



INTEGRATED ANNUAL REPORT 2021



READY FOR A NEW TOMORROW





WE ARE COMMITTED TO DELIVERING OPERATIONAL EXCELLENCE AND ENSURING OUR LONG-TERM SUSTAINABILITY BASED ON THE 3PS (PEOPLE, PLANET, PROFITS):

PEOPLE

SUPPORTING OUR COMMUNITIES

We remain a source of strength for the communities of Sarawak through our Corporate Social Responsibility programme that supports society's underprivileged and vulnerable

PLANET

PROTECTING OUR ENVIRONMENT

We care deeply for our environment and we are committed to reducing our impact across all fronts as we transition towards becoming a carbon neutral port

PROFITS

FINANCIAL RESILIENCE

Continued delivering dividends to our shareholders despite the challenges of the pandemic

**CONTINUED UPSKILLING
OUR EMPLOYEES WITH
RM2.45 MILLION
INVESTED IN TRAINING
AND DEVELOPMENT,
AN INCREASE OF ALMOST
50% FROM 2020**

**SAMALAJU INDUSTRIAL
PORT HAS PLANTED**

37,000
**TREES IN TOTAL
SINCE 2017**

**CONTINUOUS
REDUCTION
IN LTIF FOR 5
CONSECUTIVE YEARS**

**ACHIEVED 3%
GROWTH IN OPERATING
REVENUE FOR YEAR
2021, DESPITE THE
CHALLENGES OF THE
PANDEMIC**



CONTRIBUTED FINANCIAL
ASSISTANCE TO MORE THAN

700

FAMILIES IN BINTULU TO
MITIGATE THE IMPACT OF
THE PANDEMIC

SUSTAINED OUR
OPERATIONS WITH

ZERO

DOWNTIME THROUGH
THE DISCIPLINED
IMPLEMENTATION OF
OUR BUSINESS RESPONSE
PLAN (BRP)

ACHIEVED A

99.8%

FULL VACCINATION
RATE AMONG
OUR EMPLOYEES

ABOUT THIS REPORT



All photos are owned by Bintulu Port Group.

NAVIGATION ICONS

The following icons are used in this Report to indicate where additional information can be found.



This icon tells you where you can find related information in our Report.



Link to website at www.bintuluport.com.my

THE SIX CAPITALS

These icons represent the various Capitals we utilise in the operations of our business. For ease of reference in this Report, we will reference these navigation icons in the relevant sections that discuss the Capitals.

M	Manufactured Capital
F	Financial Capital
H	Human Capital
I	Intellectual Capital
S	Social and Relationship Capital
N	Natural Capital

Bintulu Port Holdings Berhad is pleased to continue its integrated reporting journey with the publishing of our third Integrated Annual Report, detailing our value creation journey during the financial year ended 31 December 2021.

REPORTING PRINCIPLES AND FRAMEWORK

The Group remains committed to sharing how we have progressed our strategy over time against the challenges and risks present in our business to enable stakeholders to make an informed assessment of what we do. This Report will present balanced information about our operations from both financial and non-financial perspectives.

In line with best practices, this Report adopts the International Integrated Reporting Council (IIRC) framework. The reporting is also aligned to and guided by the Malaysian Code on Corporate Governance 2021 (MCCG 2021), the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, the Companies Act 2016 and the Malaysian Financial Reporting Standards.

SCOPE AND BOUNDARIES

The Report details our financial and non-financial performance for the period 1 January 2021 to 31 December 2021. In terms of reporting boundaries, we considered all business operations of the Group and this included both fully controlled operations as well as subsidiaries. The reporting scope looked at internal and external impacts on the business, sustainability efforts and operational improvements. We also evaluated the trends, opportunities and risks that could significantly affect the Group's value creation abilities.

BINTULU PORT'S SIX CAPITALS

As required by the IIRC Framework, we have discussed our six capitals of value creation in this Report and have created navigational icons as seen here for the reader's ease, as reference will be made to the capitals throughout the Report.



For more details, see pages 42 to 43.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements with the use of words or phrases such as "might", "forecast", "anticipate", "project", "may", "believe", "predict", "expect", "continue", "will", "estimate", "target" and other similar expressions. The Report may also contain forecast information such as improvements in port traffic or mention a certain course of action with regard to our business. However, these statements do not guarantee future operating, financial or other results due to risks and uncertainties and thus, it is important to note that the statements here do not provide a guarantee that potential results mentioned in these forward-looking statements will be achieved.

INSIDE THIS REPORT

OUR THREE STRATEGIC THRUSTS

These icons represent the Group's three important strategic thrusts. For ease of reference, these navigation icons will be utilised to indicate sections of the Report that discuss the strategies.



WE VALUE FEEDBACK

Bintulu Port Holdings Berhad values feedback, comments and enquiries on this Report. Please contact our Investor Relations team at: irene@bintuluport.com.my

SEND US YOUR FEEDBACK

To ensure that we report on issues that matter to our stakeholders, please provide any feedback or enquiries by scanning the adjacent QR code.



REPORT APPROVAL

Bintulu Port Holdings Berhad's Board acknowledges its responsibility for ensuring the integrity of the Integrated Annual Report. Following collective assessment, the Due Diligence Committee responsible for oversight of the Integrated Annual Report recommended approval of the Report by the Board of Directors. In the Board's opinion, the Integrated Annual Report provides a fair and balanced representation of the overall performance of the Company within the context of its identified material aspects.

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UNDERSTANDING BINTULU PORT

BINTULU PORT HOLDINGS BERHAD IS AN INVESTMENT HOLDING COMPANY. ITS SUBSIDIARIES, BINTULU PORT SDN. BHD. AND SAMALAJU INDUSTRIAL PORT SDN. BHD., ARE ENGAGED IN THE PROVISION OF PORT SERVICES WHICH INCLUDES MARINE SERVICES (TOWAGE, PILOTAGE, MOORING), CARGO HANDLING AND STORAGE, STEVEDORING, SUPPLY BASE SERVICES AND BUNKERING WHILE ITS OTHER SUBSIDIARY, BIPOUT BULKERS SDN. BHD., SPECIALISES IN THE PROVISION OF BULKING INSTALLATION SERVICES.

OUR VISION

A World-Class Port Operator

OUR MISSION

Delivering Operational Excellence & Ensuring Our Long-Term Sustainability Based on the 3Ps (People, Planet, Profits)

CORPORATE VALUES (TIIP)

TEAMWORK

Valuing the team effort and the importance of working together as one Group to achieve our Vision.

INTEGRITY

Living up and conducting business to the highest ethical standards and governance.

INNOVATION

Delivering effective solutions to each customer's needs and continuously adopting new technology to maintain our competitiveness.

PROFESSIONALISM

Providing quality services in a highly professional manner with sincerity, bold as in having the confidence to go beyond the conventional, taking ownership & responsibility and proactively taking the initiative to act in advance of future needs or changes.

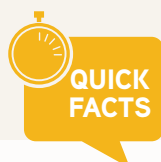
CARGO
THROUGHPUT

47.17
MILLION TONNES

OPERATING
REVENUE

RM728.39
MILLION

UNDERSTANDING BINTULU PORT



LARGEST
LNG Export Terminal
in East Asia

FIRST
Port Operator in
ASEAN Region to
export LNG in
ISO Tank

NO.1
BIMP-EAGA Port in
Cargo Throughput
since 2011

BIGGEST
Container Terminal
in East Malaysia

Ranked **THIRD**
among Malaysia Ports
in 2021 with total Cargo
Throughput of 47.17
million tonnes

MAIN EXPORT
Outlet of Palm Oil
Products in Sarawak
and Malaysia

FIRST
Malaysian Port to implement Container
Terminal Operating System (CTOS) –
NAVIS SPARCS N4

PROFIT BEFORE
TAX

RM126.32
MILLION

PROFIT AFTER
TAX*

RM363.19
MILLION

LAND
AREA

713
HECTARES

BERTHING
CAPACITY

93
MILLION TONNES

TOTAL BERTHING
LENGTH

3.8
KILOMETRES

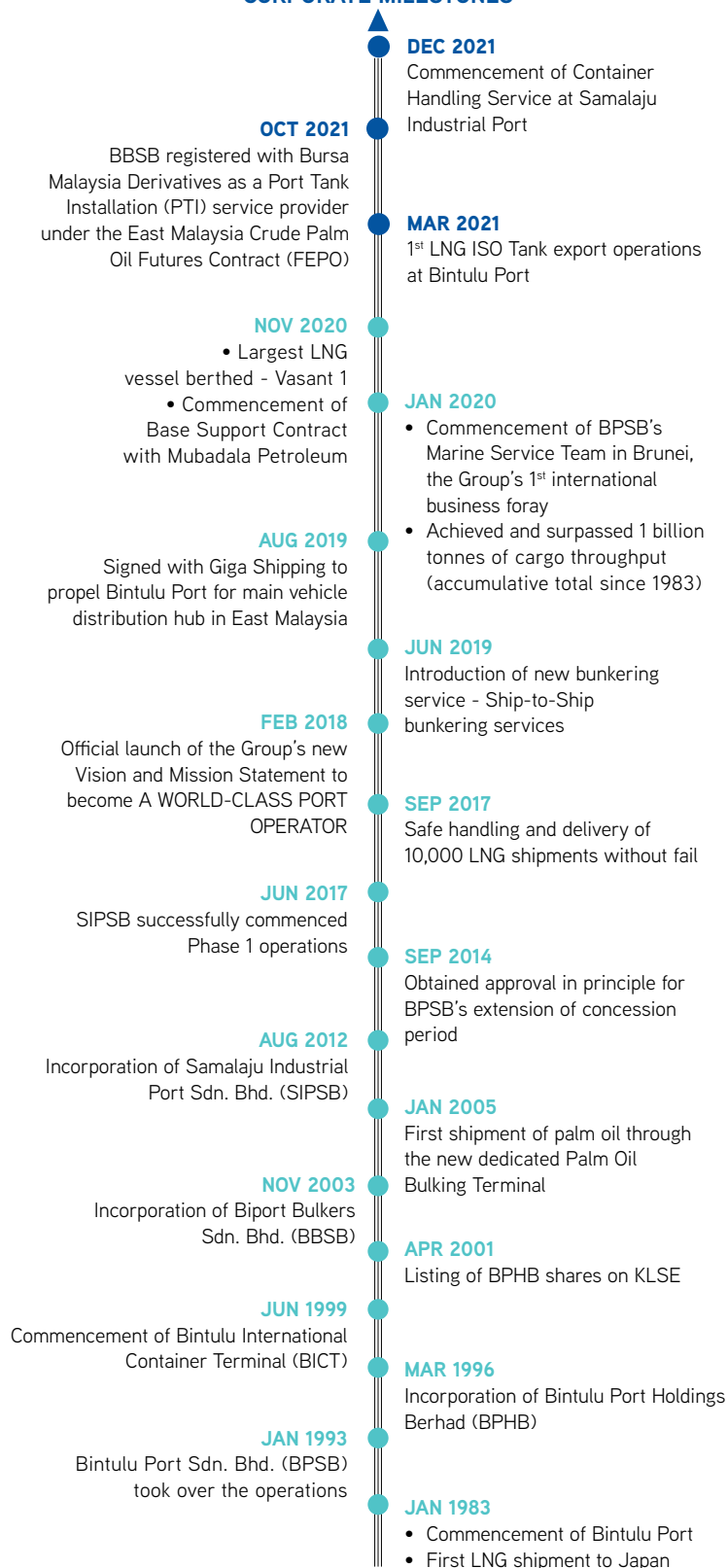
* Refer to page 30 and 31.

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OUR BUSINESSES

CORPORATE MILESTONES



BINTULU PORT SDN. BHD. (BPSB)



The Nation's Oil & Gas Hub and the Main Port of East Malaysia

BPSB is the port operator of a modern and efficient multipurpose port in Southeast Asia serving the hinterland, and includes one of the nation's major oil & gas hub. The Port also serves as the export gateway for liquefied natural gas (LNG) in Malaysia and is recognised as the Largest LNG Export Terminal in East Asia. In addition, the Port is the main transshipment gateway for East Malaysia.

Over the years, BPSB has handled growing volumes of LNG, palm oil products, containerised cargoes, liquid, break bulk and dry bulk cargoes. We handle over 40 million tonnes of cargo annually.

Our facilities include multiple terminals, jetties and other berthing facilities as well as open yard and warehouses. Currently, BPSB reigns as East Malaysia's largest container port. Our Bintulu International Container Terminal (BICT) with a wharf length of 450 meters, has the capacity to handle up to 450,000 TEUs of container per annum. We are now connected to ports in Indonesia, Vietnam, Thailand, Philippines and China. At present, Evergreen Marine Corporation (M) Sdn. Bhd., SITC Container Lines (Sarawak) Sdn. Bhd., MTT Shipping Sdn. Bhd. and Harbour-Link Line Sdn. Bhd., offer direct shipping services to intra-Asian ports, thus boosting our connectivity offerings to customers.



For more information, please refer to pages 44 and 45.

OUR BUSINESSES

BIPORT BULKERS SDN. BHD. (BBSB)



BBSB is involved in the provision of bulking installation facilities for crude and refined palm oil and their by-products.

BBSB is the largest palm oil product exporting terminal in Malaysia, handling 24% of total Malaysian palm oil exports.

Built on a 15-acre site, our bulking terminal is equipped with modern storage facilities consisting of multi-sized storage tanks with a dedicated piping system to ensure optimum security, safety and efficiency. There is also room for expansion with ample land and facilities to accommodate current and future growth of crude palm oil (CPO) production and shipment in the State.

As the leading palm oil bulking installation terminal with the biggest capacity in Sarawak, we are the main export point for edible oil products, handling 91% of Sarawak's palm oil exports in 2021.

We are closely connected to and integrated with five refineries operating within the vicinity of the terminal, operated by Wilmar Group's Bintulu Edible Oil, Sime Darby's Austral Edible Oil, Sarawak Oil Palms' SOP Edible Oil, Kirana Edible Oil and Borneo Edible Oil. BBSB's operations are serviced by dedicated palm oil jetties adjacent to its bulking terminal and fully supported by BPSB's marine services.



For more information, please refer to pages 46 and 47.

SAMALAJU INDUSTRIAL PORT SDN. BHD. (SIPSB)



SIPSB is a purpose-built port to cater primarily to the energy intensive industry located at the Samalaju Industrial Park (SIP) and plays a vital role in facilitating the logistic requirements of the industries in the Sarawak Corridor of Renewable Energy (SCORE) development.

Located 60km northeast of Bintulu, the port provides dry bulk, break bulk and container services to the industries operating within the SIP and its hinterlands.

SIPSB successfully commenced Phase 1 of its operations in June 2017. It offers an automated handling operation for dry bulk cargo using a conveyor belt system that increases productivity and minimises vessel turnaround time.

SIP is adjacent to the Port, covers a 7,000-hectare area dedicated to energy intensive and heavy industries where currently, there are six investors in situ with some operating and others in various stages of construction of their manufacturing plants and other facilities. These six investors are: Sakura Ferroalloys, Malaysian Phosphate Additives, Pertamina Ferroalloys, OM Holdings, Press Metal Bintulu and OCIM. They are involved in manganese processing, aluminium smelting and silicon substrate manufacturing. Going forward, these industries will help to drive the Group's growth in Samalaju.

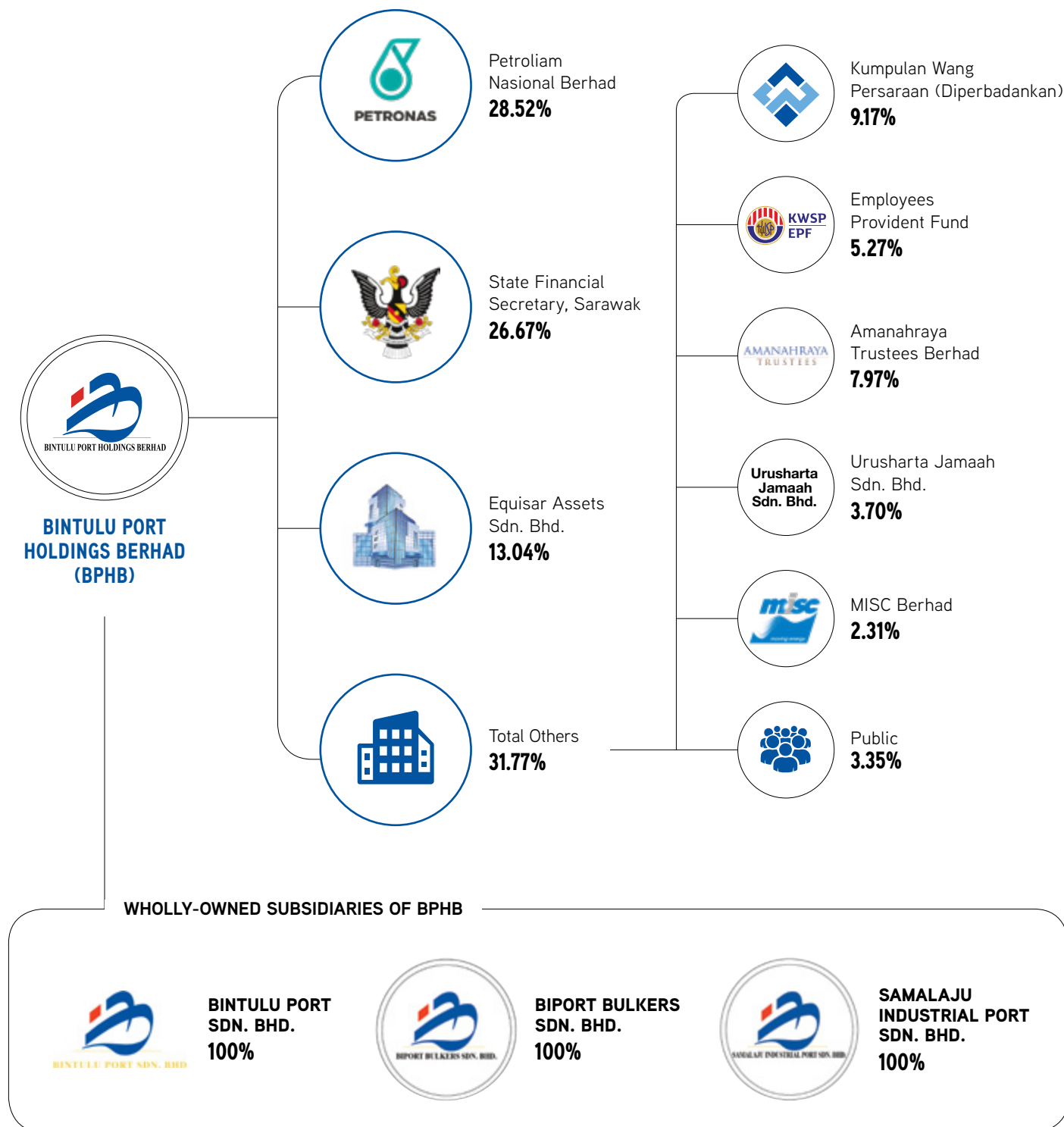
Source from RECODA and Samalaju Properties websites



For more information, please refer to pages 48 and 49.

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CORPORATE STRUCTURE



All information is as at **28 February 2022**.

Note:

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

ORGANISATIONAL STRUCTURE



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CHAIRMAN'S STATEMENT

DESPITE FACING ANOTHER YEAR FILLED WITH UNIQUE CHALLENGES, WE SHOWED GREAT RESILIENCE TO EFFECTIVELY IMPLEMENT STRATEGIES THAT ENSURED THE SAFETY OF OUR PEOPLE, THE CONTINUITY OF OUR OPERATIONS AND THE SUSTAINABILITY OF OUR BUSINESSES.

DEAR VALUED SHAREHOLDERS,

It is my great honour to present Bintulu Port Holdings Berhad's (the Group) Integrated Annual Report for the year 2021. On behalf of the Board of Directors, I am pleased to report that the Group responded resiliently to the various challenges we faced during the year. Through prompt and agile adjustments to our business strategies, we placed ourselves on a positive trajectory to harness greater business growth opportunities as the world and regional economies continue to rebound.



**DATO' ABDUL
MUTALIB BIN
ALIAS**
Chairman

CHAIRMAN'S STATEMENT



NAVIGATING A YEAR OF UNCERTAINTY AND UNIQUE CHALLENGES

The year 2021 offered a mixed bag of positive growth opportunities and adverse challenges. We saw a rebound in economic growth as successful vaccination programmes allowed the majority of industries to reopen and businesses and communities adapted to the new normal of the pandemic. Nevertheless, the spread of new and more dangerous mutations of the COVID-19 virus continued to greatly affect the global supply chain, as lockdowns in major powerhouses such as China generated a significant ripple effect across the globe.

The shipping industry continued to face a unique set of obstacles, such as a shortage of shipping containers due to empty containers being stuck around the world and unable to return due to COVID-19 restrictions. This led to higher container rental rates and compelled importers and exporters to use bulk cargo to minimise cost.

We also continued to see the repercussions of the pandemic on the industries our businesses rely on, with a decline in demand across most of our primary cargo categories. Palm oil was the worst-hit in 2021, with an unprecedented decline in yield and productivity due to labour shortages and COVID-19 restrictions, resulting in higher CPO prices.

A STRONG PANDEMIC RESPONSE TO ENSURE BUSINESS CONTINUITY

Given our significance as an important port of call for many key shipping lines and industries in the region, we placed great emphasis in 2021 on ensuring the continuity of our services. Guided by our Business Response Plan (BRP), one of our key initiatives was the establishment of separate working cantons across all businesses as we aimed to ensure the safety of our employees while maintaining our operations with minimal disruptions. We also accelerated the vaccination of our workforce and achieved full vaccination of all eligible staff to reduce the risk of COVID-19 spreading among our workforce.

Leveraging on our BRP framework, we were able to successfully maintain our business operations all year round while providing a high standard of service quality. In addition to our progress in finalising our next concession agreement with BPA, we have also ventured into new business sectors within the industry, such as Port Tank Installation services and the commencement of container handling services at Samalaju Industrial Port. Our successful commencement of LNG export in ISO tanks this year marked an important milestone for the Group. With an expected increase in regional demand for LNG ISO tank in 2022, coupled with the current LNG bulk operations, we anticipate a promising increase in our LNG export volume in the near future. The ramping up of business operations belonging to Samalaju Industrial Port's investors also helped to produce double-digit growth for Samalaju Industrial Port in 2021, and shall continue to propel the Group's growth in the near future.

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CHAIRMAN’S STATEMENT



An employee working at one of the Quay Crane at BICT’s container operation

CONTINUED VALUE CREATION

Despite the challenging operating environment, the Group continued to make significant progress across various business growth initiatives and undertook actions to protect ourselves from the impact of the pandemic. For instance, we accelerated the growth of our LNG ISO tank business and commenced container handling services at Samalaju Industrial Port, both activities which leveraged our existing facilities and long-standing expertise to generate additional revenue. In addition, we were appointed as a Port Tank Installation service provider by Bursa Malaysia Derivatives, which is also a potential source of revenue going forward.

The Group’s primary goal has been to formalise the extension of BPSB’s concession with the Bintulu Port Authority (BPA). Spearheaded by the joint steering committee we established last year, BPSB and BPA have formulated a shared vision for the next 30-year concession period that underscores our commitment to enhancing the sustainability and competitiveness of Bintulu Port. We have made headway in negotiations during the year and we expect to finalise the terms by the fourth quarter of 2022.

In reaffirming the crucial role we play in Sarawak and in Malaysia, I am pleased to note that RAM Ratings reaffirmed the AA1/Stable/P1 corporate credit ratings of Bintulu Port Holdings Berhad. The ratings were reaffirmed premised on Bintulu Port’s role as the operator of Malaysia’s only LNG export terminal and SIPSB as the facilitator of the development of the Sarawak Corridor of Renewable Energy (SCORE), as well as our strong relationship with both the Sarawak and Federal government.

The Group also made progress in our pursuit to develop and establish an innovative, sustainable and competitive industrial BioHub Port in Sarawak. The project has a timeline of 10 years and once realised, is expected to bring numerous benefits to the state of Sarawak, including generating thousands of employment opportunities and attracting greater private and foreign investment to Sarawak as its economy grows and diversifies.

We are also pleased to report that our efforts to provide clear and transparent reporting of our business and sustainability activities and aspirations once again brought acclaim to the Group. Our 2019 Integrated Annual Report with the tagline “Realisation of Greater Potential” clinched the Bronze Award in the category of Asia’s Best Integrated Report (First Time) and was a finalist in the Asia’s Best Integrated Report (Design) category at Asia’s Sustainability Reporting Awards (ASRA) 2020, while we also clinched a Gold Award in the 2021 Australasian Reporting Awards.

SUSTAINABILITY AT THE FOREFRONT

As the Group continues to find ways to create value, it is also critical to sustain this ability to create value. Given the changes in our external environment that have taken place over the past few years, especially due to the effects of the pandemic and greater calls for climate change action, the Group found it an opportune time to re-evaluate the material issues that were most important to both the business and our stakeholders.

Therefore, in the year under review, the Group undertook a new materiality assessment, its first since 2017. This assessment involved engaging with our main stakeholder groups as we sought their opinions on the issues that they felt the Group needed to prioritise and resulted in a total of 10 significant material issues, four of which were new and included climate change. This exercise gave the Group immediate insights into the current interests and concerns of our stakeholders, which will be crucial in shaping our future orientation and strategies.

CHAIRMAN'S STATEMENT

A vessel approaching the Handymax Wharf of Samalaju Industrial Port

DIVIDEND

We have continued to reward our shareholders for their support especially during these challenging times. The Board has authorised the payment of a fourth interim single-tier dividend of 3.00 sen per share. This brings the total dividend for the financial year ended 31 December 2021 to 12.00 sen per share.

ROBUST RISK AND GOVERNANCE PRACTICES

The Group continued to significantly advance the transformation of its Governance, Risk and Compliance (GRC) culture via our UTAP Transformation Programme. UTAP comprises 46 initiatives aimed at driving progress across 10 fundamental components of our business and thus transforming our working culture for the better.

The 24 initiatives that were successfully completed during 2021 served to enhance our practices in the areas of Human Resources, Procurement, Risk Management, Group Internal Audit Functions and Practices and Board-related matters. Seventeen further initiatives are slated for completion in 2022 and the remaining five in the following year.

In addition to the progress of UTAP, we have continued to strengthen our corporate governance practices throughout 2021. The Board has reviewed and approved to the Group's Board Charter and reviewed the Terms of Reference (TOR) for the Nomination and Remuneration Committee and the Finance and Investment Committee.

We have also implemented best practices as recommended by the MCCG 2021 to have a standalone Audit Committee and Risk Committee by separating the functions of the Audit and Risk Committee. This was approved on 28 September 2021 by the Board which also included the approval of their respective TORs. The Group has also adopted a Nomination & Remuneration Policy and Board Diversity Policy to comply with Main Market Listing Requirements (MMLR) and amendments to the MCCG, respectively.

In 2021, a Board Performance Evaluation was conducted by an independent external third party, in compliance with the MCCG recommendation for this exercise to be conducted externally once every three years. Looking ahead, the Group will be adopting the Fit and Proper Policy as per amendments to the MMLR in January 2022, as well as adopting an annual conflict of interest declaration by Board directors.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to convey our appreciation to all our customers, business partners, service providers, stakeholders and state and federal government agencies for their continuous support of the Group. I would also like to thank all employees and the Management team for their relentless dedication and loyalty to the Group.

In closing, I would like to acknowledge the Board's outgoing chairman, Tan Sri Dr Ismail Bin Hj. Bakar, for his efforts in guiding the Group through a particularly challenging period of its history. I would also like to thank our outgoing non-independent non-executive directors, General Dato' Seri Diraja Tan Sri (Dr.) Mohd. Zahidi bin Hj. Zainuddin (R), Encik Dzafri Sham Bin Ahmad and Puan Zakiah binti Jaafar for their time, energy and contributions to the Group. On this note, we would also like to warmly welcome Encik Mohamed Syazwan Bin Abdullah @ Laga and Puan Hasmawati binti Sapawi who have taken their place as our new non-independent non-executive directors.

DATO' ABDUL MUTALIB BIN ALIAS

Chairman

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

IN 2021, WE LEVERAGED THE BUSINESS RESPONSE PLAN WE IMPLEMENTED IN 2020 TO MAINTAIN SERVICE DELIVERY WITHOUT DISRUPTION, WHILE AT THE SAME TIME STRATEGICALLY DIVERSIFYING OUR BUSINESS OPERATIONS TO SPUR FUTURE GROWTH PROSPECTS.

DEAR VALUED SHAREHOLDERS,

I am pleased to report that despite the persistent challenges we faced due to the COVID-19 pandemic, the Group demonstrated remarkable resilience to maintain uninterrupted delivery of service for two consecutive years. At the same time, the Group's subsidiaries displayed great agility to capture strategic new business opportunities. In this statement, we present some of the key challenges we faced and the mitigating actions taken, along with important progress updates on our key achievements and undertakings during the year.

MAINTAINING UNDISRUPTED SERVICE AND EXPANDING OUR HORIZONS

While it has already been two years since the COVID-19 virus first sent the world into collective turmoil, the pandemic is far from over. Although vaccination drives proved successful to a large extent, the emergence of new virus mutations reignited uncertainty towards the tail end of 2021, slowing down the reopening of economies, prolonging travel restrictions and thwarting the recovery of global supply chains.

DATO MOHAMMAD MEDAN BIN ABDULLAH
Group Chief Executive Officer



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

As Malaysia's third-largest port in terms of cargo throughput and one of the world's top five LNG exporters, including being the only LNG export gateway for the nation, it was imperative for us to maintain uninterrupted service continuity and ensure that we did not cause disruption to the global energy supply chain. To this end, the Business Response Plan (BRP) that we put into place in 2020 proved effective in shielding the Company from the effects of the pandemic.

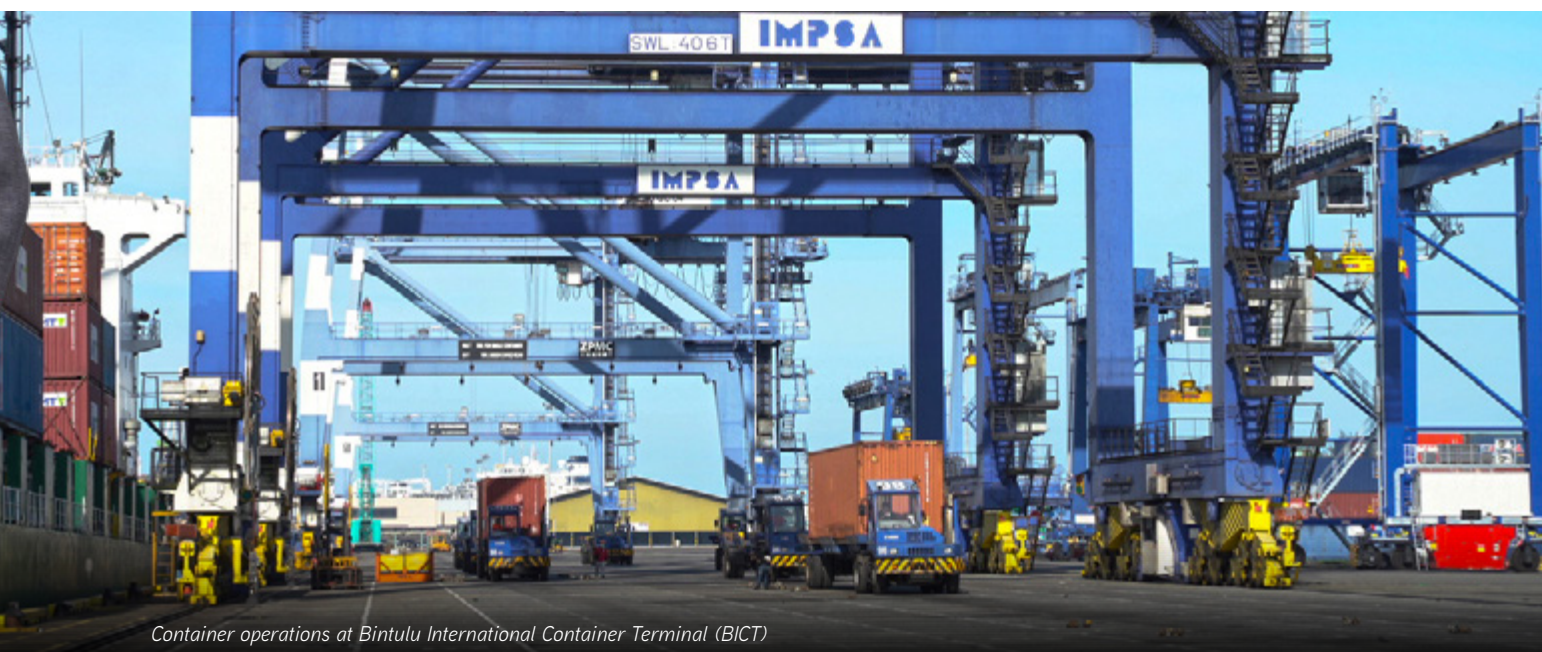
A major development during the year was the successful completion of our initiative to begin exporting LNG in ISO tanks on a large scale. BPSB became the first ASEAN port operator to do so in March and subsequently completed six such shipments during the year. The innovation of exporting LNG in ISO tanks will significantly increase the number of destinations to which LNG may be shipped directly from our ports, thus reinforcing our prime position to capitalise on the expected increase in LNG demand from China, India and ASEAN countries in 2022 and beyond.

BPSB is also pleased to report the continuation of the provision of supply base related services at Bintulu Port following the renewal of its Supply Base License with Petronas for a period of three years from 2020 to 2023, extending a position we have held since 2015. During the year, three (3) oil and gas major players also extended their contracts with BPSB, signifying our customers' satisfaction with our service and their continued support for Bintulu Port to remain as the gateway for oil and gas industry. Additionally, the port is expected to benefit from two new service routes launched in 2021 by MTT Shipping and Shin Yang Shipping that will increase

our connectivity to local and regional destinations, including Port Klang, Singapore and Laem Chabang in Thailand.

