BINTULU PORT HOLDINGS BERHAD

(Company No. 380802-T)

Annual Report 2015

A **World-Class LNG Port**
& The Port of **BIMP-EAGA**

A **World-Class LNG Port**
& The Port of **BIMP-EAGA**

BINTULU PORT HOLDINGS BERHAD
(Company No. 380802-T)

Financial Highlights

Operational & Financial Highlights of the Group 13
Performance Highlights 14
Share Performance 14

Performance Review

Chairman's Statement 16
Chief Executive Officer's Statement 20

Other Information

Analysis of Equity Structure 202
Summary of Equipment & Facilities 204
List of Properties 207
Proxy Form 211

Corporate Information

Corporate Structure 25
Corporate Information 26
Board of Directors 28
Profile of Directors 30
Profile of Chief Executive Officer 44
Management of Bintulu Port Holdings Berhad (BPHB) 45
Management of Bintulu Port Sdn. Bhd. (BPSB) 48
Management of Biport Bulkers Sdn. Bhd. (BBSB) 49
Management of Samalaju Industrial Port Sdn. Bhd. (SIPSB) 50

Corporate Governance

Statement on Corporate Governance 52
Statement on Risk Management & Internal Control 72
Board Committees Report 80
Audit Committee Report 84

Corporate Responsibility

Corporate Sustainability Report 91
Corporate Social Responsibility (CSR) 93
Health, Safety & Environment Report 96
Awards and Recognitions 100
Corporate Highlights 2015 103

Profile of Subsidiaries

Profile of Bintulu Port Sdn. Bhd. (BPSB) 112
Profile of Biport Bulkers Sdn. Bhd. (BBSB) 113
Profile of Samalaju Industrial Port Sdn. Bhd. (SIPSB) 114

Financial Statements

Financial Statements 115

CORPORATE STATEMENT

To realize our vision of becoming a world-class LNG Port and the Port of BIMP-EAGA it is our mission to provide quality port services that meet customers' expectations, ensure a competitive return on investment for the shareholders and benefit the stakeholders.

We define quality port services as continuously understanding, accepting, meeting and exceeding the needs and expectations of our port users.

VISION

A world class LNG Port
& The Port of BIMP-EAGA

MISSION

To provide quality port services that meet customers' expectations, ensure a competitive return on investment for the shareholders and benefit the stakeholders.

WHO WE ARE

Bintulu Port Holdings Berhad (BPHB) is a public limited company, incorporated on 22 March 1996 under the Companies Act 1965. The Company shares (BIPORT) were listed on the Main Market of the Bursa Malaysia Securities Berhad on 16 April 2001.

OUR VALUES

INTEGRITY

We adhere to standards, regulations and conduct the business according to the highest ethics.

INNOVATION

We are committed in delivering effective solutions to each customer's needs and continuously adopting new technology to maintain our competitiveness.

CUSTOMER FOCUSED

We provide safe and efficient services that meet customers' expectations.

QUALITY PEOPLE

We are versatile personnel. We value teamwork and co-operation. We are committed to align our behavior with the organizational goals.

RECOGNITION

We provide our personnel with challenging opportunities, emphasizing on individual initiative and creativity for career advancement.

NOTICE OF THE 20th ANNUAL GENERAL MEETING

(Pursuant to Chapter 8, Part H, Para 8.27 (1) of the Main Market Listing Requirements)

NOTICE IS HEREBY GIVEN that the Twentieth (20th) Annual General Meeting of BINTULU PORT HOLDINGS BERHAD will be held at Ballroom 3, Lobby Floor, Hilton Kuching, Jalan Tunku Abdul Rahman, 93748 Kuching, Sarawak on Thursday, 28 April 2016 at 11.30 a.m. for the following purposes:

ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the year ended 31 December 2015 together with the Reports of the Directors and the Auditors thereon. [Please refer to Explanatory Note 1]	**(Resolution 1)**
2.	To approve the payment of Final Single Tier Dividend of 6.0 sen per share in respect of the year ended 31 December 2015. [Please refer to Explanatory Note 2]	**(Resolution 2)**
3.	To approve the Directors' Fees amounting to **RM956,387.10** for the year ended 31 December 2015. [Please refer to Explanatory Note 3]	**(Resolution 3)**
4.	To re-elect **Tan Sri Dr. Ali bin Hamsa** who retires under Article 127 of the Company's Articles of Association. [Please refer to Explanatory Note 4]	**(Resolution 4)**
5.	To re-elect **Datuk Fong Joo Chung** who retires under Article 127 of the Company's Articles of Association. [Please refer to Explanatory Note 4]	**(Resolution 5)**
6.	To re-elect **Datuk Seri Mohamad Norza bin Zakaria** who retires under Article 127 of the Company's Articles of Association. [Please refer to Explanatory Note 4]	**(Resolution 6)**
7.	To re-elect **Encik Dzafri Sham bin Ahmad** who retires under Article 132 of the Company's Articles of Association. [Please refer to Explanatory Note 5]	**(Resolution 7)**
8.	To re-elect **Datuk Nozirah binti Bahari** who retires under Article 132 of the Company's Articles of Association. [Please refer to Explanatory Note 5]	**(Resolution 8)**
9.	To re-appoint **Messrs. Ernst & Young** as Auditors of the Company and to authorise the Directors to fix their remuneration. [Please refer to Explanatory Note 6]	**(Resolution 9)**
10.	To transact any other business for which due notice shall have been given in accordance with the Companies Act 1965.	**(Resolution 10)**

NOTES:
EXPLANATORY NOTES ON ORDINARY BUSINESS:-

1) Explanatory Note for Resolution 1

Pursuant to Section 169 (1) of the Companies Act 1965, it is the duty of the Board of Directors to present to the shareholders the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors. There is no requirement for the shareholders to approve such documents and hence the matter will not be put forward for voting.

2) Explanatory Note for Resolution 2

The Board of Directors is recommending that the shareholders approve the payment of the Final Dividend. In accordance with Article 162 of the Company's Articles of Association, the Company in General Meeting may by ordinary resolution declare dividends payable to the Members in accordance with their respective rights and priorities out of any lawfully distributable profits, but no dividend shall exceed the amount recommended by the Board of Directors. Pursuant to paragraph 8.26 of the Main Market Listing Requirements, the final dividend, if approved, will be paid no later than three (3) months from the shareholders' approval. The Book Closure Date and Payment Date, subject to approval of shareholders has been announced by the Company on 26 February 2016.

3) Explanatory Note for Resolution 3

The Board of Directors is recommending that the shareholders approve the payment of Directors' fees totalling RM956,387.10 to the Non-Executive Directors for the financial year ended 31 December 2015. In accordance with Article 110 of the Company's Articles of Association, the remuneration of the Directors shall from time to time be determined by the Company in General Meeting but:

- Directors' fees payable to Directors not holding any executive office in the Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover;
- salaries payable to Directors holding executive office in the Company may not include a commission on or a percentage of turnover;
- all remuneration payable to Directors shall be deemed to accrue from day to day;
- fees payable to Directors shall not be increased except pursuant to a resolution passed by the Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
- any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

4) Explanatory Notes for Resolutions 4 to 6

Article 127 of the Company's Articles of Association expressly states that an election of Directors shall take place each year. At every Annual General Meeting, one-third of the Directors (whether Government Appointed Directors or not) who are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, the number nearest to one-third shall retire from office, and if there is only 1 Director who is subject to retirement by rotation, he shall retire PROVIDED ALWAYS that all Directors shall retire from office once at least in each 3 years.

5) Explanatory Notes for Resolutions 7 and 8

Article 132 of the Company's Articles of Association stipulates that the Directors may appoint a person who is willing to act as Director, either to fill a casual vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election.

6) Explanatory Note for Resolution 9

Pursuant to Section 172 (2) of the Companies Act 1965, shareholders shall appoint Auditors who shall hold office until the conclusion of the next Annual General Meeting. The current Auditors have expressed their willingness to continue in office and the Board of Directors has recommended their reappointment. The shareholders shall consider this resolution and to authorise the Board of Directors to determine their remuneration thereof.

NOTICE OF BOOK CLOSURE AND DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT the Register of Members of the Company will be closed on 13 May 2016 for the purpose of determining shareholders' entitlement to the dividend. The dividend, if approved by Members at the Twentieth (20th) Annual General Meeting, will be paid on 27 May 2016.

A Depositor with Bursa Malaysia Depository Sdn. Bhd. shall qualify for entitlement to the dividend only in respect of:

a) Shares transferred into the Depositor's securities account before 5.00 p.m. on 13 May 2016 in respect of ordinary transfers; and

b) Shares bought on the Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

By Order of the Board,

ABU BAKAR BIN HUSAINI
(LS0009926)
Company Secretary

BINTULU
1 April 2016

Notes :

- *Only depositors whose names appear on the Record of Depositors as at 20 April 2016 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her behalf.*
- *A member of the Company entitled to attend and vote is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.*
- *Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.*
- *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney duly authorised in writing and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised.*
- *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 15, Block 20, Kemena Land District, 12th Mile, Tanjung Kidurong Road, 97000 Bintulu, Sarawak, Malaysia not less than forty-eight (48) hours before the day, date and time stipulated for holding the said meeting or at any adjournment thereof.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Chapter 8, Part H, Para 8.27 (2) of the Main Market Listing Requirements)

1. Directors who are standing for re-election at the Twentieth (20th) Annual General Meeting of the Company

a) *The Directors retiring by rotation pursuant to Article 127 of the Company's Articles of Association and Para 7.26 of the Main Market Listing Requirements and offered themselves for re-election are:*

- **Tan Sri Dr. Ali bin Hamsa**
  (Non-Independent Non-Executive)
- **Datuk Fong Joo Chung**
  (Non-Independent Non-Executive)
- **Datuk Seri Mohamad Norza bin Zakaria**
  (Independent Non-Executive)

b) *The Directors retiring pursuant to Article 132 of the Company's Articles of Association and offered themselves for re-election are:*

