal Sdn. Bhd.

On 19 March 2021, the Company entered into an agreement with Klang Port Management Sdn Bhd ("KPM"), a wholly-owned subsidiary of Northport (Malaysia) Bhd, to jointly acquire the entire 100% of Port Klang Cruise Terminal Sdn Bhd (formally known as "Boustead Cruise Centre Sdn Bhd") from Boustead Holdings Berhad for a total cash consideration of RM230,000,000. The acquisition was completed on 23 September 2021. Upon completion of the acquisition, the Company and KPM each jointly holds a 50% shareholding in PKCT, and consequently PKCT became a joint venture of the Group.

16. **INVESTMENT IN A JOINT VENTURE** (continued)

Summarised unaudited financial information in respect of the Group's material joint venture is set out below. The summarised financial below represents amounts show in the joint venture's latest management financial statements prepared in accordance with MFRSs;

The Group	**2021 RM'000**
Assets and liabilities	
Non-current assets	222,418
Current assets	5,384
Total assets	227,802
Non-current liabilities	-
Current liabilities	461
Total liabilities	461

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	3,240
Current financial liabilities (excluding trade and other payables and provisions)	-
Results	
Revenue	7,465
Loss before tax	3,548
Group's share of loss of joint venture	436

The above profit for the year includes the following expenses:

Depreciation and amortisation	4,134
Interest expense	3,073

16. **INVESTMENT IN A JOINT VENTURE** (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements are as follows:

The Group	**2021 RM'000**
Goodwill arising from acquisition	7,158
Group's share of net assets	107,406
Group's carrying amount of interest in the joint venture	114,564

Goodwill on consolidation arose from the acquisition of PKCT as follows:

	2021 At date of acquisition RM'000
Cash considerations paid	115,000
Plant and equipment	79,946
Investment properties	26,241
Trade receivables	1,806
Other receivables	277
Cash and bank balances	571
Deferred tax liabilities	(840)
Other payables	(159)
Net assets	107,842
Goodwill arising from acquisition	7,158

17. **INVESTMENT**

	Group	
	2021 RM'000	**2020 RM'000**
Investment	50,000	50,000

In 2020, 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% (2020: 2%) and will mature on 22 September 2022.

18. **INVENTORIES**

	Group	
	2021	**2020**
	RM'000	**RM'000**
Spares	5,374	4,752
Recognised in profit or loss:		
Inventories recognised as cost of sales	125,171	114,310

19. **TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade				
Trade receivables	251,183	252,147	-	-
Less: Impairment loss	(7,798)	(8,076)	-	-
	243,385	244,071	-	-
Non-trade				
Other receivables	47,644	29,678	-	-
Deposits	914	909	76	76
Prepayments	4,392	3,900	-	-
	52,950	34,487	76	76
	296,335	278,558	76	76

Included in other receivables are lease rental receivables of RM10,403,000 (2020: RM19,989,000), insurance recoverable of RM26,521,000 (2020: RMNIL), and investments in club memberships amounting to RM1,850,000 (2020: RM1,850,000).

Trade receivables comprise amounts receivables for the revenue generated from port operations. The credit periods range from 14 to 30 days (2020: 14 to 30 days). Included in trade receivables is balance due from a related party amounting to RMNIL (2020: RM111,000).

At the end of the reporting period, the Group has a concentration of credit risk in the form of trade receivables from 5 (2020: 5) main customers, representing approximately 44% (2020: 42%) of the Group's trade receivables.

20. **CASH AND SHORT TERM INVESTMENTS**

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	338,124	215,668	5,007	1,051
Money market fund	263,370	509,845	-	-
Fixed deposits with licensed banks	54,509	53,610	13,019	13,083
	656,003	779,123	18,026	14,134

Fixed deposits with licensed banks include pledged deposits of RM40,684,000 (2020: RM39,938,000) as securities for Sukuk Musharakah Medium Term Note ("SMTN") programmes of the subsidiary as disclosed in Note 22.

As of 31 December 2021, the Group has utilised RM9,869,051 (2020: RM9,444,000) of its corporate bank guarantee facility which is obtained from an oversea licensed bank.

The interest rates are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	%	**%**	**%**	**%**
Fixed and short-term deposits	1.65-1.80	1.65-2.05	1.80	2.00

The maturity periods of the deposits of the Group and of the Company are ranging from 90 to 189 days (2020: 93 to 183 days).

21. **SHARE CAPITAL AND RESERVES**

	Group and Company			
	2021	**2021**	**2020**	**2020**
	Amount	**Number of shares**	**Amount**	**Number of shares**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Issued and fully paid up shares with no par value classified as equity instrument:				
Ordinary shares				
At 1 January/31 December	1,038,000	3,410,000	1,038,000	3,410,000

21. **SHARE CAPITAL AND RESERVES** (continued)

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.