SIPSB also made significant strides forward in enhancing its growth prospects following the commencement of phosphate shipments by Malaysian Phosphate Additives Sarawak (MPAS) in January. SIPSB also commenced container handling services in December, allowing customers to import and export containerised cargo directly from Samalaju Industrial Port to complement the existing container handling service provided by BPSB's BICT. This move allowed us to simultaneously monetise surplus capacity and increase throughput at Samalaju Port. The potential for further throughput growth from new industrial developments at Samalaju Industrial Park is also on the horizon. Press Metal Bintulu's new Phase 3 aluminium smelting plant is expected to begin operations in first quarter of 2022, with construction activities for an additional mega steel plant also set to commence soon. Meanwhile, the new Wenan Steel plant, which started site preparation and land clearing on its 700 acres in 2021, is expected to commence operations in 2025 with a projected annual production capacity of 5.7 million tonnes for the first 10 years.

In October, BBSB was officially appointed by Bursa Malaysia Derivatives to provide Port Tank Installation (PTI) services in Sarawak to facilitate its new East Malaysia Crude Palm Oil Futures (FEPO) contract. This extension of our services is strategic as it leverages our existing facilities and capabilities. With strong potential for large cargo trading volume at a higher profit margin compared to existing operations, this move will help BBSB increase its volume and revenue, while enhancing its profitability.



Container operations at Bintulu International Container Terminal (BICT)

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GROUP CHIEF EXECUTIVE OFFICER’S STATEMENT

OUR CHALLENGES IN 2021

The challenges brought about by the continued impact of the pandemic were wide-ranging and required us to be agile and decisive to ensure business continuity. The challenges we faced included a slowdown in cargo throughput, incurring additional costs to ensure



An employee overseeing container operations at Bintulu International Container Terminal (BICT)

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

compliance to Standard Operating Procedures (SOPs), as well as ensuring sufficient resources to keep our services going amid ongoing supply chain disruptions. We also had to keep our employees and customers safe, while striving to ensure the effectiveness of training programmes that had to be conducted online.



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UPDATING OUR BUSINESS RESPONSE PLAN

While we faced a wider variety of challenges during 2021, their impacts were not as severe as the year before. Not only were we more prepared, but the success of Malaysia's vaccination programme and the easing of SOPs in line with the National Recovery Plan allowed for growth in the manufacturing sector and a rebound in supply within the services sector.

Thus, we constantly updated and modified our initiatives within the BRP to cater for the evolving situation of the pandemic, taking into account the relaxation of SOPs, the potential emergence of concerning cases or supply disruptions and other pertinent matters. Here we outline the 10 strategies of the Group's BRP and the various ongoing and new initiatives undertaken during 2021 within each area of focus.

KEEP THE BUSINESS GOING

01 Ensuring Critical Operations Proceeded With Minimal Disruptions

Initiatives in 2021

- Maintained resiliency in delivering services and responded quickly to emerging issues to minimise disruptions to productivity.
- Staggered working hours were maintained to empower social distancing.
- Developed working SOPs based on relevant central and state agencies' requirements.
- Implemented stringent SOPs for vessels berthing at the Port to control the spread of the pandemic from overseas. This included categorising vessels according to their potential risk based on declarations made to the Port Health Officer.
- BPSB conducted scenario planning exercises to enable quick and effective strategies when emergency situations arose.
- SIPSB embarked on paperless transactions for its gate weighbridge operations.
- BBSB transitioned to e-invoices to maintain its practice of providing daily invoices to customers.

KEEP PEOPLE HEALTHY AND SAFE

02 Protecting the Safety and Health of Employees at All Times

Initiatives in 2021

- Distributed Personal Protective Equipment to employees and observed all SOPs.
- "Canton Concept" at workplace to minimise close contact in the workplace and created "green bubbles" to contain outbreaks and maintain operations.
- No cross-deployment across worksites. No employee should work at more than one worksite.
- Physical vessel safety inspections were replaced with virtual vessel safety inspections to avoid interaction with LNG vessel crews.
- The Crisis Management Team continues to expedite decision-making during emergencies or sudden outbreaks to ensure business continuity.
- Early anticipation of housing area lockdowns allowed us to rapidly identify affected staff members and make the required adjustments.
- Active contact tracing was conducted virtually via an online form created by our Group Health, Safety and Environment (GHSE) team.
- PCR/RTK tests were conducted for close contacts while quarantine was mandatory for those categorised as close contacts. Workplace quarantine was sometimes undertaken when the affected employee was required on-site to ensure continuous operation.
- Toolbox meeting for operation was held in open spaces to maximise social distancing and only allowed the minimum required staff to attend.
- Employees were required to stay at home should there be two vessels or less at the port to minimise unnecessary contact (SIPSB).

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

COMMUNICATE WELL

03 Open Communication With All Stakeholders

Initiatives in 2021

- Provided the Group's BRP Guidebook and subsequent updates to all management teams as a guideline to implement initiatives within the 10 identified focus areas.
- Ensured a concise, clear and correct flow of information throughout the period and monitored our communication channels to curb misinformation or distribution of fake news.
- Enhanced physical and virtual engagement with all stakeholders to keep them updated.
- Conducted Customer Insight Group Discussions with Container Liners and Palm Oil players to provide updates on The Group's situation and receive insightful feedback on their own issues.
- Conducted frequent engagement with the Ministry of Health and the Bintulu Divisional Disaster Management Committee (BDDMC) to verify the latest SOPs, update contact tracing measures and accelerate the vaccination of our workforce.

PROGRESS THE CORPORATE STRATEGIC THRUSTS

04 Progressing Key Initiatives (Business Growth and Operational Excellence) In the Best Possible Manner

Key Initiatives	Progress
Renewal of Concession (BPSB)	Facilitated by a joint steering working committee, BPSB and BPA are currently in the midst of concession renewal negotiations and have targeted to finalise terms by the fourth quarter of 2022.
Samalaju Wenan Steel Project	The latest development of Wenan Steel Project at Samalaju Industrial Park is currently carrying out site preparation works on 700 acres of land for Phase One of its project. This project is expected to be completed by April 2022 and the construction of the factory will commence thereafter. SPSB is currently evaluating the estimated cargo projections and operational requirements from the Wenan Steel team.
Project BioHub	The Group has entered into Phase Two of the feasibility study of the proposed Biohub Port development and its ecosystem in Sarawak. The collaboration between the Group, Malaysian Investment Development Authority (MIDA), Regal Lands Sdn. Bhd., the Sarawak Economic Development Corporation (SEDC) and the Port of Rotterdam will enable all parties involved to explore the possibility of developing the biomass industry in Sarawak. This can potentially generate good investment opportunities and create jobs for the country in the near future.

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PROGRESS THE CORPORATE STRATEGIC THRUSTS (CONTINUED)

04 Progressing Key Initiatives (Business Growth and Operational Excellence) In the Best Possible Manner

Key Initiatives	Progress
Commencement of LNG ISO Tanks Operation	<p>Following the maiden call of Tiger Clean Energy Limited's (TCEL) 169 m-long vessel Fan Zhou 6 at Bintulu International Container Terminal (BICT) on 20 January 2021, BPSB officially established itself as the first and only port operator in the ASEAN region to export liquefied natural gas (LNG) in ISO tanks on a large scale.</p> <p>Thus far, we have completed six shipments of LNG in ISO tanks, and with Petronas LNG Ltd having recently inked a sales and purchase agreement with TCEL for the supply of LNG to TCEL's LNG ISO tank filling facility at BICT, our prospects for continued growth in this sector are promising.</p>
Brunei Marine Services	<p>Since its commencement in 2020, the provision of marine services by BPSB in Brunei has contributed both intangible value to the Group in terms of expanding our reach into the international marine services industry as well as tangible value in terms of steady revenue streams to the Group. We are pleased to report an uptick in revenue in 2021 compared to last year.</p>
Pursuing Our Operational Excellence Initiatives	<p>We continued executing the following ongoing initiatives that involve improvements to operational effectiveness, workflow processes, audit transformation and cost management initiatives.</p> <ol style="list-style-type: none"> 1. Governance, Risk and Compliance (GRC) Transformation Journey (UTAP), which includes Culture Transformation. 2. Cost Management Initiatives (COMMIT). 3. Operational Excellence Performance Delivery (OEPD), which comprises continuous initiatives to improve the targeted overall operational excellence in container service, productivity at SIPSB and vessel turnaround and operational flow at the edible oil terminal.
Container Handling Service at Samalaju Industrial Port	<p>We are pleased to report the commencement of container handling services at Samalaju Industrial Port in December 2021. This new service enables our customers to import and export containerised cargo to and from origin and destination countries directly from SIP in addition to going through BICT.</p> <p>This move provides numerous benefits to the Group, including:</p> <ul style="list-style-type: none"> • Providing an alternative shipping option to SIP's customers for the import and export of containerised cargo. • Diversifying SIPSB's business into the container sector in order to increase overall cargo throughput volume and enhance operating revenue with limited cost investment.
Acceleration of Staff Vaccinations	<p>By working closely with the Ministry of Health, the Bintulu Divisional Disaster Management Committee (BDDMC) and the Sarawak State Disaster Management Committee (SDMC), we were able to significantly expedite the inoculation of our workforce in order to induce herd immunity in the port to reduce the risk of COVID-19 spreading among our workforce.</p>

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

GO VIRTUAL

05 Leveraging IT and Virtual Communications Technology**Initiatives in 2021**

- Continued having all meetings online where possible and enabled VPN addresses for home-based staff to bolster digital security.
- Established a Virtual Communicating Zone and developed SOPs applicable to virtual meetings.
- Modified our operations to utilise less paper to minimise physical contact by:
 - Enabling FPX & online payments to reduce physical interaction when collecting payment.
 - Unsafe Act Unsafe Condition (UAUC) reporting was made virtual to minimise interaction and enable immediate receipt of reports.
 - Discontinuing exchange of physical documentation at Container Receiving and Delivery (R&D) Office and switched to direct recording into system.

CASH PRESERVATION

06 Review and Prioritisation of CAPEX Spending Plans and Expenditure**Initiatives in 2021**

- Reviewed and prioritised CAPEX spending according to critical operational requirements, safety aspects and contractual obligations.
- Planned CAPEX procurement to take advantage of tax incentives provided by the government under the Short-Term Economic Recovery Plan (PENJANA).

COST CONTAINMENT

07 Cost Optimisation**Initiatives in 2021**

- Optimised cost according to critical operational requirements, safety aspects and contractual obligations.
- Group Business units undertook price negotiations of term contracts and exercised options on renewal of contracts.
- Utilised competitive bidding to get the best prices and contract terms for proposals.
- Extended the terms of ongoing contracts where possible, such as for our mooring gang and maintenance service contractors.

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MAINTAIN STAFF MORALE

08 Employee Motivation

Initiatives in 2021

- Provided financial security by ensuring salary and benefits were processed and paid on time.
- Enforced strict adherence to SOPs to ensure the well-being of employees working on-site.
- Continuous communication from Group CEO to all staff to assure, motivate and maintain morale throughout the pandemic.
- Accelerated the vaccination of all employees.
- Undertook various engagement initiatives throughout the year to maintain the morale of our people.
- Provided resources to employees who were undergoing quarantine.

HELP CUSTOMERS TO DELIVER

09 Targeted Incentives to Customers

Initiatives in 2021

- Encouraged customers to utilise port facilities and storage areas to facilitate their logistics planning and arrangement.
- Considered rebates upon customers' request for extended rental and storage at port during the pandemic.

KEEP THE BOARD ENGAGED

10 Looping in the Board

Initiatives in 2021

- Continuously updated the Board on the impact of COVID-19 on the Group and the mitigation strategies undertaken.
- Engaged with the Board to leverage its collective experience, expertise and guidance.

SUMMARY OF THE BRP INITIATIVES IN 2021

We are pleased to report that despite facing an uncertain economic environment throughout the year, we once again successfully leveraged our BRP framework to keep our business operating efficiently and provide high standards of service and communication to our stakeholders. We are also pleased to have achieved significant progress in many of our business objectives, which will hold us in good stead for sustained growth and success.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

ACHIEVEMENTS IN 2021

Here are some highlights of our key achievements and milestones during 2021. They are organised according to our three corporate strategic thrusts.



STRATEGIC THRUST 1

INSTITUTE OPERATIONAL EXCELLENCE

Operational Excellence in Customer Engagement and Transformation

BECAME FIRST ASEAN PORT OPERATOR TO BULK EXPORT LNG IN ISO TANKS

Bintulu Port Sdn. Bhd.

- In January, we became the first port operator in the ASEAN region to export liquefied natural gas (LNG) in ISO (International Organisation for Standardisation) tanks on a large scale.



LNG ISO Tank operations at BICT

DEVELOPED A CANTON CONCEPT TO MITIGATE THE POTENTIAL SPREAD OF COVID-19

Bintulu Port Holdings Berhad

- In February, the Group introduced a Group-wide canton concept for dividing the workplace and premises into main cantons and sub-cantons to minimise interaction between departments.
- This move helped to prevent the spread of COVID-19 among Group employees while also enhancing protection for port users, contractors, agents or other visitors.
- It also helped us to avoid closure of the entire premises if a case was detected, as only the affected canton would have to be closed for the purpose of disinfection.
- Our cantonisation activities also facilitated speedy contact tracing in collaboration with the MOH when positive cases were detected.

COLLABORATED WITH BDDMC TO ESTABLISH A NEW PKRC

Bintulu Port Holdings Berhad

- Bintulu Port is proud to have assisted the Bintulu Division Disaster Management Committee (BDDMC) in establishing a new quarantine and treatment centre for low-risk COVID-19 patients at *Taman Sri Pelabuhan*.
- The Pusat Kuarantin Dan Rawatan Berisiko Rendah (PKRC) provided additional capacity to treat and quarantine up to 350 people.

ACCLAMATION FOR OUR 2019 INTEGRATED REPORT

Bintulu Port Holdings Berhad

- The Group's 2019 Integrated Annual Report, with the tagline "Realisation of Greater Potential", clinched the Bronze Award in the category of Asia's Best Integrated Report (First Time) at Asia's Sustainability Reporting Awards (ASRA) 2020.
- The Group was also a finalist in the Asia's Best Integrated Report (Design) category, where City Development Limited from Singapore was the Gold winner.
- We also clinched a Gold Award in the 2021 Australasian Reporting Awards.

CEO CONTRACTOR AWARD FROM PTTEP

Bintulu Port Sdn. Bhd.

- BPSB is proud to have been recognised and awarded PTTEP's CEO Contractor Award for our stellar Safety, Security, Health and Environment (SSHE) performance.

RECEIVED MSOSH GOLD MERIT AND GOLD CLASS 1 AWARDS

Bintulu Port Sdn. Bhd./Samalaju Industrial Port Sdn. Bhd.

- SIPSB's exemplary commitment to safety and health was recognised with a Gold Merit Award from the Malaysian Society for Occupational Safety & Health (MSOSH) in the Logistic & Transportation Sectors category.
- At the same time, BPSB received the Gold Class 1 Award in the same category.



STRATEGIC THRUST 1

INSTITUTE OPERATIONAL EXCELLENCE (CONTINUED)

Operational Excellence in Customer Engagement and Transformation

ENHANCEMENT OF ALUMINA CONVEYOR LINE OPERATION

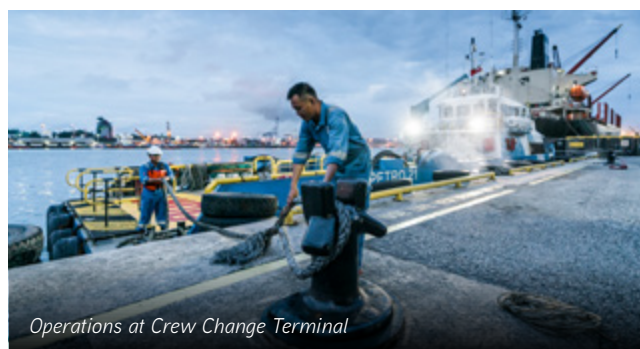
Samalaju Industrial Port Sdn. Bhd.

- SIPS together with Press Metal has successfully upgraded and commenced Conveyor Line A01 in August 2021 which has increased the productivity for Alumina discharging operation from 600 tonnes per hour to 900 tonnes per hour.

UTAP - PURSUING OUR OPERATIONAL EXCELLENCE INITIATIVES

Bintulu Port Holdings Berhad

- A total of 24 further initiatives under our Governance, Risk and Compliance (GRC) Transformation Journey (UTAP) were completed in 2021, comprising the following:
 - Board-related Matters
 - HR-related Matters
 - Procurement
 - Risk Management
 - Group Internal Audit Functions and Practices.
- UTAP comprises a total of 46 initiatives that will be implemented across 10 work streams related to various parts of our business, as well as an overarching transformation of working culture across the Group.
- Out of the remaining 22 initiatives that are to be implemented, 17 are expected to be completed in 2022 and the remaining five in 2023.



Operations at Crew Change Terminal

RECEIVED FOCUSED RECOGNITION AWARD FROM PCSB

Bintulu Port Sdn. Bhd.

- Petronas Carigali Sdn. Bhd. (PCSB) honoured BPSB's stellar performance in sustaining and maintaining the effectiveness of material delivery for PCSB's oil production activities with its esteemed Focused Recognition Award.

RENEWAL OF ISO 27001:2013 - INFORMATION SECURITY MANAGEMENT SYSTEMS CERTIFICATION

Bintulu Port Holdings Berhad

- BPHB, through the Group Information Technology department, obtained renewal of ISO 27001:2013 - Information Security Management Systems certification effective 15 November 2021 to 28 February 2025 from Cybersecurity Malaysia.

WEBINAR ON COMPLIANCE AND INTEGRITY

Bintulu Port Holdings Berhad

- Conducted a one-day Webinar on Compliance and Integrity to introduce and create awareness among all Executives within the Group on the Code of Business Ethics, Anti-Bribery and Corruption Policy, Framework and SOP, Raid Policy and Procedure and Whistleblower Policy and Procedure.

ACHIEVED ISO CERTIFICATIONS

Samalaju Industrial Port Sdn. Bhd.

- We are proud to have obtained the following international standard accreditations in 2021:
 - ISO 9001:2015 (Quality Management Systems),
 - ISO 14001:2015 (Environmental Management Systems)
 - ISO 45001:2018 (Occupational Health and Safety Management Systems).

ENHANCING PROTECTION FOR INFORMATION SECURITY

Bintulu Port Holdings Berhad

- The Group's MS ISO27001:2013 recertification in November 2021 demonstrates our commitment to having a systematic approach in place to manage our information security.
- As part of the Critical National Information Infrastructure (CNII) Agency, the National Cyber Coordination & Command Centre (NC4) provides early warnings and advisories to the Group of potential cybercrimes.
- The Group has established a dedicated department to monitor, maintain security systems, identify system vulnerabilities and create defense strategies against cybercriminals.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT



STRATEGIC THRUST 2

EXPAND PORT CAPACITIES AND CAPITALISING ON KEY GROWTH MARKET
SECTOR & PROFITABILITY

Driving Business Growth

FIRST SHIPMENT BY MALAYSIAN PHOSPHATE ADDITIVES
(SARAWAK) (MPAS) TO SAMALAJU PORT

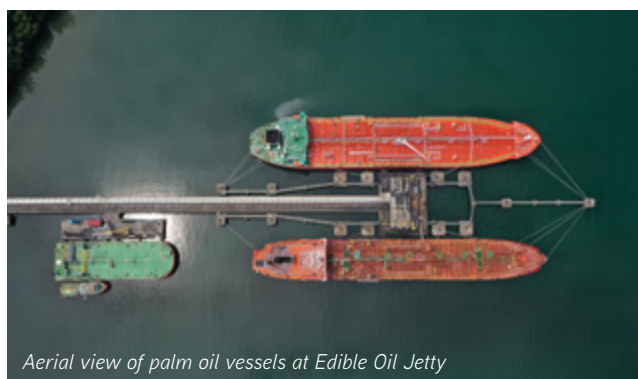
Samalaju Industrial Port Sdn. Bhd.

- In January, SIPSB achieved an important milestone when it received the first rock phosphate import shipment by MPAS. We handled a total import of 65,292 million tonnes in 2021.
- MPAS is expected to commence operations in first quarter 2022 and will export yellow phosphorous and phosphoric acid to potential markets such as Japan, South Korea, China, Taiwan and Malaysia.

BBSB REGISTERED AS PTI UNDER FEPO CONTRACT FOR
BURSA MALAYSIA DERIVATIVES

Biport Bulkiers Sdn. Bhd.

- BBSB was officially appointed to provide Port Tank Installation (PTI) services as part of Bursa Malaysia Derivatives' new East Malaysia Crude Palm Oil Futures (FEPO) contract.
- This strategic expansion of service leveraged our existing facilities and capabilities.
- With high potential cargo to be traded via PTI at a higher tariff rate compared to current operations, this will provide a valuable alternate revenue stream and increase our profit margins.



Aerial view of palm oil vessels at Edible Oil Jetty

PRESS METAL BINTULU MOVED INTO PHASE 3 OF PLANT
CONSTRUCTION

Samalaju Industrial Port Sdn. Bhd.

- Press Metal Bintulu Sdn. Bhd. commenced its Phase 3 plant at Samalaju Industrial Park in the first quarter of 2021 increasing their plant capacity by 42% from 0.76 million tonnes to 1.08 million tonnes per annum.
- The full commencement of the Phase 3 plant is expected by early 2022 and this will further entrench Press Metal's position as the largest South East Asia aluminium producer and a key global player in the aluminium industry.



Vessel Operations at the SIPSB wharf

EXTENSION OF CONTRACT WITH OIL AND GAS MAJOR
PLAYERS

Bintulu Port Sdn. Bhd.

- Our contracts with three major oil and gas players namely Petronas Carigali Sdn. Bhd., Thailand's PTT Exploration and Production Public Company Limited and Vestigo Petroleum Sdn. Bhd. were successfully extended.



STRATEGIC THRUST 2

EXPAND PORT CAPACITIES AND CAPITALISING ON KEY GROWTH MARKET
SECTOR & PROFITABILITY (CONTINUED)

Driving Business Growth

E-COMMEMORATION OF MAIDEN LNG ISO TANK EXPORT OPERATIONS

Bintulu Port Sdn. Bhd.

- We held an e-commemoration ceremony to mark the first LNG ISO tank export operation at Bintulu Port, consisting of 215 units handled and exported from BICT.



Photo commemoration of Bintulu Port's maiden LNG ISO Tank export operations on 25 March 2021

COMMENCED CONTAINER HANDLING SERVICES AT SAMALAJU PORT

Samalaju Industrial Port Sdn. Bhd.

- Container handling services were successfully launched at Samalaju Industrial Port in December 2021, enabling our investors to import or export containerised cargo directly via Samalaju Industrial Port.



Photo commemoration on 6 December 2021 for Container Handling Services Launching Ceremony

MSD BOAT TRANSFER SERVICES

Bintulu Port Sdn. Bhd.

- Following the outbreak of COVID-19 cases related to the shipping community, Marine Services Division (MSD) promoted its Marine Services Solutions to local authorities and the local shipping community, such as Petronas LNG Sdn. Bhd., MISC Berhad and MISAR Sdn. Bhd. (an agent for MISC).
- These included the provision of Non-Prescribed Services for transferring COVID-19 affected crews, setting up temporary staging areas and ship sanitisation services.
- Our successful undertaking of these services later attracted these agents and customers to engage MSD to provide non-COVID-19-related services such as boat services for crew change, transfer of personnel and transfer of resources to and from the ship.

SHIN YANG LAUNCHED NEW SERVICE ROUTE

Bintulu Port Sdn. Bhd.

- Shin Yang Shipping, one of the main shipping lines providing feeder services to East Malaysian ports, introduced a new service route that connects Kuching, Bintulu and Singapore.
- The new route is expected to contribute to container throughput volume at BICT.

MTT LAUNCHED NEW SERVICE ROUTE FROM BINTULU

Bintulu Port Sdn. Bhd.

- MTT Shipping introduced a new service route named WBK Service, which is expected to contribute additional transshipment throughput volume at BPSB.
- The new route runs from Bintulu to Kota Kinabalu to Laem Chabang (Thailand) to Port Klang and back to Bintulu.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT



STRATEGIC THRUST 3

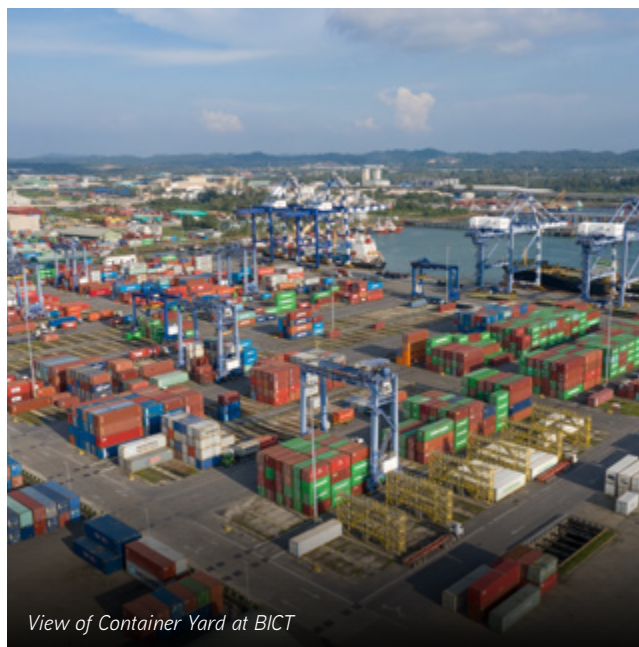
EMBARK INTO SMART AND GREEN PORT

Furthering Our Smart Digital Green Port (SDGP) Initiatives

ENHANCED WIRELESS COVERAGE FOR CONTAINER OPERATION

Bintulu Port Sdn. Bhd.

- We improved and expanded our wireless coverage to ensure both Narrowband and Wireless Data Communication Devices receive a stable communication signal when in use during the handling of container.
- The enhanced architecture allows devices such as Vehicle Mounted Terminal (VMT) and Radio Data Terminal (RDT) to receive better signal coverage and ensures operational activities are able to proceed with minimum disruption.



View of Container Yard at BICT

IMPLEMENTATION OF ELECTRONIC DELIVERY ORDER (EDO) FOR BREAK BULK CARGO OPERATION

Bintulu Port Sdn. Bhd.

- By transitioning to paperless delivery through the use of Barcode Scanners and RFID Technology, we substantially enhanced the monitoring, tracking, handling and delivery of break bulk cargoes.

ANJUNG HIJAU & BEACH CLEANING/PLOGGING PROGRAMME

Samalaju Industrial Port Sdn. Bhd.

- Project Anjung Hijau carried out by SIPSB twice yearly aimed to reduce carbon emissions and align with the Group's Green Port Initiatives.
- In 2021, achieve 37,000 numbers of planted trees accumulative since 2017. Meanwhile, we organised a Beach Cleaning/Plogging Programme which is part of SIPSB Zero Waste Campaign and is conducted quarterly.

CMEA AWARD 2020 CEREMONY

Bintulu Port Holdings Berhad

- This biennial prestigious Sarawak Chief Minister's Environmental Award (CMEA) aims to recognise the environmental effort and commitment of industries, local authorities and individuals who demonstrate exemplary stewardship towards environmental protection. Winners of the Award are widely recognised by the public as role models in business and industry's environmental performance and excellence, as well as models for environmental conservation and practices. We won the Merit Award for the third time in a row.

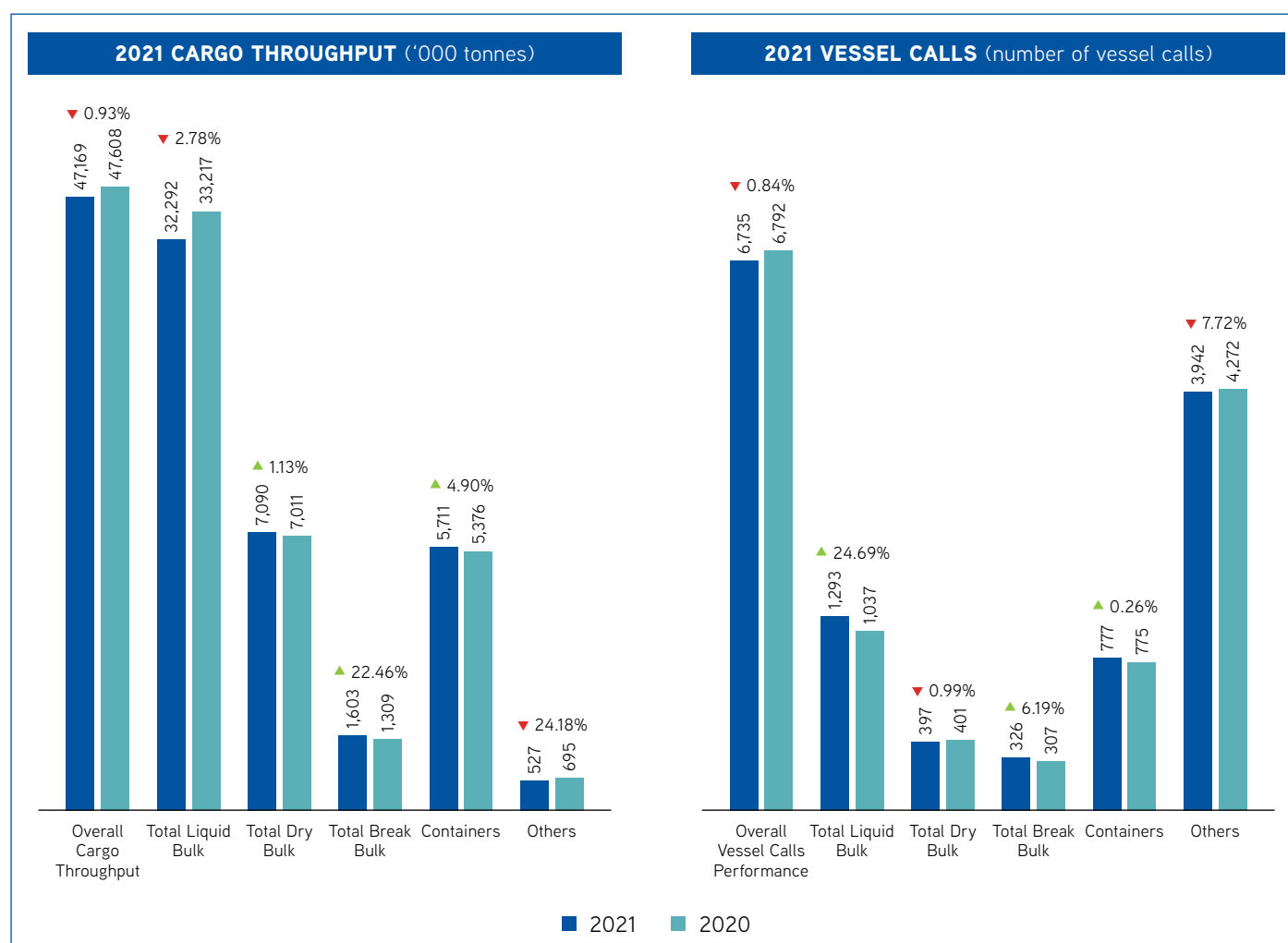
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GROUP OPERATIONAL AND FINANCIAL PERFORMANCE

The Group recorded an annual throughput volume of 47.17 million tonnes in 2021, representing a 0.93% decline from the year before, while our vessel calls recorded a decline of 0.84% from 6,792 vessels in 2020 to 6,735 vessels in 2021.

Thanks to the effective implementation of our BRP, the Group boosted its operating revenue, which increased 2.98% from RM707.31 million in FY2020 to RM728.39 million in 2021. Profit before tax in 2021 dipped slightly compared to last year, declining by only 0.28% to RM126.32 million from the RM126.67 million recorded in 2020. This was mainly due to increased expenditure from higher provision of replacement costs, depreciation of right-of use assets and additional amortisation on our LPG Jetty lease.



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

STRATEGY AND OUTLOOK GOING FORWARD

While analysts are optimistic that the Malaysian economy's recovery will gain momentum in 2022, we remain aware that some downside risks persist, especially with the possibility of the outbreak of new COVID-19 variants, supply chain disruptions and geopolitical risks. To protect the sustainability of our business and ensure that we continue to achieve our objectives, we must stay vigilant and continually refine our BRP strategies so we can respond rapidly and effectively in the event of possible disruptions in the future.

Our vigilance is nevertheless accompanied by cautious optimism for a stronger performance in 2022. We expect to see increased demand for all major cargoes, with more LNG being exported to ASEAN markets and some recuperation of palm oil demand from India. At the same time, the growth of various new industries at Samalaju Industrial Park and our recent expansion into various sub-sectors within the industry, such as the export of LNG in ISO tanks, Port Tank Installation and expansion of marine services, will provide greater volume and diversity in the Group's revenue streams.

Our primary objective in the coming year will be to formalise the extension of BPSB's concession with BPA, which will mark the start of an exciting new era of growth and opportunity for the Group and its stakeholders.

ACKNOWLEDGEMENTS

In closing, I would like to extend my sincere gratitude to all our employees, who have dedicated their time and effort to ensuring that our ports remained open for business. I am also grateful for the wisdom and guidance given by the Board of Directors in assisting the Management team to navigate these challenging times. My utmost thanks also goes out to the regulatory authorities and our shareholders and customers, as well as our business partners and suppliers, for their continued support and cooperation.