- **Encik Dzafri Sham bin Ahmad**
  (Non-Independent Non-Executive Director effective 01/09/2015)
- **Datuk Nozirah binti Bahari**
  (Independent Non-Executive Director effective 01/02/2016)

2. Board Meetings held during the financial year ended 31 December 2015

For the financial year ended 31 December 2015, a total of twelve (12) Board Meetings were held as follows:

Meeting No.	Date/Day & Time	Venue
1/2015	20 January 2015 (Tuesday) @ 6.00 p.m.	Kuala Lumpur Room, Level 1, Putrajaya Marriott Hotel
2/2015	16 February 2015 (Monday) @ 7.00 p.m.	Selangor Room, Level 1, Putrajaya Marriott Hotel
3/2015	10 March 2015 (Tuesday) @ 6.30 p.m.	Selangor Room, Level 1, Putrajaya Marriott Hotel
4/2015	28 April 2015 (Tuesday) @ 9.00 a.m	Rajawali Room, First Floor, Hilton Kuching, Sarawak
5/2015	29 May 2015 (Friday) @ 6.30 p.m.	Garden 3 Room, Level 1, Putrajaya Marriott Hotel,
6/2015 (By Way of Circular Resolution and signed by all Directors pursuant to Article 149 of the Company's Articles of Association)	25 June 2015 (Thursday)	Vide Letter Ref. (120)BHB/3.1/1 Jld. 2 dated 25 June 2015

Meeting No.	Date/Day & Time	Venue
7/2015	24 August 2015 (Monday) @ 6.30 p.m.	Kuala Lumpur Room, Level 1, Putrajaya Marriott Hotel
8/2015	2 September 2015 (Wednesday) @ 5.30 p.m.	Kuala Lumpur Room, Level 1, Putrajaya Marriott Hotel
9/2015 (By Way of Circular Resolution and signed by all Directors pursuant to Article 149 of the Company's Articles of Association)	17 September 2015 (Thursday)	Vide Letter Ref. (143)BHB/3.1/1 Jld.2 dated 17 September 2015
10/2015	5 October 2015 (Monday) @ 5.30 p.m.	Garden 3 Room, Level 1, Putrajaya Marriott Hotel
11/2015	9 November 2015 (Monday) @ 5.30 p.m.	Kuala Lumpur Room, Level 1, Putrajaya Marriott Hotel
12/2015 (By Way of Circular Resolution and signed by all Directors pursuant to Article 149 of the Company's Articles of Association)	11 December 2015 (Friday)	Vide Letter Ref. (152)BHB/3.1/1 Jld.2 dated 11 December 2015

Details of the Board of Directors' attendance are as follows:

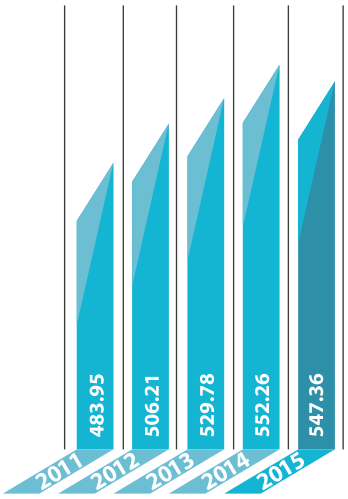
Directors	No. of Meetings Attended	Percentage of Attendance (%)
Tan Sri Dr. Ali bin Hamsa	12/12	100
Dato' Mat Noor bin Nawi (Resigned on 01/09/2015)	3/7	42.9
Datuk Dr. Sundaran Annamalai (Appointed on 01/09/2015 and resigned on 16/12/2015)	5/5	100
Tan Sri Datuk Amar Hj. Mohamad Morshidi bin Abdul Ghani	6/12	50
Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Hj. Zainuddin	11/12	91.7
Datuk Fong Joo Chung	11/12	91.7
Datuk Nasarudin bin Md Idris	11/12	91.7
Tuan Hj. Zakaria bin Kasah (Resigned on 01/09/2015)	6/7	85.7
Encik Dzafri Sham bin Ahmad (Appointed on 01/09/2015	5/5	100

Directors	No. of Meetings Attended	Percentage of Attendance (%)
Dato' Seri Dr. Hj. Arshad bin Hashim	12/12	100
Datuk Seri Mohamad Norza bin Zakaria	11/12	91.7
Dato' Sri Mohamed Khalid bin Yusuf @ Yusup	11/12	91.7
Dato' Yasmin binti Mahmood	12/12	100

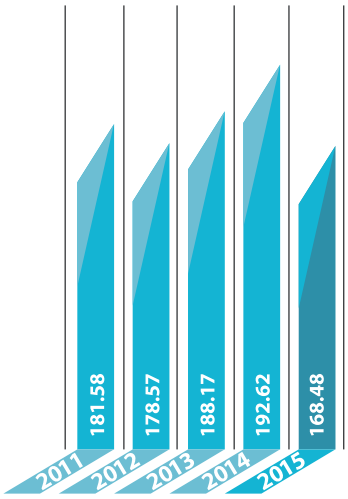
FINANCIAL HIGHLIGHTS

Operational & Financial Highlights of the Group

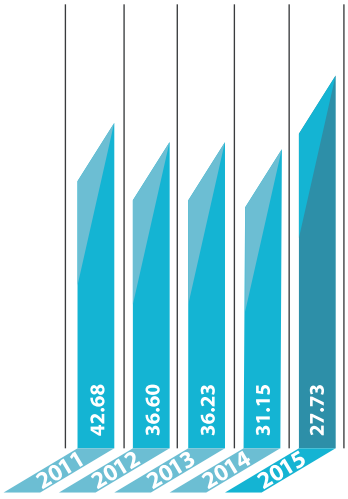
TURNOVER
(RM MILLION)



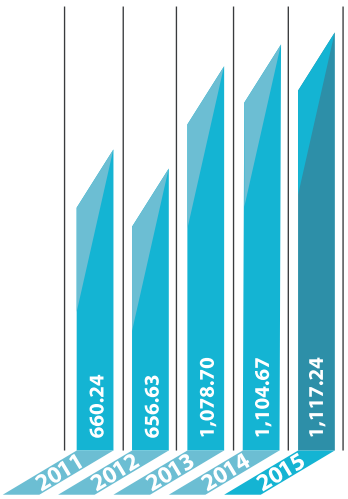
PROFIT BEFORE TAXATION
(RM MILLION)



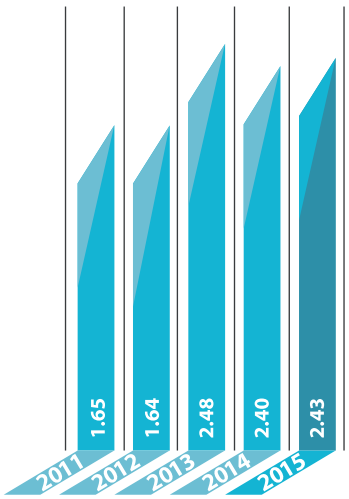
EARNING PER SHARE
(SEN)



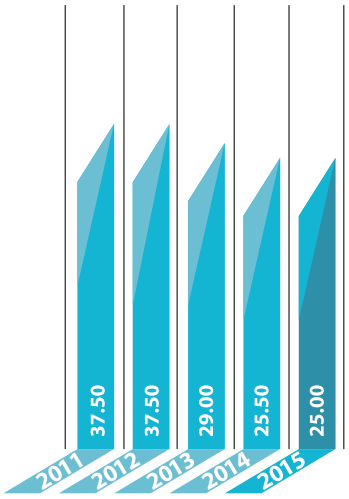
TOTAL SHAREHOLDER'S FUND
(RM MILLION)



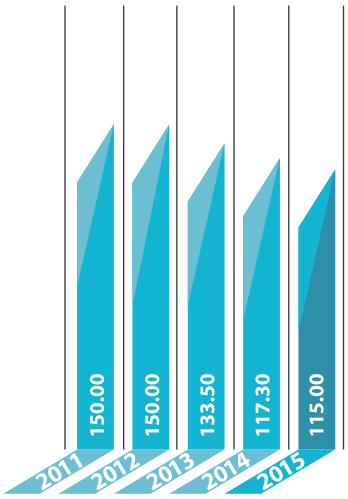
NET ASSET PER SHARE
(RM)



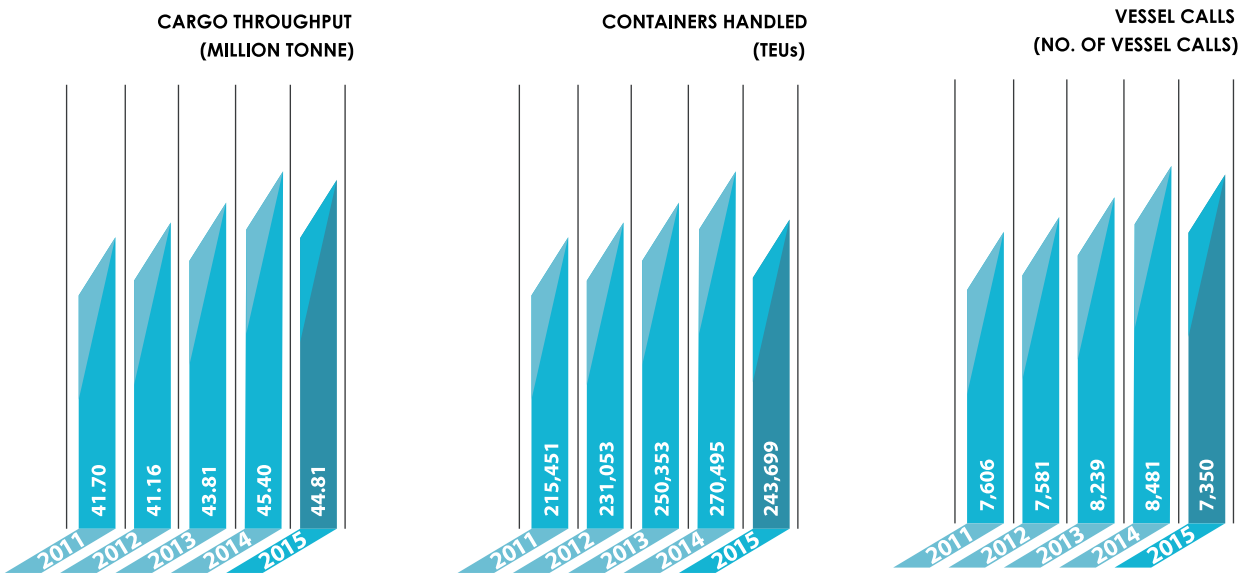
SINGLE TIER DIVIDEND
(SEN)