22. **BORROWINGS**

	Group	
	2021	**2019**
	RM'000	**RM'000**
Unsecured:		
Sukuk Musharakah Medium Term Note ("SMTN")	1,150,000	1,300,000
Less: Amount due within 12 months (shown under current liabilities)	(175,000)	(150,000)
Non-current portion	975,000	1,150,000

The non-current portion is repayable as follows:	Group	
	2021	**2019**
	RM'000	**RM'000**
Financial years ending 31 December:		
2022	-	175,000
2023	125,000	125,000
2024	125,000	125,000
2025	175,000	175,000
2026 and above	550,000	550,000
	975,000	1,150,000

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 4.38% 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.

22. **BORROWINGS** (continued)

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 2020 to 7 August 2021. 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 20.

During the year, the Group redeemed RM150 million (2020: RM100 million) of SMTN in accordance with the redemption terms.

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 AAA during the tenor of SMTN. The subsidiary attained a rating of AAA from RAM Rating Berhad since March 2021.The subsidiary maintained a minimal rating of AA+IS from Malaysian Rating Corporation Berhad previously.

23. **TRADE AND OTHER PAYABLES**

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade				
Trade payables (Note a)	59,909	57,936	-	-
Accrued expenses	34,237	32,784	-	-
	94,146	90,720	-	-
Non-trade				
Other payables (Note b)	30,069	33,274	60	56
Accrued expenses (Note c)	22,366	43,027	-	-
	52,435	76,301	60	56
	146,581	167,021	60	56

23. **TRADE AND OTHER PAYABLES** (continued)

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 RM24,000 (2020: RM22,000) which is unsecured, interest free and repayable on demand. The credit period granted to the Group for trade purchases is 60 days (2020: 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 RM11,695,000 (2020: RM11,737,000) and accrual of construction costs for port infrastructure.

24. **EMPLOYEE BENEFITS**

	Group	
	2021	**2020**
	RM'000	**RM'000**
Present value of unfunded obligations		
Provision for retirement benefits	8,590	8,936

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	
	2021	**2020**
Discount rate	4.7%	4.7%
Expected annual salary increment rate	6.0%	6.0%

24. **EMPLOYEE BENEFITS** (continued)

Movements in the present value of defined benefit obligations:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Defined benefit obligations at 1 January	8,936	8,660
Expense/(Income) recognised in profit or loss (Note 10)	423	412
Retirement benefits paid	(769)	(136)
Defined benefit obligations at 31 December	8,590	8,936

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.

25. **DEFERRED TAX LIABILITIES**

The deferred tax amounts, determined after appropriate offsetting, are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Deferred tax liabilities	436,427	429,898
Deferred tax assets	(52,388)	(38,867)
	384,039	391,031

As mentioned in Note 11, the Finance Act 2021 gazetted on 31 December 2021 enacts the special one-time "Prosperity Tax" at the rate of 33% on companies with chargeable income exceeding RM100 million for Year of Assessment 2022. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the expected rate.

25. **DEFERRED TAX LIABILITIES** (continued)

Movement in deferred tax assets and liabilities (prior to offsetting of balances) of the Group during the year are as follows:

Group	At 1.1.2020 RM'000	Recognised in profit or loss (Note 11) RM'000	At 31.12.2020/ 1.1.2021 RM'000	Recognised in profit or loss (Note 11) RM'000	At 31.12.2021 RM'000
Deferred tax liabilities					
Property plant and equipment and concession assets	(421,851)	(4,096)	(425,947)	(8,902)	(434,849)
Others	(8,942)	4,991	(3,951)	2,373	(1,578)
	(430,793)	895	(429,898)	(6,529)	(436,427)
Deferred tax assets					
Provisions	62,606	(23,739)	38,867	13,521	52,388
	(368,187)	(22,844)	(391,031)	6,992	(384,039)

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.

26. **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 2020	339,803
Provisions made	498,508
Payments made	(567,184)
At 31 December 2020/1 January 2021	271,127
Provisions made	451,664
Payments made	(408,964)
At 31 December 2021	313,827

27. **SERVICE CONCESSION OBLIGATION**

The minimum lease payments for the lease liabilities are payable as follows:

	Group 2021 RM'000	Group 2020 RM'000
At 1 January	215,813	261,111
Finance costs (Note 9)	11,330	13,709
Payment of lease rental	(59,007)	(59,007)
At 31 December	168,136	215,813

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
2021			
Less than one year	61,030	(8,827)	52,203
Between one and four years	125,221	(9,288)	115,933
	186,251	(18,115)	168,136
Group			
2020			
Less than one year	59,007	(11,330)	47,677
Between one and five years	186,252	(18,116)	168,136
	245,259	(29,446)	215,813

28. LEASE LIABILITIES

Group	2021 RM'000	2020 RM'000
At 1 January	65,799	61,267
Additions (Note 14)	33,054	40,880
Finance costs (Note 9)	4,443	4,600
Payment of lease rental	(32,936)	(40,948)
At 31 December	70,360	65,799

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
2021			
Less than one year	27,148	(3,078)	24,070
Between one and five years	50,406	(4,116)	46,290
	77,554	(7,194)	70,360
Group			
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

29. 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 RM808,222,000 (2020: RM654,486,000) by the weighted average number of ordinary shares outstanding during the financial year of 3,410,000,000 (2020: 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.