DATO MOHAMMAD MEDAN BIN ABDULLAH

Group Chief Executive Officer



Aerial view of tugboats docking at marine base

FINANCIAL PERFORMANCE REVIEW

THE GROUP'S PROFIT AFTER TAX SURGED TO RM363.19 MILLION FROM RM93.30 MILLION RECORDED IN THE PREVIOUS YEAR. THIS WAS MAINLY DUE TO THE ONE-OFF TRANSACTION ON THE RECOGNITION OF DEFERRED TAX ASSETS ARISING FROM THE UNUTILISED INVESTMENT TAX ALLOWANCE AT ONE OF ITS SUBSIDIARY COMPANIES, SAMALAJU INDUSTRIAL PORT SDN. BHD..

REVENUE

	2021 RM'000	2020 RM'000
Revenue from port services rendered	671,059	645,339
Revenue from bulking services	37,813	40,615
Rental Income	19,515	21,358
Total Operating Revenue	728,387	707,312
Revenue from construction services for concession infrastructure	6,897	8,392
Total Revenue	735,254	715,704

Overall, the Group recorded operating revenue of RM728.39 million, 2.98% higher than that of Year 2020. The operating revenue comprised revenue from Malaysia operations of RM690.65 million and RM37.74 million from the marine services rendered in Brunei Darussalam. Revenue from LNG, which formed 49% of the total operating revenue, was still the main revenue contributor.

During the year under review, revenue generated from provision of port services at Bintulu Port was RM534.16 million, a slight decline of 0.02% from RM534.26 million recorded in Year 2020. Meanwhile, revenue from the provision of port services at Samalaju Industrial Port increased by 23.24% to RM136.90 million against RM111.08 million recorded the preceding year. Revenue from the provision of bulking facilities at Biport Bulkiers Sdn. Bhd. at RM37.81 million showed a decrease by 6.92% from RM40.62 million recorded in Year 2020.

Revenue from rental income is accounted for in accordance with MFRS 16: *Leases* which consists of rental of warehouse, yard, land, office space and equipment at Bintulu Port Sdn. Bhd. (RM13.95 million) and tank rental at Biport Bulkiers Sdn. Bhd. (RM5.56 million).

Revenue from construction services for concession infrastructure was recognised as required under IC Interpretation 12: *Service Concession Arrangements* and in accordance with MFRS 15: *Revenue from Contracts with Customers* in respect of the upgrading of port facilities works and procurement of handling equipment undertaken during the year. There is no mark-up recognised on these activities as the Group outsourced the construction services and procurement to third parties.

FINANCIAL PERFORMANCE REVIEW

INCOME STATEMENT

	2021 RM'000	2020 RM'000
Operating Revenue	728,387	707,312
Revenue from Construction Services	6,867	8,392
Other Income	16,362	13,288
Cost of Construction Services	(6,867)	(8,392)
Manpower Cost	(129,492)	(128,869)
Other Expenditure	(190,190)	(187,257)
EBITDA	425,067	404,474
Depreciation, Amortisation & Replacement Obligations	(239,165)	(221,831)
Operating Profit	185,902	182,643
Finance Costs	(74,282)	(75,176)
Finance Income	14,695	19,199
Profit Before Tax	126,315	126,666
Income Tax Expense	236,876	(33,365)
Profit After Tax	363,191	93,301

Operating profit increased by RM3.26 million from RM182.64 million to RM185.90 million. This was contributed by higher EBITDA of RM20.60 million year-on-year, mainly due to the higher operating revenue achieved in Year 2021 despite higher operating expenditure. The total expenditure for the year was RM633.13 million, RM20.00 million more than RM613.13 million recorded in the preceding year. The higher expenditure was due to an increase in repair and maintenance of the port and bulking infrastructure, facilities and equipment, as well as an increase in fuel expense. There were also higher provisions made on replacement cost for moveable assets at SIPSB, additional recognition of depreciation of right-of-use assets on new charter hire of vessels at BPSB and additional amortisation on the lease of LPG Jetty.

There were no additional borrowings in Year 2021 and the finance cost comprised profit expenses on Sukuk Murabahah and unwinding of discount on lease obligations, replacement obligations, lease liabilities on right-of-use assets and provision for dredging. Finance Income includes interest income from short term deposits and sub lease.

With the above, the pre-tax profit dropped slightly to RM126.32 million from RM126.67 million recorded previously in Year 2020.

RAM Rating Services Berhad (RAM Ratings) completed their sixth annual rating review of Bintulu Port Holdings Berhad (BPHB) as the Corporate Guarantor and SIPSB as the Issuer. RAM Ratings reaffirmed the respective long-term and short-term corporate ratings of AA₁ and P1 for BPHB – the long-term rating has a stable outlook. RAM Ratings also reaffirmed the long-term rating of AA₁(s) for SIPSB's Sukuk Murabahah Programme of up to RM950 million in nominal value (2015/2036) – the long-term rating has a stable outlook.

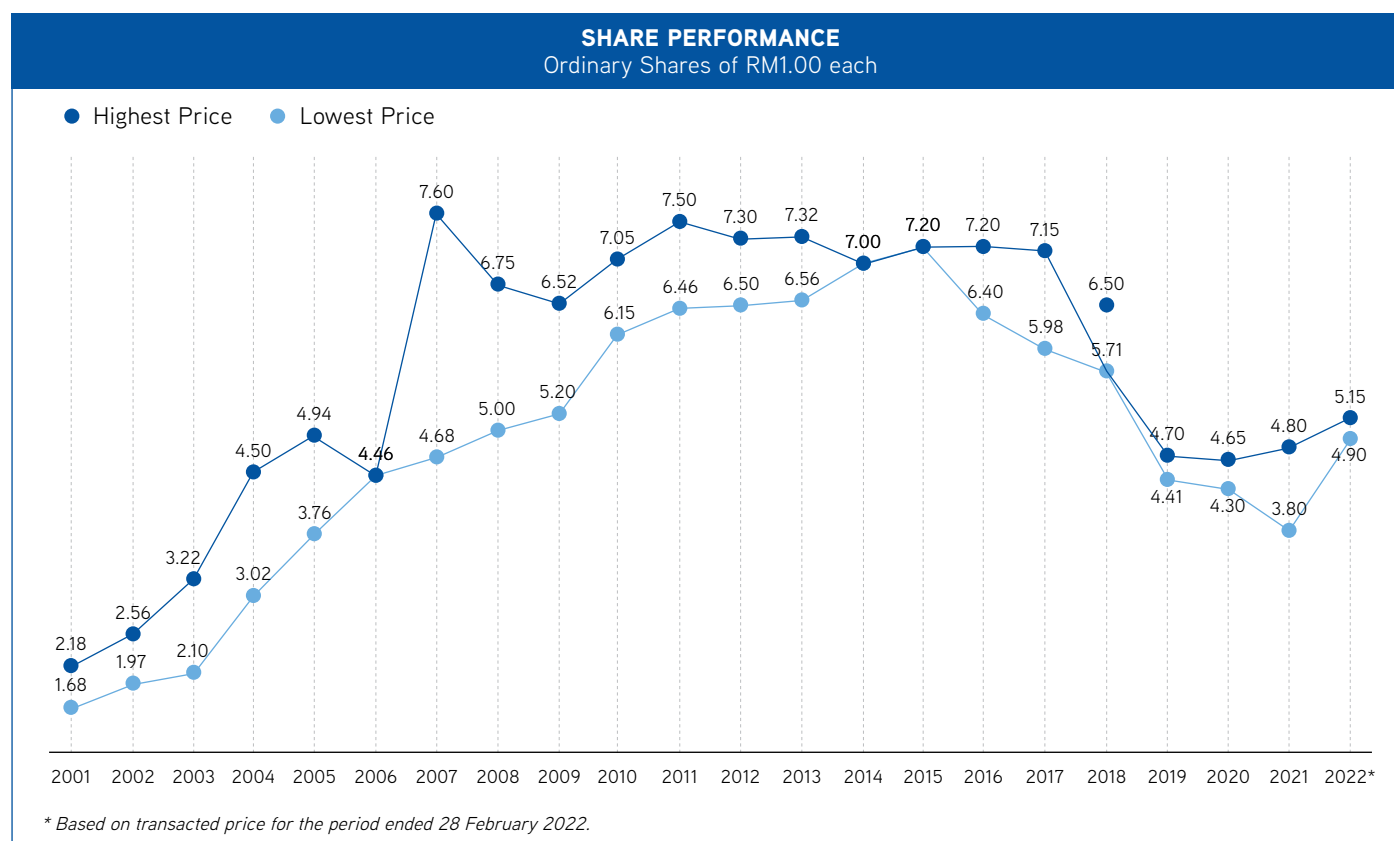
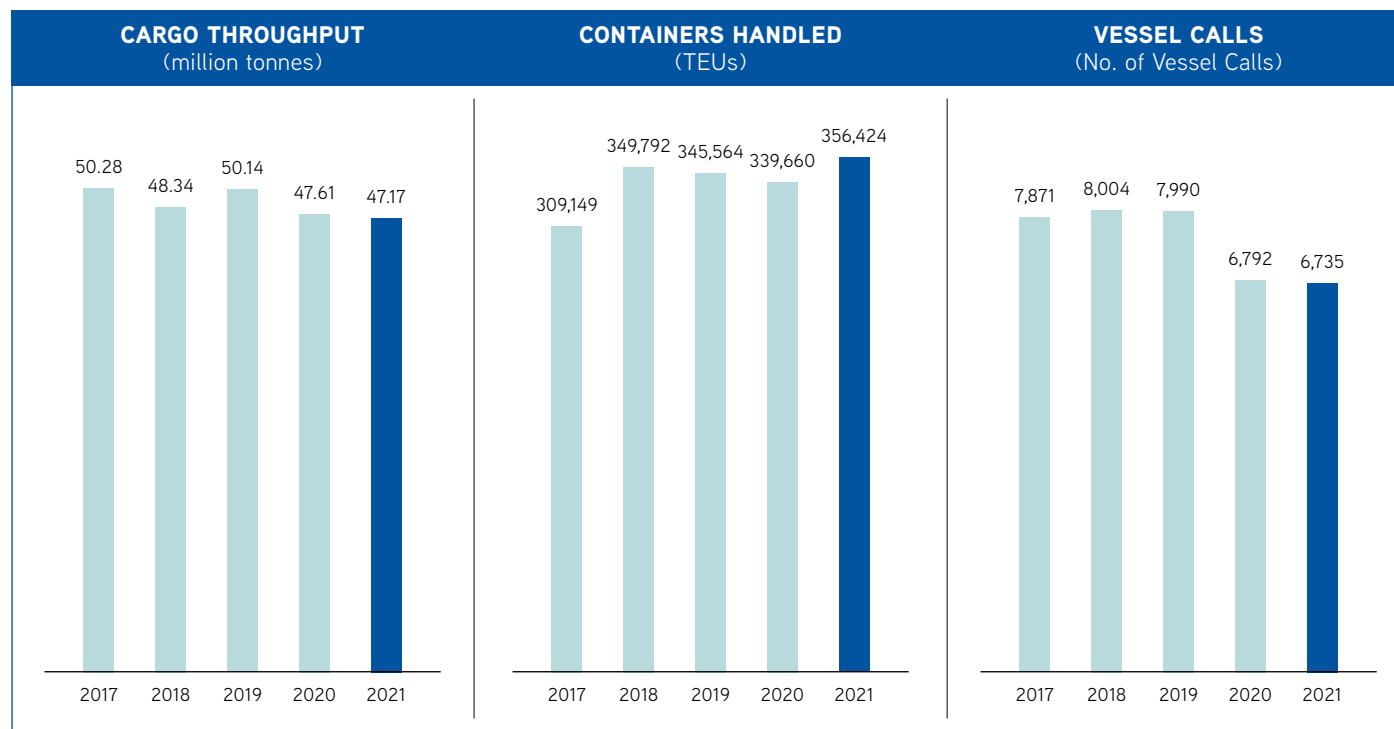
The cash and cash equivalents as at end-2021 were RM671.64 million. The net cash generated from operating activities increased to RM374.07 million in 2021 from RM326.49 million in 2020 mainly due to the payment of maintenance dredging in Year 2020. The net cash used in investing activities was RM77.70 million and financing activities were RM273.38 million; therefore, the net increase in cash and cash equivalents was RM22.99 million.

The shareholders' fund as at 31 December 2021 stood at RM1,690.10 million from RM1,377.46 million in Year 2020. The net asset per share was RM3.67.

For Year 2022, the Group expects to have positive momentum in cargo throughput from the LNG, Palm Oil, Dry Bulk and Container sectors on the assumption the global economy continues to gradually recover from the effects of the unprecedented COVID-19 pandemic.

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FINANCIAL PERFORMANCE REVIEW



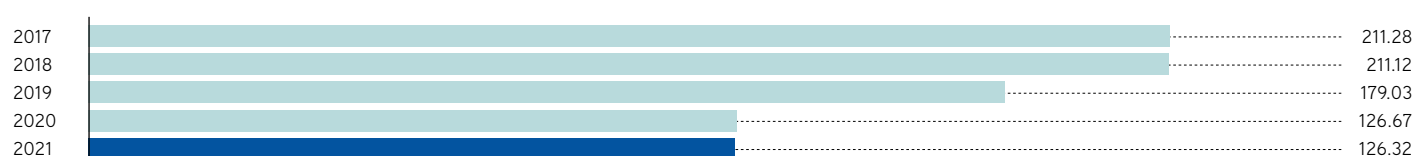
FINANCIAL PERFORMANCE REVIEW

TURNOVER

(RM Million)

**PROFIT BEFORE TAX**

(RM Million)

**EARNINGS PER SHARE**

(Sen)

**TOTAL SHAREHOLDERS' FUND**

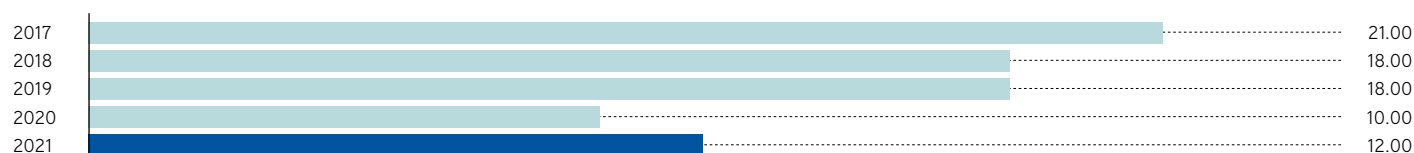
(RM Million)

**NET ASSET PER SHARE**

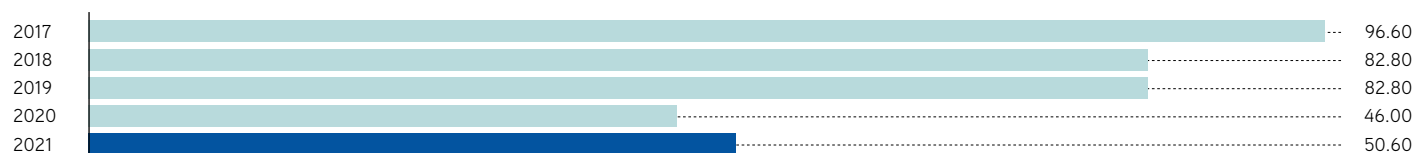
(RM)

**SINGLE-TIER DIVIDEND PAID**

(Sen)

**DIVIDEND PAID DURING THE YEAR**

(RM Million)



MARKET LANDSCAPE



Sunset aerial view of Bintulu Port

In the year under review, the global economy rebounded with growth of 5.9% following a contraction of 3.2% in 2020 as industries reopened and businesses adapted to an endemic approach to COVID-19. Domestically, Malaysia's economy grew by 3.1% compared to the contraction of 5.6% in 2020, according to Bank Negara Malaysia.

For the second consecutive year, most countries once again invested significant resources on managing the subsequent waves of the COVID-19 pandemic, which comprised new and more transmissible variants, in order to prevent the derailment of their respective economic recoveries. This was done via massive economic stimulus packages and the aggressive roll-out of vaccination programmes to reduce the severity of infections and to relieve fatigued healthcare systems.

The emergence of variants such as Delta and Omicron certainly cast some doubt about the sustainability of economic recoveries, especially with some countries responding by implementing lockdowns and tight containment measures. This continued to impact supply chains around the world, thus creating a domino effect that snowballed into disruptions all over the world. The challenge of vaccine inequality also slowed vaccination rates in less developed nations, which impeded recovery in some regions across the globe.

As a port operator, our business is closely linked with the health of the global economy as we support trade and the transport of goods and commodities all over the world. Being in this position also gives us a unique perspective as we understand the interlinkages that enable the proper functioning of the economy. We discuss some of the main issues that shaped this year's narrative below:

MARKET LANDSCAPE

MALAYSIA'S
ECONOMY GREW BY

3.1%

GLOBAL ECONOMY
GREW BY

5.9%

INCREASE/DECREASE
IN OVERALL CARGO
THROUGHOUT AT
MALAYSIA PORTS

4-5%

- China's recent commitment to drastically reducing its carbon emissions and energy consumption poses a difficult challenge to its energy-intensive industries such as steel, aluminium and cement, which are important export goods. This will open up opportunities for greater LNG exports given that it is a cleaner fossil fuel, and especially for the Sarawak Corridor of Renewal Energy (SCORE), which leverages clean, renewable energy to attract main players to build their facilities and commit to further investments within the Corridor.
- Throughout 2021, the shortage of shipping containers continued to delay delivery times and increased container rental prices, resulting in disrupted supply chains. The shortage was attributed to the pandemic, which had reduced the number of trips and consequently led to empty containers not being picked up. The situation was exacerbated by the uneven reopening of economies throughout the world leading to a shortage of empty containers. In response, importers and exporters resorted to transporting their goods via bulk cargo to minimise their costs.
- Labour shortages in the palm oil industry, which is heavily reliant on foreign workers, occurred due to border restrictions preventing the normal flow of workers from source countries. As a result, there was an unprecedented decline in productivity and yields that resulted in higher prices as stockpiles were depleted. The reduction in palm oil exports, especially to China was also due to competition from other fats such as soybean oils and the Chinese government promoting their soybean plantations and refineries.

OUTLOOK

Global economic growth is expected to moderate to 4.4% in 2022 compared to the 5.9% in 2021 according to the International Monetary Fund. This will be partly due to the dissipation of low base effects, although such a performance will indicate that a recovery in growth has taken hold after the prolonged slowdown due to COVID-19 containment measures. According to the 12th Malaysia Plan, GDP growth for Malaysia will range from 4.5-5.5% in 2022.

Looking ahead, we expect demand for all major cargoes to be positive, with high demand forecast for LNG, especially from China, India and the ASEAN markets. Palm oil is also expected to see a recovery in demand, especially from India with the imposition of higher export duties in Indonesia. However, some risks will continue to exist, especially with labour issues continuing in the palm oil industry and the potential of new COVID-19 variants leading to a repeat of strict lockdowns, which will certainly impact global trade. The persistent shortage of containers, as well as congestion at major ports around the globe, will most likely have a knock-on effect on cargo volumes and vessel calls.

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MARKET LANDSCAPE

TRENDS MOVING FORWARD

RECOVERY IN CONSUMER DEMAND

With the economy and trade volume steadily recovering in 2021, we expect to see consumer demand rising as containerised cargo movements grow worldwide. Major ports in the Asian region, including in Malaysia, will also benefit from the relocation of manufacturing bases owned by multi-national companies out of China to other locations within the region.^[1]

However, the issue of the port congestion will remain as it is triggered by the apparent imbalance in East-West seaborne trade. This situation is expected to improve as recoveries synchronise over time.

ENERGY TRANSITION & RISE OF RENEWABLES

The Group is optimistic that we will be able to tap into opportunities present in the transition away from fossil fuels to cleaner sources of energy. Over the longer-term, renewables are expected to take over the role of baseload power generation from nuclear, combined-cycle power and coal power plants. However, they will still require other forms of generation to serve as a backup until power storage technology catches up, given the intermittent nature of solar and wind power generation.²

In this context, LNG will continue to serve as the transition fuel towards realising a net zero-carbon emissions future, whereby the International Energy Association sees gas approaching 20% to 25% of the energy mix by 2040.

To this end, we remain committed to the Smart Digital Green Port Blueprint which will help us begin our journey towards becoming a carbon neutral port. Alongside this long-term goal, the initiatives and projects identified in the blueprint will also benefit the Group in terms of cost and operational efficiencies.

GEOPOLITICAL TENSIONS AND RISE IN COMMODITY PRICES – A THREAT TO GLOBAL ECONOMIC RECOVERY

Geopolitical tensions have increased amid the conflict between Russia and Ukraine, creating turmoil in global commodity markets. The conflict has increased the risk of serious consequences for the global economy and inflation, which is expected to rise as a result of global supply chain disruptions.

Russia is one of the largest exporters of raw materials in the world, especially metals such as nickel, palladium and aluminium, while Ukraine produces 65% of the neon gas used in the manufacturing of semiconductors and electric vehicles. Russia is also responsible for 7% of the world's oil and gas supply. Thus, the conflict could impact the supply of these commodities, which will have wide-ranging effects on the world and global supply chains. In Asia, economies reliant on energy imports, like Hong Kong, South Korea and India, will be affected and if the increase in inflation affects global demand, exporters in Asia, including China, Vietnam, Taiwan and Malaysia, will also be impacted in the near future.

SPREAD OF NEW VARIANTS OF COVID-19

The newest strain of the COVID-19 virus, Omicron, is a 'variant of concern' according to the World Health Organisation and could potentially become a 'very high' global risk. China, being cautious of the emergence, has implemented more stringent measures, including mass lockdowns of entire cities, strict checking at ports and the enforcement of quarantines. This will constrain shipping further as well as result in shortages of key manufacturing components. With seven of the 10 busiest ports in the world located in China, the global supply chain will definitely be affected by any drastic move that China makes in regard to its COVID-19 response.

CLIMATE CHANGE AND SUSTAINABILITY AT THE FOREFRONT

Over the past few years, regulatory bodies in Malaysia have increased their focus on climate change management and sustainability, compelling companies to make more meaningful disclosures and improve their transparency with regards to their Environmental, Social and Governance performance. For instance, Bank Negara Malaysia (BNM) has recently announced that it will be finalising plans to make it mandatory for financial institutions to disclose climate-related financial risk disclosures from 2024.

Such a move will encourage financial institutions to be more deliberate when providing funding to businesses as they would need to consider if the funding would indeed be positively contributing to the transition to a low-carbon economy as well as the overall sustainability agenda.

SMART PORT DEVELOPMENT FOR EFFICIENCY AND ENVIRONMENTAL SUSTAINABILITY

The ongoing concern about environmental sustainability and the rising need for real-time information drives the demand for the development of smart ports globally. With increasing shipping volume, ports face the challenge of managing daily operations and inventory with greater efficiency. The overall performance of the port can be improved by applying technologies like blockchain, Internet of Things (IoT) and big data to increase economic competitiveness as well as to make improvements to stock management and warehouse logistics. A smart port would also automate the loading and transportation of goods, saving time and cost, thus enhancing the efficiency of the port.

1 AmInvestment Bank - <https://maritimefairtrade.org/malaysia-port-industry-favorable-outlook/>
2 International Renewable Energy Agency (IRENA)

THE RISKS WE CONSIDER

DECREASE IN REVENUE

This describes the risk of the Group's reliance on the LNG and non-LNG sectors as key revenue contributors, both of which can be influenced by a variety of factors that may affect the targeted revenue.

Causes and Consequences of the Risk

This risk can occur due to:

- Inability of the Group to achieve its targeted revenue as it is closely linked to tariffs
- Drop in cargo throughput or loss of market share due to competition from other ports as well as the impact of macroeconomic developments
- Heavy reliance on key customers
- Scaling down of plants and manufacturers, and delay in completion of prospective customers' projects
- The recent COVID-19 pandemic that has impacted the global supply chain, which has adversely affected the Group's throughput performance and project implementation

The consequences are:

- Reduced revenue for the Group
- Failure to meet financial objectives/obligations
- Unable to sustain financial stability of the Group
- Underutilisation of facilities

Mitigation and Opportunities

- Diversification of the Group's revenue stream and growth plans in the non-LNG sector
- Regular engagement with central agencies to ensure the port tariff is competitive so that the operating cost of service lines and cargo types remains manageable
- Achieving higher efficiency and customer satisfaction
- Regular engagement with customers to facilitate proactive solutions to ensure sustained customer satisfaction levels
- Being responsive, adaptive and resilient in fighting the COVID-19 pandemic
- Formulation of Terminal Service Agreements (TSAs) to protect the interests of the Group

Link to Material Matters:

- 01 Economic Performance
- 02 Operational Efficiency
- 03 Customer Satisfaction

DELAY IN EXTENDING CONCESSION PERIOD

While the Group has received the approval in principle for the extension of its BPSB's concession since 2014, the risk described here is associated with the delay in finalising the details of the terms and the contract for the extension of the concession.

Causes and Consequences of the Risk

This risk can occur due to:

- Lengthy negotiation and extension process to finalise the terms

The consequences are:

- Delay in developing future potential projects or expansion
- Loss of potential business opportunities
- Downgrading of Sukuk rating

Mitigation and Opportunities

- Establishing a high-level Board committee to oversee the progress of the expected result
- Escalating the request for renewal to major shareholders for their assistance
- Intensive collaboration with the newly appointed consultant by the Port Authority to expedite the expected result
- Establishing 14 Guiding Principles of the terms that have been mutually agreed with the Port Authority
- Establishing a Steering and Working Level Committee together with the Port Authority to oversee the process and negotiations for the extension
- Development of Port Development Plan (PDP) for the next 30 years with the Port Authority
- Appointment of a consultant to assist in the negotiation process
- Regular engagement with Port Authority to negotiate the terms for the extension of the concession

Link to Material Matters:

- 01 Economic Performance

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OUTBREAK OF COVID-19 PANDEMIC

Causes and Consequences of the Risk

This risk can occur due to:

- Affected personnel entering Port area
- Lack of awareness on mitigating spread of COVID-19
- Negligence in declaring health status

The consequences are:

- Business disruptions due to manpower shortage
- Lower customer satisfaction level caused by downtime in operations
- Reputational impact

Mitigation and Opportunities

The Group's mitigation strategies for this risk basically involved two main objectives: (1) to minimise the disruption to the Port's operations and (2) to prevent the spread of COVID-19 infection in the Port area.

In 2021, the following initiatives were undertaken to mitigate the risk of the pandemic:

- 1) Activating the Crisis Management Team
- 2) Continuity of Business Response Plan
- 3) Regular updates and dissemination of Close Contact Management Plan
- 4) Distribution of face masks and sanitisers to all port staff
- 5) Limitation of visitors and port users at high-risk areas
- 6) Regular sanitisation programme at workplace
- 7) Work-From-Home (WFH) flexibility for office staff
- 8) Keep Your Distance: 2M Campaign
- 9) Compulsory usage of MySejahtera contact tracing app
- 10) Frequent engagement with Ministry of Health (MOH), State Disaster Management Committee (SDMC), Department of Occupational Safety and Health (DOSH) and other relevant authorities to keep abreast of the latest SOPs
- 11) Vaccination roll-out to port staff with the assistance of local authorities
- 12) Mass COVID-19 screening for port staff
- 13) "Canton Concept" at workplace
- 14) Quantum Fusion Resonance Disinfectant Coating Technology

Link to Material Matters:

- | | |
|-----------------------------------|--------------------------|
| 01 Port Security | 03 Customer Satisfaction |
| 02 Occupational Health and Safety | 04 Economic Performance |

CYBERSECURITY RISK

This refers to the risk of cyber threats including but not limited to virus attacks, hacking, sabotage, malware and phishing.

Causes and Consequences of the Risk

This risk can occur due to:

- Lack of user awareness of cybersecurity
- Antivirus programmes not being updated
- Unauthorised installation of software by users
- Possible attacks by hackers

The consequences are:

- Loss of data
- Corruption of system applications, which can result in major downtimes
- Operational disruptions
- High maintenance and support costs
- Reputational impact
- Potential lawsuit due to data leakages

Mitigation and Opportunities

- Implementation of Information Security Management System ISO 27001:2013 recertified on 15 November 2021
- Formulating IT Security Policies and Procedures for the Group
- Ensuring firewall firmware is updated
- Ensuring antivirus is updated
- Continuous cybersecurity awareness programme for users
- Annual review of user access
- Implementation of Cybersecurity Maturity Assessment
- Establishing disaster recovery centre
- Replacement of obsolete IT equipment in Bintulu Port

Link to Material Matters:

- | | |
|-----------------------------------|---------------------------|
| 01 Port Security | 04 Economic Performance |
| 02 Occupational Health and Safety | 05 Operational Efficiency |
| 03 Customer Satisfaction | |

MAPPING OUR MATERIAL ISSUES

MATERIALITY ASSESSMENT

Issues that are material or important to Bintulu Port are defined as issues which have a direct or indirect impact on our ability to create value in financial and non-financial contexts. Understanding what is important to us will not only help ensure business growth but will also help us meet the needs of our stakeholders and to discover new concerns they may have. It naturally allows us to identify the opportunities and mitigate the risks of each material matter. In 2021, we underwent a comprehensive assessment to identify our material issues and conducted a formal process of engagement with our stakeholders to obtain their insights.

METHODOLOGY AND RESULTS

In 2021, we conducted an in-depth materiality assessment through an online survey to produce an updated materiality matrix. The last time an assessment was conducted was in 2017, thus, there was a need to update our material issues to ensure our strategies and initiatives were relevant to the requirements of the business and our stakeholders within our current operating environment.

The first step was to identify a set of material issues relevant to us. This was conducted through desktop research involving peer-to-peer comparisons with local and global peers, and with reference to leading sustainability frameworks such as the Sustainability Accounts Standards Boards (Marine Transportation category). We also took mega trends and our short, medium and long-term risks into consideration.

As a result, we obtained 20 material issues that were relevant to us and took these to our nine stakeholder groups for their opinions. We sent an online survey to a total of 1,843 stakeholders and received a response from 18.6% or 343 respondents across all stakeholder groups. A focus group discussion was then conducted among the C-Suites to finalise and prioritise the material issues. Finally, a materiality matrix based on the focus group discussion and rankings given by our stakeholders was produced. Out of the 20 issues, 10 emerged as being highly significant to both the business and our stakeholders, of which six were the same as the material issues we had prioritised prior to this new exercise.

Our Materiality Matrix



- 1 Economic Performance
- 2 Corporate Governance and Transparency
- 3 Ethics & Integrity
- 4 Occupational Health and Safety
- 5 Operational Efficiency
- 6 Cyber Security

- 7 Employee Engagement
- 8 Port Security
- 9 Community Engagement
- 10 Climate Change
- 11 Customer Satisfaction
- 12 Supply Chain Management
- 13 Human Resources Development

- 14 Technology and Digitisation
- 15 Environmental Monitoring
- 16 Nation Building
- 17 Workplace Diversity & Inclusion
- 18 Marine Ecological Protection
- 19 Energy Efficiency
- 20 Port Safety

Governance
Economic
Environmental
Social

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MAPPING OUR MATERIAL ISSUES

Mapping our Material Issues

Material Issue	Bintulu Port's Response to the Issue	Stakeholder Groups affected
Economic Performance	<p>Strive to Improve revenue, practice cost management and optimisation and efficient project management by:</p> <ul style="list-style-type: none"> Improving operating margin by managing expenses Effective contract and tender administration to monitor cost budgeting. Inculcate practical and prudent spending. Continue working with the Authority for the implementation of new tariff. Target RM1 bill operating revenue in line with our Strategic Blueprint. Delivery in full and on time (DIFOT). 	Vendors & suppliers Employees, Shareholders, Customers
Corporate Governance and Transparency	<ul style="list-style-type: none"> Embedding a strong governance, risk and compliance (GRC) culture across functions and processes; integrated assurance function; strong three lines of defence through the UTAP Transformation Programme, where we have now reached the halfway point with 23 out of 46 initiatives completed. Adhering to best practices as recommended by the Malaysian Code on Corporate Governance. Improving and enhancing how enterprise risk is viewed and understood by divisions, departments and employees. 	Employees, Shareholders
Ethics and Integrity	<ul style="list-style-type: none"> Ensuring the various integrity policies that we have developed such as our Code of Business Ethics, Anti-Bribery and Corruption Policy and Procedure and Whistleblowing Policy are up to date at all times. Consistently conducting initiatives that raise awareness about our risk and integrity policies. 	Employees, Customers, Regulatory Authorities, Vendors and Suppliers
Occupational Health and Safety	<ul style="list-style-type: none"> Underlining our strong commitment to health and safety through: <ul style="list-style-type: none"> COVID-19 awareness, management plan, SOPs, and guidelines. Targeting Zero Fatality & Accidents and Zero Loss Time Incident Frequency (LTIF). Effective enforcement of safety requirements, standards & procedures. Enhancing emergency preparedness through multi-agency training & exercises. 	Employees & Customers
Operational Efficiency	<ul style="list-style-type: none"> Improving operational performance of cargo/container handling and the reliability and readiness of our marine/port equipment & facilities by endeavouring to improve on the targets set out in our Customer Charter. Continuous improvements to our operational processes and standard operating procedures where we are also responsive to and guided by customer feedback. 	Employees & Customers

MAPPING OUR MATERIAL ISSUES

Material Issue	Bintulu Port's Response to the Issue	Stakeholder Groups affected
Cyber Security	<p>Ensuring strong cyber security and cyber resilience through:</p> <ul style="list-style-type: none"> • Implementation of Information Security Management System ISO27001:2013. • Establishing IT Security Policies and Procedures and ensuring the availability of a Disaster Recovery Site • Ensuring that firewalls and antivirus solutions are current and up to date. • Conducting Cybersecurity Awareness Programme for employees. 	Regulatory Authorities, Financial Institutions
Employee Engagement	<p>Continue to enhance human capital capabilities despite the pandemic through:</p> <ul style="list-style-type: none"> • Developing and enhancing employee capabilities in the areas of leadership, knowledge, skills, behaviour and values. • Enhancing talent management & developing effective succession planning. • Employee engagement and providing a conducive working environment in the new norm. 	Employees
Port Security	<p>Maintaining and enhancing the security within the port area by:</p> <ul style="list-style-type: none"> • Restricting access to port area and implementing security threat assessments and programmes and subsequent enforcement of security plans, standards and procedures. • Ensure compliance with ISPS Code/Merchant Shipping Act A1316. • To ensure our supply chain complies with ISO 28000:2007 Security Management System (SMS). • To ensure all port users have undergone electronic vetting to detect past criminal history. 	Customers, Regulatory Authorities, Maritime Community
Community Engagement	<p>We give back to the community via the four pillars of our Corporate Social Responsibility programme:</p> <ul style="list-style-type: none"> - Serving the Community - Education - Community Health - Environment <p>• In 2021, we established a Low-Risk COVID-19 Quarantine and Treatment Centre that could accommodate up to 350 patients to support the Ministry of Health's efforts in combating the pandemic.</p>	Local Communities
Climate Change	<p>We are committed to climate change action through the:</p> <ul style="list-style-type: none"> • Monitoring of our carbon emissions and initiatives to mitigate our emissions. • Continuous improvements to energy efficiency as well as leveraging on renewable energy opportunities. • Inculcating energy saving awareness. 	Regulatory Authorities, Local Community, Maritime Community, Customers

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VALUE CREATION MODEL

OUR THREE (3) STRATEGIC THRUSTS

Institute Operational Excellence

Expand Port Capacities and Capitalising on Key Growth Market Sector and Profitability

Embark into Smart and Green Port

Our Vision
A World-Class Port Operator

Our Mission
Delivering Operational Excellence & Ensuring Our Long-Term Sustainability Based on the 3Ps:

• People

• Planet

• Profits

- Our Core Values
- Teamwork
 - Integrity
 - Innovation
 - Professionalism



KEY INPUTS

KEY

F

- Operating revenue of **RM728.39 million**
- Market capitalisation of RM2,254.00 million
- Total shareholders' fund of RM1,690.10 million
- Retained earnings of RM799.17 million
- Gearing ratio of 29.25%

FINANCIAL CAPITAL

- We continued to maintain a strong capital base to ensure investor, creditor and market confidence remained positive to enable future growth of the business.
- Constantly strived to keep working capital at an optimal level.
- Ensured adequate reinvestment into the business via good

M

- **3** General Cargo Wharfs
- **3** LNG Jetties
- **2** Container Terminals
- **2** Edible Oil Terminals
- **5** Multipurpose Terminals
- **More than 135,000 sq m** of storage space
- **25 vessels** for ship handling and patrolling
- **18 cranes** to handle containers with combined Safe Working Load of **more than 120 tonnes**
- **85 storage tanks** with a capacity of 154,600 metric tonnes
- **17** units of export pipelines

MANUFACTURED CAPITAL

- Continued to scale up our ISO tank operations, having completed six shipments of LNG in ISO tanks in 2021.
- Reviewed and prioritised CAPEX spending according to critical operational requirements, safety aspects and contractual obligations.