DIVIDEND PAID DURING THE YEAR (NETT)
(RM MILLION)

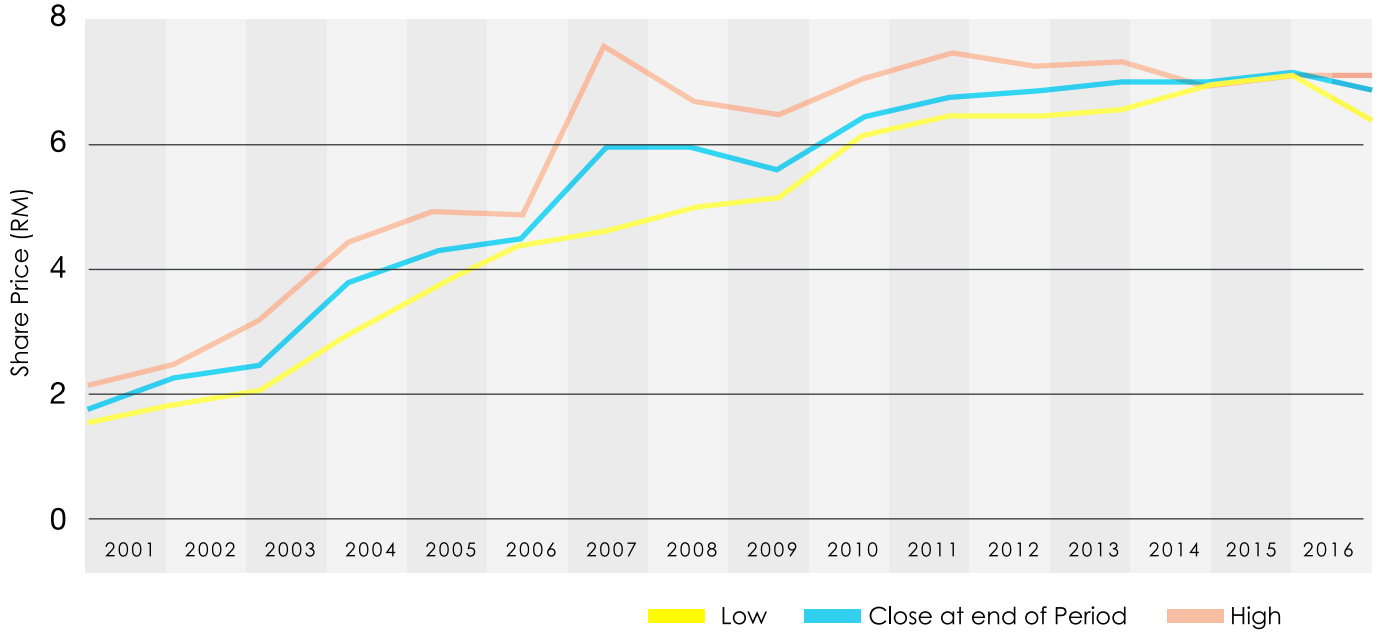


Performance Highlights



Share Performance

Ordinary Share of RM1.00 each	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Highest Price	2.18	2.56	3.22	4.50	4.94	4.94	7.60	6.75	6.52	7.05	7.50	7.30	7.32	7.00	7.20	7.20
Lowest Price	1.68	1.97	2.10	3.02	3.76	4.46	4.68	5.00	5.20	6.15	6.46	6.50	6.56	7.00	7.20	6.40



* Based on transacted price for the period ended 29 February 2016

PERFORMANCE REVIEW

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I have great pleasure in presenting to you the Annual Report and the Audited Financial Statements of Bintulu Port Holdings Berhad for the financial year ended 31 December 2015.

OVERVIEW

The 2015 Budget was formulated to sustain economic growth and improve the well-being of the *rakyat*, as well as strengthening the transformation agenda through various programmes and projects. It is focused on seven key areas, namely strengthening economic growth, enhancing fiscal governance, developing human capital and entrepreneurship, advancing the *bumiputera* agenda, upholding the role of women, developing the National Youth Transformation Programme and prioritising the well-being of Malaysians.

For the year 2015, the Malaysian economy registered a growth of 5.0% as compared to 6.0% in 2014. This growth was mainly supported by domestic activities and a better export performance, despite increasing external uncertainties. This growth was also reflected in the overall increase of Malaysian Port cargo throughput which was 568.33 million tonnes in 2015 as compared to 529.23 million tonnes in the previous year reflecting growth of 5.4% for 2015.

The fiscal deficit continued to improve from 6.7% in 2009 to 3.4% of GDP in 2014, with a further decline to 3.2% in 2015 in consonance with the Government's firm commitment towards fiscal consolidation.

With the challenging economic and financial landscape in 2015, Bintulu Port Holdings Berhad also felt the impact for the year under review. Nevertheless, as a gateway to economic growth particularly the Sarawak Corridor of Renewable Energy (SCORE), Bintulu Port will continuously enhance its efficiency, safety and competitiveness in providing port services as well as safeguarding the environment.

FINANCIAL HIGHLIGHTS

For the financial year ended 31 December 2015, the Group's Total Income comprising of Operating Revenue, Concession Revenue as per Interpretation Committee 12 (IC 12) and other income, was RM949.23 million, reflecting a 9.35% increase as compared to RM868.10 million registered in the previous year.

For IC 12, when a company constructs or upgrades infrastructure, the Company is considered to be performing construction services and recognises revenue for the construction services rendered. Revenue from construction contracts were recognised on a percentage of completion basis.

For the year 2015, revenue from construction services was higher by RM89.27 million generated from concession infrastructures for the development of port infrastructure at Bintulu Port Sdn. Bhd. (BPSB) and Phase 1 facilities development at Samalaju Industrial Port Sdn. Bhd. (SIPSB). The revenue earned in 2015 amounting to RM388.42 million showed an increase of 29.84% as compared to RM299.15 million in 2014.

The Operating Revenue of RM547.36 million in 2015 was lower by RM4.90 million as compared to RM552.26 million in 2014. The revenue attained from port and bulking services stood at RM510.02 million and RM37.34 million respectively.

For the financial year 2015, the Group has registered a Profit Before Taxation of RM168.48 million, a decrease of 12.53% as compared to RM192.62 million in the year 2014.

Basic Earnings Per Share (EPS) for financial year 2015 was 27.73 sen whilst Earnings Per Share for financial year 2014 stood at 31.15 sen. Subsequently, our Shareholders' Equity improved in 2015 by 1.18% to RM1.117 billion from RM1.104 billion previously.

PERFORMANCE OF SUBSIDIARIES

The global economic situation has impacted upon the overall performance of the wholly-owned subsidiaries of the Group. BPSB, registered marginal decrease in most areas of the port's operations in the year under review.

Overall cargo throughput at BPSB decreased 1.45% from 45.40 million tonnes in 2014 to 44.74 million tonnes in 2015. As an LNG exporter, the volume of LNG cargo handled decreased marginally totalling 25.09 million tonnes in the year under review as against 25.49 million tonnes handled the previous year.

Non-LNG cargo handled during the year also showed a marginal decrease of 1.31% from 19.91 million tonnes to 19.65 million tonnes. Containers handled recorded a decrease of 9.91% from the 270,495 TEUs in 2014 to 243,699 TEUs in 2015, mainly contributed by the reduction in transhipment of timber-based product and project cargo due to completion of major plants construction namely LNG Train 9, OM Materials and Sakura Ferroalloys. Total vessel calls for all cargo categories have decreased 13.55% in 2015, from 8,478 calls to 7,329 calls.

Another wholly-owned subsidiary of Bintulu Port Holdings Berhad, Biport Bulkers Sdn. Bhd. (BBSB) which specialises in providing bulking services and storage, has increased its throughput from 3.55 million tonnes to 3.57 million tonnes for the year 2014 and 2015 respectively. This is due to the increase in export of refined palm oil products and palm kernel oil in 2015, as a result of the increase in demand from countries such as Singapore, Ghana, Mozambique and also Bangladesh.

Samalaju Industrial Port Sdn. Bhd. (SIPSB) completed construction of its interim facilities in April 2014 and total throughput handled were 5,743 tonnes in 2014, which increased to 71,183 tonnes in 2015. Vessel calls also registered an increase of 21 calls in 2015 as compared to 3 calls in 2014.

Other facilities for Phase 1 are under construction and progressing well, and are expected to be completed by the end of 2016 and ready for full operation in early 2017.

DIVIDEND

In respect of the financial year ended 31 December 2015, the Board of Directors is recommending for your approval, the payment of a Final Single Tier Dividend of 6.00 Sen per share. Upon approval at this Annual General Meeting, the dividend will be paid on 27 May 2016 to shareholders registered on the Company's Register of Members at the close of business on 13 May 2016. Thus, the total dividend payout for the year under review is RM101.20 million or 22.00 Sen per share.

The Board of Directors believes that the above dividend payout is reasonable and reflects competitive returns to shareholders.

CORPORATE GOVERNANCE

The Board believes in ensuring the highest standards of corporate governance as this will serve to strengthen the Company's sustainability, organisational effectiveness, and promote a high-performance culture within the organisation. Towards achieving this, the Board of Directors subscribed to the Malaysian Code on Corporate Governance to ensure that a sound system of internal controls is maintained to safeguard shareholders' investment, Company's assets and the interest of other stakeholders. Apart from this the Corporate Governance Mechanism and processes in the form of policies, procedures and guidelines have been reviewed from time to time to enhance the overall Corporate Governance of the Company. Details of various compliance initiatives are highlighted further in the Board's Statement pertaining to the Corporate Governance on pages 52 to 71 of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group is committed to being a socially responsible partner to our employees, shareholders and other parties within the communities we operate in. As part of our CSR efforts, the Group carried out numerous community programmes pertaining to social welfare, education and sports development and will continue to identify areas where our support can make a real difference. Our initiatives include donations and sponsorship of local events. On the environmental front, the Group is also proud of its contribution towards environmental sustainability by encouraging best practices in our operations that reduce waste and pollution. As for our employees, we practice stringent measures pertaining to occupational health and safety to ensure their wellbeing.