30. DIVIDENDS

Amounts recognised as distributions to equity holders in the year:

	Sen per share	Amount RM'000	Date of payment
2021			
Second interim dividend 2020	6.47	220,627	1 March 2021
First interim dividend 2021	8.50	289,850	26 August 2021
		510,477	
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	

On 27 January 2022, the directors declared a second interim dividend of 9.28 sen per share, amounting to RM316,448,000 in respect of the financial year ended 31 December 2021. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for within equity as an appropriation of reserves for the financial year ended 31 December 2022.

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.

31. 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.

31. **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	
	2021	**2020**
	RM'000	**RM'000**
Reportable segment profit	1,104,462	933,032
Included in the measure of segment profit are:		
Revenue - external customers	1,977,750	1,835,822
- construction services	44,274	139,146
Reversal of impairment loss on trade receivables	499	537
Gain on disposal of property, plant and equipment	1,955	152
Depreciation of property, plant and equipment	(146,091)	(141,535)
Amortisation of concession assets	(84,187)	(81,073)
Concession assets written off	(1,268)	-
Depreciation of right-of-use assets	(28,496)	(37,837)
Impairment loss on trade receivables	(234)	(6,764)
Property, plant and equipment written off	(130)	(27,379)

Reconciliation of reportable segment profit and revenue

	Port development and management of port operations	
	2021	**2020**
	RM'000	**RM'000**
Profit		
Reportable segment	1,104,462	933,032
Non-reportable segment	(2,758)	(2,709)
Finance income	12,691	17,248
Finance costs	(74,411)	(82,504)
Share of results of a joint venture	(436)	-
Consolidated profit before tax	1,039,548	865,067
Revenue		
Reportable segment	2,022,024	1,974,968
Consolidated revenue	2,022,024	1,974,968

31. **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 RM348,207,408 (2020: RM322,178,594) contributed 17% (2020: 16%) of the Group's revenue.

32. **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.

32. **FINANCIAL INSTRUMENTS** (continued)

(a) Classes and categories of financial instruments and their fair values (continued)

	Carrying amount				Fair value		
	Financial assets		Financial liabilities		Level		
2021 Group	**FVTPL – designated RM'000**	**Amortised cost RM'000**	**Amortised cost RM'000**	**Total RM'000**	**1 RM'000**	**2 RM'000**	**3 RM'000**
Investment	-	50,000	-	50,000	-	-	49,465
Trade and other receivables *	-	290,093	-	290,093	Note 1	Note 1	Note 1
Cash and bank balances	-	392,633	-	392,633	Note 1	Note 1	Note 1
Money market fund	263,370	-	-	263,370	263,370	-	-
Trade and other payables	-	-	(146,581)	(146,581)	Note 1	Note 1	Note 1
Borrowings	-	-	(1,150,000)	(1,150,000)	-	-	(1,327,746)
Service concession obligation	-	-	(168,136)	(168,136)	-	-	(168,136)
Lease liabilities	-	-	(70,360)	(70,360)	-	-	(70,360)
2020 Group							
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)
Lease liabilities	-	-	(65,799)	(65,799)	-	-	(65,799)

* Excludes investments in club membership, prepayments, and input tax recoverable.
Note 1 - the carrying amounts approximate
fair values due to the relatively short-term nature of these financial instruments.

32. **FINANCIAL INSTRUMENTS** (continued)

(a) Classes and categories of financial instruments and their fair values (continued)

	Carrying amount			Fair value		
	Financial assets	Financial liabilities		Level		
2021 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	18,026	-	18,026	Note 1	Note 1	Note 1
Trade and other payables	-	(60)	(60)	Note 1	Note 1	Note 1
2020 Company						
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

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.

32. **FINANCIAL INSTRUMENTS** (continued)

(a) Classes and categories of financial instruments and their fair values (continued)

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 2.55% (2020: 1.84%) per annum	The estimated fair value would increase/(decrease) if the discount rate is lower/(higher)
Borrowings	Discounted cash flows	Interest rate of 2.36% to 3.78% (2020: 2.41% to 3.23%) 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% (2020: 5.25%) per annum	The estimated fair value would increase/(decrease) if the discount rate is lower/(higher)
Lease liabilities	Discounted cash flows	Interest rate of 4.50% (2020: 4.50%) per annum	The estimated fair value would increase/(decrease) if the discount rate is lower/(higher)

(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.

32. **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives (continued)

Market risk (continued)

(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	
	2021	**2020**
	RM'000	**RM'000**
Currency		
Singapore dollar	196	276

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.

(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.

32. **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives (continued)

Market risk (continued)

(ii) Interest rate risk management (continued)

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	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate instruments				
Borrowings	(1,150,000)	(1,300,000)	-	-
Service concession obligation	(168,136)	(215,813)	-	-
Lease liabilities	(70,360)	(65,799)	-	-

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.