H

- **Total employees: 1,551**
- **RM167,273** spent on HSE training
- Total of **RM2.45 million** invested in human resource training

HUMAN CAPITAL

- Promoted 1.8% of our total workforce internally, which includes top management, executive and non-executive positions in 2021.
- Robust occupational health, safety and environment systems in place to protect the health and safety of our employees.

I

- **Concession agreement to operate Bintulu Port**
- **Sole Port Operator to hold PETRONAS Supply Base license** which enables the Port to attract PETRONAS Production Arrangement Contractors
- **Holds bunkering licences** that enable the Port to provide bunkering services

INTELLECTUAL CAPITAL

- Engagement with the State and Central Agencies to ensure the continuation of our licences and to demonstrate our value and contribution to the state.
- Maintained our international standard accreditations in ISO9001:2015 (Quality Management Systems), ISO14001:2015 (Environmental Management Systems) and ISO45001:2018 (Occupational Health and Safety Management Systems).

S

- Being a **good corporate citizen**
- **Employment opportunities**
- **Business opportunities**
- **Customer-centric initiatives**
- **Engaging with the community**

SOCIAL AND RELATIONSHIP CAPITAL

- As a good corporate citizen, we contributed to support our frontliners and the communities impacted by the pandemic. The Group also primarily hires Sarawakians, providing a boost to the local economy and its communities.
- Robust procurement practices that are aimed at securing the best value for money. Our procurement practices are also geared towards supporting Sarawak-based companies, especially those in Bintulu.

N

- **Water Quality**
- **Air Quality**
- **Energy Management**
- **Waste Management**

NATURAL CAPITAL

- Continued to monitor our carbon emissions.
- Environmental Management Plan for ISO Tank operation at BICT.

VALUE CREATION MODEL

INITIATIVES

- maintenance practices.
- Optimised cost according to critical operational requirements, safety aspects and contractual obligations.
- BBSB was officially appointed to provide Port Tank Installation (PTI) services as part of Bursa Malaysia Derivatives' new East Malaysia Crude Palm Oil Futures (FEPO) contract.
- Safeguarded the health and safety of our employees during the pandemic through a comprehensive crisis management plan.
- Stepped up efforts by implementing a canton system to minimise close contact at the workplace while also expediting vaccination efforts.
- Implementation of Electronic Delivery Order (EDO) for Break Bulk Cargo Operation.
- Obtained the renewal of the Supply Base License from Petronas for another three years to 2023.
- Engagement with other relevant central agencies.
- Held discussions with container shipping lines and palm oil refineries to better understand their concerns and to receive their suggestions.
- Converted our facilities at *Taman Sri Pelabuhan* into quarantine and treatment centre for low-risk COVID-19 patients to serve the needs of the community during the pandemic.
- Constantly carried out environmental conservation initiatives.

BALANCING OUR CAPITAL TRADE-OFFS

Port operations help businesses, societies and, ultimately, our nation, to flourish. While we contribute to that growth, we are aware that there will be choices and balances to be made. To that extent, we are mindful in choosing and allocating our resources to ensure that we optimise their use and create value along the way. This requires being cautious of trade-offs, making tough decisions and balancing short-term issues against long-term value creation and adherence to our corporate vision and long-term gains.

CUSTOMER-CENTRICITY

We place our clients at the centre of everything we do, aiming to provide relevant services effortlessly through the channels they choose. Development and investment of robust customer relationship management structures can be very costly. The Group has, therefore, taken great care in recognising the processes and frameworks that require attention to meet the targets of greater efficiency. This requires us to spend significant management time, but at the same time, leads to better business and a better brand.

BRAND DEVELOPMENT

Enhancing brand and product awareness with existing and potential customers is an essential contributor to sustainability and growth. We have been careful in our socio-economic development initiatives and marketing efforts to attain optimal benefits. This requires us to devote bandwidth and resources, along with bringing our understanding and insights to the table.

FINANCIAL MANAGEMENT

Delivering sustainable returns to our shareholders depends on how well we optimise our investments in ensuring client satisfaction, engaged employees and the effective management of risk. This requires that we strengthen our ability to generate revenue by continuously and sustainably meeting our clients' needs and strengthening our competitive position with the costs incurred in doing so. This means investing in building intellectual property and proprietary information and allocating capital to infrastructure and people.

PEOPLE, CAPACITY AND CAPABILITY

The Group relies on its people for its success. The Group invests in the development of its employees to meet the future needs of the organisation. This significantly enhances our human capital through investments made in information technology, which increases productivity and effectiveness. The learning experience in developing these new products and services enhances the organisation's Intellectual Capital. The innovation in our processes and operations leads to optimal utilisation of resources, which helps in sustaining our market leadership. While in the short term it may require us to spend more financial resources, and thereby create a negative impact, it ultimately leads to higher margins and profitability in the long run.

REGULATORY ENVIRONMENT

Compliance with diverse regulations and laws are an absolute imperative for running any business. As governance standards come under greater scrutiny, only those businesses that take compliance seriously are considered successful. At the Group, we are making all efforts to be totally compliant with regulations, wherever we operate. Naturally, this enhances our social and relationship capital by ensuring business continuity. It also enhances intellectual capital and human capital, but once again, we need to expend more financial resources and allocate infrastructure. To that extent, our financial capital and manufacturing capital are impacted in the short run.

NATURAL CAPITAL

By remaining largely reliant on non-renewable resources, we negatively impact Natural Capital. However, through our commitment to prioritising energy efficiency, along with our efforts and investments in managing our impact on the environment, we are working to mitigate the overall impact on this stock of capital. Through our energy-saving initiatives, our infrastructure becomes stronger for the long run and saves operating costs. This also enhances our status as a responsible organisation, enhancing our social and relationship capital.

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VALUE CREATION MODEL



VALUE CREATION MODEL

OUTCOMES

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- Profit in 2021 (profit after tax): **RM363.19 million**
- % growth in operating revenue: **3%**
- Dividend payout ratio: **15.20%**
- Net Asset Per Share: **RM3.67**



M

- We are now **the first and only port operator in the ASEAN region to export LNG in ISO tanks** on a large scale.
- Container Handling Operations, was successfully launched at Samalaju Port, enabling our investors to import or export containerised cargo directly via SIP.
- BBSB is **the first PTI operator in Sarawak**.



H

- Kept our attrition rate low at **0.58%** in 2021.
- Lowered our **Lost Time Injury Frequency Rate** in 2021 to **0.124** from 0.144 in 2020.
- Maintained **second consecutive year of zero fatalities** in 2021.
- Conducted **38,931 training hours** in 2021 for our employees.
- Employee Satisfaction Survey: **58.44%** in 2021 (2020: 58.13%).
- We achieved a full **99.8%** vaccination rate among our staff.



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- Discussions are ongoing to finalise the terms of the new concession agreement between BPSB and BPA and is expected to be completed in the fourth quarter of 2022.
- By transitioning to paperless delivery through the use of Barcode Scanners and RFID Technology, we have **substantially enhanced the monitoring, tracking, handling and delivery of break bulk cargoes**.
- The renewal of the Supply Base License with Petronas extends our position as the sole supply base operator in Sarawak.



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- Almost **99% of our 1,551 employees are Sarawakians**.
- **Contributed financial aid, medical equipment and personal protective equipment** to frontliners and communities.
- The **quarantine centre served more than 5,000 patients** over a period of six months.



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- Reduced overall carbon emissions by **1.56%** in 2021 from the year before
- Reduction in our carbon emissions intensity with a **5.5%** reduction recorded in 2021 from the year before
- Planted a total of **37,000 trees** in areas surrounding Samalaju Industrial Port.
- Implemented initiatives to use less paper as a means of reducing physical interaction during the pandemic, such as:
 - Enabled FPX & online payments to collect payments
 - Unsafe Act Unsafe Condition (UAUC) reporting was made virtual
 - Discontinued exchange of physical documentation at the Container Receiving and Delivery Office



OPERATIONAL REVIEW



BINTULU PORT SDN. BHD.

OUTLOOK & PROSPECTS

Short-Term

- Enhance operational excellence by improving current processes and productivity
- Drive greater growth within container sector and other dynamic cargoes
- Continuously review and improve current work processes to prevent any revenue leakages and achieve stringent control over capital and operational spending to maximise profit margin

Mid-Term

- Expand in accordance with Strategic Thrust 2: Expand Port Capacities and Capitalising on Key Growth Market Sector and Profitability

Long-Term

- Enhance BPSB's long-term sustainability and competitiveness via strategic evolution into a leading global Smart, Digital and Green Port



Container operations at BICT

OUR COMPETITIVE ADVANTAGES

- We are the first ASEAN Port operator to export liquefied natural gas (LNG) in ISO (International Organisation for Standardisation) tanks on a large scale.
- We possess one of the deepest drafts compared to other deep-sea ports in Borneo and can cater for extra-large vessels of more than 80,000 deadweight tonnage (DWT).
- Our all-weather multipurpose port is modern, well-equipped, strategically located and is the first to implement the NAVIS N4 Terminal Operating System to enhance efficiency.
- Our internationally accredited and recognised expertise in port operations and liquid cargo handling and marine services empowers us to continually diversify our cargo base and expand our services within the industry.
- We possess and retain the right talent and mindset towards achieving world-class operational excellence and customer service.

OPERATIONAL REVIEW

KEY INITIATIVES IN 2021

In 2021, BPSB handled 41.84 million tonnes, about 2.47% lower than the 42.90 million tonnes in 2020, mainly due to fewer LNG vessel calls in the second half of 2021. Volume contraction notwithstanding, we continued to remain focused on attaining our strategic objectives through enhancing our operations and capturing new business opportunities.

In the realm of operations, we leveraged our use of modern technology infrastructure to optimise efficiency and recorded significantly higher-than-expected productivity in numerous cargo categories. Productivity for Bulk Fertiliser, Palm Kernel Products and Break Bulk cargo exceeded productivity targets by at least 22% and up to 83% during the year.

Meanwhile, the recent pioneering use of ISO Tanks for LNG shipments, in which we are the first in ASEAN to do so on a large scale, continued to gather momentum in 2021. Following the first shipment of LNG ISO Tanks comprising just 215 units in January 2021, we have so far completed six shipments comprising a total of 3,006 units as at 31 December 2021. With Petronas LNG Ltd having recently inked a sales and purchase agreement with Tiger Clean Energy Limited (TCEL) for the supply of LNG to TCEL's LNG ISO tank filling facility at BICT, our prospects for continued growth in this sector are promising.

At the same time, our first internationally based operations in Brunei continues to expand the Group's reach into the global marine services industry. The most notable achievements in 2021 included the submersion of a Heavy Lift Vessel to 21 metres below sea level in order to discharge five dredgers and two work boats for Heng Yi Industries and successfully remote piloting Indian Navy Ship, INS Jalashwa, away from high-risk territory.

We continued to establish our superiority in handling the world's largest LNG tankers. In 2021, we handled 47 massive tankers of more than 80,000 DWT, up from 25 in 2020, in addition to 13 vessels from the Seri C series of LNG tankers. We also handled the gassing up and cooling down of two LNG ships during the year.

KEY CHALLENGES IN 2021

BPSB faced numerous challenges during the year under review, with issues ranging from those precipitated by the pandemic to matters pertaining to equipment malfunction and unfavorable weather and the handling of vessels with crane structures.

Our strict adherence to maintaining social distancing and regular sanitising of work equipment impacted our efficiency as more time was required during each shift change. Quarantine requirements and the stranding of staff in lockdown areas also impacted our available manpower resources, but was necessary in order to maintain operations at the port amidst the pandemic.

We will, however, continue to maintain our strict compliance with COVID-19 Standard Operating Procedures (SOPs) while seeking to overcome obstacles through enhanced vessel operation and productivity, improved berth window management, increased yard efficiency and optimised facility and equipment availability.

The port also experienced intermittent operational stoppages during the year due to the breakdown of equipment, system malfunctions and inclement weather. To overcome this, we enhanced our backup systems and maintenance protocols to reduce our downtime, while improving our capabilities in handling vessels with crane structures.

OPERATIONAL & FINANCIAL PERFORMANCE

	2017	2018	2019	2020	2021
Cargo Throughput (million tonnes)	47.64	44.12	45.20	42.90	41.84
Container Throughput (TEUs)	309,149	349,792	345,564	339,621	355,700
Vessel Calls (number of calls)	7,717	7,775	7,740	6,562	6,473
Turnover (RM million)	582.06	538.81	561.32	559.45	558.50
Profit Before Tax (RM million)	235.13	197.33	213.70	179.66	154.59
Net Asset per Share (RM)	7.70	7.89	8.65	9.08	9.26
Total Shareholders' Fund (RM million)	500.21	512.94	562.53	590.18	601.68

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**BIPORT BULKERS
SDN. BHD. (BBSB)**

OUTLOOK & PROSPECTS**Short-Term**

- Ensure the stringent observation of health and safety standard operating procedures and that the Port's operations are not disrupted by the pandemic
- Launched Port Tank Installation services to create a new revenue stream and to increase throughput
- Enable pipeline bypass services for high-tonnage refineries, which entail the transferring of products from refineries directly onto the vessel without passing through the storage tanks
- Emphasise operational and cost optimisation across all our operations

Mid-Term

- Cater for an increase in palm oil growth through the development of new infrastructure such as new jetties and bulking facilities, subject to a feasibility study
- Attract palm oil players from outside Sarawak

Long-Term

- Explore the possibility of diversifying into other businesses related to palm oil



Vessel in operation at BBSB's Edible Oil Jetty

OUR COMPETITIVE ADVANTAGES

- We are strategically located within one of the region's largest Palm Oil Industrial Clusters (POIC) and surrounded by five major refineries in Sarawak.
- We are centrally located in Sarawak with the added advantage of possessing a deeper draft compared to other nearby competitor ports.
- Our prime location enables us to serve the main intra-Asian maritime traffic route.
- Our prospects for growth are empowered by a large storage capacity and advanced supporting infrastructure, including:
 - 85 storage tanks with a total capacity of 154,600 metric tonnes.
 - 17 units of export pipeline at Edible Oil Jetty
 - The ability to handle large vessels of up to 50,000 deadweight tonnage (DWT)
 - Efficient pumping rate of an average of 350 metric tonnes per hour, and an exceptional maximum rate of 1,000 metric tonnes per hour.

OPERATIONAL REVIEW

KEY INITIATIVES IN 2021

BBSB handled 3.76 million MT of palm oil in 2021, a decline of 9.4% from the 4.15 million MT handled in 2020, mainly due to lower harvesting of Fresh Fruit Bunches (FFB) due to labour shortages caused by the pandemic.

Nevertheless, we focused our efforts on significantly upgrading our pipeline infrastructure to enhance our competitiveness and to future-proof our operations, while at the same securing exciting new business prospects as a Port Tank Installation (PTI) service provider.

We undertook two major renovations on our pipeline infrastructure during the year under review. Firstly, we redesigned and upgraded the pipeline matrix connection to export pumps at our Pump House A and B. In addition to achieving an estimated cost savings of RM5.8 million over the next five years through this upgrade, we managed to maximise export pump and pipelines utilisation, improve our operational readiness, maximise productivity, enhance service availability (both inwards and outwards) and reduce congestion at our Pump House A & B facilities.

The second enhancement saw us augment our jetty export pipeline from our previous 3" concept to a new and larger 8" design. The benefits of this innovation include costs saved from having fewer valves and piping, reduction in overcrowding at the jetty end-point, minimisation of oil spillages, improvement in loading and pigging time and lowered risks of cargo cross-contamination.

One of our most exciting developments during the year was our registration as a Port Tank Installation (PTI) service provider under Bursa Malaysia Derivatives Berhad's new East Malaysia Crude Palm Oil Futures (FEPO) Contract. As PTI operations are similar to the

current storage operations managed by BBSB, we will not require any additional CAPEX to fulfil the requirements of the PTI FEPO contract. We will instead be able to leverage our years of experience handling bulk liquid cargo in addition to monetising any excess tank capacity that we already possess.

The new contract was launched on 4 October 2021 and subsequently on 18 October 2021, BBSB was registered as a PTI under BMD. This new business venture will be able to create additional throughput volume and increase BBSB's revenue at a low operating cost, thus enhancing the overall profitability of BBSB.

KEY CHALLENGES IN 2021

The effects of the pandemic continued to impact BBSB's operations during FY2021. New COVID-19 variants led to a surge in cases across the nation and the lockdowns and regulations that were subsequently imposed presented a variety of challenges. We had to stay compliant with all restrictions and SOPs while at the same time maintaining our service efficiency and ensuring minimal disruptions to operations.

Meanwhile, the pandemic also caused a shortage of labour in the agriculture industry, which resulted in lower yields and subsequently, lower cargo requirements from our customers. While this development was beyond our control, it nevertheless had a significant impact on our throughput volume for the year.

OPERATIONAL & FINANCIAL PERFORMANCE

	2017	2018	2019	2020	2021
Cargo Throughput (million tonnes)	4.09	4.26	4.51	4.15	3.76
Turnover (RM million)	45.89	52.17	56.58	52.75	49.05
Profit Before Tax (RM million)	19.73	24.48	26.59	22.32	17.90
Net Asset per Share (RM)	3.33	3.53	3.64	3.66	3.68
Total Shareholders' Fund (RM million)	133.14	141.36	145.45	146.39	147.12

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SAMALAJU INDUSTRIAL
PORT SDN. BHD.
(SIPSB)

OUTLOOK & PROSPECTS

Short-Term

- Emphasise operational excellence across all port operations
- Begin handling direct shipment of containers from Samalaju Port

Mid-Term

- Cater for new customers through the development of new infrastructure such as new wharves, storage facilities and handling equipment, subject to feasibility study

Long-Term

- Diversify our port business
- Collaborate with relevant agencies to attract more players to invest in Samalaju Industrial Park



Vessel in operation at the Handymax Wharf at SIPSB

OUR COMPETITIVE ADVANTAGES

- We are a major sea port owned by the Sarawak State and possess a vast landbank of 393 hectares.
- We are strategically located along the major intra-Asian shipping route and have been positioned as one of the key drivers for the development of the Sarawak Corridor of Renewable Energy (SCORE).
- Our facilities are able to handle a designed-capacity of 18 million tonnes per annum and vessels of up to 50,000 DWT.
- We are specialists in dry bulk operation and have implemented a conveyor belt system to automate dry bulk handling.

OPERATIONAL REVIEW

KEY INITIATIVES IN 2021

In 2021, SIPSB handled a total cargo throughput of 5.32 million tonnes, representing a 13% increase from the 4.71 million tonnes handled in 2020. The additional throughput was achieved via contributions that came from the partial commencement of Press Metal Bintulu's Phase 3 plant in the first quarter of 2021, as well as the conversion from container to break bulk shipment for the export of break bulk cargoes.

Despite the pandemic, SIPSB is pleased to have successfully operated the port without any disruptions throughout 2021. At the same time, we were able to provide valuable assistance to BPSB when it was affected by COVID-19 cases, including providing support services to the Mike Kilo Control Tower and to its Port Operational Equipment Division.

We placed great emphasis on improving our operational efficiencies during the year under review. Key undertakings included the installation of two new weighbridges that improved turnaround times at checkpoints and added to our storage weighting capabilities. To obtain higher productivity, we took the initiative to upgrade our management facilities through the development of workshops and a maintenance complex, in addition to the successful upgrading of our conveyor line. We also increased the range of port services to our customers by commencing container handling services in December 2021. This new service will enable customers to export their products via container directly from Samalaju Industrial Port.

Our efforts to implement world-class health, safety, environment and quality management practices qualified us to successfully achieve various globally recognised accreditations during FY2021, including ISO9001:2015 (Quality Management Systems), ISO14001:2015 (Environmental Management Systems) and ISO45001:2018 (Occupational Health and Safety Management Systems).

We are also pleased to see our commitment to occupational safety and health be once again recognised by the Malaysian Society for Occupational Safety & Health (MSOSH), who named us as a Gold Merit Award Winner (Logistic & Transportation Sector) in 2021.

KEY CHALLENGES IN 2021

During the year under review, SIPSB faced various persistent operational challenges amid the COVID-19 pandemic. In our aim to achieve zero stoppages in port operations, we needed to adhere to various SOPs required by the Ministry of Health, such as maintaining social distancing and implementing an effective work-from-home policy. Our compliance with these mandates posed significant challenges as they involved our manpower. With a limited workforce on-site, we had to double our efforts to ensure smooth round-the-clock operations while concurrently finding solutions to enhance our operational productivity and vessel management.

At the same time, the port had to contend with adverse weather events, such as torrential rain, especially towards the end of the year. This impacted our operational continuity as stoppages had to be made to protect sensitive cargo, which contributed to longer vessel turnaround times at the port.

The other key challenge we faced was the global shortage of containers that occurred at the onset of the global economic recovery, which led to a massive increase in container freight rates. The resultant increase in demand for break bulk vessels as customers converted their container exports into bulk shipment exports caused a long queue of vessels at anchorage. We were also affected by the incident at the Suez Canal that disrupted the global logistics chain and caused longer turnaround times due to the congestion of vessels at the port.

Cognisant of these and other challenges that may arise in the future, we aim to continue operating and utilising the port at its optimum capacity, while at the same time enhancing our operational capabilities and efficiencies to meet our customers' expectations.

OPERATIONAL & FINANCIAL PERFORMANCE

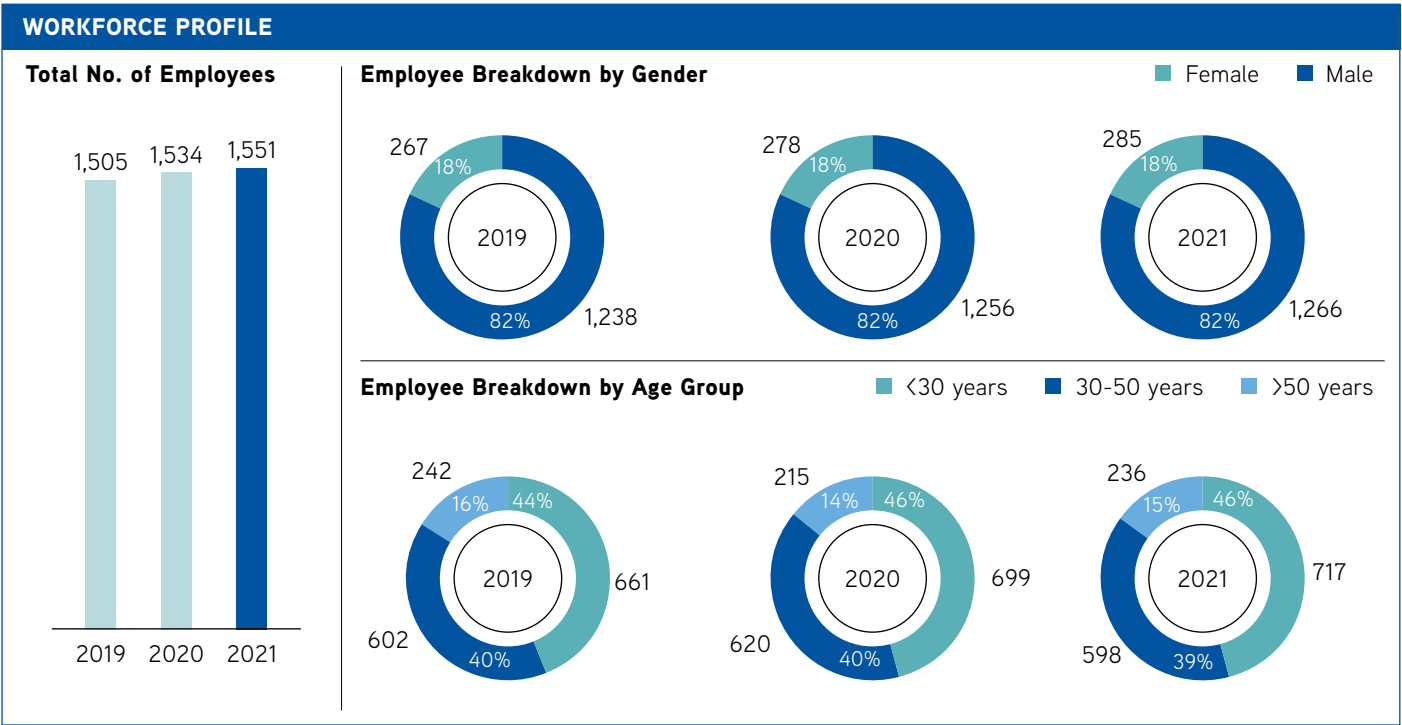
	2017	2018	2019	2020	2021
Cargo Throughput (million tonnes)	2.64	4.22	4.94	4.71	5.33
Container Throughput (TEUs)	-	-	-	39	724
Vessel Calls (number of calls)	154	229	250	230	262
Turnover (RM million)	58.16	101.61	114.72	111.71	137.32
Loss Before Tax (RM million)	(38.05)	(6.51)	(56.21)	(66.96)	(38.12)
Net Asset per Share (RM)	0.90	0.91	0.85	0.77	1.11
Total Shareholders' Fund (RM million)	539.65	543.34	583.51	531.43	768.29

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COMMITMENT TO OUR PEOPLE



We acknowledge the critical importance of our employees in assisting the Group to achieve its strategic goals and aspirations. Thus, we are committed to prioritising the welfare, safety and health of our employees while providing a conducive and supportive working environment. We also believe that our employees need to be nurtured and their career needs supported to unlock their potential, which will also enable us to identify strong talent for our own succession pipeline.

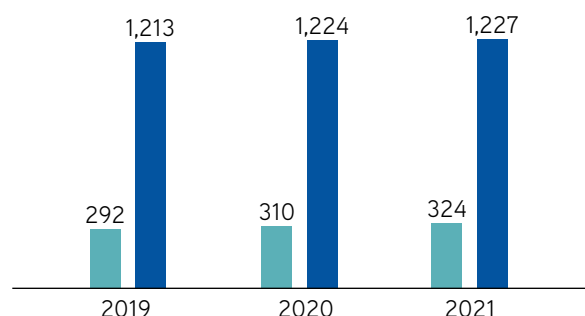


COMMITMENT TO OUR PEOPLE

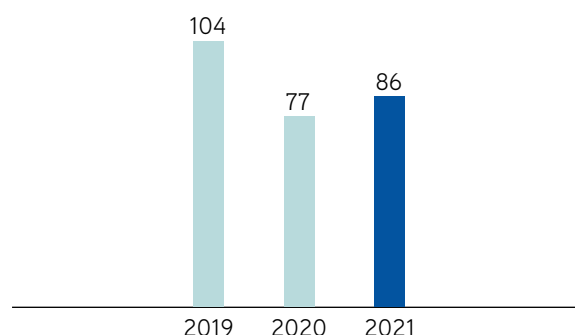
WORKFORCE PROFILE

Employee Breakdown by Employee Category

■ Executive ■ Non-executive

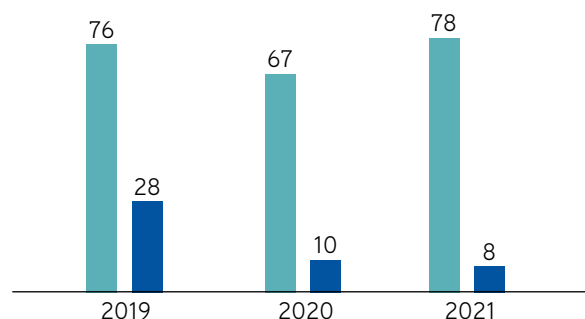


Total No. of Employee Hires



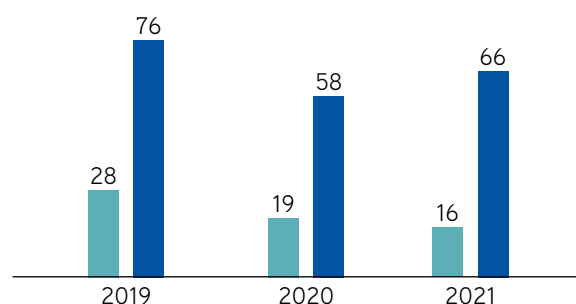
Total No. of Employee Hires by Age Group

■ <30 ■ 30-50 ■ >50



Total No. of Employee Hires by Age Group

■ Female ■ Male



SHORT-TERM EMPLOYMENT PROGRAMME (MYSTEP) IN BINTULU PORT HOLDINGS BERHAD 2021/2022

Introduction

- The Ministry of Finance (MOF) introduced a Short-Term Employment Programme called MYSTEP that commenced in 2021 to provide short-term employment opportunities and working experience, thus enhancing employability for school leavers and unemployed graduates who meet the eligibility criteria.
- It aims to support the Malaysian government's efforts to enhance the employability of young Malaysian graduates and fast-forward the nation's human capital development.
- Under this initiative, MYSTEP Personnel can be appointed to perform any scope of work stipulated according to the needs of GLCs such as technical and non-technical fields.

Recruitment of MySTEP Personnel in the Group

- Bintulu Port Holdings Berhad (BPHB) is committed to supporting the government's aspirations by recruiting MYSTEP Personnel to reduce unemployment and support the nation's economic recovery.
- In 2021, a total of 19 graduates were accepted to undergo a one-year programme at BPHB with added exposure to the areas of entrepreneurship, environment sustainability and social impact.
- This programme is to ensure the MySTEP Personnel gain diverse industry – relevant skills and work experience during their placement at Bintulu Port Group of Companies.
- This includes the opportunity to learn by carrying out actual tasks in a corporate environment which will help to enhance their employability.

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DEVELOPING OUR PEOPLE

The Group actively engages its employees through various platforms to identify talents that are suitable for leadership positions to help us build up our succession pipeline. In the year under review, we identified six employees for top management and management positions. These talents will be further supported and nurtured through a series of leadership and management training programmes to ensure a smooth transition when the time to assume their new positions arrives. In total, we have promoted 1.8% of our workforce internally, which include the top management, executives and non executives positions in the year under review.

With the pandemic slowing our training efforts in 2020, we stepped up the pace in 2021, organising a total of 231 training programmes compared to 135 in 2020.

**INVESTED RM2.45 MILLION
IN TRAINING PROGRAMMES**

About one-third of the programmes were conducted physically as they involved a subject matter that required physical interaction while the balance was conducted virtually. The restrictions on physical or face-to-face meetings continued in 2021, and was also a factor that contributed to a higher proportion of training being conducted virtually.

In total, we invested RM2.45 million in 2021 compared to RM1.66 million in 2020. The increase in spending and the number of training programmes were also due to employees being more adept at using the technology and thus opting to attend virtual training more often.

As of the end – of 2021, we conducted 155 online training sessions, spending RM1.07 million. A total of 76 training sessions were mandatory courses that required face-to-face training and assessment.