More information on our initiatives can be found in the Corporate Social Responsibility section pages 93 to 95 of this Annual Report.

FUTURE OUTLOOK

For the year under review, contributions from LNG and Non-LNG cargo throughput were 55.99% and 44.01% respectively. Revenue generated from the LNG sector was RM354.33 million as compared to revenue from Non-LNG of RM193.03 million.

Our anchor customer, PETRONAS has embarked on a new LNG train (Train 9), which will add another 3.6 million tonnes per annum to the existing 25.7 million tonnes production capacity. This project is scheduled to operate in early third quarter of 2016.

Efforts have been made to reduce the dependency on LNG from the current level to 60% in the next couple of years. Specific focus will be given to the development of the dry bulk sector, container sector and palm oil as well as petrochemical sector. Subject to viability, several related projects that have been identified for the next five years are as follows:

- 400 m General Cargo Wharf at 2nd Inner Harbour
- 300 m of Bulk Fertilizer Wharf at 2nd Inner Harbour
- Conversion of 300 m General Cargo Wharf for Container Operation
- Additional Petrochemical Jetty
- Petrochemical Tank Farm

The Group obtained approval in principle from the Federal Government to extend the existing concession period for Bintulu Port Sdn. Bhd. until 2052. Detailed terms and conditions are subject to the concurrence of all parties involved.

The Group continues to focus its resources on growing its core operations and recurrent income base as well as to attract traffic, enhance capacities and capabilities, improve costs and fund management as well as develop new businesses. Simultaneously, the Group will also reposition itself to serve the SCORE in terms of the provision of port services and facilities, including terminal operation and management. We believe, throughput contribution from Samalaju Port is expected to grow with the completion of Phase 1 of Samalaju Port by early 2017 and Bintulu Port Sdn. Bhd. together with Biport Bulkers Sdn. Bhd. will provide comprehensive services to the said corridor.

APPRECIATION

A sustainable and successful organisation is centred on its people at every level of the organisation and operations. On behalf of the Board of Directors, I would like to record my sincere appreciation to all the staff, the Management of the Company and the various subsidiaries within the Group for their support, dedication and hard work towards making Bintulu Port Holdings Berhad a great organisation.

I would also like to put on record my deepest gratitude to all our shareholders in particular the Ministry of Finance (Incorporated) being the Preference Shareholder, PETRONAS, Sarawak State Financial Secretary, Equisar Assets Sdn. Bhd., Kumpulan Wang Persaraan (Diperbadankan) and stakeholders as well as the Sarawak Government, Government Authorities and agencies, customers, the shipping fraternities and the port users for their unwavering support and significant contributions to our continued success.

Finally, I wish to record my gratitude to Dato' Seri Dr. Hj. Arshad bin Hashim, Tuan Hj. Zakaria bin Kasah, Dato' Mat Noor bin Nawi and Datuk Dr. Sundaran Annamalai for their invaluable contributions to the Group during their tenure, and to welcome Datuk Nozirah binti Bahari to our Board. Last but not least, I would like to thank my fellow Board of Directors for their invaluable support, guidance and advice that has always been readily forthcoming.

Thank you.

TAN SRI DR. ALI BIN HAMSA
Chairman
Bintulu Port Holdings Berhad

CHIEF EXECUTIVE OFFICER'S STATEMENT

Despite operating in a challenging period, the Group has successfully maintained its performance and managed to operate at its best to meet its customers' needs. Although there was a small reduction in its main cargo, the Group has also witnessed a remarkable growth in other cargoes which were mainly generated by domestic demand. With this scenario background, I am pleased to share with you the Groups' result for the year 2015.

Notwithstanding the slow growth in its export due to the uncertainty of the global economy, LNG cargo is still the backbone for Bintulu Port. The slight drop of the cargo was due to the reduction in demand from the importing countries.

The container sector also shared the similar trend whereby the drop in the local export boxes was mainly contributed by the limitation in supply of timber based products and slow demand from the importing countries. Apart from that, the low global price of commodities has affected the export production from Samalaju Industrial Park.

The completion of a 120m Barge Berth facility in October 2015 has increased the turnaround time and minimized waiting time for palm oil vessels at the palm oil jetty. With the facility upgraded, the palm oil handling operation has become more effective and efficient.

The dry bulk sector has recorded a stable growth where Silica Quartz, Coke, Palm Kernel and Bulk Cement has shown a tremendous growth due to high demand from the various sector, especially from the domestic demand vis-à-vis steady commercial, industrial and plantation activities in the Bintulu area and development of Samalaju Industrial Park.

The rating of AA1(s) / Stable assigned by RAM Ratings for Samalaju Industrial Port Sdn. Bhd.'s (SIPSB) Sukuk Murabahah of up to RM 950 million, provides a new level of confidence for the Group to proceed its business agenda in order to support the SCORE activities in Samalaju.

Operational Performance

Overall cargo throughput handled by Bintulu Port Holdings Berhad (BPHB) Group of Companies decreased by 1.30% from 45.40 million tonnes in 2014 to 44.81 million tonnes in 2015.

The volume of LNG cargo handled has decreased slightly by 1.60% totalling to 25.09 million tonnes in 2015 compared to 25.49 million tonnes handled in 2014.

Non-LNG cargo handled also decreased by 0.95% from 19.91 million tonnes in 2014 to 19.72 million tonnes in 2015. The decrease is mainly contributed by Liquid Bulk and Break Bulk cargoes which recorded a negative growth of 2.01% from 9.45 million tonnes to 9.26 million tonnes and 19.64% from 1.68 million tonnes to 1.35 million tonnes respectively. The reduction was mainly contributed by the slow export in condensate and petroleum products aside from slow export of timber based cargoes.

On the other hand, Dry Bulk cargoes recorded a positive growth of 21.03% from 3.39 million tonnes to 4.11 million tonnes. The growth was contributed by the increase in agricultural based cargoes such as palm kernel products, bulk fertilizers, granules urea and importation of raw materials for the Samalaju Industrial Park's plant.

Container handled recorded a 9.91% drop from 270,495 TEUs in 2014 to 243,699 TEUs in 2015. The drop was contributed by the decrease of local export volume for timber-based products, slow demand for aluminium and wax-based products.

Vessel calls to Bintulu Port in 2015 recorded a decrease of 13.55% totalling to 7,329 compared to 8,478 in the previous year. The decrease was due to the effect of the global oil price, low commodity price and major importing countries economic slowdown, especially in China. In addition to that, passenger and supply boat for the oil and gas recorded decrease of 22% from 10 average calls per day to 7 calls per day.

Biport Bulkers Sdn. Bhd. (BBSB) has again continued its reputation as the main export outlet for palm oil products in Sarawak, handling over 90% of the state's oil production. The cargo throughput for 2015 is marginally higher at 3.57 million tonnes as compared to 3.54 million tonnes recorded in 2014. The slightly higher achievement in 2015 is consistent with the global demand for Malaysia palm oil products and the crude palm oil production in Sarawak.

FINANCIAL PERFORMANCE

The Group's total Operating Revenue for the year under review was RM547.36 million which is slightly lower by 0.90% compared to the revenues generated in 2014.

The Profit Before Taxation for the year 2015 is RM168.48 million which is RM24.14 million or 12.53% lower than the RM192.62 million of 2014. This is mainly due to higher manpower expenses, service contract on the handling of cargoes and amortisation of intangibles assets (lease concession assets and other concession infrastructures). Profit After Taxation is RM127.57 million in 2015 which is lower by RM15.70 million (10.96%) compared to RM143.27 million achieved in 2014.

PORT SAFETY

We are committed to ensure that the facilities and services provided by our port are safe and secure for our employees, customers and communities.

A strong safety culture has been developed and practiced across the organisation over the years. The management continuously review, improve and monitor its Standard Operating Procedures, Documentation Systems and Emergency Response Plan in order to ensure its overall safety & health performance improves constantly. To ascertain the level of compliance, safety audit and inspection of port facilities and infrastructures, vessel and operational practices are carried out regularly.

In 2015, Bintulu Port Sdn. Bhd. (BPSB) has been awarded Gold Award Class One Merit from the Malaysian Society for Occupational Safety & Health (MSOSH) for excellence in Safety, Health and Environment aspects.

THE WAY FORWARD

The Group will strive more in order to face the challenges for the upcoming year. We remain resilient and positive and will carry out several business initiatives that include project development, exploring new businesses, strategic marketing plan implementation, improvement in port operational performance, customer engagement and sustainability on operational cost. The Group remains vigilant on the impact of the uncertain global market and works attentively to achieve a common goal.

The LNG cargo sector will still be our main contributor for this upcoming year despite its growth is expected to be subdued due to the weak demand. We look forward to the operational commencement of MLNG Train 9 which will add an additional of 3.6 million ton to the current capacity of 25.7 MTPA bringing the total capacity up to 29.3 MTPA.

In order to capitalise on the palm oil industry, the Group will continue to focus on its business development and continuous customer orientation. Additionally,the Group will also to focus on specific cargoes such as clinkers, PKE, container, petroleum products and chemical by developing its facilities and improving its business process.

The long-term prospects hinge on Samalaju as it will potentially boost and stimulate the economic activities in Sarawak on the back of the Sarawak Corridor of Renewable Energy (SCORE) initiative.

As we move confidently, but cautiously forward into another challenging year, the management remains committed to the perseverance and adherence to the principles of prudence, providing efficient service and proactive management.