32. **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 RM51 million (2020: RM54 million) from trade receivables.

32. **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			
2021		**1 - 30**	**31 - 180**	**More than**	
Group	**Not past due**	**days**	**days**	**180 days**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Estimated total gross carrying amount at default	158,244	63,781	18,358	10,800	251,183
Lifetime ECL	-	-	-	-	(7,798)
					243,385
2020					
Group					
Estimated total gross carrying amount at default	173,494	50,705	9,708	18,240	252,147
Lifetime ECL	-	-	-	-	(8,076)
					244,071

32. **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	
	2021	**2020**
	RM'000	**RM'000**
Lifetime ECL (simplified approach)		
At 1 January	8,076	1,914
Impairment loss recognised (Note 10)	234	6,764
Reversal of impairment loss (Note 10)	(499)	(537)
Write-off	(13)	(65)
At 31 December	7,798	8,076

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 32(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.

32. **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 RM'000	Contractual profit/ interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2021							
Non-derivative financial liabilities							
Borrowings	1,150,000	4.15%-5.38%	1,349,914	226,789	168,521	613,925	340,679
Trade and other payables	146,581	-	146,581	146,581	-	-	-
Service concession obligation	168,136	5.25%	186,253	61,031	61,031	64,191	-
Lease liabilities	70,360	4.50%	77,857	25,154	35,305	17,398	-
	1,530,077		1,760,605	459,555	264,857	695,514	340,679
Company							
2021							
Non-derivative financial liabilities							
Trade and other payables	60	-	60	60	-	-	-

32. **FINANCIAL INSTRUMENTS** (continued)

(b) Financial risk management objectives (continued)

Liquidity and cash flow risk management (continued)

Group	Carrying amount RM'000	Contractual profit/ interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years 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	-
Lease liabilities	65,799	4.50%	73,354	25,116	26,990	19,789	1,459
	1,748,633		2,045,518	460,961	314,832	682,354	587,371
Company							
2020							
Non-derivative financial liabilities							
Trade and other payables	56	-	56	56	-	-	-

33. **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	
	2021 RM'000	2020 RM'000
Debt	1,220,360	1,365,799
Less: Cash and short term investments	(656,003)	(779,123)
Net debt	564,357	586,676
Equity	3,126,855	2,829,110
Net debt-to-equity ratio	0.18	0.21

Debt is defined as long and short-term borrowing and lease liabilities as disclosed in Notes 22 and 28.

Equity includes all capital and reserves 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.

34. **CAPITAL COMMITMENTS**

	Group	
	2021 RM'000	2020 RM'000
Capital expenditure commitments:		
Property, plant and equipment and concession assets		
Authorised and contracted for	660,424	590,515

35. **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	2021 RM'000	2020 RM'000
Less than one year	2,029	34,113
Between one and four years	113,292	74,174
	115,321	108,287

36. **CONTINGENT LIABILITIES**

	2021 RM'000	2020 RM'000
Claims related to Oracle Case (Note a)	24,227	24,227
Claims related to additional assessment by Inland Revenue Board (Note b)	143,235	120,576

(a) 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.

36. **CONTINGENT LIABILITIES** (continued)

(a) 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 2021. 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 Court has fixed the full trial of the main suit on 25, 26, 29 and 30 August 2022.

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

(b) In 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 was assessed by IRB as a non-deductible expenditure

The hearing has been rescheduled further to 10 March 2022 and interim stay has been granted until 10 March 2022. Concurrently, case mention for Special Commissioners of Income Tax (“SCIT”) has been rescheduled to 17 February 2022.

On 26 July 2021, WMSB has been served with another notice of additional assessment for additional tax liabilities of RM22,658,626 as the total annual lease payment made by WMSB to the PKA amounting to RM59,006,840 for the year assessment 2019 is assessed by IRB as not allowable for deduction in WMSB’s tax computation.

The Court has scheduled the hearing on 8 February 2022 and interim stay has been granted until 8 February 2022.

The provision for liability to be recognised in the Group’s financial statements is highly dependent upon the success of the judicial review proceedings to be commenced.

WMSB has obtained confirmation from its tax advisors and legal advice from 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.

37. **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 directors of the Group. Transactions with key management personnel are disclosed in Note 38.

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 Notes 19 and 23.

	Group	
	2021	**2020**
	RM’000	**RM’000**
Corporate shareholder		
Pembinaan Redzai Sdn. Bhd.		
- Administrative expenses paid on behalf	11	12
Companies in which a director has significant financial interest		
Cloud Ten Executive Travel & Tours Sdn. Bhd		
- Flight ticket and accommodation	135	277
Gryss Holdings Sdn. Bhd		
- Office rental and utilities	281	285
Westports Foundation		
- Financial support to community	400	1,000
PKT Logistics (M) Sdn. Bhd.		
- Port and storage income	-	(4,378)

37. **RELATED PARTIES** (continued)

	Company 2021 RM'000	Company 2020 RM'000
Company in which a director has significant financial interest		
Gryss Holdings Sdn. Bhd.		
- Office rental	281	220

38. **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 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Directors' fees	2,150	2,160	1,080	1,080
Remuneration	6,124	6,124		
Defined contribution plan	1,041	1,041		
Allowances	694	694	672	674
	10,009	10,022	1,752	1,754

The estimated monetary value of directors' benefit-in-kind is RM878,000 (2020: RM950,000).