As part of our human capital development to ensure our talent are highly skilled and equipped with their relevant competencies and professional certifications the following Certified Competent and Professional training sessions were undertaken in 2021:

NO.	TRAINING
1	BUSINESS CONTINUITY LEADER (PROFESSIONAL CERTIFICATION PROGRAM)
2	BUSINESS CONTINUITY MANAGER (BCM) PROFESSIONAL CERTIFICATION PROGRAM
3	CERTIFICATE IN CORPORATE SECURITY MANAGEMENT STUDIES
4	CERTIFIED ENVIRONMENT PROFESSIONALS IN SEWAGE TREATMENT PLANT OPERATION
5	HACCP AND GMP+B3 TRAINING
6	HAZARD IDENTIFICATION,RISK ASSESSMENT & DETERMINING CONTROL (HIRADC) TRAINING
7	HIGH IMPACT CHEMICAL SAFETY MANAGEMENT TRAINING
8	INFORMATION SECURITY & ADVANCED ETHICAL HACKING
9	ISCC EU AND PLUS BASIC TRAINING
10	ISO 37001:2016 ANTI BRIBERY MANAGEMENT SYSTEMS - UNDERSTANDING & IMPLEMENTING
11	ISO 37301:2021 COMPLIANCE MANAGEMENT SYSTEM (CMS)

COMMITMENT TO OUR PEOPLE

EMPLOYEE WELFARE

The welfare of our employees is a top priority and we are constantly looking to improve the value proposition we can offer our employees to retain and maintain a loyal and satisfied workforce. By doing so, we are also improving our employee branding, which is important in attracting new talent to the Group.

In the year under review, and given the fact that protecting our employees from the pandemic was still an important concern, we implemented a number of measures to safeguard our employees. This included financial assistance, free counselling sessions and the introduction of a Group-wide canton concept to divide the workplace and premises into main cantons and sub-cantons to minimise interaction between departments. We also provided free meals to our employees during lockdown periods, free face masks and hand sanitisers and funded the cost of swab tests. The Group also introduced a special contactless Time Attendance and Medical System (TIMEDS) system to facilitate the clock-in and clock-out process. This was introduced to avoid transmission of the virus where the clock-in/clock-out process was previously conducted through a biometric device, as well as to ensure staff working from home were able to clock in.

The annual Employee Engagement Survey recorded a slightly better result in 2021 with the engagement index rising to 58.44% compared to 58.13% in 2020. The survey is used to gauge the overall level of engagement, commitment, satisfaction and sense of belonging of staff towards the Group.

Employee Benefits

Employees with the Group can expect to receive a range of benefits such as insurance coverage, medical, optic and access to loans home ownership scheme, car loan, computer loan and study loan. In addition, we provide retirement benefits such as retirement grants, removal expenses and transportation expenses and for those that do not live near our Samalaju operations, we also provide free daily transport.

The Group is also aware that the cost of treating certain critical illnesses will exceed an employee's financial capabilities and in such instances, the Group will fully cover these expenses on a case-by-case basis. Beyond this, and in line with our belief in the benefits of education, we provide financial aid to the children of our employees. We have two programmes, namely the Academic Excellence Award programme and the Schoolchildren Financial Aid scheme.

Under the first programme, students who receive excellent academic results or who have gained acceptance into university are given financial incentives by the Group. This has benefited about 60 students on average annually since the programme commenced in 1993. Meanwhile, the financial aid scheme, which started in 2010, benefits children of employees with a base salary of RM3,500 and below who attend kindergarten up to Primary 6. The base amount allocated for each child is RM350 and differs according to a scale that is set against the employee's salary, with an average of about 600 students benefiting annually.

GRIEVANCE PROCEDURE

BPHB is committed to providing a transparent and fair process for employees to bring workplace concerns to upper levels of Management. BPHB ensures that all grievances are dealt with fairly and in a timely manner. The complaint must be submitted within the time specified by the complainant's immediate superior. If there is no consensus following discussions with the Management, complaints can be escalated to the Industrial Relations Department, Ministry of Human Resource as a dispute and action will be taken based on Section 26, Industrial Relations Act 1967.

Kesatuan Sekerja Kakitangan Bintulu Port Sdn. Bhd. (the workers' union) uses the same grievance channel, except it raises its complaints directly to the Management. Currently, 61% of the

Port's 724 workers are unionised. Employees can also express their dissatisfaction through another channel, the Crew Articleship Agreement between Management and crew representatives. The agreement covers areas such as grade and salary structure, allowances, on-board complaint procedures, leave and other benefits agreed by both parties. BPSB also conducts daily berthing meetings as part of our efforts in resolving any concerns or issues regarding safe berthing and cargo operations of ships at the port with the shipping agent. These meetings are chaired by the Manager of the Logistics Department, Cargo Handling Services Division.

In the year under review, there were no complaints received.

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HEALTH AND SAFETY

The health and safety of our employees is our priority at BPHB as we seek to provide a safe, healthy and conducive workplace. We are focused on minimising workplace hazards, preventing injuries and educating employees on their health and wellness, their rights and their responsibilities. We acknowledge that the health and safety of our employees is vital for the smooth daily operations of our business while safeguarding the well-being of our people is integral to the sustainability of our business growth.

Apart from our people, we are committed to the health and safety of the local communities in which we operate, port users and service providers. Our approach to health and safety is guided by the following policies, standards and Acts:

Policies	Standards	Acts
IMS Policy	ISO45001:2018	OSHA 1994
Stop Work Policy	ISO9001:2015	FMA 1967
Environment Policy	ISO14001:2015	EQA 1974
Drug & Alcohol Policy		

Due to the nature of our business operations, our employees, contractors and service providers have a higher exposure to work injuries and hazards. As such, we strive to embed safety practices for BPHB employees and contractors in the day-to-day operations of our business units and ensure that health and safety management is implemented across all levels of our organisation.

To uphold high standards of health and safety, we have attained the ISO 45001:2018 certification, through a surveillance audit conducted in April 2021.

Health and Safety Governance

The health and safety of our employees is governed by a Health and Safety Committee of each business unit. Each committee consists of 50% employer representatives and 50% employee representatives from each division and is chaired by the Chief Operating Officer of the business unit, in accordance with the OSHA 1994 requirements. The committee meets every quarter to provide a consistent and constructive forum for communicating health and safety issues and programmes to employees across the Group. It is also responsible for policy development, monthly HSE reports, the implementation of health and safety programmes, emergency procedures, HSE training and supervision, OHSE index, lessons learned, illness reports and the resolution of safety and health issues.

BPHB's Health and Safety Committee Structure for Each Business Unit:

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graph TD; Chairman[Committee Chairman] --- Secretary[Secretary (HSE)]; Secretary --- Employer[Employer Representatives]; Secretary --- Employee[Employee Representatives];
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Inculcating a Culture of Health and Safety

We actively promote a culture of health and safety among our people by implementing various initiatives and organising training programmes on HSE. We continued to conduct the Unsafe Act and Unsafe Conditions (UAUC) Inspections on a daily basis in the year under review and received 41 UAUC reports and nine Safe Act/Safe Conditions reports made online. The UAUC online reporting form was created to notify non-compliance to the respective job/area owner and report immediate corrective action made by the person who submitted the report.

We also organised a series of health and safety training programmes throughout the year:

- Competency Identification Training (CIT) for Forklift and Terminal Trailer
- Chemical Awareness
- Small Scale LNG & Bunkering
- LNG ISO Tank Training
- High Impact Chemical Safety Management Training

COMMITMENT TO OUR PEOPLE

Navigating Challenges from the COVID-19 Pandemic

In 2021, the BPHB COVID-19 Emergency Control Centre (ECC) and the Crisis Management Team continued to manage challenges from the prolonged COVID-19 pandemic. We remained vigilant and continued to keep our employees safe, supported and informed to ensure smooth operations at the port amid the pandemic. Employees were constantly sent communications regarding the latest information on the COVID-19 pandemic via email to increase their awareness. We also communicated our SOPs to port users, contractors and customers through Port Notices.



Aerial View of Dewan Taman Sri Pelabuhan

We also continued to provide mental health support for our staff who had to work from home and encouraged work-life balance.

The Crisis Management Team also collaborated with the Ministry of Health (MOH) and the Bintulu Division Disaster Management Committee (BDDMC) to ensure the COVID-19 situation at BPHB was under control. Among the collaborations were:

- Active first and second contact tracing, swab tests and quarantine orders for BPHB employees. As a result, we managed to avoid total closure of our operations.
- A collaboration with MOH and BDDMC to establish a quarantine centre at *Dewan Taman Sri Pelabuhan* to cater for the local community in Bintulu Division in April 2021 due to the increasing number of COVID-19 cases in Bintulu at that time. The total number of patients handled by the centre was almost 5,000 between 3 April and 15 November 2021. The *Dewan Taman Sri Pelabuhan* quarantine centre was able to accommodate 350 beds at any one time.
- BPHB Group was among the first companies in Malaysia to receive access to vaccination and booster dose programmes as we are classified as an essential service. By December 2021, 99.8% of our employees were fully vaccinated, with the remaining employees unable to be vaccinated due to medical conditions. Booster doses commenced in November 2021 and as at January 2022, 66.6% of BPHB Group employees have received their booster dose. The booster dose programme is currently ongoing.



PKRC Dewan Taman Sri Pelabuhan ready to accept COVID-19 patients

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An example of the Life Oxygen Pack placed in a designated area

We have also re-established and supplied Life Oxygen Packs (LOP) at designated areas within BPHB premises as a mitigation and precautionary measure should any staff experience difficulties in breathing at workplace.

We continue to supply face masks and hand sanitisers to all staff to curb and prevent transmission of COVID-19 at workplace.

Other COVID-19 Measures That Were in Effect

- 1 COVID-19 Management Plan
- 2 COVID-19: Close Contact Management Plan (CCMP)
- 3 BPHB Preventive and Action Plan
- 4 BPHB Supporting the People to Support the Business
 - Measures to ensure the employees/port users were protected from COVID-19 exposure
- 5 Restrictions on entering BPHB
 - Requirements for entering BPHB Group premises included temperature scan, MySejahtera log in, face mask and physical distancing
- 6 "Canton Concept" (Green Bubble)
 - This concept helped to prevent or contain the spread of COVID-19 whereby only affected cantons would be temporarily closed
- 7 Home Safety Bubble
 - Guidelines for staff to reduce risk of COVID-19 exposure at home
- 8 Return to Work
 - Guidelines for staff on how to safely return to work after recovering from COVID-19
- 9 Online Booking and Virtual Safety Induction Briefing
 - To minimise exposure of HSE personnel to contractors and port users
- 10 Enforcement of Digital Vaccination Certificate Upon Entering BPHB Group Premises
 - All visitors to BPHB Group had to be fully vaccinated with proof to be shown via their digital certificates
- 11 Counselling Services for Bintulu Port Holdings Berhad Group
 - Intervention sessions for affected staff on mental health during the pandemic. The counselling service was conducted by our Group Human Resources Management.
- 12 Psychosocial Helpline by MOH
 - The Secretariat of the Group Crisis Management Team provided the Ministry of Health's psychosocial helpline to Group staff if they required assistance with mental health issues.

COMMITMENT TO OUR PEOPLE

Health and Safety Performance

In the year under review, we recorded a lower number of incidents, especially relating to property damage, while the Lost Time Incident Frequency (LTIF) rate decreased from 0.144 in 2020 to 0.124 until 31 December 2021. The lower number of incidents and LTIF was primarily due to the effectiveness of our safety programme, which involved management walkabouts, daily safety inspections and stop work enforcement.

We recorded lower work-related injuries among employees and non-employees in 2021 due to the government's COVID-19 SOP to reduce manpower at the workplace. Our main type of work-related injury is soft-tissue injuries such as sprains or minor cuts due to maintenance work and manual jobs.

We are pleased to report that we have had zero fatalities since 2020 and zero high-consequence work-related injuries. Going forward, we will maintain our good HSE performance with the establishment of our Safety Core Value in 2022.

BPHB Health and Safety Performance

Employees						
Year	2019		2020		2021	
	Number	Rate	Number	Rate	Number	Rate
Fatalities	1	0.28	0	0.00	0	0.00
Work-related injuries	10	2.82	6	1.71	3	0.64
High-consequence work-related injuries (excluding fatalities)	0	0.00	0	0.00	0	0
Recordable work-related injuries (including fatalities)	11	3.10	6	1.71	3	0.64
Number of hours worked	3,547,304.60		3,511,109.05		4,654,816.69	

Note: The rates were calculated based on 1,000,000 hours worked.

Non-employees						
Year	2019		2020		2021	
	Number	Rate	Number	Rate	Number	Rate
Fatalities	0	0.00	0	0.00	0	0.00
Work-related injuries	2	0.69	5	1.47	2	0.55
High-consequence work-related injuries (excluding fatalities)	0	0.00	0	0.00	0	0.00
Recordable work-related injuries (including fatalities)	2	0.69	5	1.47	2	0.55
Number of hours worked	2,882,066.00		3,410,176.20		3,646,858.74	

Note: The rates were calculated based on 1,000,000 hours worked.

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SAFEGUARDING THE ENVIRONMENT

At Bintulu Port, we operate within an Environmental Management System (EMS) based on the principles of ISO 14001:2015. Our EMS ensures commitment to a high level of environmental standards. In assessing environmental risk, Bintulu Port applies the preventive approach, as per our Environmental Quality Act 1974 and BPHB Group Environmental Policy.

We recognise that our services, and supply-chain solutions offered to our clients have both direct and indirect environmental impacts. We seek to identify effective ways of reducing or eliminating the adverse environmental impacts where possible.

JOURNEY TO BECOME A GREEN PORT

In 2019, Bintulu Port has established Smart Digital Green Port (SDGP) strategy which covers all aspects of port operations including energy management, waste management and reduction best practices, Scheduled Waste, water consumption, noise pollution and climate change.

The goal is to promote sustainability and environmental awareness at all levels of the Groups by:

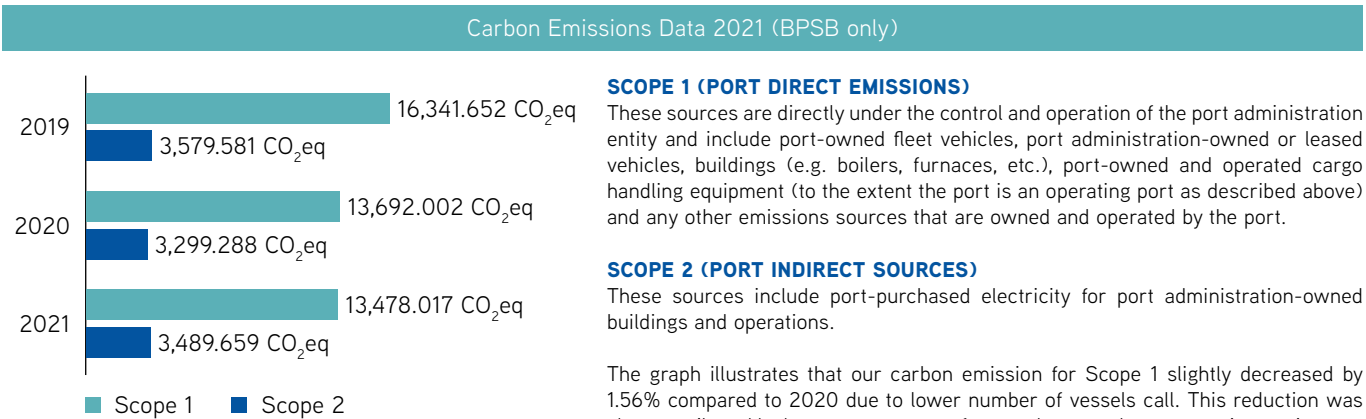
- 1) Complying with all applicable environmental legislation and sustainability commitments.
- 2) Measuring and analysing the carbon footprint of all business activities in conjunction with other climate change mitigation and adaption efforts.
- 3) Preventing pollution and reducing the consumption of resources through waste management strategies that promote waste minimisation, re-use, recovery and recycling, as appropriate.
- 4) Incorporating energy efficiency measures into the Group's facilities and promoting efficient energy use in all relevant areas of business activity to minimise its usage.

CARBON EMISSIONS

Managing our carbon emissions is important to the Group as it will bring us closer to our aspiration of becoming a carbon neutral port, while also helping to reduce the cost of operations through more efficient use of resources. Since establishing our carbon baseline in 2010, and re-establishing it in 2020, the Group has continued to track and monitor its contributions to carbon emissions.

Some of our mitigation initiatives following the re-establishment of our carbon baseline in 2020 included:

- Collaboration with Petronas on Solar Panel project which is on-going;
- Conducting a feasibility study to evaluate the potential of Onshore Power Supply for container vessels at Bintulu International Container Terminal (BICT) with the intention to reduce Scope 3 emissions. The study is expected to be completed by the third quarter of 2022; and
- Continuously installing LED-type lighting with lower energy consumption with the same intensity.



SCOPE 1 (PORT DIRECT EMISSIONS)

These sources are directly under the control and operation of the port administration entity and include port-owned fleet vehicles, port administration-owned or leased vehicles, buildings (e.g. boilers, furnaces, etc.), port-owned and operated cargo handling equipment (to the extent the port is an operating port as described above) and any other emissions sources that are owned and operated by the port.

SCOPE 2 (PORT INDIRECT SOURCES)

These sources include port-purchased electricity for port administration-owned buildings and operations.

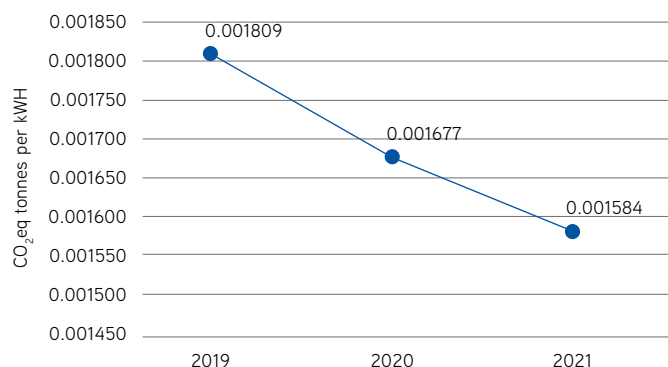
The graph illustrates that our carbon emission for Scope 1 slightly decreased by 1.56% compared to 2020 due to lower number of vessels call. This reduction was also contributed by lower movements of our tugboats and port operation equipment.

There was also an increment of Scope 2 by 6% due to higher volume of containers handled in 2021 (355,700 TEUs) compared to 2020 (339,621 TEUs). Another factor that contributed to the increase was employees returning to work compared to 2020 when most workers were instructed to work from home (WFH).

SAFEGUARDING THE ENVIRONMENT

CARBON EMISSIONS

Carbon Emissions Intensity Data for Fuel & Electricity (BPSB only)



The graph concludes that our carbon emission intensity has reduced over the last three years. Lower carbon emissions intensity indicates lower concentrations of emitted carbon concentration as a result of cleaner energy consumption, such as the use electricity compared to diesel. The reduction in 2021 was also due to lower diesel consumption by our operations equipment and vessels. Further reductions in carbon intensity can be achieved with the greater use of cleaner energy.

WASTE MANAGEMENT

Landfills are running out fast as more general waste is generated every day. Hence, waste management is an integral part of environmental management in the journey towards a sustainable future. We view efficient waste management as a vital process to ensure smooth daily operations in our port. Improper waste management will expose the Group to various risks such as financial, legal and reputational risk, and worse, it may even lead to the suspension of our operating licence. As such, it is crucial for us to implement a proper waste management system that will help to improve our environmental footprint. We strive to comply with all the necessary legal requirements and improve our environmental impacts as we acknowledge that efficient waste management will also save operational cost and boost the Group's reputation.

We categorise waste into Domestic Waste and Scheduled Waste. Our Domestic Waste is collected and disposed of by an appointed contractor while the collection and disposal of Scheduled Waste is by a Department of Environment (DOE)-licensed appointed contractor.

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WASTE MANAGEMENT

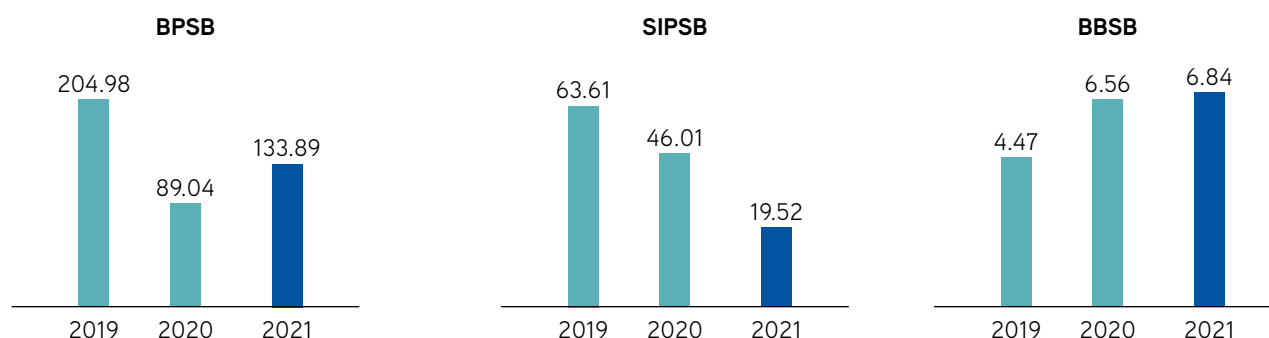
MANAGING HAZARDOUS WASTE

The Group currently still has approval from the DOE to store a higher amount of scheduled waste than currently permitted. This is due to the large amount of scheduled waste generated from boat maintenance in BPSB, which exceeded the limit of 20 metric tonnes permitted by the DOE. The excessive scheduled waste were Spent Lube Oil and Spent Oil-Water Mineral (Bilges), which amounted to 15-20 metric tonnes almost every month. Our application to the DOE for storing a maximum inventory of 30-40 metric tonnes was approved in 2021, and we were required to dispose of the waste within 180 days of it being generated. To ensure all safety requirements are met, we conduct a scheduled waste storage inspection at the end of each month that includes the monitoring of the quantity which enables us to implement effective disposal planning.

In 2021, we disposed of a total of 558.20 MT of scheduled (hazardous) and domestic (non-hazardous) waste. The breakdown by entity is detailed below:

DISPOSAL METHOD	SCHEDULED WASTE (MT)		DOMESTIC WASTE (MT)		TOTAL
	Onsite	Offsite	Onsite	Offsite	
Incineration (without energy recovery)	N/A	160.25	N/A	N/A	160.25
Landfill	N/A	N/A	N/A	397.95	397.95
Total	N/A	160.25	N/A	397.95	558.20

- Total Scheduled Waste generated and disposed of by BPSB + BBSB + SIPSB = **160.25 MT**
- Domestic Waste generated and disposed of = **397.95 MT (2021) vs 398.17 MT (2020)**



In 2021, there was a 16.76% increase in tyre disposals, amounting to 641 tyres compared to 549 tyres disposed of in 2020.

LNG & PALM OIL VESSEL INSPECTION

LNG & Palm Oil Vessel Inspections are conducted by GHSE every day to ensure that vessels berthing at Bintulu Port jetty have complied with the Shipboard Oil Pollution Emergency Plan (SOPEP). One of the main requirements in this plan states that there shall be no oil spills or discharge during a vessel berthing.

OIL SPILLS

Oil spill drills continued to be conducted to ensure preparedness in the event of a spill. The drills take place according to a schedule throughout the year and are also carried out to check that all spill emergency equipment remains in good condition. On 15 August 2021, a spillage of 3 MT of palm olein occurred at the Edible Oil Terminal. The spillage occurred during loading and a recovery operation was immediately carried out to prevent the spill from spreading into other areas within the port's limits. The cause of the spillage was identified by an investigation panel appointed by GHSE, and actions for improvement were implemented. There were no fines imposed for the spillage.

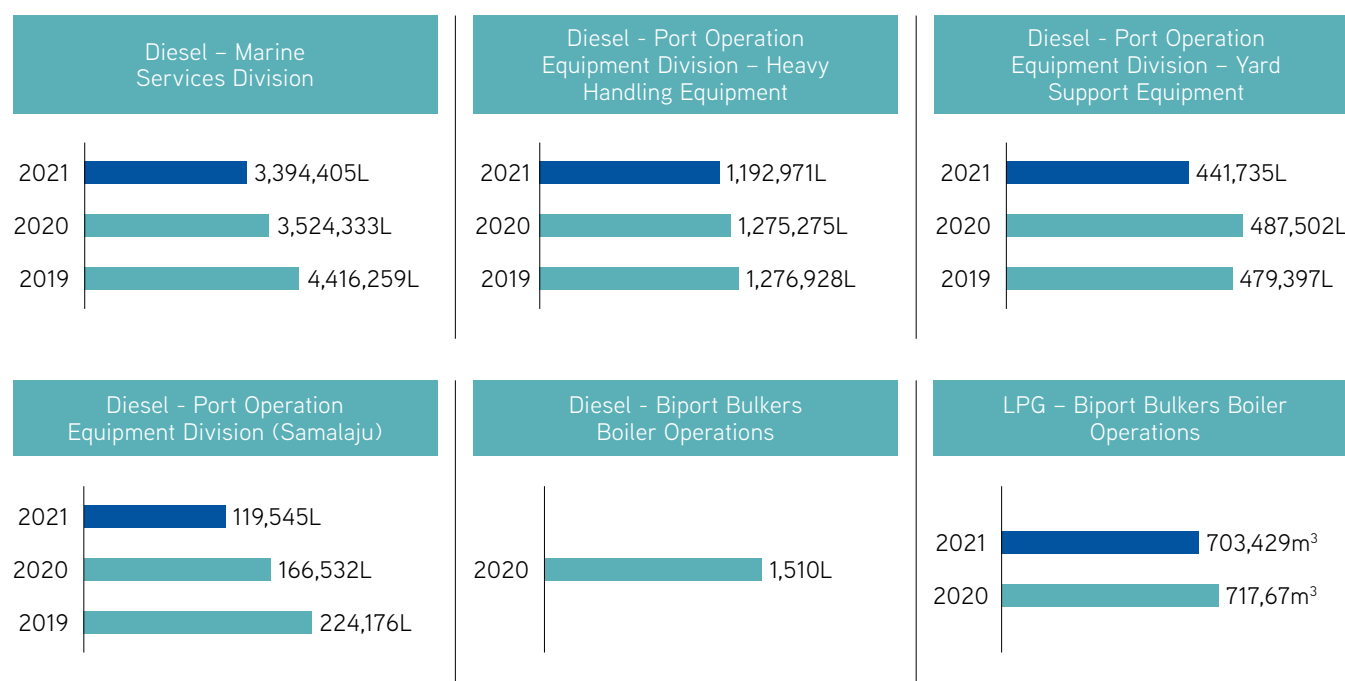
SAFEGUARDING THE ENVIRONMENT

ELECTRICITY, FUEL AND WATER CONSUMPTION

Energy consumption is one of the main factors of our environmental footprint due to the nature of our business operations. The source of our energy consumption mostly comes from diesel, which powers our vessels, plants and equipment. We acknowledge the impact of fossil fuels on the environment and we aspire to reduce fossil fuel usage wherever possible to mitigate the effects. Other sources of our energy are liquefied petroleum gas (LPG) and purchased electricity from the grid.

FUEL CONSUMPTION

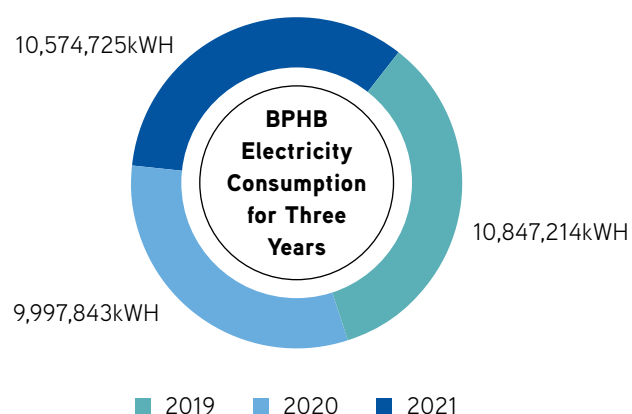
In 2021, our fuel consumption for the Port Operation Equipment Division (POED) decreased due to a lower amount of yard equipment being deployed for operation while the fuel consumption for the Marine Services Division decreased by 4% due to a lower number of vessel calls.



ELECTRICITY AND WATER CONSUMPTION

We continued to monitor and manage our electricity and water consumption by implementing initiatives such as awareness campaigns to reduce electricity and water usage.

BPHB uses purchased electricity and does not generate its own energy. In 2021, our electricity consumption increased by 6% as a result of higher operational activity, such as the higher number of containers handled in 2021 compared to 2020. In addition, employees returning to our premises to work also contributed slightly to the increase.

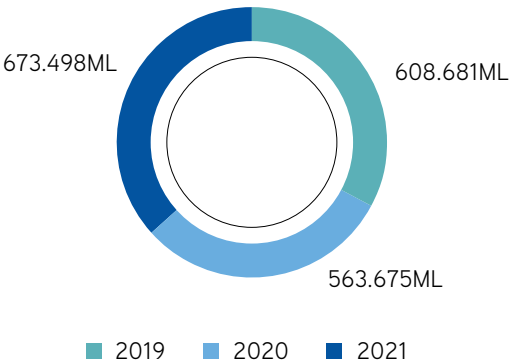


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SAFEGUARDING THE ENVIRONMENT

ELECTRICITY, FUEL AND WATER CONSUMPTION

In terms of water consumption and management, we encourage port contractors to reduce their water consumption where possible. We withdraw water from the municipal supply, and we do not use shared water resources or operate in water stress areas that can impact the local communities surrounding us. Our water usage is mostly to supply fresh water to vessels and for cleaning purposes. To ensure the water is clean and safe for usage, we appointed a qualified contractor to conduct freshwater sampling for both Bintulu Port and Samalaju Industrial Port, which was usually carried out by a government agency in the pre-pandemic days. In 2021, our water bought by vessels consumption increased by about 19% due to higher freshwater supply demand from vessels, as well as the return of employees to the office, compared to 2020 when WFH was in effect.



REDUCING OUR IMPACT ON BIODIVERSITY

Protecting and reducing our impact on biodiversity is important for ensuring that the ecosystems around us retain their vitality, which is crucial to the overall stability of an environment. Biodiversity is essential to human life, affording us numerous resources that sustain businesses, societies and economies. As a major port services provider, we take great care to reduce the impact we have on biodiversity.

Broad Environmental Management Initiatives

- We strictly monitor scheduled waste handling and transportation, especially within the Port’s areas, to avoid any damage to the ecosystem.
- Ballast water of every incoming vessel is analysed to ensure the natural ecosystem will not be damaged.
- Environmental Monitoring is conducted to monitor the balance of marine ecosystems before, during and after maintenance dredging works. It is also to identify substances that can adversely impact marine water quality within the Port’s areas.
- We are constantly improving cargo handling to reduce the impact on the environment in the context of spillage, as well as dust pollution from dry bulk cargo.

Environmental Monitoring Programme

The Environmental Monitoring Programme is conducted quarterly to monitor and evaluate environmental conditions at the Proposed Second Inner Harbour Development Project. The programme monitors six parameters:

- 1 Marine Water Quality
- 2 River Water Quality

- 3 Marine Sediment Quality
- 4 Aquatic Microbiological Status
- 5 Ambient Air Quality
- 6 Noise Levels

The most recent monitoring was conducted in the fourth quarter of 2021. Based on the report that was received, all parameters were within acceptable limits and complied with related statutory requirements. In the year under review, there was no maintenance dredging work conducted. Maintenance dredging is an activity that can be harmful to the environment and requires additional monitoring at the site where the dredged-up sand is placed.

In the year under review, the Port also established a new Environmental Impact Assessment (EIA) project to assess the operations of our container terminal and its LNG ISO Tank operations. The EIA was given conditional approval in August 2021 and enabled us to move forward in creating an Environmental Management Plan for the LNG ISO Tank operations.

EMPOWERING COMMUNITIES

With the continued impact of COVID-19, many communities and individuals were physically and mentally affected by the restrictions imposed by the lockdowns, which in turn resulted in the loss of livelihoods and unemployment, as well as disruption to education. As such, BPHB responded by lending a hand by providing funds and basic necessities and contributing to the health and medical needs of communities where we operate. We also remain committed to conserving our environment and conducting activities that protect our environment.

Inspired by the four pillars of our corporate social responsibility (CSR) programme, BPHB seeks to always uphold the 3Ps – People, Planet & Profits – in its annual initiatives.



PILLAR 1 | SERVING THE COMMUNITY

As a responsible port operator, BPHB is committed to helping those in need. Not only will our community initiatives impact society positively, but they will also strengthen employee morale and boost our reputation. Most of our initiatives this year consisted of efforts to support the Ministry of Health (MOH) in the fight against COVID-19.

BINTULU PORT PRIHATIN

Bintulu Port Prihatin is the Group's flagship CSR initiative. In the year under review, we supported numerous communities with contributions totalling over RM165,000. Our activities included:

- Helping communities affected by fire disasters
 - Provided food supplies to the communities at Uma Lesong, Sungai Keling Belaga.
 - Provided kitchen utensils to the Kelabit community.
 - Provided necessities such as cooking utensils, food and bedding to the communities at Uma Seping, Long Koyan, Sungai Belaga.
- Supporting the Muslim community
 - Donated one Geolift Single Mast Aerial Work Platform to the Assyakirin Mosque in Bintulu to facilitate maintenance work at the mosque.
 - Donated prayer items, religious books and other items that will help new converts in rural areas to better understand Islam.

In addition, we contributed canopies in support of the hawkers and small merchants at the weekly Treng Matu Market and two laptops to the community at Kampung Bued Main Baruh in Bario, as well as chairs to the Bintulu Health Clinics at Sebauh and Tatau to ensure the comfort of patients.