APPRECIATION

To the teams at Bintulu Port Group, as well as to our customers, service providers, stakeholders and Government Authorities, both State and Federal – thank you for your hard work and support in achieving the results of the past year, and we look forward to continuing the journey with you in the year ahead and beyond.

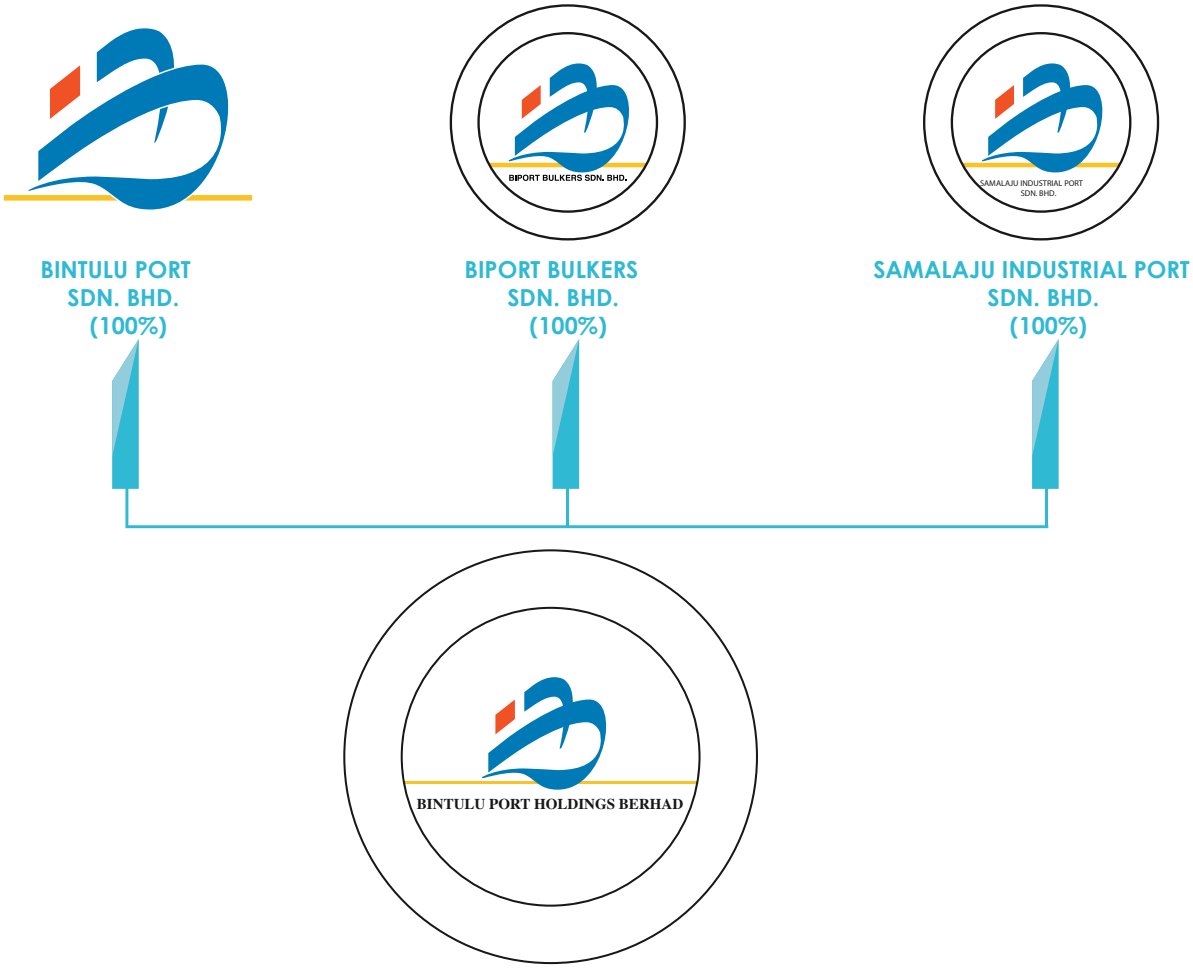
Finally, I would like to acknowledge the Board of Directors for their direction and guidance in 2015. I look forward to pursuing a new height of excellence, as we continue to redefine the role of the port to lead operational improvement and optimisation, and deliver sustainable solutions for the benefit of the communities, shareholders, stakeholders and our industry partners.

Thank you.

DATO MIOR AHMAD BAITI BIN MIOR LUB AHMAD
Chief Executive Officer
Bintulu Port Holdings Berhad

CORPORATE INFORMATION

Corporate Structure



Note:
RM1.00 Preference Share in Bintulu Port Holdings Berhad and Bintulu Port Sdn. Bhd, are held by Minister of Finance (Incorporated).

BOARD OF DIRECTORS

Tan Sri Dr. Ali bin Hamsa	Chairman Non-Independent Non-Executive Director
Datuk Dr. Sundaran Annamalai	Non-Independent Non-Executive Director (Appointed on 01/09/2015 & Resigned on 16/12/2015)
Dato' Mat Noor bin Nawi	Non-Independent Non-Executive Director (Resigned on 01/09/2015)
Tan Sri Datuk Amar Hj. Mohamad Morshidi bin Abdul Ghani	Non-Independent Non-Executive Director
Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Hj. Zainuddin	Non-Independent Non-Executive Director
Datuk Fong Joo Chung	Non-Independent Non-Executive Director
Datuk Nasarudin bin Md Idris	Non-Independent Non-Executive Director
Encik Dzafri Sham bin Ahmad	Non-Independent Non-Executive Director (Appointed on 01/09/2015)
Tuan Hj. Zakaria bin Kasah	Non-Independent Non-Executive Director (Resigned on 01/09/2015)
Dato' Seri Dr. Hj. Arshad bin Hashim	Independent Non-Executive Director (Resigned on 01/02/2016)
Datuk Seri Mohamad Norza bin Zakaria	Independent Non-Executive Director
Dato' Sri Mohamed Khalid bin Yusuf @ Yusup	Independent Non-Executive Director
Dato' Yasmin binti Mahmood	Independent Non-Executive Director
Datuk Nozirah binti Bahari	Independent Non-Executive Director (Appointed on 01/02/2016)

COMPANY SECRETARY
Abu Bakar bin Husaini
(LS0009926)
Tel : +60 86 251090 Fax : +60 86 254062
Email: abubakar@bintuluport.com.my

AUDITORS
Messrs. Ernst & Young
Chartered Accountants
4th Floor, Unit 4.1, Lot 698, Wisma Yong Lung
Pelita Commercial Centre, 98000, Miri, Sarawak, Malaysia
Tel : +60 85 423881 Fax : +60 85 413921

REGISTRAR
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
59200 Kuala Lumpur, Malaysia
Tel : 603-2264 3883 Fax : 603-2282 1886
Email : is.enquiry@my.tricorglobal.com

PRINCIPAL BANKER
CIMB Bank Berhad

STOCK EXCHANGE LISTING
Main Market, Bursa Malaysia Securities Berhad
(Listed since 16 April 2001)

REGISTERED OFFICE
Lot 15, Block 20, Kemena Land District
12th Mile, Tanjung Kidurong Road
97000 Bintulu, Sarawak, Malaysia
Tel: +60 86 291001 (30 Lines)
Fax: +60 86 254062 / 253597
Email: customerservice@bintuluport.com.my
Website: http://www.bintuluport.com.my

SUBSIDIARIES
Bintulu Port Sdn. Bhd. (254396-V)
Biport Bulkers Sdn. Bhd. (635147-V)
Samalaju Industrial Port Sdn. Bhd. (406345-H)

BOARD OF DIRECTORS

Standing (from left to right)

- Datuk Seri Mohamad Norza bin Zakaria
- Tan Sri Datuk Amar Hj. Mohamad Morshidi bin Abdul Ghani
- Tan Sri Dr. Ali bin Hamsa
- Dato' Yasmin binti Mahmood
- Dato' Sri Mohamed Khalid bin Yusuf @ Yusup
- Datuk Fong Joo Chung
- Gen (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Hj. Zainuddin
- Datuk Nozirah binti Bahari
- Datuk Nasarudin bin Md Idris
- Encik Dzafri Sham bin Ahmad

PROFILE OF DIRECTORS

TAN SRI DR. ALI BIN HAMSA

Malaysian, Age 60

Chairman
Non-Independent Non-Executive Director

TERMS OF OFFICE

- Appointed as Non-Independent Non-Executive Director on 28 July 2010 until 31 October 2013
- Appointed as Chairman and Non-Independent Non-Executive Director with effect on 1 November 2013

QUALIFICATIONS

- Bachelor of Arts (Hons), University of Malaya, Malaysia
- Diploma in Public Management (National Institute of Public Administration), Malaysia
- Master in Economics, Oklahoma State University, United States of America
- Ph.D in Environmental Sciences and Economics, Oklahoma State University, United States of America

MEMBER OF ASSOCIATIONS

None

WORKING EXPERIENCE & OCCUPATION

Tan Sri Dr. Ali bin Hamsa was a tutor in University of Malaya prior to starting his career in the Administrative and Diplomatic Service (PTD) as an Assistant Director at the Ministry of Trade and Industry on 5 January 1981. In 1986, he was appointed as the Senior Project Manager, Economy and Public Policy Management Centre (PUTERA) at the National Institute of Public Administration (INTAN), where he co-authored two books, namely "*Dasar-Dasar Utama Kerajaan*" (1997) and "*Malaysia Kita*" (1998). He had a short stint at the Ministry of Transport in 1992.