39. **SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

On 19 March 2021, the Company announced that it has entered into a conditional share sale and purchase agreement ("SSPA") with Klang Port Management Sdn Bhd ("KPM"), a wholly owned subsidiary of Northport (Malaysia) Bhd, to jointly acquire 100% of the total issued and paid-up share capital in Port Klang Cruise Terminal Sdn Bhd ("PKCT") (formally known as Boustead Cruise Centre Sdn Bhd) from Boustead Holdings Berhad ("BHB") for a total purchase consideration of RM230 million. The 369,712,894 ordinary shares representing 100% in PKCT will be owned by the Company and KPM in a 50:50 ratio. ("Acquisition").

On 23 September 2021, the Company completed the acquisition of a 50% equity interest in PKCT from BHB for a cash consideration of RM115 million. The acquisition gives an opportunity for the Company to expand into the cruise terminal business and explore other complementary activities by increasing the utilisation of the vacant lands owned by PKCT.

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 2021 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
27 January 2022

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, at Kuala Lumpur in Federal Territory, this
27th day of January 2022

Before me,

……………………………………………………………

COMMISSIONER FOR OATHS

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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 2021 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. The Company and PRSB had subsequently on mutual agreement extended the conditional period to 8 August 2022.

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 2021.

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 28 February 2022

Issued Shares	: 3,410,000,000
Class of Shares	: Ordinary shares
Voting Rights	: One vote per share

Distribution of Shareholdings

Size of Holdings	No. of holders	%	No. of shares	%
Less than 100	282	5.60	1,658	neglible
100 to 1,000	1,356	26.91	953,760	0.03
1,001 to 10,000	2,193	43.53	10,031,915	0.29
10,001 to 100,000	721	14.31	27,296,591	0.80
100,001 to less than 5% of Issued Shares	482	9.57	831,895,976	24.40
5% and above of Issued Shares	4	0.08	2,539,820,100	74.48
Total	**5,038**	**100.00**	**3,410,000,000**	**100.00**

Substantial Shareholders

	Direct		Indirect	
Name of Substantial Shareholders	**No. of shares held**	**% of Issued Capital**	**No. of shares held**	**% of Issued Capital**
Pembinaan Redzai Sdn Bhd	1,446,461,500	42.42	-	-
South Port Investment Holdings Limited	802,962,600	23.55	-	-
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	210,000	0.01	1,552,100,000(1)	45.52
Pacific Port Investment Holdings Limited	-	-	802,962,600(2)	23.55
Wide Ocean Limited	-	-	802,962,600(3)	23.55
Hutchison Port Holdings Limited	-	-	802,962,600(4)	23.55
CK Hutchison Global Investments Limited	-	-	802,962,600(4)	23.55
CK Hutchison Holdings Limited	-	-	802,962,600(4)	23.55
Employees Provident Fund Board	244,350,000(5)	7.17	-	-
Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	188,553,500	5.53	22,294,200(6)	0.65
Gryss Limited	-	-	1,446,461,500(7)	42.42
Gryss (L) Foundation	-	-	1,446,461,500(8)	42.42

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 South Port Investment Holdings Limited in the Company pursuant to Section 8(4) of the Companies Act 2016.
(3) 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.
(4) 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.
(5) Include shares held through nominee companies.
(6) Deemed interested in the shares held by KWAP Fund Manager.
(7) Deemed interested in the shares held by Pembinaan Redzai Sdn Bhd in the Company pursuant to Section 8(4) of the Companies Act 2016.
(8) 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.

Analysis Of Shareholdings
Other Information

Thirty Largest Shareholders
as at 28 February 2022

No.	Name	No. Of Shares	%
1.	Pembinaan Redzai Sdn Berhad	1,365,361,500	40.04
2.	Maybank Securities Nominees (Asing) Sdn Bhd - Pledged Securities Account for South Port Investment Holdings Limited	802,962,600	23.55
3.	Kumpulan Wang Persaraan (Diperbadankan)	188,553,500	5.53
4.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	182,942,500	5.37
5.	Semakin Ajaib Sdn Bhd	99,438,500	2.92
6.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Pledge Securities Account DB Singapore WM Client For Pembinaan Redzai Sdn Bhd	80,000,000	2.35
7.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	32,590,100	0.96
8.	Lembaga Tabung Haji	27,000,000	0.79
9.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Aberdeen)	22,218,900	0.65
10.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An For AIA Bhd.	20,504,700	0.60
11.	Cartaban Nominees (Asing) Sdn Bhd - Exempt An For State Street Bank & Trust Company (West CLT OD67)	20,416,500	0.60
12.	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB For Prulink Equity Fund	18,776,500	0.55
13.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera 2	18,700,000	0.55
14.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	16,572,900	0.49
15.	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	15,736,900	0.46