BINTULU PORT PRIHATIN COVID-19 INITIATIVES

All our COVID-19-related initiatives were carried out under the banner of the Bintulu Port Prihatin programme, as we tried our best to assist the most vulnerable as well as our dedicated frontliners.

Contributions to frontliners

In 2021, we contributed to a wide range of frontliners from the Ministry of Health, the Malaysia Civil Defence Force, the Fire & Rescue Department, RELA, the Royal Malaysian Police, the Armed Forces and local authorities. The assistance we contributed consists of food, drinks and personal protective equipment (PPE) to keep their spirits up and to ensure they remained safe. We also contributed IT and telecommunication equipment to facilitate contact tracing and the implementation of the National COVID-19 Immunisation Programme.

Our most significant contribution was the conversion of our *Taman Sri Pelabuhan* Multipurpose Hall into a low-risk COVID-19 Quarantine & Treatment Centre in April, following a request from the Ministry of Health and the Bintulu Division Disaster Management Committee (BDDMC). The multipurpose hall was a suitable venue as it could cater to up to 350 patients.

Contributions to the underprivileged and Universiti Putra Malaysia (UPM), Bintulu Campus students

With the lockdowns disrupting day-to-day life for everyone, especially the needy and the homeless, we stepped up to donate food in February and August 2021 to more than 250 families. In July, we also contributed food to 311 UPM students from the Bintulu Campus who were stranded and unable to return to their homes due to the lockdown.



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EMPOWERING COMMUNITIES**PILLAR 2****EDUCATION**

We believe that education is vital for every child in securing a better future. As such, we do all we can through our initiatives to broaden the horizons of children who have limited access to education. We have also funded the facilities and needs of local schools to enable them to have a conducive teaching environment.

BACK TO SCHOOL PROGRAMME 2022

The Back to School programme is one of the Group's major CSR initiatives. In the year under review, we donated RM50,000 worth of school supplies, such as uniforms, school bags, shoes and socks, to 310 students from six primary schools. The schools were SK Nanga Penyarai, SK Rumah Tayai, SK Kuala Muput, SK Kuala Binyo, SK Labang and SK RH Barrau.

**CONTRIBUTION OF FACILITIES & EQUIPMENT**

To support rural schools that have insufficient facilities, we donated items such as plastic chairs and bookshelves, as well as rubber mats and PA systems. In 2021, we assisted SK Kg. Tekajong, SK Penibong and SK Penipah in Daro. We also donated 16 units of solar-powered lights each to SK Saint Kevin and SK Saint Jude in Dalat.

**JALINAN KASIH RAYA GAWAI PROGRAMME**

In conjunction with the Hari Raya and Gawai Dayak celebrations, our Jalanan Kasih Raya Gawai programme was organised to contribute food and beverage hampers to 150 students from five primary schools in Bintulu. The schools were SK (A) Majlis Islam Bintulu, SK St. Anthony, SK Kidurong 1, SK Kpg. Baru and SK Tg. Batu.

**RELIEF FOR FIRE VICTIMS AT SK CAMPORAN DARO**

Subsequent to the fire that destroyed three blocks of SK Camporan Daro, the Group provided support by contributing 100 units of plastic chairs, five units of foldable tables and five units of bookshelves.



EMPOWERING COMMUNITIES



PILLAR 3 | COMMUNITY HEALTH

The Group is committed to supporting the provision of quality health services to ensure that our communities remain healthy and productive.

DONATION OF MEDICAL EQUIPMENT TO BINTULU HOSPITAL

To support the needs of Bintulu Hospital, we donated two LED Phototherapy machines to the Paediatric Unit, one electrocardiograph machine and two pulse oximeters for infants. The contributions, worth over RM30,000, will ensure that the hospital continues to provide top-quality healthcare services.



BLOOD DONATION CAMPAIGN 2021

An annual initiative, the Blood Donation Campaign ran for the fourth consecutive year in support of Bintulu Hospital's blood drive. Held at Boulevard Shopping Mall in Bintulu, the theme for this year was "Give Blood & Keep the World Beating" and was aimed at creating public awareness on the current needs of Bintulu Hospital's blood bank.



PILLAR 4 | ENVIRONMENT

To reduce the impact of our business operations on the environment, the Group organises initiatives to conserve the environment. We will continue to be committed to sustainability, whether through initiatives to raise awareness or cultivate behavioural change in our employees towards eco-friendly practices or efforts to reduce our carbon footprint.

BEACH CLEANING/PLOGGING WITH SIPSB STAKEHOLDERS (EMPLOYEES/SERVICE CONTRACTORS)

Samalaju Industrial Port Sdn. Bhd.

- The Plogging/Beach Cleaning Programme, which is held on a quarterly basis, is part of the SIPSB Zero Waste Campaign to promote a healthy lifestyle and to create awareness by encouraging stakeholders (staff and service contractors) to participate actively in HSE SIPSB's outdoor activity green initiatives.



ANJUNG HIJAU – TREE PLANTING WITH SIPSB STAKEHOLDERS (EMPLOYEES/SERVICE CONTRACTORS)

Samalaju Industrial Port Sdn. Bhd.

- Project Anjung Hijau, which is held twice a year, is one of the initiatives to reduce carbon emissions and align with the Group's Green Port Initiatives.



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WHO GOVERNS US

DATO' ABDUL MUTALIB BIN ALIAS

Non-Independent Non-Executive Chairman
 - Chairman, Bintulu Port Holdings Berhad

Nationality Malaysian	Gender Male	Age 61	Date of Appointment 1 May 2021	Meetings attended 7/7	Committee Membership None
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Dato' Abdul Motalib Bin Alias was appointed as Non-Independent Non-Executive Chairman on 1 May 2021.

QUALIFICATIONS

- Bachelor of Science (Hons) in Accounting, Northern Illinois University, DeKalb, Illinois, USA (1983)
- Master in Business Administration (MBA), Governors State University, University Park, Illinois, USA (1985)

CAREER EXPERIENCE

- 2013-2019: Chief Executive Officer, PR1MA Corporation Malaysia
- 2012-2013: Chief Executive Officer, PR1MA Berhad
- 2009-2011: Special Officer to the Minister of Works, Ministry of Works Malaysia
- 2004-2008: Political Secretary to the Minister of Science, Technology & Innovation, Ministry of Science, Technology & Innovation Malaysia
- 2000-2004: Political Secretary to the Minister of Finance, Ministry of Finance Malaysia
- 1994-2000: Vice President, Investment Banking, Chase Manhattan Bank (M) Sdn. Bhd.
- 1985-1994, Various positions, Chase Manhattan Bank (M) Sdn. Bhd.

OTHER DIRECTORSHIPS

Public companies:

- Nil

COMMITTEE MEMBERSHIP KEY:

Chairman	AC	Audit Committee
Member	RC	Risk Committee
	NRC	Nomination and Remuneration Committee
	FIC	Finance and Investment Committee

WHO GOVERNS US

TAN SRI DATUK AMAR MOHAMAD MORSHIDI BIN ABDUL GHANI

Non-Independent Non-Executive Director

- Board Member, Bintulu Port Holdings Berhad
- Board Member, Bintulu Port Sdn. Bhd.

Nationality Malaysian	Gender Male	Age 65	Date of Appointment 22 December 2014	Meetings attended 10/11	Committee Membership None
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Tan Sri Datuk Amar Mohamad Morshidi bin Abdul Ghani was appointed as a Non-Independent Non-Executive Director on 22 December 2014.

QUALIFICATIONS

- Bachelor in Economics (Statistics), Universiti Kebangsaan Malaysia, Malaysia, 1979
- Master of Science in Human Resource Administration, University of Scranton, Pennsylvania, USA, 1998
- Senior Executive Fellows Programme, Harvard University, USA, 2006

CAREER EXPERIENCE

- 2009-2019: State Secretary, Sarawak
- 2001-2009: Permanent Secretary, Ministry of Social Development and Urbanisation and Director, State Planning Unit in the Chief Minister's Department; then Deputy State Secretary, Sarawak
- 1998-2001: Senior positions in the Chief Minister's Department
- 1988-1998: Director, Kuching North City Hall
- 1980-1988: Management Executive, PETRONAS

OTHER DIRECTORSHIPS

Public companies:

- Sarawak Energy Berhad

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WHO GOVERNS US

DATO SRI FONG JOO CHUNG

Non-Independent Non-Executive Director
- Board Member, Bintulu Port Holdings Berhad
- Chairman, Bintulu Port Sdn. Bhd.

Nationality Malaysian	Gender Male	Age 72	Date of Appointment 16 September 2004	Meetings attended 11/11	Committee Membership NRC
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Dato Sri Fong Joo Chung was appointed as a Non-Independent Non-Executive Director on 16 September 2004.

QUALIFICATIONS

- Bachelor of Law (Hons), University of Bristol, United Kingdom, 1971
- Barrister-at-Law, Lincoln’s Inn, London, United Kingdom, 1981

CAREER EXPERIENCE

- 2007-2020: State Legal Counsel, Sarawak Government
- 1992-2007: State Attorney-General, Sarawak
- 1971-1992: Advocate in private legal practice

OTHER DIRECTORSHIPS

Listed entities:

- Sarawak Cable Berhad

Public companies:

- Sarawak Energy Berhad

COMMITTEE MEMBERSHIP KEY:

Chairman	AC	Audit Committee
Member	RC	Risk Committee
	NRC	Nomination and Remuneration Committee
	FIC	Finance and Investment Committee

WHO GOVERNS US

PUAN HASMAWATI BINTI SAPAWI

Non-Independent Non-Executive Director

- Board Member, Bintulu Port Holdings Berhad
- Board Member, Samalaju Industrial Port Sdn. Bhd.

Nationality Malaysian	Gender Female	Age 53	Date of Appointment 1 August 2021	Meetings attended 4/4	Committee Membership FIC
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Puan Hasmawati binti Sapawi was appointed as Non-Independent Non-Executive Director on 1 August 2021.

QUALIFICATIONS

- Bachelor of Arts (Hons) Economics, Concordia University, Montreal, Canada (1992)
- Master of Business Administration, Monash University, Melbourne, Australia (1997)
- Master of Environment Management Development (Development Planning), Universiti Malaysia Sarawak (UNIMAS), Kota Samarahan, Sarawak (2000)

CAREER EXPERIENCE

- 2021-present: Deputy State Financial Secretary, State Financial Secretary's Office
- 2008-2021: Director, Corporate Services & Investment, State Financial Secretary's Office
- 2007: Acting Director, Corporate Affairs Division, State Financial Secretary's Office
- 2006: Principal Assistant Secretary, Corporate Affairs Division, State Financial Secretary's Office
- 2002-2005: Senior Manager, Corporate Planning Division, Pelita Holdings Sdn. Bhd.
- 1992-2001: Economist, Investment Division, Land Custody & Development Authority (PELITA)

OTHER DIRECTORSHIPS

Listed entities:

- Sarawak Plantation Berhad
- Sarawak Oil Palms Berhad
- Dayang Enterprise Holdings Berhad

Public companies:

- Amanah Saham Sarawak Berhad

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WHO GOVERNS US

DATUK NASARUDIN BIN MD IDRIS

Non-Independent Non-Executive Director

- Board Member, Bintulu Port Holdings Berhad
- Chairman, Samalaju Industrial Port Sdn. Bhd.

Nationality Malaysian	Gender Male	Age 66	Date of Appointment 26 August 2010	Meetings attended 11/11	Committee Membership FIC
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Datuk Nasarudin bin Md Idris was appointed as a Non-Independent Non-Executive Director on 26 August 2010.

QUALIFICATIONS

- Bachelor of Arts (Hons), University of Malaya, Malaysia, 1978
- Postgraduate Diploma in Petroleum Economics, College of Petroleum Studies, United Kingdom, 1987
- Master of Business Administration, Henley – The Management College (Brunel University), United Kingdom, 1991
- Stanford Executive Programme, Stanford University, USA, 2000

CAREER EXPERIENCE

- 2010-2014: President and Chief Executive Officer, MISC Berhad, a subsidiary of PETRONAS
- 2004-2010: Board Member, PETRONAS
- 1978-2010: Various senior positions, PETRONAS Group

OTHER DIRECTORSHIPS

Listed entities:

- MISC Berhad
- Malaysian Marine and Heavy Engineering Holdings Berhad

COMMITTEE MEMBERSHIP KEY:

Chairman	AC	Audit Committee
Member	RC	Risk Committee
	NRC	Nomination and Remuneration Committee
	FIC	Finance and Investment Committee

WHO GOVERNS US

ENCIK MOHAMED SYAZWAN BIN ABDULLAH @ LAGA

Non-Independent Non-Executive Director

- Board Member, Bintulu Port Holdings Berhad
- Board Member, Bintulu Port Sdn. Bhd.

Nationality Malaysian	Gender Male	Age 58	Date of Appointment 1 July 2021	Meetings attended 5/5	Committee Membership AC
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Encik Mohamed Syazwan bin Abdullah @ Laga was appointed as a Non-Independent Non-Executive Director on 1 July 2021.

QUALIFICATIONS

- Bachelor of Science Chemical Engineering and Petroleum Refining, Colorado School of Mines, Golden, Colorado, USA

CAREER EXPERIENCE

- 2019 – Present: Managing Director & Chief Executive Officer, Malaysia LNG Group of Companies
- 2017 – 2019: Head (Projects) – VP LNG Asset Office
- 2016 – 2017: Start-up Manager, Petronas Floating LNG Satu
- 2013 – 2015: Start-up Manager – Gladstone LNG, Curtis Island, Queensland, Australia
- 2011 – 2012: LNG Plant Supply Chain & Commissioning Advisor – Gladstone LNG, Brisbane, Australia
- 2006 – 2010: General Manager – Operations, Malaysia LNG Sdn. Bhd.
- 2004 – 2006: Senior Manager – Operations, Petronas Fertilizer (Kedah) Sdn. Bhd.
- 2000 – 2004: Production Manager – Petronas Ammonia Sdn. Bhd.
- 1998 – 1999: Commissioning & Start-up Manager (Ammonia/Methanol/Utility), Petronas Fertilizer (Kedah)
- 1997 – 1998: Manager – Urea/Offsites, Asean Bintulu Fertiliser Sdn. Bhd.

OTHER DIRECTORSHIPS

- Nil

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DATO' SRI MOHAMED KHALID BIN YUSUF @ YUSUP

Independent Non-Executive Director

- Board Member, Bintulu Port Holdings Berhad
- Chairman, Biport Bulkiers Sdn. Bhd.

Nationality Malaysian	Gender Male	Age 69	Date of Appointment 1 January 2015	Meetings attended 11/11	Committee Membership NRC RC
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Dato' Sri Mohamed Khalid bin Yusuf @ Yusup was appointed as an Independent Non-Executive Director on 1 January 2015.

QUALIFICATIONS

- Bachelor of Arts (Hons), University of Malaya, Malaysia, 1977
- Master of Science (Human Resources), University of Scranton, Pennsylvania, USA, 1993

CAREER EXPERIENCE

- 2021-Present: Non-Executive Director of SEDC-Gafung Sdn. Bhd. - downstream business activities related to petroleum products and services
- 2016-Present: Non-Executive Director of TC Megah Sdn. Bhd. - logistics and forwarding services
- 2016-Present: Non-Executive Director of Gafung Petroleum Sdn. Bhd. - supply of fuel bunkering services
- 2013-Present: Non-Executive Chairman of Misar Shipping Sdn. Bhd. - ships' husbanding services
- 2013-Present: Non-Executive Director of Era Tiara Sdn. Bhd. - logistics, transportation and wholesale trading
- 2013-Present: Executive Chairman of Setara Vista Sdn. Bhd. - civil and mechanical contract works
- 2012-Present: Non-Executive Director of N.B. Heavy Industries Sdn. Bhd. - manufacturing and assembly of heavy commercial vehicles
- 2012-2016: Executive Director of Nexgem Sdn. Bhd. - indirect tax consulting services
- 2012-2016: Non-Executive Non-Independent Director (2012-2014) and Non-Executive and Non-Independent Chairman (2014-2016) of SMTrack Berhad (formerly known as Smartag Solutions Bhd) - RFID track and trace technology solutions for cargo and revenue security
- 2012-2015: Senior Advisor of International Tax and Investment Centre (ITIC), Washington D.C., USA - promotion of tax, trade and investment policy reforms
- 1977-2012: Various senior management positions at the Royal Malaysian Customs Department, and retired as the Director General of Customs

OTHER DIRECTORSHIPS

- Nil

COMMITTEE MEMBERSHIP KEY:

Chairman	AC	Audit Committee
Member	RC	Risk Committee
	NRC	Nomination and Remuneration Committee
	FIC	Finance and Investment Committee

WHO GOVERNS US

DATUK YASMIN BINTI MAHMOOD

Independent Non-Executive Director

- Board Member, Bintulu Port Holdings Berhad
- Board Member, Biport Bulkers Sdn. Bhd.

Nationality Malaysian	Gender Female	Age 59	Date of Appointment 1 January 2015	Meetings attended 10/11	Committee Membership AC RC
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Datuk Yasmin binti Mahmood was appointed as an Independent Non-Executive Director on 1 January 2015.

QUALIFICATIONS

- Bachelor of Science (Computer Science and Applied Mathematics), University of New South Wales, Australia, 1983

CAREER EXPERIENCE

- Present: Chair, Board of Directors, Heriot-Watt University Malaysia
- Present: Chairman, Skymind Holdings Berhad
- 2019-Present: Chief Executive Officer, FutureReady Consulting Sdn. Bhd.
- 2019-March 2021: Chairman, POS Malaysia Berhad
- 2014-2019: Chief Executive Officer, Malaysia Digital Economy Corporation (MDEC)
- 2010-2014: Executive Director, YTL Communications Sdn. Bhd.
- 2010-2014: Director, YTL e-Solutions Berhad
- 2006-2009: Managing Director, Microsoft Malaysia Sdn. Bhd.
- 2005-2006: Regional Manager, Malaysia, Thailand and Taiwan, Dell Asia Pacific
- 1999-2005: General Manager, Dell Asia-Pacific
- 1995-1999: General Manager, HP Sales Malaysia
- 1993-1995: General Manager, Dataprep Retail Sdn. Bhd.
- 1988-1993: Marketing Manager, HP Sales Malaysia

OTHER DIRECTORSHIPS

Public companies:

- MIDF Berhad

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WHO GOVERNS US

DATUK NOZIRAH BINTI BAHARI

Independent Non-Executive Director

- Board Member, Bintulu Port Holdings Berhad
- Board Member, Biport Bulkiers Sdn. Bhd.

Nationality Malaysian	Gender Female	Age 66	Date of Appointment 1 February 2016	Meetings attended 10/11	Committee Membership NRC
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Datuk Nozirah binti Bahari was appointed as an Independent Non-Executive Director on 1 February 2016.

QUALIFICATIONS

- Bachelor of Social Science (Hons) in Urban Studies, University of Science Malaysia, Malaysia, 1978
- Diploma in Public Administration, National Institute of Public Administration, Malaysia, 1981
- Global Leadership Development Programme (Fall) by International Centre for Leadership in Finance (ICLIF), 2006
- Advanced Management Programme, Harvard Business School, USA, 2007
- Financial Institutions Directors' Education Programme (FIDE), 2010

CAREER EXPERIENCE

- 2011-2015: Deputy Secretary General (Management), Ministry of Finance Malaysia
- 2011: Director of Budget Management Division, Ministry of Finance Malaysia
- 2007-2011: Undersecretary, Loan Management, Financial Market and Actuary Division, Ministry of Finance Malaysia
- 2005-2007: Deputy Undersecretary, Loan Management, Financial Market and Actuary Division, Ministry of Finance Malaysia
- 2002-2005: Deputy Undersecretary, Procurement and Supplies Division, Ministry of Finance Malaysia
- 2000-2002: Principal Assistant Secretary, Procurement and Supplies Division, Ministry of Finance Malaysia
- 1993-2000: Deputy Finance Officer (Treasury), Sabah, Ministry of Finance Malaysia
- 1991-1993: Director, Manpower Planning Unit (MAMPU), Prime Minister's Department Branch Office, Sabah
- 1988-1991: Principal Assistant Secretary, Planning and Policy Division, Ministry of Agriculture Malaysia
- 1985-1988: Assistant Secretary, Procurement and Supplies Division, Ministry of Health Malaysia
- 1981-1985: Assistant Secretary, Finance Division, Ministry of Finance Malaysia

OTHER DIRECTORSHIPS

- Nil

COMMITTEE MEMBERSHIP KEY:

Chairman	AC	Audit Committee
Member	RC	Risk Committee
	NRC	Nomination and Remuneration Committee
	FIC	Finance and Investment Committee

WHO GOVERNS US

(DR.) SALIHIN BIN ABANG

Independent Non-Executive Director

- Board Member, Bintulu Port Holdings Berhad
- Board Member, Samalaju Industrial Port Sdn. Bhd.

Nationality Malaysian	Gender Male	Age 49	Date of Appointment 1 February 2018	Meetings attended 11/11	Committee Membership AC
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(Dr.) Salihin bin Abang was appointed as an Independent Non-Executive Director on 1 February 2018.

QUALIFICATIONS

- Bachelor of Accounting (Hons), Universiti Islam Antarabangsa, Malaysia, 1997
- Master of Science in Accounting, Universiti Islam Antarabangsa Malaysia, 2008
- ASEAN Senior Management Development Programme (SMDP), Harvard Business School, 2011
- Honorary Doctorate Degree in Management, Universiti Malaysia Terengganu (UMT), 2018
- Chartered Accountant, C.A.(M), Malaysian Institute of Accountants (MIA)
- Certified Public Accountant, CPA (M), Malaysian Institute of Certified Public Accountants (MICPA)

CAREER EXPERIENCE

- 2019-Present: Independent Non-Executive Director, Chairman of Board Audit Committee and member of Board Risk Committee, Boustead Heavy Industries Corporation Berhad
- 2019-Present: Independent Non-Executive Director, Chairman of Board Risk Committee, member of Board Audit Committee, Remuneration Committee and Nomination Committee, G3 Global Berhad
- 2018-2019: Member of Board Audit Committee, Land Custody and Development Authority (LCDA) of Sarawak
- 2018-Present: Adjunct Professor, Tunku Puteri Intan Safinaz School of Accountancy, (UUM) and School of Maritime Business and Management (UMT) and Faculty of Business and Technology (UNITAR)
- 2017-2019: President, Malaysian Institute of Accountants (MIA)
- 2017-2019: Member of Board of Trustees, the Financial Reporting Foundation (FRF)
- 2002-Present: Founder and Group Managing Partner, SALIHIN Chartered Accountants

OTHER MEMBERSHIPS

- ASEAN Chartered Professional Accountant (ACPA)
- Fellow Member of the Association of International Accountants (FAIA, UK)
- Fellow Member of the Chartered Tax Institute of Malaysia (FCTIM)
- Certified Financial Planner (CFP), Financial Planning Association of Malaysia (FPAM)

OTHER DIRECTORSHIPS

Listed entities:

- G3 Global Berhad
- Boustead Heavy Industries Corporation Berhad
- Boustead Plantations Berhad

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OUR APPRECIATION TO OUTGOING DIRECTORS



TAN SRI DR. ISMAIL BIN HJ BAKAR

Non-Independent Non-Executive Chairman
 - Chairman, Bintulu Port Holdings Berhad

Nationality Malaysian	Committee Membership	None
Gender Male	Meetings attended	4/4
Age 62	Date of Appointment	1 September 2019
	Date of Resignation	1 May 2021



ENCIK DZAFRI SHAM BIN AHMAD

Non-Independent Non-Executive Director
 - Board Member, Bintulu Port Holdings Berhad
 - Board Member, Bintulu Port Sdn. Bhd.

Nationality Malaysian	Committee Membership	AC
Gender Male	Meetings attended	5/5
Age 56	Date of Appointment	1 September 2015
	Date of Resignation	1 July 2021



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

Non-Independent Non-Executive Director
 - Board Member, Bintulu Port Holdings Berhad
 - Board Member, Samalaju Industrial Port Sdn. Bhd.

Nationality Malaysian	Committee Membership	FIC
Gender Male	Meetings attended	6/6
Age 72	Date of Appointment	16 March 2006
	Date of Resignation	1 August 2021



PUAN ZAKIAH BINTI JAAFAR

Non-Independent Non-Executive Director
 - Board Member, Bintulu Port Holdings Berhad
 - Board Member, Samalaju Industrial Port Sdn. Bhd.

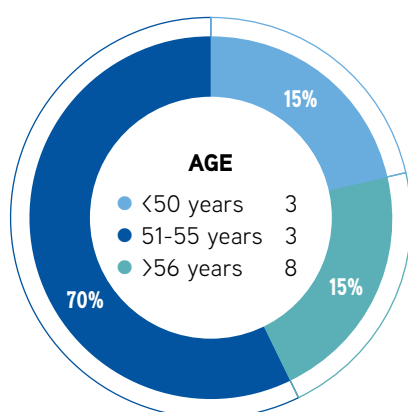
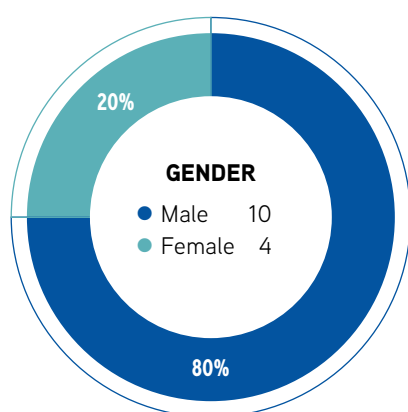
Nationality Malaysian	Committee Membership	FIC	RC
Gender Female	Meetings attended	6/11	
Age 55	Date of Appointment	1 March 2020	
	Date of Resignation	9 March 2022	

WHO LEADS US

OUR LEADERSHIP

The role, responsibilities, composition, procedures and evaluation of the Executive Committee are described in detail in the Charter.

Management Team Composition



BPHB	Bintulu Port Holdings Berhad
BPSB	Bintulu Port Sdn. Bhd.
BBSB	Biport Bulkiers Sdn. Bhd.
SIPSB	Samalaju Industrial Port Sdn. Bhd.



DATO MOHAMMAD MEDAN BIN ABDULLAH

Group Chief Executive Officer

Nationality Malaysian	Age 64	BPHB
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Dato Mohammad Medan Abdullah was appointed as the Group Chief Executive Officer of Bintulu Port Holdings Berhad Group (BPHB) effective 1 March 2017, bringing with him vast experience of over 35 years in the oil & gas industry.

Qualifications

- Bachelor of Law (Hons), University of Malaya, 1982
- Advanced Management Programme, Wharton Business School, University of Pennsylvania, 2007

Career Experience

- 2013-2016: Managing Director and President (Asia Pacific), Gazprom Marketing & Trading Pte Ltd
- 2010-2013: Senior General Manager, Group Corporate Affairs Division (PETRONAS Group)
- 2007-2010: Chief Executive Officer, Malaysia LNG
- 1990-2007: Various senior positions in PETRONAS and PETRONAS Carigali
- 1988-1990: Legal Adviser, Baram Delta Operations
- 1983-1988: Legal Officer, PETRONAS Carigali Sdn. Bhd.
- 1982: Trainee Legal Officer, PETRONAS

Directorships in other public-listed/public companies

- Handal Resources Berhad
- Petroleum Sarawak Berhad (PETROS)



DAIANA LUNA SUIP

Group Chief Financial Officer

Nationality Malaysian	Age 58	BPHB
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Daiana Luna Suip assumed the position of Group Chief Financial Officer of Bintulu Port Holdings Berhad (BPHB) on 29 November 2021. She is responsible for all financial, accounting, corporate finance, investor relations and investment issues relating to the Group and also provides strategic and operational support to Management. She is also responsible for overseeing the Group Procurement.

Qualifications

- Advanced Diploma in Accountancy, Institut Teknologi MARA, 1990
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2012
- Master of Business Administration, University of Sunderland, 2018
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)

Career Experience

- 2016-2021: General Manager, Group Finance, BPHB
- 2014-2016: Assistant General Manager, Group Finance, BPHB
- 2011-2013: Senior Manager, Finance Division, BPSB
- 2008-2011: Manager, Group Accounts, BPSB
- 2006-2008: Manager, Financial Accounting, BPSB
- 1994-2006: Financial Accountant and Group Accountant, BPSB
- 1993-1994: Audit Executive, BPSB
- 1991-1993: Audit Assistant, Arthur Andersen

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WHO LEADS US

**MATSHALLEH BIN MOHAMAD ETLI**

Chief Operating Officer

Nationality	Age	
Malaysian	55	BPSB

Matshalleh bin Mohamad Etli assumed the position of Chief Operating Officer of Bintulu Port Sdn. Bhd. (BPSB) on 1 January 2022 and is responsible for the day-to-day operations of BPSB. He reports directly to the Group Chief Executive Officer.

Qualifications

- Bachelor of Science in Housing, Building and Planning, Universiti Sains Malaysia, 1990
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2012

Career Experience

- 2016-2021: Chief Operating Officer, SIPSB
- 2014-2016: Acting Chief Operating Officer, SIPSB
- 2011-2014: Head, Operations and Stakeholders Relations, Samalaju Industrial Port Sdn. Bhd.
- 1993-2009: Various positions in BPSB
- 1991-1993: Fire Superintendent, BPA

**EIZAM BIN ISMAIL**

Chief Operating Officer

Nationality	Age	
Malaysian	49	SIPSB

Eizam bin Ismail assumed the position of Chief Operating Officer of Samalaju Industrial Port Sdn. Bhd. (SIPSB) on 1 January 2022. He is responsible by providing leadership and direction for the implementation and management of strategies for SIPSB's business, project planning as well as day to day operations. He reports directly to the Group Chief Executive Officer.

Qualifications

- Bachelor of Business Administration in Transport, Universiti Teknologi MARA, 1996
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2015

Career Experience

- 2018-2021: General Manager, Group Corporate Planning & Development, BPHB
- 2012-2018: Manager, Marketing & Customer Service, BPSB; then Senior Manager, Corporate Planning, BPHB
- 2002-2012: Executive, Corporate Marketing (under the Chief Executive Officer's Office), Executive, Marketing & Business Development and Executive, Marketing (Containerised) in the Corporate Development Division, BPSB
- 1999-2002: Associate Consultant on various port and shipping consultancy projects in Southeast Asia

**WAN MOHAMAD ZAIDI
BIN WAN KADIR**

Acting Chief Operating Officer

Nationality	Age	
Malaysian	47	BBSB

Wan Mohamad Zaidi bin Wan Kadir assumed the position of Acting Chief Operating Officer of Biport Bulkiers Sdn. Bhd. (BBSB) on 1 January 2022. He is responsible for the implementation and management of the strategies for BBSB's business. He reports directly to the Group Chief Executive Officer.

Qualifications

- Bachelor of Science (Hons) in Industrial Chemistry, Universiti Malaysia Sabah, 1999
- Associate Member of Institut Kimia Malaysia since 2004
- Leadership Principles by Harvard Business School, 2021

Career Experience

- 2018-2021: Senior Manager, Operation Division, BBSB
- 2013-2018: Manager, Operation Division, BBSB
- 2005-2013: Chemist, Laboratories, BBSB
- 2004: Chemist, BPSB
- 2000 - 2004: Chemist Surveyor, ITS Testing Services (M) Sdn. Bhd.

WHO LEADS US

**ROS LI BIN IDRIS**

Company Secretary

Nationality
MalaysianAge
53**BPHB**

Rosli bin Idris was appointed as Company Secretary of Bintulu Port Holdings Berhad (BPHB) on 1 January 2020. He is responsible for Company Secretarial functions, to advise the directors and management pertaining to the Company Secretarial matters in order to ensure compliance and good cooperation with governance.

Qualifications

- Bachelor of Accountancy (Hons), Universiti Teknologi MARA, 1994
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2014
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)

Career Experience

- 2014-2019: Senior Manager, Finance, Human Resource & Administration, SIPSB
- 2011-2013: Head of Finance Services, Samalaju Port Management Unit, BPSB
- 2011: Manager, Management Accounting, BPSB
- 2009-2010: Assistant Manager Finance & Administration, IOT Management Sdn. Bhd.
- 2005-2008: Management Accountant, BPSB
- 1996-2004: Executive Treasury, BPSB
- 1994-1996: Project Accountant, PPES Oil & Gas Sdn. Bhd.

**ESTHER LU NOI YAN**

Acting General Manager, Group Corporate Planning and Development

Nationality
MalaysianAge
43**BPHB**

Esther Lu Noi Yan assumed the position of Acting General Manager, Group Corporate Planning & Development on 1 January 2022. She is responsible for the implementation of Group-wide strategies and plans on corporate planning, business development, strategic transformation, enterprise risk management, marketing as well as branding programmes and customer service functions.

Qualifications

- Bachelor of Science (Major in Chemistry and Biology) Campbell University, Buies Creek North Carolina, U.S.A. (Tunku Abdul Rahman University College), 2002
- Leadership Principles by Harvard Business School, 2022

Career Experience

- 2019-2021: Senior Manager, Marketing & Customer Services, Group Corporate Planning & Development, BPHB
- 2015-2019: Manager, Marketing & Customer Services, Group Corporate Planning & Development, BPHB
- 2008 – 2015: Executive Customer Services, Corporate Planning & Development Division, BPSB
- 2007-2008: Shipping Executive, Destiny Shipping Agencies Sdn. Bhd.
- 2004-2007: Senior Recruitment Consultant/Branch Manager, Agensi Pekerjaan GMP (M) Sdn. Bhd. & Agensi Bright Prospect Sdn. Bhd.
- 2002-2004: Quality Assurance Analyst, Glaxo Smith Kline Consumer Healthcare Sdn. Bhd.