Upon obtaining his Ph.D in 1997, he began serving at the Economic Planning Unit (EPU), Prime Minister's Department. He held the positions of Director of Disbursement Division and Deputy Director-General of the National Transformation and Advancement Programme. On 22 April 2009, Tan Sri Dr. Ali bin Hamsa was appointed as Director-General of the Public Private Partnership Unit (UKAS), Prime Minister's Department. He was appointed as the 13th Chief Secretary to the Government of Malaysia on 24 June 2012.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

12 out of 12 Board Meetings and 1 Annual General Meeting

DATUK DR. SUNDARAN ANNAMALAI

Malaysian, Age 57
Non-Independent Non-Executive Director

TERMS OF OFFICE
Appointed as Non-Independent Non-Executive Director on 1 September 2015 until 16 December 2015

QUALIFICATIONS
- Bachelor of Science Education (Hons), Physics / Mathematics, University of Science Malaysia, Malaysia
- Diploma in Public Management (National Institute of Public Administration), Malaysia
- Bachelor of Laws (LLB), University of London, United Kingdom
- Certificate in Legal Practice (CLP), University of Malaya
- Master of Business Administration (MBA) in Finance, Michigan State University, United States of America
- Ph.D in Finance (Corporate Governance), International Christian University, Tokyo, Japan

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Datuk Dr. Sundaran Annamalai has been serving the Government of Malaysia for over thirty (30) years where he started his career in 1982 as Assistant Secretary, Ministry of Public Enterprises. He served as Assistant Secretary, Finance Division, Ministry of Finance and Multimedia Institutions (ADB, World Bank, Islamic Development Bank), from 1984 until April 1993.

In June 1995 until September 2000, he was appointed as Programme Officer at the National Institute of Public Administration (INTAN), where he developed and delivered the course content for new course on "Privatisation Management and Policy" as well as taught courses on Business Management and facilitated Business Management Simulation Games.

He served as Head of Econometric Section, Deputy Secretary Economics Division and Secretary Economics and International Division from August 2004 until October 2013. He became Executive Director (South East Asia Group) at the World Bank Group, Washington DC from November 2012 until October 2014. He served as Director, National Strategy Unit, Ministry of Finance (MoF) from November 2014 until June 2015 and as the Deputy Secretary General (Policy) at the MoF until December 2015. Datuk Dr. Sundaran Annamalai is currently the Secretary General, Ministry of Plantation Industries and Commodities (MPIC).

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
None.

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
5 out of 5 Board Meetings

DATO' MAT NOOR BIN NAWI

Malaysian, Age 60
Non-Independent Non-Executive Director

TERMS OF OFFICE
Appointed as Non-Independent Non-Executive Director on 29 November 2013 until 31 August 2015

QUALIFICATIONS
- Bachelor of Science (Resource Economics), Universiti Putra Malaysia, Malaysia
- Diploma in Public Management (National Institute of Public Administration), Malaysia
- Master of Science (Policy Economics), University of Illinois Urbana-Champaign, United States of America

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Dato' Mat Noor has been serving the Government for over 30 years where he started his career in 1981 as an Agriculture Economist at the Federal Agriculture Marketing Authority (FAMA) before joining Economic Planning Unit (EPU) in 1983. He served various positions and his last assignment was the Deputy Director General I, EPU, Prime Minister's Department prior to joining the Ministry of Finance. His last position in the public service was the Deputy Secretary General, Treasury (Policy) in the Ministry of Finance, the position he held between November 2012 till June 2015.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
3 out of 7 Board Meetings

TAN SRI DATUK AMAR HJ. MOHAMAD MORSHIDI BIN ABDUL GHANI

Malaysian, Age 60
Non-Independent Non-Executive Director

TERMS OF OFFICE
Appointed as Non-Independent Non-Executive Director on 22 December 2014

QUALIFICATIONS
- Bachelor in Economics (Statistics), Universiti Kebangsaan Malaysia, Malaysia
- Master of Science in Human Resource Administration, University of Scranton, Pennsylvania, United States of America
- Senior Executive Fellows Programme, Harvard University, United States of America

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Tan Sri Datuk Amar Hj. Mohamad Morshidi started his professional career as a Management Executive with PETRONAS in 1980. For 10 years from year 1988 to 1998, he was appointed as the Director of Kuching North City Hall. He then went on to hold senior positions in the Chief Minister's Department that included Director, Human Resource Management and Director, Human Resource Development and Quality from 1998 to 2001.

He was later appointed as Permanent Secretary in the Ministry of Social Development and Urbanisation in 2001. He was Director in the State Planning Unit in the Chief Minister's Department before assuming the position of Deputy State Secretary of Sarawak in 2006. On 2 August 2009, he was appointed as State Secretary of Sarawak until present.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
Malaysia Airlines System Bhd.

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
6 out of 12 Board Meetings and 1 Annual General Meeting

GEN (R) DATO' SERI DIRAJA TAN SRI MOHD ZAHIDI BIN HJ. ZAINUDDIN

Malaysian, Age 67

Non-Independent Non-Executive Director
Member of Finance & Investment Committee

TERMS OF OFFICE

Appointed as Non-Independent Non-Executive Director on 16 March 2006

QUALIFICATIONS

- Master of Science Degree in Defence and Strategic Studies, Quaid-I-Azam University, Pakistan
- Senior Executive Programme, Harvard University, United States of America

MEMBER OF ASSOCIATIONS

Fellow of Malaysia Institute of Management (MIM)

WORKING EXPERIENCE & OCCUPATION

Dato' Seri DiRaja Tan Sri Mohd Zahidi has had a distinguished career in the Malaysian Armed Forces for almost forty (40) years holding many key appointments at field and ministerial level. He first joined the Malaysian Armed Forces as an Officer Cadet at the Royal Military College, Sungai Besi in 1966 and was commissioned as a Second Lieutenant in the Royal Malay Regiment in May 1968. He became the Chief of Defence Forces with the rank of General from 1 January 1999 till his retirement on 30 April 2005. His most notable appointments in the Armed Forces held were Aide de Camp (ADC) to His Majesty Yang Di-Pertuan Agong Sultan Azlan Shah, Commander Infantry Brigade, Assistant Chief of Staff Human Resources, Commander of Army Training and Doctrine Command, Deputy Chief of Army and Chief of Army. In international duties, he served as a Military Observer under the United Nations International Monitoring Group in Iraq after the Iran-Iraq War Ceasefire in 1988 / 1989. Eversince his retirement from the Armed Forces, Dato' Seri DiRaja Tan Sri Mohd Zahidi serves as the Chairman of Affin Holdings Berhad from 17 October 2005 until present.

He is made a member of Dewan Negara Perak, elected by DYMM Paduka Seri Sultan Perak on 25 November 2006 and also a trustee of Yayasan Sultan Azlan Shah. On 23 April 2013, he was appointed as Orang Kaya Bendahara Seri Maharaja Perak by DYMM Paduka Seri Sultan Perak and consented by Dewan Negara Perak. On 4 April 2014, he was awarded "Kurniaan Darjah Kebesaran Seri Paduka Sultan Azlan Shah Perak Yang Amat DiMulia" (S.P.S.A) which carries the title "Dato' Seri DiRaja".

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

- Affin Holdings Berhad
- Cahya Mata Sarawak Berhad
- Genting Plantations Berhad
- Genting Malaysia Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

11 out of 12 Board Meetings and 1 Annual General Meeting

DATUK FONG JOO CHUNG

Malaysian, Age 66

Non-Independent Non-Executive Director
Member of Nomination & Remuneration Committee

TERMS OF OFFICE

Appointed as Non-Independent Non-Executive Director on 16 September 2004

QUALIFICATIONS

- Bachelor of Law (Hons), University of Bristol, United Kingdom
- Barrister-at-Law, Lincoln's Inn, London, United Kingdom

MEMBER OF ASSOCIATIONS

None

WORKING EXPERIENCE & OCCUPATION

Datuk Fong Joo Chung began his professional career as an advocate in private legal practice from December 1971 to July 1992, prior to being appointed as the State Attorney-General, Sarawak in August 1992. His service as the State Attorney–General ended on 31 December 2007. However he has been retained by the Sarawak Government in the capacity as the State Legal Counsel until present.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

Sarawak Cable Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

11 out of 12 Board Meetings and 1 Annual General Meeting

DATUK NASARUDIN BIN MD IDRIS

Malaysian, Age 60

Non-Independent Non-Executive Director
Chairman of Finance & Investment Committee

TERMS OF OFFICE

Appointed as Non-Independent Non-Executive Director on 26 August 2010

QUALIFICATIONS

- Bachelor of Arts (Hons), University of Malaya, Malaysia
- Master of Business Administration, Henley - The Management College (Brunel University), United Kingdom
- Stanford Executive Programme, Stanford University, United States of America
- Postgraduate Diploma in Petroleum Economics, College of Petroleum Studies, United Kingdom

MEMBER OF ASSOCIATIONS

None

WORKING EXPERIENCE & OCCUPATION

Datuk Nasarudin joined Petroliam Nasional Berhad (PETRONAS) in 1978 and has held various positions within the PETRONAS Group including as the Vice President, Corporate Planning and Development, Group Chief Executive Officer, KLCC Holdings Berhad, Senior General Manager, Corporate Planning and Development Division, Executive Assistant to the President, General Manager, Marketing of PETRONAS Dagangan Berhad, General Manager, Corporate Development and General Manager, Group Strategic Planning. He was appointed as the President and Chief Executive Officer of MISC Berhad, a subsidiary of PETRONAS on 15 June 2010 and retired from the position in 31 December 2014.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

- MISC Berhad
- Malaysian Marine and Heavy Engineering Holdings Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

11 out of 12 Board Meetings and 1 Annual General Meeting

Profile of Directors

ENCIK DZAFRI SHAM BIN AHMAD
Malaysian, Age 51

Non-Independent Non-Executive Director
Member of Audit Committee

TERMS OF OFFICE
Appointed as Non-Independent Non-Executive Director on 1 September 2015

QUALIFICATIONS
Bachelor of Science in Mechanical Engineering, University of Miami, Florida, United States of America

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Encik Dzafri Sham has more than 25 years of combined work experience in project implementation and plant operations within PETRONAS as well as in a Joint Venture Company primarily in LNG and Gas business. He started his career as Gas Utilization Engineer in PETRONAS Gas Berhad before joining MLNG Dua and MLNG Tiga projects in Bintulu as Mechanical Engineer, Senior Project Engineer and Engineering Manager until the successful operation of MLNG Tiga in 2003. He was later seconded to the ELNG Project as part of the integrated Project Management Team where he took up the responsibility of Construction Manager that oversaw the successful completion of the 2-train LNG plant project in Idku, Egypt. He continued his stint in ELNG during operationalization of the facility, serving as Asset Integrity Advisor to establish department functions and systems (covering Maintenance, Technical Services and Inspection) for ELNG until 2008.