Thirty Largest Shareholders (continued)
as at 28 February 2022

No.	Name	No. Of Shares	%
16.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA For Vanguard Emerging Markets Stock Index Fund	15,441,501	0.45
17.	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	14,782,900	0.43
18.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA For Vanguard Total International Stock Index Fund	13,261,541	0.39
19.	Amanahraya Trustees Berhad - Amanah Saham Malaysia 3	12,892,100	0.38
20.	Permodalan Nasional Berhad	12,776,900	0.38
21.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An For Citibank New York (Norges Bank 14)	9,399,600	0.28
22.	Citigroup Nominees (Asing) Sdn Bhd - CBNY For Norges Bank (FI 17)	9,070,012	0.27
23.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Aberislamic)	9,033,800	0.27
24.	Amanahraya Trustees Berhad - Public Islamic Equity Fund	7,384,200	0.22
25.	DB (Malaysia) Nominee (Asing) Sdn Bhd - BNYM SA/NV For People's Bank Of China (SICL ASIA EM)	7,076,100	0.21
26.	Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn. Bhd. (Aberdeen 2)	6,304,500	0.18
27.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB For Semakin Ajaib Sdn Bhd (PB)	6,200,000	0.18
28.	HSBC Nominees (Asing) Sdn Bhd - TNTC For General Organization For Social Insurance	6,050,800	0.18
29.	HSBC Nominees (Asing) Sdn Bhd - J.P. Morgan Securities PLC	5,094,500	0.15
30.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	4,951,100	0.14
	Total	**3,051,494,654**	**89.49**

Analysis Of Shareholdings
Other Information

Directors' Shareholdings
as at 28 February 2022

Name of Directors	Direct No. of shares held	Direct %	Indirect No. of shares held	Indirect %
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	210,000	0.01	1,552,100,000[(1)]	45.52
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil	-	-	-	-
Tan Sri Ismail bin Adam	-	-	-	-
Sing Chi IP	-	-	-	-
Dato' Yusli bin Mohamed Yusoff	-	-	-	-
Chan Soo Chee	50,000	negligible	-	-
Datuk Ruben Emir Gnanalingam bin Abdullah	-	-	105,638,500[(2)]	3.10
Chan Chu Wei	920,000	0.03	-	-
Kim, Young So	-	-	-	-
Shanthi Kandiah	-	-	-	-
Datuk Siti Zauyah binti Md Desa	-	-	-	-
Ahmad Zubir bin Zahid	-	-	-	-
Diana Tung Wan LEE	-	-	-	-
John Stephen Ashworth (Alternate Director to Sing Chi IP)	-	-	-	-
Andy Wing Kit TSOI (Alternate Director to Diana Tung Wan LEE)	-	-	-	-

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 2021 RM'000
CT1:						
Wharf and Yard	Wharf and yard for berthing and storing containers	24	600m & 91.2 m_2	1997	57	34,398
Building	Container Gate, Marshalling Building, Storage Facilities and M&R workshop	25	6.1 m_2	1996	50	4,410
CT2:						
Wharf and Yard	Wharf and yard for berthing and storing containers	24 & 21	600m & 150.0m_2	1997 & 2000	57 & 53	31,845
Building	Storage Facilities	22	2.7 m_2	1999	50	2,112
CT3:						
Wharf and Yard	Wharf and yard for berthing and storing containers	20	600m & 131.4m_2	2001	52	80,300
Building	Storage Facilities	18	38.3m_2	2003	50	5,175
CT4:						
Wharf and Yard	Wharf and yard for berthing and storing containers	16	600m & 137.6m_2	2005	48	112,919
Building	Admin building and M&R workshop	14	19.2m_2	2007	46	10,765
CT5:						
Wharf and Yard	Wharf and yard for berthing and storing containers	13	600m & 137.6m_2	2008	45	168,801
CT6:						
Wharf and Yard	Wharf and yard for berthing and storing containers	10 & 9	600m & 180.3m_2	2011 & 2012	42 & 43	235,648
CT7:						
Wharf and Yard	Wharf and yard for berthing and storing containers	8 & 7	600m & 175.8m_2	2013 & 2014	41 & 40	271,903
Building	Container Gate, Marshaling Centre, M&R workshop	5	127.1m_2	2016	38	70,208
CT8:						
Wharf and Yard	Wharf and yard for berthing and storing containers	5 & 4	600m 263.1m_2	2016	38	248,376
CT9:						
Wharf and Yard	Wharf and yard for berthing and storing containers	4	600m 100.1m_2	2017	37	265,225
Yard	CT9 yard area	1	157.1m_2	2020	34	76,076