**AZMEL KHAN BIN ASGHAR KHAN**

General Manager, Group Human Resources Management

Nationality
MalaysianAge
60**BPHB**

Azmel Khan bin Asghar Khan assumed the position of General Manager, Group Human Resources Management on 23 August 2017. He formulates, plans, implements and manages the development and implementation of Group-wide human capital strategies and ensures the effective and efficient administration of and compliance with these strategies.

Qualifications

- Diploma in Business Studies, Institut Teknologi MARA, 1983
- Bachelor of Communications, Universiti Putra Malaysia, 2003
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2013

Career Experience

- 2015-2017: Acting General Manager, Group Human Resources Management
- 2014-2015: Senior Manager, Human Resource Planning and Organisational Development
- 2007-2014: Manager, Corporate Affairs
- 2006-2007: Manager, Warehousing; then Manager, Commercial
- 1993-2006: Executive in Commercial and Billing; then Manager, Warehousing, BPSB
- 1983-1993: Traffic Officer; Purchasing Officer; then Assistant Administrative Officer, BPA

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DAYANG FAIZAH BINTI AWANG BUJANG

General Manager, Group Legal Counsel

Nationality
Malaysian

Age
53

BPHB

Dayang Faizah binti Awang Bujang assumed the position of General Manager, Group Legal Counsel of BPHB on 23 August 2017. She is responsible for the formulation, management and implementation of Group-wide legal strategies, advice and services. She is also responsible for overseeing the Group's contract management, integrity and Compliance matters.

Qualifications

- Bachelor of Laws (Hons), International Islamic University, Malaysia, 1992
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2012

Career Experience

- 2014-2017: Acting Assistant General Manager, Legal; then Acting General Manager, Legal before becoming General Manager, Group Legal Counsel
- 2010-2014: Manager, Legal; then Acting Senior Manager, Legal, BPSB
- 1993-2010: Legal Executive and Executive, Contract Management; then Manager, Contract Management, BPSB
- 1992-1993: Underwent pupillage with Messrs. Jaini Mardi & Associates, Bintulu, Sarawak and admitted as an Advocate & Solicitor in the High Court of Sabah and Sarawak



RAMZI BIN SHAFIEE

Acting General Manager,
Group Information Technology

Nationality
Malaysian

Age
56

BPHB

Ramzi bin Shafiee assumed the position of Acting General Manager, Group Information Technology of BPHB on 1 January 2021. He is responsible for the implementation of Group-wide IT strategies, as well as for providing advice and services relating to IT systems and support.

Qualifications

- Bachelor of Applied Science (Hons) (Mathematical Calculation & Computer Aided Geometry Design - CAGD), Universiti Sains Malaysia, 1992
- Leadership Principles by Harvard Business School, 2021

Career Experience

- 2019-2020: Senior Manager, Operation Application System
- 2019: Acting Senior Manager, Operation Application System
- 2017-2018: Acting Senior Manager, Network & Infrastructure
- 2015-2017: Manager, Network & Infrastructure
- 2013-2015: Head, Information Technology
- 2009-2013: Manager, Network & Infrastructure
- 1993-2009: System Analyst



ABDANI BIN ABDUL GAFOR

General Manager, Group Health,
Safety & Environment

Nationality
Malaysian

Age
59

BPHB

Abdani bin Abdul Gafor assumed the position of General Manager, Group Health, Safety & Environment of BPHB on 23 August 2017. He is responsible for the effective HSE management of the Group and maintains workplace safety and health systems.

Qualifications

- Bachelor of Engineering, University of Tasmania, 1989
- Master of Business Administration, Heriot-Watt University, 1999
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2011

Career Experience

- 2008-2017: Manager, Safety & Emergency; then Senior Manager, Health, Safety & Environment, BPSB
- 1993-2008: Electrical Engineer, Technical Services Division; then Manager, Safety & Emergency and Manager, Mechanical & Electrical, Technical Services Division, BPSB
- 1991-1992: Electrical Engineer, BPA

WHO LEADS US


MOHAMAD YACOP BIN MOHAMAD JUNIT

Senior Manager, Group Internal Audit

Nationality
Malaysian

Age
57

BPHB

Mohamad Yacop bin Mohamad Junit assumed the position of Senior Manager, Group Internal Audit of BPHB on 1 March 2018. He is responsible to provide independent and objective assurance reviews to the Board of Directors, Audit Committee and Management that the company's risk management, governance and internal control are operating effectively.

Qualifications

- Diploma in Accountancy, Institut Teknologi MARA, 1987
- Bachelor of Communications, Universiti Putra Malaysia, 1999
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2015

Career Experience

- 2013-2018: Manager, Commercial, BPSB
- 1993-2013: Various positions in Human Resources, Finance, Commercial and Audit, BPSB
- 1990-1992: Assistant Port Officer and Assistant Administration Officer, BPA


MASLIHAH BINTI HJ. TIOH

Senior Manager, Group Corporate Services

Nationality
Malaysian

Age
56

BPHB

Maslihah binti HJ. Tioh assumed the position of Senior Manager, Group Corporate Services of BPHB on 1 January 2015. She is responsible for the overall corporate services of the Group, including internal and external communications, especially public and government relations. In this capacity, she is responsible for creating and communicating a favourable public image of the Group through media campaigns designed to reach consumers, employees, customers, government agencies and other stakeholders. She is also responsible for overseeing office management services.

Qualifications

- Bachelor of Arts (Hons) in Mass Communication, Universiti Kebangsaan Malaysia, 1990
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2013

Career Experience

- 2007-2014: Manager, Performance and Rewards; then Senior Manager, Performance and Rewards, BPHB
- 1993-2006: Executive, Public Affairs; then Manager, Personnel and Payroll in the Human Resource Management Division, Manager, Commercial in the Finance Division and Manager, Remuneration & Benefits, BPSB
- 1991-1992: Executive, Public Relations, BPA


ELVIS TULU AYU

Senior Manager, Group Security

Nationality
Malaysian

Age
57

BPHB

Elvis Tulu Ayu assumed the position of Senior Manager, Group Security, on 1 March 2015. At the time, he was a Superintendent in the Malaysian Auxiliary Police Association. He is responsible for the control and development of Group security strategies, programmes and plans to ensure a secure working environment through proactive security measures designed to protect people, assets and operations against the threat of injury and loss or damage by criminal, hostile or malicious acts.

Qualifications

- Diploma in Accountancy, Institut Teknologi MARA, 1987
- Bachelor of Arts in Business Administration, Bolton Institute, United Kingdom, 2004
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2013

Career Experience

- 2015-Present: Senior Manager, Group Security, BPHB (covering BPSB, BBSB and SIPSB) with the rank of Superintendent, Royal Malaysian Police
- 2014-2015: Manager, Warehousing, BPSB
- 2011-2012: Acting Senior Manager, HSE, BPSB
- 2002-2013: Manager, Security, BPSB
- 2010-2012: Rank of Superintendent of Police
- 2002-2009: Rank of Deputy Superintendent of Police
- 1998-2001: Executive, Fire, Emergency Services and Security (Rank of Assistant Superintendent of Police)
- 1993-1997: Executive, Security, BPSB (Rank of Inspector)
- 1992: Regular Police Inspector Training at PULAPOL, KL (9 months)
- 1988-1991: Assistant Security Officer, BPA

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YUSOF BIN IBRAHIM
Chief Operating Officer

Nationality	Age	
Malaysian	61	BPSB

Date of Appointment: 1 January 2020
Date of Retirement: 31 December 2021



ABU BAKAR BIN HUSAINI
Chief Operating Officer

Nationality	Age	
Malaysian	61	BBSB

Date of Appointment: 1 January 2020
Date of Retirement: 31 December 2021

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DEAR STAKEHOLDER,

I am pleased to present the Corporate Governance Overview Statement for the year, in which we describe our governance processes, how the Board discharged its responsibilities and provide details on the Board's operations. We are committed to fostering an effective governance framework through policies and procedures that support the Group's core values and underpin our ability to set the Group's overall strategic direction.

DATO' ABDUL MUTALIB BIN ALIAS

Chairman

During the year, we enhanced our governance processes to reflect the new MCGG 2021 guidance. This included enhancing disclosure controls and procedures and updating our terms of reference for Board Committees. Environmental, social and governance ("ESG") considerations impact everything we do and our goal is for the Group to be a socially and environmentally responsible organisation, with strong governance at the core of how we operate. This section together with the CG report 2021 and the reports from the Audit, Risk and Nomination and Remuneration Committees, provides a description of how the Group has applied the main principles of MCGG 2021 and complied with the relevant provisions.


FRAMEWORKS AND GUIDANCE APPLIED:

- Malaysian Code on Corporate Governance (MCGG 2021)
- Bursa Malaysia's Main Market Listing Requirements (MMLR)
- Securities Commission Malaysia Act 1993
- Companies Act 2016
- Bursa Malaysia's Corporate Governance Guidelines 4th Edition

The Board's primary role is to ensure the Group's long-term, sustainable success by setting the Group's strategic direction, ensuring that strategy is aligned with its purpose and culture and promoting and protecting our interests for the benefit of all our stakeholders. The Group's governance framework supports the Board in the delivery of the Group's strategy and long-term sustainable success in various ways, as detailed in the following pages. Our Non-Executive Directors play an essential role in this by holding the Management Team to account, ensuring that appropriate progress implementing strategy is being made and that their behaviours and decisions are supportive of the Group's culture and values.

This Leadership section details:


- The structure and composition of the Board and its Committees;
- How responsibilities are divided among the Board, its Committees and individual Directors;
- The main activities of the Board in FY2021; and
- The recruitment and induction process for new Directors.

 For more information please refer to pages 83 to 87.

We maintained oversight of the Group's financial reporting processes by reviewing the application of financial and accounting policies, challenging the judgements made by management and the assumptions and estimates that underpinned those judgements. The Board keeps a close eye on future developments, both externally and within the Group, that could have a significant impact on our operations. During the year under review, the Board continued to take into account how it should operate efficiently in light of the COVID-19 pandemic.

This Accountability section details:


- The work undertaken by the Audit Committee and Risk Committee;
- The Board's approach to risk management, its internal control and risk management systems; and
- Its processes for evaluating whether the Integrated Annual Report and Accounts of the Company are fair, balanced and understandable.

 For more information please refer to pages 90 to 93.

The effective working of the Board is crucial to the long-term prospects and strategic aims of the Group. This is achieved through strong and open working relationships between the Directors and, in particular, the Chairman and Group Chief Executive Officer, whose roles are agreed and set out in writing.

This Effectiveness section details:

- The process to conduct the Board & Directors Effectiveness Evaluation (BDEE) and Individual Directors Evaluation (IDE) for FY2021.


 For more information please refer to pages 88 to 89.

ENSURING EFFECTIVE ENGAGEMENT WITH OUR STAKEHOLDERS

The Board appreciates that effective stakeholder engagement is essential for the long-term success of the Group. Maintaining good relationships with all of our stakeholders is important to the Board. Engagement has therefore continued as a key theme during the year.

This Ensuring Effective Engagement with our Stakeholders section details:

- How the Board and individual Directors engaged with stakeholders throughout FY2021; and
- How stakeholders can communicate with the Company.

 For more information please refer to pages 94 to 98.

CORPORATE GOVERNANCE OVERVIEW STATEMENT - A SOUND GOVERNANCE STRUCTURE

OUR GOVERNANCE PRACTICES

OUR BOARD

For the year under review, details of the Board's attendance at Board and Board Committee meetings are as follows:

Non-Independent Non-Executive Directors



**Tan Sri
Dr. Ismail bin
Hj. Bakar**
Resigned on
1 May 2021



**Dato' Abdul
Mutalib bin Alias**
Appointed on
1 May 2021



**Tan Sri Datuk
Amar Hj.
Mohamad
Morshidi bin
Abdul Ghani**



**Gen Dato' Seri
DiRaja Tan Sri
(Dr.) Mohd. Zahidi
bin Hj. Zainuddin**
Resigned on
1 August 2021



**Dato Sri Fong
Joo Chung**



**Datuk Nasarudin
bin Md Idris**



**Encik Dzafri
Sham bin
Ahmad**
Resigned on
1 July 2021



**Puan Zakiah
binti Jaafar**
Resigned on
9 March 2022

COMMITTEES

AUDIT COMMITTEE (AC)

CHAIRMAN

(Dr.) Salihin bin Abang

8/8

MEMBERS

Datuk Yasmin binti Mahmood

8/8

Encik Mohamed Syazwan bin Abdullah @ Laga

Appointed on 1 July 2021

4/4

Encik Dzafri Sham bin Ahmad

Resigned on 1 July 2021

4/4

RISK COMMITTEE (RC)*

CHAIRMAN

Datuk Yasmin binti Mahmood

Appointed on 28 September 2021

1/1

MEMBERS

Dato' Sri Mohamed Khalid bin Yusuf @ Yusup

Appointed on 28 September 2021

1/1

Puan Zakiah binti Jaafar

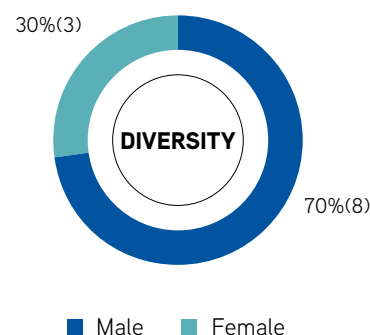
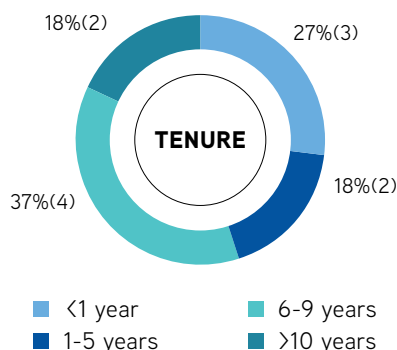
Appointed on 28 September 2021

Resigned on 9 March 2022

1/1

* Note: The separation of the Audit and Risk Committee (ARC) of Bintulu Port Holdings Berhad into the Audit Committee (AC) and Risk Committee (RC) was approved in Special BPHB Board of Directors' Meeting No. 9/2021 held on 28 September 2021.

115
Board
Hours



CORPORATE GOVERNANCE OVERVIEW STATEMENT - SUBSCRIBING TO TRANSPARENCY AND ACCOUNTABILITY

AT A GLANCE

Independent Non-Executive Directors



Encik Mohamed Syazwan bin Abdullah @ Laga
Appointed on 1 July 2021



Puan Hasmawati binti Sapawi
Appointed on 1 August 2021



Dato' Sri Mohamed Khalid bin Yusuf @ Yusup



Datuk Yasmin binti Mahmood



Datuk Nozirah binti Bahari



(Dr.) Salihin bin Abang

NOMINATION AND REMUNERATION COMMITTEE (NRC)

CHAIRMAN

Dato' Sri Mohamed Khalid bin Yusuf @ Yusup
9/9

MEMBERS

Datuk Nozirah binti Bahari
9/9

Dato Sri Fong Joo Chung
9/9

FINANCE AND INVESTMENT COMMITTEE (FIC)

CHAIRMAN

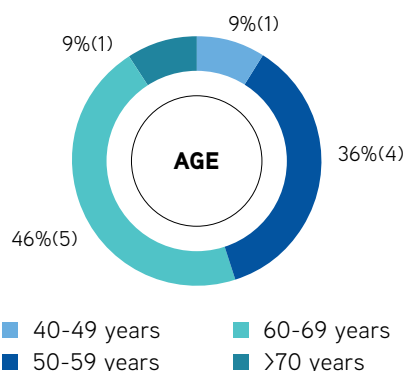
Datuk Nasarudin bin Md Idris
3/3

MEMBERS

Gen Dato' Seri DiRaja Tan Sri (Dr.) Mohd. Zahidi bin Hj. Zainuddin
Resigned on 1 August 2021
2/2

Puan Hasmawati binti Sapawi
Appointed on 1 August 2021
1/1

Puan Zakiah binti Jaafar
Resigned on 9 March 2022
3/3



BINTULU PORT SDN. BHD.

Non-Independent Non-Executive Directors

Dato Sri Fong Joo Chung (8/8)
Chairman of BPSB 100%

Tan Sri Datuk Amar Hj. Mohamad Morshidi bin Abdul Ghani (8/8)
100%

Encik Dzafri Sham bin Ahmad (3/3)
Resigned on 1 July 2021 100%

Encik Mohamed Syazwan bin Abdullah @ Laga (4/4)
Appointed on 1 July 2021 100%

BIPORT BULKERS SDN. BHD.

Independent Non-Executive Directors

Dato' Sri Mohamed Khalid bin Yusuf @ Yusup (4/4)
Chairman of BBSB 100%

Datuk Yasmin binti Mahmood (4/4)
100%

Datuk Nozirah binti Bahari (4/4)
100%

SAMALAJU INDUSTRIAL PORT SDN. BHD.

Non-Independent Non-Executive Directors

Datuk Nasarudin bin Md Idris (5/5)
Chairman of SIPSB 100%

Gen Dato' Seri DiRaja Tan Sri (Dr.) Mohd. Zahidi bin Hj. Zainuddin (2/2)
Resigned on 1 August 2021 100%

Puan Hasmawati binti Sapawi (2/2)
Appointed on 1 August 2021 100%

Puan Zakiah binti Jaafar (3/5)
Resigned on 9 March 2022 60%

Independent Non-Executive Director

(Dr.) Salihin bin Abang (5/5)
100%

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

A SOUND CORPORATE GOVERNANCE STRUCTURE COMMITS THE COMPANY TO HIGH STANDARDS OF BUSINESS ETHICS

The Board is ultimately accountable to our shareholders, and the Directors are responsible for ensuring that management actions are aligned with the Group's and other stakeholder's interests. The Board has approved a governance framework of systems and controls in order to effectively discharge its collective responsibility. This framework supports our Directors' compliance with their duty to promote the success of the Group. The framework which includes the delegation of specific authorities to the Board's four Committees – the Nomination & Remuneration, Audit, Risk and Finance & Investment Committees is subject to ongoing review to ensure that it remains fit for purpose. The Terms of Reference of the four Board Committees, which were reviewed during the year, can be found on our website.

Board Composition

Our Board believes the composition of Non-Independent Non- Executive and Independent Non-Executive Directors remains appropriate, having considered the size and nature of the business. In addition, the combination of experience, diverse backgrounds, length of service and calibre of the Non-Executive Directors further enhances this composition and the ability to deliver the Group's strategy while mitigating the risk of "group think".

DECISIONS, MATTERS RESERVED FOR THE BOARD AND DELEGATED AUTHORITIES

Our Board makes decisions on strategy and in relation to items set out in the matters reserved for the Board. It also delegates various operational decisions to several Board and Management Committees.

The Board

The Chairman

- To manage and provide leadership to the Board.
- To act as a liaison between the Board and the Management through the GCEO and as the communicator for Board decisions where appropriate.
- To act as a facilitator during Board meetings.
- To ensure that the Directors participate in deliberation.
- To ensure that Board members are given ample opportunity to contribute to the outcomes of the meetings.
- To provide guidance to the Group and the Board in setting the values, standards and policies of the Group, especially in the development of the Group's strategic directions and safeguarding the interest of its stakeholders.

Non-Executive Directors

- Support and constructively challenge the GCEO using their broad range of experience and external perspective, ensuring the needs of stakeholders are appropriately considered.
- Evaluate proposals on strategy.
- Monitor the implementation of the Group's strategy within its risk and control framework.

The Company Secretary

- Ensures that due and proper notice for all Board and Committee meetings is duly given.
- Prepares meeting agendas and coordinates the preparation of Board papers.
- Assists the communication between the Board and Management.
- Ensures that papers or documents submitted for scheduled meetings contain all relevant and material information to enable members of the Board and the Committees to make well-informed and correct decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Independence

Our Board recognises the importance of its Non-Executive Directors remaining independent throughout their appointment, as it enables them to provide objective advice and guidance to the Group Chief Executive Officer (GCEO) and Senior Management. This independence allows the Non-Executive Directors to constructively challenge and scrutinise the performance of the GCEO and provide an independent perspective on business strategy, performance and the integrity of the financial information considered by the Board and disclosed to the Company's shareholders and other stakeholders. The independence also helps ensure that there will be no conflict of interest in actions taken and that decisions that are made are in the best interests of the Company. The independence of the Non-Executive Directors is also important when considering the appointment or removal of the GCEO and in the determination of succession planning for Board positions and other Senior Management roles within the Group.

Audit Committee (AC)

- To oversee accounting policies, financial reporting practices, business ethics policies and financial position and performance of the Group and the adequacy of related disclosures and financial reporting;
- To evaluate the internal and external audit process and outcomes;
- To review conflict of interest situations and related party transactions; and
- To undertake such other functions as may be determined by the Board from time to time.

Risk Committee (RC)

- To provide guidance in relation to the management of the Group's business risks;
- To provide oversight on the establishment and implementation of the risk management framework, policies, and practices;
- To advise the Board on Risk-related issues or aspects as requested by the Board or, in the opinion of the Risk Committee, require the Board's attention;
- To review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but are not limited to ensuring the adequacy of the risk management policy to facilitate the implementation of action plans for risk management; and
- To provide oversight on the implementation of compliance and corruption risk framework and policies.

Nomination and Remuneration Committee (NRC)


- To assess and enhance the effectiveness of the management and organisational structures, frameworks, and policies by ensuring that they meet the requirements, purpose, and values of the Company and its subsidiary companies (the Group);
- To ensure that the Board comprises individuals with the necessary skills, knowledge and experience for the effective discharge of its responsibilities and to have oversight of all matters relating to corporate governance;
- To assess and enhance the effectiveness of the Board and Board Committees through the Board Effectiveness Evaluation (the BEE);
- To establish formal, transparent policies or frameworks for the appointment of the Directors, Group Chief Executive Officer (the GCEO), and key Senior Management of the Company;
- To establish formal remuneration policies for the Directors, GCEO and Senior Management of the Company;
- To ensure that the remuneration packages are competitive within comparable industry or market standards to support the Group's Mission, Vision, and Corporate Values (the GVMCV) as well as to attract, retain, and motivate talents; and
- To set the policy framework and make recommendations to the Board on all elements of the remuneration package and performance arrangements for the GCEO, Non-Executive Directors and Senior Management of the Group.

Finance and Investment Committee (FIC)

- To assist the Board of Directors in fulfilling its oversight responsibilities for the financial affairs of the Company and its subsidiaries (collectively referred to as "the Group");
- To facilitate the establishment of sound financial policies and practices by the Board which will lead to the long-term financial sustainability of the Group; and
- To assist the Board in reviewing investment objectives, strategies, policies and guidelines and to recommend strategic directions in governing the investment activities of the Group to the Board.

Group Chief Executive Officer

- To implement the policies, strategies and decisions of the Board in addition to his responsibilities for the day-to-day operation of the Group's business.
- To enforce compliance with the MCCG, motivating the Group's workforce towards greater productivity and high performance.
- To recognise the importance of human resources.
- To improve employee welfare, health and safety at the workplace.
- To maintain awareness of the competitive market landscape.
- To ensure that the Group maintains high social responsibility and good work culture in the discharge of everyday duties.

 For further details on Director's profiles, please refer to pages 66 to 76 of this report.

- Facilitates due compliance by the Group with all regulations, directions and notices issued from time to time by all relevant regulatory authorities.

- Maintains accurate records of all the proceedings and resolutions passed including preparing comprehensive minutes of meetings.

- Provides full access and services to the Board and carries out any other duties deemed appropriate by the Board from time to time.

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MAIN ACTIVITIES UNDERTAKEN BY THE BOARD DURING THE YEAR UNDER REVIEW

Our Board provides clear, entrepreneurial and responsible leadership to the Group in order to promote the long-term success of the Group, while ensuring the Group has an appropriate risk and control framework, adequate resources and appropriate values and standards to deliver its strategy.

- | | |
|--|---|
| <p>01 Governance, Risk, and Compliance, in particular, the Group's transformation programme named the UTAP Transformation Journey (UTAP). The Group Internal Audit (GIA) is responsible for helping the implementation of UTAP throughout the Company with assistance from our External Consultancy.</p> <p>UTAP is a Group-wide project to ensure that the Company achieves its potential sustainably by implementing a holistic transformative approach towards the Company's processes.</p> <p>02 Deliberating on and approving of the Group's Annual Budget.</p> <p>03 Deliberating on and approving the Quarterly and Annual Financial Performance of the Group, including deliberation and approval of dividend proposal.</p> <p>04 Deliberating and approving the revision of the Group's Financial Policy.</p> <p>05 Deliberating and approving the following Corporate Governance matters:</p> <ul style="list-style-type: none"> a) Revised Board Charter of Bintulu Port Holdings Berhad; b) Revised TOR of the NRC; c) Proposed TOR of the AC; d) Revised TOR of the FIC; e) Proposed TOR of the RC; f) Board Nomination and Remuneration Policy; and g) Board Diversity Policy. | <p>06 Deliberation and approval of the set-up of the Audit Committee (AC) and Risk Committee (RC) from the Audit & Risk Committee (ARC).</p> <p>07 Strategic thinking in navigating the dynamic strategic risk landscape of the business of the Group based on the approved business plan.</p> <p>08 This included the Board's deliberation, guidance and endorsement on the Group's Business Plan, Business Response Plan and risk mitigation strategies.</p> <p>09 Establishing policies, values and integrity for the Group as a whole, in particular, the proposal for the implementation of ISO 37001 throughout the Group.</p> <p>10 Managing the Group's talent and manpower in relation to the appointment of senior management posts, key performance indicators and deliverables of the office.</p> <p>11 Deliberating on the performance assessment of the Board of Directors as an effort and avenue to improve the efficiency of the Board of Directors as a whole.</p> <p>12 Acknowledging the appointment and resignation of members of the Board of Directors.</p> |
|--|---|

BOARD MEETINGS AND SUPPORT

The Board met sufficiently and regularly to discharge its duties effectively and held additional conference calls between the scheduled meetings as and when circumstances required. When a director was unable to attend a meeting, they were provided with the meeting papers to review so they could provide any comments to the Chairman, Committee Chair or Company Secretary prior to the meeting. Directors are provided with meeting papers approximately one week in advance of each Board or Committee meeting. Members of the Management Committee and other senior management are regularly invited to attend Board meetings to present on their specific area of responsibility. Meetings between the Non-Executive Directors, in the absence of the GCEO, are held on an ad hoc basis to provide the Non-Executive Directors with an opportunity to continually assess the performance of management.

The Board is supported by the Company Secretary and has the necessary policies, processes, information and resources in place to ensure that the Board can function effectively and efficiently. All Directors have access to the advice of the Company Secretary and may seek external professional advice at the expense of the Company in regard to their role with the Group. In order to operate effectively, our Directors must receive accurate, timely and high-quality information. This supports their ability to make sound decisions and provide appropriate advice and constructive criticism. The Company Secretary and his team assist the Chairman and GCEO in ensuring effective information flows and that the Board is provided with all relevant information.

There are procedures in place to ensure that the information the Board receives is presented in an appropriate format and contains the level of detail required for the Directors to fulfil their responsibilities effectively.

SUSTAINABILITY AT OUR CORE

We believe that well-governed businesses, run in a sustainable way, will deliver better overall outcomes for customers and clients, stronger and more resilient returns for shareholders, and long-term benefits for society. That's why we think carefully about the environmental, social and governance (ESG) risks and opportunities associated with the businesses, buildings and infrastructure which we invest in and manage.

However, we consider the key to our long-term sustainability is not just about making a difference with what we do – it's also how we do it. This means being mindful of the way we run our own business, the impact we have on the planet and our communities, and the opportunity we have to influence others through leading by example. Our Sustainability practices are governed ultimately by our Board. They provide oversight and support which drives the Group's sustainability agenda. Implementation of our sustainability initiatives, monitoring, reviewing and assessing progress resides with the Corporate Sustainability Committee (CSC). Chaired by the Group Chief Executive Officer, the CSC is a management level Committee whose membership includes key management personnel. The Committee is supported by the Corporate Sustainability Department who has an on ground executional role to implement sustainability initiatives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INDUCTION

To ensure that they are able to effectively contribute to discussions and decision-making, all of our Directors participate in an induction programme on joining the Board. Each induction programme is tailored to provide the individual Director with the necessary knowledge and understanding of the Group, based on their personal experience and background. Where possible, meetings with our key stakeholders will be built into Director induction schedules. In addition, new Board members are required to complete the Mandatory Accreditation Programmes.

DIRECTORS' TRAININGS

The Board recognises the importance of ongoing training and our Directors are given the opportunity to update their skills and experience on a regular basis. Any individual development needs are discussed with the Directors at the annual performance evaluation. In order for the Directors to remain aware of business priorities and external developments, the Board is provided with formal reports and updates from the divisions and external advisers on a regular basis. During the year the Board received various externally facilitated briefing sessions.

The Directors' Trainings covered the following areas:

Digital <ul style="list-style-type: none"> Market Manipulation and Securities Fraud 	Sustainability <ul style="list-style-type: none"> "ESG in the new normal: A corporation's lens" IVAS-IVSC Business Valuation Virtual Conference 2021- Reframing Valuations: Intangibles, ESG and Long-Term Value 	Finance <ul style="list-style-type: none"> Capital Market Conference 2021: Evolution of Capital Market Tax Budget 2021 Seminar Percukaian Kebangsaan 2021 Islamic Finance for Board of Directors
Strategy <ul style="list-style-type: none"> Risk Management Conference 2021 	Governance <ul style="list-style-type: none"> Confirmation Fraud Case Studies: Leveraging on Technology to Reduce Risk of Fraud Qualified Risk Director (QRD) : Risk Oversight Practices & Corporate Culture and ERM Qualified Risk Director (QRD): Risk Appetite, Tolerance & Board Oversight and Strategic ERM: A Primer for Directors Pre & Post IPO Rules and Key Updates to Listing Requirements Qualified Risk Director (QRD): Evolving Expectations for Boards in ERM & The Role of Boards in Fraud Risk Management Section 17A of the MACC ACT 2009 - The Introduction of Corporate Liability Global Summit of Integrated Reporting Communities Talk on a Corporate Liability under Section 17A of the MACC Act Mandatory Accreditation Programme 	

BOARD AND COMMITTEE EVALUATIONS

In January 2022, Bintulu Port Holdings Berhad (BPHB) engaged the Institute of Corporate Directors Malaysia (ICDM) to conduct the Board & Directors Effectiveness Evaluation (BDEE) and Individual Directors Evaluation (IDE). The scope covers the ten key parameters or core drivers (domains), based on the Malaysian Code of on Corporate Governance (MCCG) 2021 which looks at the effectiveness of the board, the board committees, and the performance of the individual directors. The key parameters are:

- Board Leadership
- Board Composition, Skills and Development
- Board Committees
- Board Governance Oversight & Processes
- Board Agenda, Meetings and Information
- Board Dynamics & Culture
- Board & Management Relationship
- Board & Stakeholder Engagement
- Board & Sustainability Matters
- Board Crisis Management Responses

This first time engagement of an externally facilitated BDEE conducted by subject matter experts is in line with MCCG Practice 6.1 for Large Cap Companies and is intended to lend more credibility, depth and objectivity to help shape consensus toward further board and governance improvements.

This comprehensive BDEE assessment comprised of one-on-one dialogues with all the Directors and selected members of Senior Leadership Team (SLT), who regularly interact with the Board, as well as an online survey and review of selected governance documents including Board Charter, board committees TORs and minutes of meetings.

Due to the pandemic situation, interviews were conducted online and not on a physical 'face to face' (F2F) basis.

The BDEE also assessed the capabilities, contribution and performance of each director and an Individual Directors Evaluation (IDE) report will be sent to board members covering self vs peer board competency comparisons, technical knowledge, areas for reflection, development and recommendations for greater effectiveness in their role.

The detailed observations and improvements categorised under the ten parameters in the full BDEE report would be presented to the Board for deliberations by end April 2022. The board would then prioritise the recommended improvements to be adopted and agree on the way forward to further enhance board performance. The results of BDEE FY 2021 and the recommendations will be designated as the subject of the Board's focus during FY 2022.

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OUR APPROACH TO REMUNERATION

The responsibility for setting appropriate levels of remuneration for the Directors, the GCEO and Top Management resides within the purview of the NRC. The NRC believes that our most important asset is our people. The remuneration strategy therefore seeks to ensure that we appropriately reward our Directors and employees for performance against the Group's key objectives and goals while delivering sustainable value creation.

BOARD NOMINATION AND REMUNERATION POLICY	BOARD DIVERSITY POLICY
<ul style="list-style-type: none"> The Board of Directors and the Group are mindful that a balanced and effective Board will influence the ability of the Board to fulfil its duties and responsibilities. The Board is also cognisant of the fact that fair remuneration is critical to attract, retain and motivate the Directors of the Group. To set an appropriate level of remuneration that allows the Group to attract and retain the services of a suitable number of talented and well-qualified Directors in line with the long-term business strategies of the Group. To establish the process to be undertaken by the Company's Nomination and Remuneration Committee (the NRC) and the Board in discharging their responsibilities in terms of the nomination, appointment, assessment and re-election of Board members in compliance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR) and the Malaysian Code on Corporate Governance 2021 (MCCG 2021). 	<ul style="list-style-type: none"> The Board of Directors and the Group recognise Board diversity as one of the elements contributing to the sustainable development of the Group. In heeding the recommendations made by the Malaysian Code on Corporate Governance 2021 (MCCG 2021), the Board is pleased to introduce the Board Diversity Policy as an effort to formalise its approach to gender diversity.