Encik Dzafri Sham has held various senior positions in the PETRONAS Group including General Manager, Gas Processing Plant A of PETRONAS Gas Bhd., Kerteh from 2008 until 2010, Head of Engineering Services in 2011 and subsequently as Head of Plant Division, Malaysia LNG Group of Companies, Bintulu from 2012 until 2014.

Encik Dzafri Sham is currently the Vice President & Chief Executive Officer of Malaysia LNG Group of Companies. He is also serving as Director in a number of PETRONAS Group of Companies including PETRONAS Floating LNG 1 (L) Ltd., PETRONAS Floating LNG 2 (L) Ltd and PETRONAS LNG 9 Sdn. Bhd.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
5 out of 5 Board Meetings

TUAN HJ. ZAKARIA BIN KASAH
Malaysian, Age 50

Non-Independent Non-Executive Director

TERMS OF OFFICE
Appointed as Non-Independent Non-Executive Director on 1 November 2013 until 31 August 2015

QUALIFICATIONS
Bachelor of Science (Hons) in Mechanical Engineering, George Washington University, United States of America

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
He joined Petroliam Nasional Berhad (PETRONAS) in 1987 as Project Engineer for Projects: Gas Processing Plant, GPP Kertih, Miri Gas Separation Plant & Malaysia LNG Sdn. Bhd. (MLNG) 2 Project. In 1996, he was appointed as the Area Mechanical Engineer in MLNG and later on served as Manager of Planning and Turnaround, MLNG in 1998 until 2000. He was promoted as Senior Manager in 2001 and then served as Engineering Services Advisor, Egyptian LNG, IDKU from 2004 to 2006. He served as General Manager of Gas Processing Plant in Paka from 2006 until 2008. From July 2008 till August 2011, he served as a Senior General Manager of Loji, MLNG. He served as Managing Director and Chief Executive Officer of MLNG since September 2011 and has been appointed as Vice President & Chief Executive Officer of Malaysia LNG Group of Companies effective from 16 April 2014 until 1 May 2015. He is currently the Vice President of Technology and Engineering for Downstream Business at PETRONAS.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
Petronas Chemicals Group Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
6 out of 7 Board Meetings and 1 Annual General Meeting

DATO' SERI DR. HJ. ARSHAD BIN HASHIM

Malaysian, Age 67

Independent Non-Executive Director

TERMS OF OFFICE
Appointed as Independent Non-Executive Director on 1 December 2005 until 31 January 2016

QUALIFICATIONS
- Bachelor of Arts (Hons) in Economics, University of Malaya, Malaysia
- Diploma in Economics Development, Cambridge University, United Kingdom
- Master in Economics, University of Vanderbilt, United States of America
- Ph.D in Extension Education, Universiti Pertanian Malaysia, Malaysia

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Dato' Seri Dr. Hj. Arshad had a vast experience in Malaysian Civil Service spanning over thirty (30) years, culminating with his retirement as the Secretary General, Ministry of Information in 2005. He has held various positions where he first served as the Assistant Secretary of the Economic Division in the Ministry of Finance. He was then assigned to the position of State Financial Officer of Penang in 1993. Other Civil Service related positions he had held include Director, Bumiputera Participation Division, Prime Minister's Department, Penang, Director General of Tourism Malaysia and Deputy Secretary General (Finance and Development) Ministry of Education.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
12 out of 12 Board Meetings and 1 Annual General Meeting

DATUK SERI MOHAMAD NORZA BIN ZAKARIA

Malaysian, Age 49

Independent Non-Executive Director
Chairman of Audit Committee

TERMS OF OFFICE

- Appointed as Non-Independent and Non-Executive Director on 1 December 2005
- Redesignation as Independent and Non-Executive Director on 28 July 2010

QUALIFICATIONS

Bachelor of Commerce (Major in Accounting), University of Wollongong, New South Wales, Australia

MEMBER OF ASSOCIATIONS

- Chartered Accountant of Malaysian Institute of Accountants (MIA)
- Fellow of CPA Australia (FCPA) of CPA Australia Ltd

WORKING EXPERIENCE & OCCUPATION

Datuk Seri Mohamad Norza began his career as a Senior Audit Assistant in Messrs. Arthur Andersen & Co. / Hanafiah, Raslan & Mohamad in 1988 before joining Bank Negara Malaysia as the Executive of Bank Regulation Department in 1990. Later he joined PETRONAS as the Senior Executive, Finance and Administration Department in Gas and Petrochemical Development Division until April 1994. He moved up the corporate ladder as the Group Financial Controller at SPK Sentosa Corporation Berhad before he became the Group General Manager of Audit in Mun Loong Berhad in 1995 until 1997. Datuk Seri Mohamad Norza was the Chief Executive Officer (CEO) of Gabungan Strategik Sdn. Bhd. from 1998 until 2004. His notable contribution in the Government sector was the Political Secretary to the Minister of Finance II from 2004 until 2008. Datuk Seri Mohamad Norza was appointed as the Chairman of the *Institut Sukan Negara* since 1 October 2013 until present. He is currently the President and CEO of Citaglobal Sdn. Bhd., a post he has held since April 2008.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

- TH Plantations Berhad
- Tropicana Corporation Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

11 out of 12 Board Meetings and 1 Annual General Meeting

Profile of Directors

DATO' SRI MOHAMED KHALID BIN YUSUF @ YUSUP
Malaysian, Age 63

Independent Non-Executive Director
Chairman of Nomination & Remuneration Committee

TERMS OF OFFICE
Appointed as Independent Non-Executive Director on 1 January 2015

QUALIFICATIONS
- Bachelor of Arts (Hons), University of Malaya, Malaysia
- Master of Science (Human Resources), University of Scranton, United States of America

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Dato' Sri Mohamed Khalid joined the Malaysian Civil Service in 1977 as Superintendent of Customs and retired as the Director General of Customs Malaysia in June 2012. During his tenure of office, he served in various capacities including as State Director of Customs Sarawak, Director of Customs Selangor, and at headquarters level as Deputy Director General of Operations, and Deputy Director General of Enforcement and Compliance. He has extensive work experience at management level in the fields of revenue laws enforcement, indirect tax administration, audit and compliance management, risk management, public finance and accounts, policy formulation, trade facilitation and supply chain security.

At international level, he has served as a resource person and panelist at various forum and seminars on customs related matters, and chaired several committees and working groups on customs at ASEAN level.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
11 out of 12 Board Meetings and 1 Annual General Meeting

DATO' YASMIN BINTI MAHMOOD

Malaysian, Age 53

Independent Non-Executive Director
Member of Audit Committee

TERMS OF OFFICE
Appointed as Independent Non-Executive Director on 1 January 2015

QUALIFICATIONS
Bachelor of Science (Computer Science and Applied Mathematics), University of New South Wales, Australia

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Dato' Yasmin assumes the role of Chief Executive Officer, Multimedia Development Corporation (MDeC) as of 15 September 2014.

Dato' Yasmin has over 25 years' of leadership experience in the Information and Communication Technology (ICT) sector and has served in various multinational companies such as Managing Director of Microsoft Malaysia from 2006 until 2009, General Manager and Regional Director for Dell Asia and Dell Asia-Pacific from 1996 to 2005 and General Manager for HP Sales Malaysia where she launched her IT career. Her last position prior to joining MDec was Executive Director of YTL Communications Sdn. Bhd.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
12 out of 12 Board Meetings and 1 Annual General Meeting

DATUK NOZIRAH BINTI BAHARI
Malaysian, Age 60

Independent Non-Executive Director
Member of Nomination & Remuneration Committee

TERMS OF OFFICE
Appointed as Independent Non-Executive Director on 1 February 2016

QUALIFICATIONS
- Bachelor of Social Science (Hons) in Urban Studies, University of Science Malaysia, Malaysia
- Diploma in Public Administration (National Institute of Public Administration), Malaysia
- Advanced Management Programme, Harvard Business School, United States of America

MEMBER OF ASSOCIATIONS
- Administrative and Diplomatic of Service Association (PPTD)
- Wives of Civil Servants and Women Civil Servants Associations (PUSPANITA)

WORKING EXPERIENCE & OCCUPATION
Datuk Nozirah has vast experience of over thirty (30) years of service in the Malaysian Civil Service where she started as Assistant Secretary, Finance Division in the Ministry of Finance (MoF) in December 1981. For over the years, she has held various positions in the MoF namely Deputy Under Secretary, Procurement and Supplies Division (2002-2004), Deputy Under Secretary, Loan Management, Financial Market and Actuary Division (2005-2007), Under Secretary, Loan Management, Financial Market and Actuary Division (2007-2011) and Director of Budget Management Division (21 March-20 May 2011).

She has also served in several other Ministries including the Ministry of Health, Ministry of Agriculture as well as Director of Modernization and Management Planning Unit (MAMPU) Sabah and Deputy Finance Officer of Treasury Sabah. Her last position in the civil service was the Deputy Secretary General (Management). Prior to this she was the Director of the Budget Management Division in MoF, the position she held between 2011 – December 2015.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
None

Note:
Other than as disclosed, none of the Directors are related to any Director and/or substantial shareholder of Bintulu Port Holdings Berhad and has no conflict of interest in any business arrangement involving the Group. None of the Directors has any record of convictions for offences within the past ten (10) years other than traffic offences, if any.

PROFILE OF CHIEF EXECUTIVE OFFICER

DATO MIOR AHMAD BAITI BIN MIOR LUB AHMAD

Malaysian, Aged 59

Dato Mior Ahmad Baiti was appointed as the Chief Executive Officer of Bintulu Port Holdings Berhad on 1 July 2011.