Notice Of The Twenty-Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting ("**29th AGM**") of WESTPORTS HOLDINGS BERHAD will be conducted on a virtual basis through live streaming from the broadcast venue at 3rd Floor, Tower Block, Jalan Pelabuhan Barat, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan, Malaysia ("**Broadcast Venue**") on Monday, 25 April 2022 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 2021 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 RM3.02 million from this Annual General Meeting until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service of the Directors. — **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) Tan Sri Ismail bin Adam — **Ordinary Resolution 2**
   (ii) Sing Chi IP — **Ordinary Resolution 3**
   (iii) Kim, Young So — **Ordinary Resolution 4** **Please refer to Explanatory Note 3**

4. To re-elect the following Directors who are retiring pursuant to Clause 122 of the Constitution of the Company:-
   (i) Datuk Siti Zauyah binti Md Desa — **Ordinary Resolution 5**
   (ii) Ahmad Zubir bin Zahid — **Ordinary Resolution 6**
   (iii) Diana Tung Wan LEE — **Ordinary Resolution 7** **Please refer to Explanatory Note 3**

5. To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 8**

As Special Business

To consider and, if thought fit, to pass the following resolutions:

6. **Proposed Authority to Allot and Issue Shares pursuant to Section 76 of the Companies Act 2016** — **Ordinary Resolution 9** **Please refer to Explanatory Note 4**

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

7. **Proposed Amendments to the Constitution of the Company** — **Special Resolution** **Please refer to Explanatory Note 5**

   "THAT the proposed alteration or amendments to the existing Constitution of the Company, as annexed herewith as Appendix I of the Notice of Annual General Meeting, be and hereby approved and adopted, with immediate effect.

   AND THAT the Directors of the Company be and are hereby authorised to assent to any conditions, modification, variation and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

8. 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: 22 March 2022

NOTES:

1. The 29th AGM will be conducted 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://meeting.boardroomlimited.my. Please follow the procedures provided in the Administrative Guide for the 29th AGM in order to register, participate and vote remotely via the RPEV facilities.

   The Administrative Guide on the conduct of a virtual 29th 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 29th AGM.

3. Since the 29th 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 29th 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 29th 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://investor.boardroomlimited.com. Please refer to the Administrative Guide for the 29th AGM for further information on electronic submission.

8. Individual members may via Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com, and proxies/corporate representatives may via bsr.helpdesk@boardroomlimited.com, submit questions relating to resolutions to be tabled at the 29th AGM or financial performance/prospect of the Company, not later than Saturday, 23 April 2022 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 29th AGM as the primary mode of communication.

9. In respect of deposited securities, only members whose names appear on the Record of Depositors on 12 April 2022 (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

Section 230(1) of the Act provides amongst others, that the Directors' fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the members' approval shall be sought at this 29th Annual General Meeting on the Directors' remuneration.

The amount of Directors' fees payable includes fees payable to Directors as members of Board and Board Committees. The amount of Directors' benefits payable comprises meeting allowances from this AGM until the conclusion of the next AGM of the Company to be held by June 2023 (14 Months).

The current annual fee for Directors, which was last approved by the Board of Directors in 2021 had remained unchanged since financial year 2013. During a review in 2022, the Nomination and Remuneration Committee recommended and the Board has approved, subject to shareholders' approval at this Annual General Meeting, for fees payable to Directors as members of Board to remain unchanged while adjusting fees payable to members of Board Committees, following the introduction of new Board Committees and realignment of functions in existing committees on 1 January 2022.

3. Re-election of Directors

The profiles of the Directors who are standing for re-election under item 3 and 4 of this Agenda are set out in the Board of Directors' profile of the Annual Report 2021.

Based on the recommendation of the Nomination and Remuneration Committee, the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:-

(a) Re-election of Tan Sri Ismail bin Adam as Independent Non-Executive Director

Tan Sri Ismail bin Adam fulfills the requirement of independence set out in the Main Market Listing Requirements ("**MMLR**") of Bursa Securities as well as the prescribed criteria under the Malaysian Code on Corporate Governance ("**MCCG 2021**"). He has demonstrated his independence through his engagement in the meetings by proactively giving valuable insights to the Management in developing the Group's business strategies. He also exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.

(b) Re-election of Sing Chi IP as Non-Independent Non-Executive Director

Sing Chi IP with over 40 years' of experience in the maritime industry has provided valuable inputs and perspectives on the business and constructively feedback to the Company in developing the Group's business strategy, streering the Group forward during his tenure as a Non-Independent Non-Executive Director.

(c) Re-election of Kim, Young So as Independent Non-Executive Director

Kim, Young So fulfills the requirement of independence set out in the MMLR of Bursa Securities as well as the prescribed criteria under the MCCG 2021. He has demonstrated his independence through his engagement in the meetings by proactively giving valuable insights to the Management in developing the Group's business strategies. He also exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.

(d) Re-election of Datuk Siti Zauyah binti Md Desa as Independent Non-Executive Director

In accordance with Clause 122 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next Annual General Meeting of the Company and shall then be eligible for re-election. Datuk Siti Zauyah binti Md Desa, who was appointed as a Director of the Company on 1 January 2022, retires pursuant to Clause 122 of the Company's Constitution and being eligible, has offered herself for re-election at the 29th Annual General Meeting.