He obtained his formal education from Heriot-Watt University, Edinburgh, Scotland and graduated in 1981, with Bachelor of Science in Offshore Engineering (Civil). He began his career as a Civil Engineer at Bintulu Port Authority (BPA) in the same year. He was then promoted as Assistant Manager, Engineering Service Department (Civil) and subsequently promoted to Manager of the same Department in 1993. In 1996, he was appointed as Senior Manager, Technical Service Division, Bintulu Port Sdn. Bhd. Subsequently he was appointed as Chief Executive Officer Bintulu Port Sdn. Bhd. effective 1 July 2004 until 30 June 2011.

Dato Mior Ahmad Baiti is not related to any Director and/or substantial shareholder of Bintulu Port Holdings Berhad. He holds 30,200 shares of Bintulu Port Holdings Berhad and has no record of convictions of any offences within the past ten (10) years other than traffic offences.

MANAGEMENT OF BPHB

DATO MIOR AHMAD BAITI BIN MIOR LUB AHMAD
CHIEF EXECUTIVE OFFICER

HJ. NIK ABD RAHMAN BIN NIK ISMAIL
COMPANY SECRETARY
(Contract ended 31 December 2015)

ABU BAKAR BIN HUSAINI
COMPANY SECRETARY
(Effective 1 January 2016)

HJ. MOHAMAD YACOP BIN MOHAMAD JUNIT
MANAGER, GROUP INTERNAL AUDIT

ABDUL MANAN BIN ILING
GENERAL MANAGER,
GROUP INFORMATION TECHNOLOGY

DAIANA LUNA SUIP
GENERAL MANAGER,
GROUP FINANCE

AZMEL KHAN BIN ASGHAR KHAN
ACTING GENERAL MANAGER,
GROUP HUMAN RESOURCE MANAGEMENT

HJH DAYANG FAIZAH BINTI AWANG BUJANG
ACTING GENERAL MANAGER,
GROUP LEGAL COUNSEL

MANAGEMENT OF BINTULU PORT HOLDINGS BERHAD (BPHB)

ABDANI BIN ABDUL GAFOR

ACTING GENERAL MANAGER,
GROUP HEALTH, SAFETY & ENVIRONMENT

EIZAM BIN ISMAIL

ACTING GENERAL MANAGER,
GROUP CORPORATE PLANNING & DEVELOPMENT
(Effective 1 January 2016)

MASLIHAH BINTI HJ. TIOH

SENIOR MANAGER,
GROUP CORPORATE SERVICES

ELVIS TULU AYU

SENIOR MANAGER, GROUP SECURITY

MANAGEMENT OF BPSB

HJ. OMAR BIN SALLEH

GENERAL MANAGER, GROUP CORPORATE PLANNING & DEVELOPMENT, BPHB (Retire 31 December 2015)

CHIEF OPERATING OFFICER (Effective 1 January 2016)

HJ. JULKIP BIN SENO

GENERAL MANAGER,
TECHNICAL SERVICES DIVISION

HJ. YUSOF BIN IBRAHIM

GENERAL MANAGER,
CARGO HANDLING SERVICES DIVISION

HJ. BORHANA BIN GANI

GENERAL MANAGER,
MARINE SERVICES DIVISION

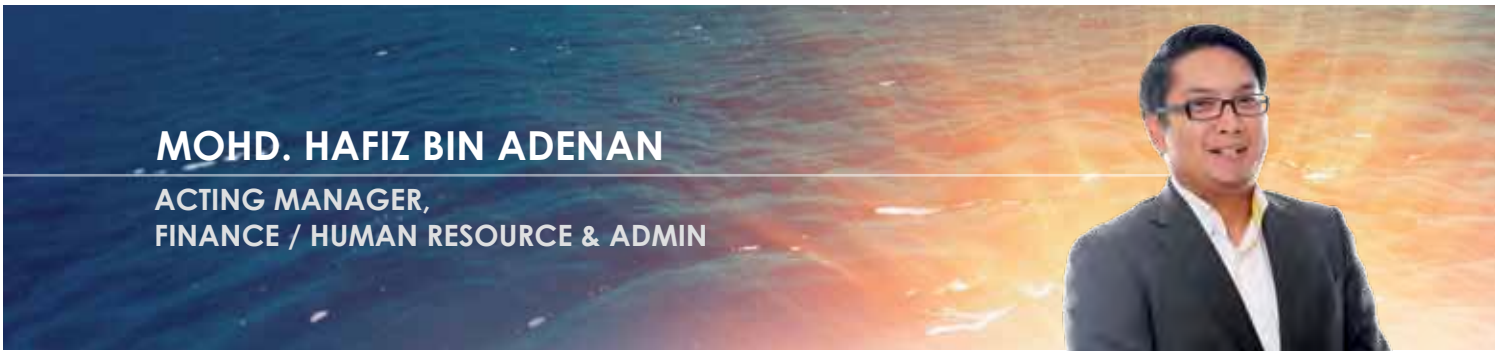
AZHARAN BIN RAMLEE

GENERAL MANAGER,
CONTAINER TERMINAL DIVISION

CAJETAN ANDREW LISSEM

SENIOR MANAGER,
FINANCE / HUMAN RESOURCE & ADMIN DIVISION

MANAGEMENT OF BBSB



MANAGEMENT OF SIPSB

CORPORATE GOVERNANCE

This Statement on Corporate Governance is made in compliance with Chapter 15, Part E, Paragraph 15.25 of the Main Market Listing Requirements (MMLR) and the Malaysian Code on Corporate Governance 2012 (the Code), which sets out the principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

The Board of Directors of Bintulu Port Holdings Berhad (the Board) is committed to applying and upholding high standards of corporate governance to safeguard and promote the interests of the shareholders. The Board is also dedicated to enhance the long term value of the Company and its controlled entities (referred to collectively as the Group).

In this annual Statement on Corporate Governance the Board is pleased to share on the manner of corporate governance in the Group for the financial year ended 31 December 2015 where the principles and the best practices of the Code, in all material aspects, have been complied with.

STATEMENT ON CORPORATE GOVERNANCE

(Pursuant to Chapter 15, Part E, Para 15.25 of the Main Market Listing Requirements)

PRINCIPLE 1:
ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board Charter

The objective of this Board Charter (the Charter) is to ensure that all Board members are aware of their duties and responsibilities as regards the various legislations and regulations affecting their conduct and also the principles and practices of good Corporate Governance in all their dealings in respect and on behalf of the Group.

The Charter clearly spells out the segregation of functions and authority between the Board and Management. This ensures that no one individual or group can dominate the decision-making process. The Board recognises the importance of the Charter as a single source of reference as recommended by the MCCG 2012.

Key matters reserved for the Board include the approval of strategic plans; annual operating and capital budgets; and quarterly as well as annual financial statements. The Board monitors the financial and operating performance and endorse the quarterly / annual results for announcement.

The Charter will be reviewed and updated periodically in accordance with the needs of the Company and in compliance to new regulations. Softcopy of the Charter is available on the Group's website at http://www.bintuluport.com.my.

Principal Responsibilities of the Board

The Board recognises the key role it plays in charting the strategic direction of the Group and in fulfilling its fiduciary duties. In the pursuit of the Group's objectives, the Board assume the following responsibilities:

- Establishing and reviewing the goals, the strategic plan and direction towards promoting the Company's sustainability;
- Overseeing and evaluating the conduct of the Company's businesses;
- Identifying principal risks and ensure that the risks are effectively managed;
- Establishing a succession plan to ensure orderly succession of Senior Management of the Group. The Board is responsible for the appointment of the Chief Executive Officer (CEO), setting and reviewing the CEO's employment contract as well as evaluating the Key Performance Indicators (KPI) of the CEO;
- Developing and implementing investor relations programmes and shareholders communication policy; and
- Reviewing the adequacy of the internal control policy and ensuring that the Company has appropriate risk management framework, internal control systems and regulatory compliance policies.

In line with the Malaysian Code on Corporate Governance, the Board had established the Audit Committee and the Nomination and Remuneration Committee. In addition, the Board had also established the Finance and Investment Committee. These Committees deliberate specific matters within their respective Terms of Reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision-making, however, lies with the Board.

Detailed reports on Board Committees are set out on pages 80 to 83 of this Annual Report.

Code of Ethics for Directors

The Board strictly adheres to the Company Directors' Code of Ethics, established by the Companies Commission of Malaysia and other Codes of Corporate Governance to engender good corporate behaviour. The Code of Ethics for the Directors governs the standards of ethics and good conduct including principles relating to the Directors' duties, Directors' relationship with stakeholders, employees welfare and commitment to the Group's Corporate Social Responsibilities (CSR).

The Board practises fair, professional and sound judgement prior to making or approving any proposed resolution in order to avoid disarray and deviation of power.

Whistleblowing Policy

The Group had established the Whistleblowing Policy in September 2014. The policy provides the avenue for parties to disclose any information on improper conducts or potential corporate fraud or breach of ethics involving any employees or Directors of the Group without fear of reprisal or retribution as they are protected under the Whistleblower Protection Act 2010.

The objectives of the Policy among others are:

- to develop a culture of openness, accountability and integrity as well as to maintain high ethical standards of the Group; and
- to enable the Board and Management to be informed at early stage by stakeholders of any misconduct in the Company.

Under this Policy the whistle-blower should ensure that the information disclosed is not frivolous and vexatious to enable investigation to be carried out in accordance with the principle of natural justice. Any whistle-blower having information of improper conduct in the Company may report it to the Head of Group Internal Audit through prescribed channels made available to them. The whistle-blower is entitled to be notified within sixty days on the outcome of the investigation.

Customer Charter

Guided by the Customer Charter, the Group provides quality port services with continuous improvement based on customer feedback. In order to meet their needs and expectations, the Group carry out regular engagement with the customers and conducts Annual Customer Satisfaction Survey (CSS) to gauge the customers' satisfaction against the Charter.

Corporate Sustainability

While the Group corporate strategies place great importance on business sustainability, the Board is always mindful of the need to take into consideration the environmental and social impact of business as part of its broader responsibility to clients, shareholders and the communities in which it operates. The Group's Sustainability Report for the year under review is disclosed on pages 91 to 92 of this Annual Report.