Shareholders' approval is sought for the re-election of Datuk Siti Zauyah binti Md Desa under Ordinary Resolution 5. The profile of Datuk Siti Zauyah binti Md Desa is listed in the Profile of Directors section.

(e) Re-election of Ahmad Zubir bin Zahid as Independent Non-Executive Director

In accordance with Clause 122 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next Annual General Meeting of the Company and shall then be eligible for re-election. Ahmad Zubir bin Zahid, who was appointed as a Director of the Company on 1 January 2022, retires pursuant to Clause 122 of the Company's Constitution and being eligible, has offered himself for re-election at the 29th Annual General Meeting.

Shareholders' approval is sought for the re-election of Ahmad Zubir bin Zahid under Ordinary Resolution 6. The profile of Ahmad Zubir bin Zahid is listed in the Profile of Directors section.

(f) Re-election of Diana Tung Wan LEE as Non-Independent Non-Executive Director

In accordance with Clause 122 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next Annual General Meeting of the Company and shall then be eligible for re-election. Diana Tung Wan LEE, who was appointed as a Director of the Company on 1 January 2022, retires pursuant to Clause 122 of the Company's Constitution and being eligible, has offered herself for re-election at the 29th Annual General Meeting.

Shareholders' approval is sought for the re-election of Diana Tung Wan LEE under Ordinary Resolution 7. The profile of Diana Tung Wan LEE is listed in the Profile of Directors section.

4. Proposed Authority to Allot and Issue Shares pursuant to Section 76 of the Act

The Ordinary Resolution 9 proposed under item 6 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.

5. Proposed Amendments to the Constitution of the Company

The proposed amendment of Constitution, if passed, will provide greater clarity to the Company's Constitution and enhance administrative efficiency as well as to remove any existing conditions, restrictions or limitations which may be the subject of prevailing exemptions prescribed by regulators arising from exceptional circumstances. Besides that, the Proposed Amendments will also allow the Company to comply with the relevant statutory requirements so as to update in accordance to the latest development of governance.

6. Voting Procedures

Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 29th AGM will be conducted by poll. Poll Administrator and Scrutineer will be appointed to conduct the polling process and to verify the results.

7. Annual Report 2021

The softcopy of the Annual Report 2021, Sustainability Report 2021 and Corporate Governance Report 2021 are available on the Company's website at www.westportsholdings.com.

Shareholders of the Company may request for the printed copy of the Annual Report 2021 and Sustainability Report 2021 via the Company's website at 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**

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-Ninth Annual General Meeting ("**29th AGM**") of the Company to be conducted on a virtual basis through live streaming from the broadcast venue at 3rd Floor, Tower Block, Jalan Pelabuhan Barat, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan, Malaysia ("**Broadcast Venue**") on Monday, 25 April 2022 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 RM3.02 million from this Annual General Meeting until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service of the Directors	Ordinary Resolution 1		
2.	Re-election of Tan Sri Ismail bin Adam as Director	Ordinary Resolution 2		
3.	Re-election of Sing Chi IP as Director	Ordinary Resolution 3		
4.	Re-election of Kim, Young So as Director	Ordinary Resolution 4		
5.	Re-election of Datuk Siti Zauyah binti Md Desa as Director	Ordinary Resolution 5		
6.	Re-election of Ahmad Zubir bin Zahid as Director	Ordinary Resolution 6		
7.	Re-election of Diana Tung Wan LEE as Director	Ordinary Resolution 7		
8.	Re-appointment of Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 8		
9.	Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares	Ordinary Resolution 9		
10.	Proposed Amendments to the Constitution of the Company	Special Resolution		

Subject to the above stated 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 ………………………………, 2022.

** Strike out whichever is not desired. Unless otherwise instructed, the proxy may vote as he/she thinks fit.*

NOTES:

1. The 29th AGM will be conducted 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://meeting.boardroomlimited.my. Please follow the procedures provided in the Administrative Guide for the 29th AGM in order to register, participate and vote remotely via the RPEV facilities.

   The Administrative Guide on the conduct of a virtual 29th 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 29th AGM.

3. Since the 29th 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 29th 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 29th AGM or at any adjournment thereof, as follows:

   (i) <u>In Hardcopy Form</u>

   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) <u>By Boardroom Smart Investor Online Portal</u>

   The Form of Proxy can be electronically submitted via Boardroom Share Registrars' website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide for the 29th AGM for further information on electronic submission.

8. Individual members may via Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com, and proxies/corporate representatives may via bsr.helpdesk@boardroomlimited.com, submit questions relating to resolutions to be tabled at the 29th AGM or financial performance/prospect of the Company, not later than Saturday, 23 April 2022 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 29th AGM as the primary mode of communication.

9. In respect of deposited securities, only members whose names appear on the Record of Depositors on 12 April 2022 (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 22 March 2022.

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