The details of the remuneration breakdown of individual directors (including fees, salary, bonus, benefits-in-kind and other emoluments) during the financial year 2021 are as follows:

NAME OF DIRECTOR	FEES (RM'000)		ALLOWANCES (RM'000)			BENEFITS-IN-KIND (RM'000)
	BPHB	SUBSIDIARY	BPHB	COMMITTEES	SUBSIDIARY	
Non-Independent Non-Executive Directors						
Tan Sri Dr. Ismail bin Hj. Bakar Resigned on 1 May 2021	48.0	Not Applicable	24.0	Not Applicable		18.0
Dato' Abdul Mutalib bin Alias Appointed on 1 May 2021	96.0	Not Applicable	30.0	Not Applicable		36.0
Puan Zakiah binti Jaafar Resigned on 9 March 2022	102.0	50.4	12.5	6.0	4.5	-
Tan Sri Datuk Amar Mohamad Morshidi bin Abdul Ghani	102.0	50.4	20.5	Not Applicable	10.5	-
Gen Dato' Seri DiRaja Tan Sri (Dr.) Mohd. Zahidi bin Hj. Zainuddin Resigned on 1 August 2021	59.5	29.4	14.5	3.0	4.5	-
Dato Sri Fong Joo Chung	102.0	72.0	30.0	9.0	14.0	-
Datuk Nasarudin bin Md Idris	102.0	72.0	25.5	6.0	10.0	-
Encik Dzafri Sham bin Ahmad Resigned on 1 July 2021	51.0	25.2	16.0	4.5	6.0	-
Encik Mohamed Syazwan bin Abdullah @ Laga Appointed on 1 July 2021	51.0	25.2	9.5	4.5	4.5	-
Puan Hasmawati binti Sapawi Appointed on 1 August 2021	42.5	21.0	11.0	1.5	3.0	-
Independent Non-Executive Directors						
Dato' Sri Mohamed Khalid bin Yusuf @ Yusup	102.0	72.0	30.5	13.5	10.0	-
Datuk Yasmin binti Mahmood	102.0	50.4	29.5	14.0	7.5	-
Datuk Nozirah binti Bahari	102.0	50.4	28.0	9.0	7.5	-
(Dr.) Salihin bin Abang	102.0	50.4	41.0	17.5	7.5	-
Totals (RM'000)	1,164.0	568.8	322.5	88.5	89.5	54.0
	1,732.8		500.5			54.0

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The details of the remuneration of the top five senior management (including salary, allowances and bonus), in each successive band of RM50,000 during the financial year 2021, are as follows:

Remuneration Band (RM)				
350,001 - 400,000	400,001 - 450,000	450,001 - 500,000	550,001 - 600,000	800,001 & above
Eizam bin Ismail COO, Samalaju Industrial Port Sdn. Bhd.	Matshalleh bin Mohamad Etli COO, Bintulu Port Sdn. Bhd.	Daiana Luna Suip CFO, Bintulu Port Holdings Berhad	Yusof bin Ibrahim COO, Bintulu Port Sdn. Bhd. (Retired on 31 December 2021)	Dato Mohammad Medan bin Abdullah GCEO, Bintulu Port Holdings Berhad

THE WORK OF OUR BOARD COMMITTEES

There are four main Board Committees – Audit, Risk, Nomination and Remuneration, and Finance and Investment. Each Committee reviews its own terms of reference and these are then reviewed by the full Board together with the matters reserved to the Board. Additional attendees are invited to attend Board Committee meetings at the discretion of the relevant chair.

A forward-looking agenda is established for the Board and each of the main Board Committees to ensure that items are scheduled at the appropriate time during the year. Sufficient time is given for the

consideration of the agenda during the meetings. Regular deep-dive presentations form part of the annual meeting cycle, focusing on particular business areas or major projects of strategic importance to the Group. The full terms of reference for all Board Committees and their roles and responsibilities are available on our website at www.bintuluport.com.my. Committee membership and attendance can be found on pages 84 and 85 of this Report. During the year under review, the Audit and Risk Committee separated into two committees; Audit Committee (AC) and Risk Committee (RC). This change ensured appropriate and significant time will be spent on both audit and risk issues. The focus areas of each Committee during the year under review are listed below.

AUDIT COMMITTEE (AC)

Committee Activities During The Year

- Deliberated on the Group's quarterly financial performance for Quarter 4 2020 and Quarter 1 to Quarter 3 2021;
- Deliberated on the Group's proposal for dividend;
- Deliberated on the Group's Annual Financial Performance and Audited Financial Statements for the year ended 31 December 2020;
- Reviewed the 2020 Audit Progress Report and Audit Results for the year ended 31 December 2020 by External Auditor;
- Reviewed the 2021 Audit Planning Memorandum by the External Auditor;
- Had two (2) audit special sessions with the External Auditor;
- Deliberated on the proposed Key Performance Indicators for the Head of Group Internal Audit (GIA) for Year 2021.

RISK COMMITTEE (RC)

Committee Activities During The Year

- Deliberated on the proposed TOR for the RC;
- Reviewed the current status of Bintulu Port Holdings Berhad's Enterprise Risk Management (ERM) Framework;
- Reviewed on the Group's current risk profiles and its mitigations; and
- Reviewed the Corruption Risk Management.

INTERNAL AUDIT

- Reviewed and approved the Annual Audit Plan to ensure adequate scope and comprehensive coverage of the Group's activities;
- Ensured adequacy of resources and competencies of staff in executing the Audit Plan to produce a quality and reliable audit report;
- Reviewed the contents of internal audit reports issued by Internal Audit on the effectiveness and adequacy of governance, risk management, operational and compliance processes;
- Reviewed the proposed corrective actions to be implemented by the process owners; and
- Met with the Internal Auditors without the presence of Management to obtain feedback from them and to discuss measures that may enhance the Internal Audit function of the Group.

EXTERNAL AUDIT

- Reviewed the External Auditors' terms of engagement, nature and scope of work for financial year 2021 and made recommendations for the Board's approval;
- Reviewed the findings of the External Auditor Report, especially the audited financial statements, and ensured appropriate action was taken by the management on issues raised by the External Auditor;
- Reviewed and made recommendations to the Board for approval of the audit fees for the External Auditor; and
- Met with the External Auditor twice without the presence of Management to obtain feedback from them and to discuss measures that may enhance the audit function of the Group.

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NOMINATION AND REMUNERATION COMMITTEE (NRC)

Committee Activities During The Year

- | | |
|--|--|
| <ul style="list-style-type: none"> i. Made proposals on the appointment, resignation and re-election of Directors/the Chairman pursuant to the 25th Annual General Meeting of Bintulu Port Holdings Berhad; ii. Carried out the Annual Board Effectiveness Assessment for the Board of Directors of Bintulu Port Holdings Berhad; iii. Made proposals for promotion, confirmation and renewal of contracts for Senior Management positions in the Company; iv. Made proposals for payment of performance bonuses and annual salary increments for Management and staff; v. Made proposals on the key performance indicators of the Group Chief Executive Officer; vi. Developed criteria for the talent pool and human resource development programme in relation to the Group's succession planning; | <ul style="list-style-type: none"> vii. Deliberated on Human Resources' policies review; viii. Deliberated and made recommendations on the following Corporate Governance matters: <ul style="list-style-type: none"> a) Revised TOR of the NRC; b) Board Nomination and Remuneration Policy; and c) Board Diversity Policy. ix. Monitored the progress of the policies' review; x. Deliberated on the Management Succession Plan for the position of Group CEO; xi. Deliberated on the Management Succession Plan for the Senior Management positions; and xii. Deliberated and approval on the Separation of Audit and Risk Committee and Establishment of Audit Committee and Risk Committee of Bintulu Port Holdings Berhad. |
|--|--|

FINANCE AND INVESTMENT COMMITTEE (FIC)

Committee Activities During The Year

- | | |
|--|---|
| <ul style="list-style-type: none"> i. Deliberated and made recommendation on the revision of BPHB Group's Financial Policies and Procedures; ii. Deliberated on the revision of Asset Capitalisation and Depreciation Policy and its impact to the Group's financial result; | <ul style="list-style-type: none"> iii. Deliberated on the Proposed Sukuk Restructuring Programme; and iv. Deliberated and made recommendation on the 2022 Group's Budget and Business Plan 2022. |
|--|---|

DIRECTORS WHO ARE STANDING FOR RE-ELECTION AT THE TWENTY-SIXTH (26TH) ANNUAL GENERAL MEETING OF THE COMPANY

Directors Re-Elected Pursuant to Clause 24.5 of the Constitution of Bintulu Port Holdings Berhad:

YBhg. Dato Sri Fong Joo Chung

Non-Independent Non-Executive Director

YBhg. Datuk Nozirah binti Bahari

Independent Non-Executive Director

(Dr.) Salihin bin Abang

Independent Non-Executive Director

Directors Re-Elected Pursuant to Clause 24.12 of the Constitution of Bintulu Port Holdings Berhad:

YBhg. Dato' Abdul Mutalib bin Alias

Non-Independent Non-Executive Chairman

Encik Mohamed Syazwan bin Abdullah @ Laga

Non-Independent Non-Executive Director

Puan Hasmawati binti Sapawi

Non-Independent Non-Executive Director

The profiles of the above-named Directors who are standing for re-election as stated in the Notice of the 26th AGM are set out in the Who Governs us on pages 66, 68, 69, 71, 74 and 75.

AUDIT, RISK AND INTERNAL CONTROLS

Our Board recognises that successful delivery of the Group's strategic and day-to-day objectives is underpinned by a comprehensive and consistent assessment of relevant risks. Effective, agile and universally applied risk management principles enable the Group to accurately examine its risk profile against its accepted attitude and appetite, limit its exposure to unacceptable risks and ensure long-term viability. Once key risks to delivering value to the Group and its stakeholders are identified, a decision is made to treat, tolerate, terminate or transfer potential exposure. For more information, refer to pages 99 to 108 for the Statement on Risk Management and Internal Control. The Board is committed to meeting the relevant requirements of the MCCG 2021 and has applied the principles of the Code in establishing procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives.

Roles and responsibilities

Our Board is responsible for the implementation and oversight of the Group's risk management framework and for examining and verifying the internal control environment. It sets the Group's appetite for and attitude towards risk in pursuit of its agreed strategic objectives and drives an effective risk management culture. Our Board directs the level of risk that can be taken by the Group, subsidiaries and respective divisions. Group policies, procedures and delegated authority levels set by the Board provide the structure in which risks are reviewed and escalated to the appropriate level within the Group, up to and including the Board, for consideration and approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The roles and responsibilities of the Board, the AC, RC and Top Management in respect to Audit, Risk and Internal Controls are set out below:

RESPONSIBILITIES			
Board <ul style="list-style-type: none"> Responsible for the Group's systems of risk management and internal control. Determines Group appetite for and attitude to risk in pursuit of its strategic objectives. 	Audit Committee <ul style="list-style-type: none"> Confirms the Group Internal Audit Plan. Reviews significant accounting policies and judgements. Evaluates the effectiveness of the Group's internal control. Oversees the adequacy and effectiveness of the Group's Whistleblowing Policy and procedures implemented to address allegations made by whistleblowers. 	Risk Committee <ul style="list-style-type: none"> Oversees and recommends the risk management policies and procedures of the Group. Reviews and recommends changes as needed to ensure that the Group has in place at all times a Risk Management policy which addresses the strategic, operational, financial and compliance risks. Oversees the execution of the aforementioned process and ensures it is continuously improved as the business environment changes. Oversees the management of certain risks, with regard to the complexity and significance of these risk exposures. Oversees the implementation of compliance and corruption risk framework and policies. 	Top Management <ul style="list-style-type: none"> Demonstrates strategic leadership. Responsible for reviewing and implementing the Group's risk management policy. Ensures appropriate actions are taken to manage strategic risks and other key risks.
ACTIONS UNDERTAKEN			
<ul style="list-style-type: none"> Issues and reviews the Group's risk management policy. Performs quarterly reviews of the effectiveness of the Group's risk management and internal control systems. Reviews the Group's risk landscape, principal risks and risk responses. 	<ul style="list-style-type: none"> Receives regular reports on internal and external audit and other assurance activities. 	<ul style="list-style-type: none"> Annually assesses the Group's risk management and internal control systems. Performs quarterly assessment on the effectiveness of the principal risks including corruption risk and their mitigation strategies. 	<ul style="list-style-type: none"> Reviews the strategic plan and annual budget process. Produces and tracks the Group Risk Register. Reviews risk management and assurance activities and processes. Carries out monthly/quarterly finance and performance reviews.

INTERNAL CONTROL

Our Board has ultimate responsibility for the Group's risk management and internal control systems and regularly reviews their effectiveness. The Group's systems and controls are designed to ensure exposure to significant risk is both understood and appropriately managed. The Board recognises that any system of internal control is designed to identify and control rather than eliminate risk and can only provide reasonable and not absolute assurance against material misstatement or loss. Central to the Group's systems of internal control are its processes and framework for risk management. The Group has a thorough understanding of its risk exposures and has mapped out its assurance network accordingly.

There is also an independent internal audit function that executes a risk-based programme of audit throughout the entire Group. All audit reports are shared with relevant Heads of Divisions in addition to being reviewed by the Audit and Risk Committees. It is the expectation and requirement of the Board that Heads of Divisions ensure this comprehensive internal control environment (including internal audit) is embedded within their business units.

Principal risks

The principal risks that could adversely impact the Group's profitability and ability to achieve its strategic objectives are set out on pages 37 to 38, The Risks We Consider.

ANTI-BRIBERY AND CORRUPTION POLICY

The Anti-Bribery and Corruption Policy (ABC) ensures honest, ethical, transparent and accountable conduct in all of our businesses, adopts a zero tolerance approach to all forms of corruption, objects to all forms of money laundering practices, is applicable to all persons within the BPHB Group, provides employees with information and guidance on how to recognise, deal with and combat corruption and ultimately, protects the Group against repercussions should acts of corruption occur. The ABC Policy of BPHB was approved unanimously on 28 November 2019.

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EFFECTIVE STAKEHOLDER COMMUNICATION

Discussion and decision-making by the Board take the views of key stakeholders into account while continuing to promote the Group's long-term sustainable success. Stakeholder engagement takes place across the Group, both operationally by management and by the Board. The outcomes of stakeholder discussions, including any concerns raised by them, are reported to the Board and Board Committees on a regular basis. This enables the Directors to better understand how the Group's culture and values are embedded across all aspects of the Group's

activities and supports informed decision-making, but it is important that the Board allows management to manage and only engages directly with stakeholders when this is appropriate. In our business, engagement with most stakeholder groups is best handled by the management with the Board maintaining oversight and only engaging directly if there are issues which truly warrant its involvement and where this will add value to the process. This is particularly true of engagement with customers and suppliers but also true of government, regulators and communities. The table below details the way the Group engages with stakeholders, their concerns and our responses:

EMPLOYEES

Expectations/Concerns:

Our employees expect to have a safe and secure working environment and also be given opportunities for career development

Our Response:

- Undertook comprehensive steps to ensure employees remained safe during the pandemic
- Conducted surveys in 2021 to better understand our employees
- Promoted work-life balance with regular health check-ups & mental health awareness talks

Method and Frequency of Engagement:

- Satisfaction survey – Annually
- BPHB Group COVID-19 Response Survey (e-survey) to better understand the challenges faced by employees during the pandemic
- UTAP Transformation Journey – GRC Culture Survey to assess employees' understanding of governance, risk and compliance culture

Impact on the Group:

Creating competent and efficient employees to add value to the Group.

The Group is seeking to understand the impact of the pandemic on our employees to ensure that sustainable working arrangements can be established.

CUSTOMERS

Expectations/Concerns:

Customers expect the Group to be efficient and secure in assisting them in moving their cargoes quickly

Our Response:

- During the pandemic, the Group facilitated new initiatives and incentives to attract and retain customers while reducing their burdens
- The Group is constantly improving operational efficiency and has a robust maintenance programme to ensure reliability and availability of our equipment and facilities

Method and Frequency of Engagement:

- Customer Satisfaction Index (CSI) – Annually
- Customer Insight Group – Annually
- Customer Attraction Programme – Periodically
- Customer Loyalty and Retention Programme – Periodically

Impact on the Group:

Our quick, efficient and safe turnaround of their goods will help our customers in their business while also raising our status as their preferred port.

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REGULATORY AUTHORITIES AND CERTIFICATION BODIES

Expectations/Concerns:

Regulatory authorities expect the Group to comply with the relevant laws, standards, certifications and contracts

Our Response:

- Continued to practise the highest standards of governance, ethics and compliance
- Compliance in establishing COVID-19 SOPs and strict adherence by staff and port users

Method and Frequency of Engagement:

- Environmental Monitoring – Quarterly
- Site inspection and audits – Periodically
- Continuous development of the Board of Directors through a variety of seminars and training and certification programmes
- Seminars, briefings and training for all employees – Online

Impact on the Group:

Overall business continuity.

SHAREHOLDERS AND THE INVESTING PUBLIC

Expectations/Concerns:

Shareholders expect the Company to enhance sustainable value creation and return on investment and to provide transparent information about our performance

Our Response:

- Improved our productivity by implementing operational efficiencies while executing growth strategies to increase revenue
- Progressed our strategies and contained our costs during the pandemic
- An investor relations programme that shares transparent and material information about our performance was introduced

Method and Frequency of Engagement:

- Annual General Meeting – Annually
- Shareholdings Analysis – Monthly
- Investor and Analysts' Briefing – Quarterly
- Group Financial Results announcements – Quarterly
- Corporate website
- Annual Report

Impact on the Group:

Growing revenue while prudently managing cost leads to sustainable returns and dividends.

Maintaining good financial health and good reporting practices will allow us to be trusted and preferred by investors.

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LOCAL COMMUNITY

Expectations/Concerns:

The local community expects employment and business opportunities and the Group's positive contribution as a responsible corporate citizen

Our Response:

- Employed locals and ensured safe operations with regular environmental monitoring and effective waste management
- Regularly engaged with the community at large through CSR efforts
- During the pandemic, we contributed to communities to ease their burdens and donated critical medical equipment to frontliners throughout Sarawak

Method and Frequency of Engagement:

- Sponsorships and support for charitable and welfare programmes – Periodically
- Industrial training – Periodically
- CSR programmes – Regularly

Impact on the Group:

Being recognised as a caring, friendly, responsible and proactive organisation will raise our standing with the community while also ensuring the sustainability of the overall business.

MEDIA

Expectations/Concerns:

The media expects timely, reliable and transparent information about the Group's operations and initiatives

Our Response:

- Provided regular press releases to be transparent about our operations and maintained good rapport with our media partners

Method and Frequency of Engagement:

- Press releases – As and when a newsworthy event is conducted
- Media coverage – As and when a newsworthy event is conducted
- Media get-together – Annually

Impact on the Group:

A long-term partnership with the media is important in order to improve visibility, build on our reputation and broadcast our efforts to our stakeholders.

VENDORS & SUPPLIERS

Expectations/Concerns:

Vendors and suppliers expect the Group to be a professional business entity in the context of timely payments, safe operations and an ethical business environment

Our Response:

- Ensured timely payments, equal business opportunities and an ethical business environment
- During the pandemic, we continued to allow suppliers to conduct their business, albeit with SOPs in place, and communicated transparently with them on how business would be conducted under the new normal

Method and Frequency of Engagement:

- Vendor registration – Periodically
- Contract negotiations – Periodically
- Safety induction briefings – Virtually
- Site visits – Periodically

Impact on the Group:

The continued trust and rapport we build with our vendors and suppliers lead to better value creation outcomes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FINANCIAL INSTITUTIONS AND SUKUK MURABAHAH SUBSCRIBERS/HOLDERS

Expectations/Concerns:

Financial institutions and Sukukholders expect strong operational and financial performance to support the repayment of loans

Our Response:

- Timely and consistent sharing of relevant information and financial results
- Timely repayments on our borrowings
- Engaged rating agency for Corporate Credit annual rating review

Method and Frequency of Engagement:

- Periodic Distribution Payment – Semi-Annually
- Annual Rating Review – Annually
- Interface session with bankers and Sukukholders – Periodically
- Sukukholders' Extraordinary General Meeting – Periodically

Impact on the Group:

Maintaining good ratings will confirm our financial strength and ability to meet financial obligations.

MARITIME COMMUNITY

Expectations/Concerns:

The maritime community expects the Group to conduct its operations in an environmentally friendly manner for the mutual benefit of the Port and the community

Our Response:

- The Group complied with good environmental practices & standards and the concepts of a green port
- Promoted port services to the shipping community and port users through regular and effective communication

Method and Frequency of Engagement:

- Briefing and communication – Periodically
- Networking events – Periodically

Impact on the Group:

Complying with rules and regulations is important for business continuity, while exploring new business opportunities improves revenue prospects for the Group.

Up-to-date information on the Group is accessible via the Group's website at



www.bintuluport.com.my

The primary contacts of the Group are as follows:

GROUP CHIEF EXECUTIVE OFFICER**Bintulu Port Holdings Berhad**

Tel : +60 86 291001 (ext. 300)

Fax: +60 86 253597

COMPANY SECRETARY**Bintulu Port Holdings Berhad**

Tel : +60 86 291001 (ext. 257)

+60 86 251090 (Direct Line)

Fax: +60 86 254062

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CORPORATE GOVERNANCE OVERVIEW STATEMENT**LIST OF INTERFACE AND ENGAGEMENT SESSIONS**

No.	Date	Summary of Interface/Engagement Sessions	Venue
1.	12 March 2021	RAM Rating Services Berhad	Online
2.	17 March 2021	Kumpulan Wang Simpanan Pekerja (KWSP)	Virtual
3.	6 April 2021	RAM Rating Services Berhad	Online
4.	3 June 2021	Malaysian Trustees Berhad	Online
5.	22 June 2021	Capital Dynamic Asset Management	Virtual
6.	29 July 2021	Malaysian Trustees Berhad	Online
7.	22 October 2021	Public Mutual Berhad	Online

* Online: via conference call & email

ADDITIONAL COMPLIANCE INFORMATION**i. Recurrent Related Party Transactions (RRPT) of a Revenue Nature**

As required by the MMLR, RRPT of a revenue nature must be disclosed in the Annual Report. For the year 2021, there were no new related parties involved with the Group other than the existing ones, which comprised the Sarawak State Financial Secretary (SFS) and Petroliaam Nasional Berhad (PETRONAS). The transactions involved were in the ordinary course of business and were in terms not more favourable to the related party than those generally available to the public. The services rendered or goods purchased were based on a non-negotiable fixed price which was published or publicly quoted and all material terms including the prices or charges were applied consistently to all customers or classes of customers.

ii. Non-Audit Fees

The requirement to disclose the Non-Audit Fees is provided for under Chapter 9, Item (18) of Appendix 9C of the MMLR. Hence, the Non-Audit Fees paid to the External Auditors by the Group for reviewing the Directors' Statement on Risk Management and Internal Control for the year ended 31 December 2021 amounted to the sum of RM10,000.00 only.

iii. Material Contract

The Board confirms that there was no material contract entered into by the Group involving the Directors' and major shareholders' subsisting interest at the end of 2021.

iv. Imposition of Sanctions/Penalties

There were no sanctions/penalties on the Group, Board of Directors and Management for the financial year ended 31 December 2021.

v. Details of Attendance at Meetings Held in the Financial Year Ended 31 December 2021

For attendance, please refer to pages 84 and 85 of this Statement.

vi. Statement by the Board on Compliance

The Board continues to strive for high standards of Corporate Governance throughout the Group. The Board is of the view that the Company has, in all material aspects, satisfactorily complied with and observed the relevant chapters of the Main Market Listing Requirements and the Companies Commission of Malaysia's requirements as well as the principles and practices set out in the MCCG, except the departures as set out in the Corporate Governance Report.

Statement made in accordance with the Board's Resolution dated 17 March 2022.

EFFECTIVE RISK MANAGEMENT STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE GROUP IS PLEASED TO PRESENT THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021.

This statement is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirement (MMLR) of Bursa Malaysia Securities Berhad which outlines the nature and scope of the risk management and internal control systems within the Group during the year under review.

BOARD'S RESPONSIBILITY

The Board, while acknowledging its responsibility, recognises that the risk management and internal control system is designed to manage, rather than eliminate, risks that may impede the achievement of the Group's business goals and objectives.

Therefore, the system can only provide reasonable, but not absolute, assurance against the occurrence of any material misstatement, fraud or loss.

To ensure the adequacy, effectiveness and integrity of the Group's risk management and internal control, the Board maintains full control over governance, strategic, financial, organisational, operational, regulatory and compliance risks and has put in place formal lines of responsibility and delegation of authority.

The review of the risk management and internal control environment and processes is delegated by the Board to the Risk Committee (RC) and Audit Committee (AC).

RISK MONITORING AND REPORTING STRUCTURE



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ERM FRAMEWORK

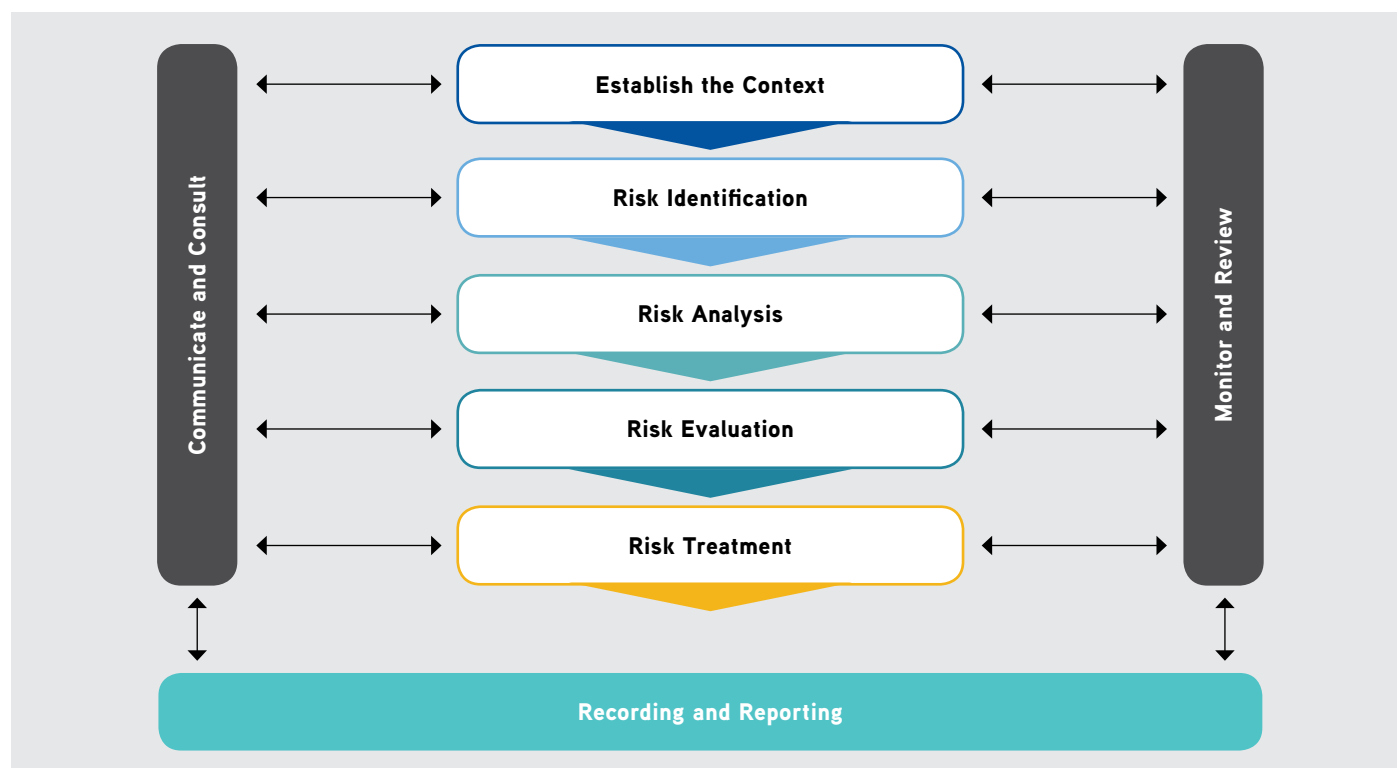


The ERM Manual has been established and has incorporated eight guiding principles under ISO 31000:2018 Risk Management:

1. **Structured and comprehensive:** A structured and comprehensive approach to risk management shall be utilised.
2. **Customised:** All risk management activities shall be tailored to fit the organisational context and aligned to the corporate objectives and organisational priorities of the Group.
3. **Human and cultural factors:** Risk management strategies and practices shall be developed, communicated to, practised by all employees and led by a strong tone from the top.
4. **Integrated:** Risk management activities shall be embedded in the daily operations, from strategy formulation through to business planning and processes, including organisational strategic planning, business planning and investment/project appraisal procedures.
5. **Inclusive:** Risk management shall include the necessary stakeholders and take into account their knowledge, views and perceptions to ensure risks are managed to fulfil the expectations of the stakeholders and the organisation.
6. **Dynamic:** Risk management shall be able to detect and respond to both internal and external changes appropriately when they occur.
7. **Best available information:** Risk management shall account for any limitations and uncertainties regarding the provided historical and current information and future expectations and manage risks based on accepted standards and good practices.
8. **Continuous improvement:** Risk management practices shall be continually improved.

EFFECTIVE RISK MANAGEMENT STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ERM PROCESS



THE ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

ENTERPRISE RISK MANAGEMENT (ERM)	INTERNAL CONTROL
<p>ERM Environment Creates and establishes clear functional responsibilities and accountabilities that cover Governance, Framework and Process</p>	<p>Authority & Responsibility Encompasses Board Terms of Reference, all structures of the organisation and the internal control and compliance environment, as well as responsibility levels</p>
<p>Materiality Assessment Assessment made according to the recommendations of Bursa Malaysia's Sustainability Reporting Guide</p>	<p>Planning, Monitoring & Reporting Covers budgeting and forecasting exercises, continuous performance review and appropriate application of finance functions</p>
<p>Risk Management Committee Internal Risk Management Committee established to monitor Principal Risks of the Group as a whole</p>	<p>Policies & Procedures Contains information on how the Group operates through SOPs, Code of Conduct and its Customer Charter</p>
<p>Risk Management Function The establishment of an ERM Department for the coordination of risk management within the Group</p>	<p>Audit Covers internal and external audit functions of the Group as well as audit by certification bodies</p>

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THE ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE (CONTINUED)

ENTERPRISE RISK MANAGEMENT (ERM)	INTERNAL CONTROL
<p>Risk Management Awareness Programme Group-wide inculcation of a robust risk governance and compliance culture, supported by training programmes</p> <hr/> <p>Group Principal Risk Profile Provides oversight for the Audit and Risk Committees during meetings</p> <hr/> <p>ERM Manual sets out the policies for identifying, assessing, monitoring, managing and reporting risk for BPHB Group, aligned with the guidelines of ISO 31000:2018 Risk Management</p> <hr/> <p>Insurance Involves information relating to the protection of the Group's assets</p>	<p>Compliance Contains information on the role played by Group Legal Counsel</p> <hr/> <p>Performance Measurement Contains information on how the performance of employees is measured</p> <hr/> <p>Employees' Competencies Contains information on how employees' competencies are continuously enhanced</p>

ENTERPRISE RISK MANAGEMENT (ERM)

The Group's Enterprise Risk Management (ERM) segment comprises the following key elements:

Segment	Key Element
ERM Environment	<p>One of the key features of the risk management environment is the implementation of established and clear functional responsibilities and accountabilities for the management of risk.</p> <p>The ERM Environment consists of a framework, process and governance and is illustrated on pages 99 to 101 of this Statement.</p>
Materiality Assessment	<p>Pursuant to the recommendations of Bursa Malaysia's Sustainability Reporting Guide, an organisation should reconsider its material sustainability risks and opportunities (i.e. sustainability matters) at least once a year. This is to ensure that the sustainability matters being managed and reported remain significantly important to its business and are aligned to stakeholders' needs.</p> <p>The Group undertook a materiality assessment in 2021, comprising a series of focus group sessions and interviews with various key internal stakeholders.</p>

EFFECTIVE RISK MANAGEMENT STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ENTERPRISE RISK MANAGEMENT (ERM) (CONTINUED)

The Group's Enterprise Risk Management (ERM) segment comprises the following key elements:

Segment	Key Element
Risk Management Committee	<p>A Risk Management Committee has been established, comprising the following members:</p> <ul style="list-style-type: none"> • Group Chief Executive Officer (GCEO) • Group Chief Financial Officer • Chief Operation Officers (COOs) • Company Secretary • General Manager, Group Human Resources Management • General Manager, Group Legal Counsel • General Manager, Group Health & Safety Environment • General Manager, Group Corporate Planning & Development • General Manager, Group Information Technology • Senior Manager, Group Internal Audit • Senior Manager, Group Corporate Services • Senior Manager, Group Security <p>In Year 2021, the Management updated the Board on a quarterly basis (February, May, August & November).</p>
Risk Management Function	<p>The risks are viewed and managed from a Group-wide perspective and are driven by a designated ERM Department under Group Corporate Planning & Development (GCPD).</p> <p>The ERM Department is responsible for the overall coordination of risk management within the Group and works closely with Risk Focal Persons who undertake the monitoring and assessment of risk controls in their respective divisions and departments.</p>
Risk Management Awareness Programme	<p>The main objective of the programme is to inculcate a robust risk governance and compliance culture among all staff, ranging from operational to Senior Management.</p> <p>In Year 2021, the ERM Department was involved in five series of induction programmes to educate and brief new staff on Enterprise Risk Management.</p>
Group Principal Risk Profile	<p>The Group Principal Risk Register & Profile is a permanent agenda item of the RC meetings, which deliberate on the following principal risks:</p> <ul style="list-style-type: none"> • Strategic Risk • Financial Risk • Compliance Risk • Operational Risk
Insurance	<p>Sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss.</p>

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INTERNAL CONTROL

The Group's internal control segment comprises the following key elements:

Segment	Key Element
Authority & Responsibility	<p>TERMS OF REFERENCE</p> <p>The Board has delegated certain responsibilities to Board Committees, as follows, through clearly defined and approved Terms of Reference (TOR) which shall be reviewed as and when necessary:</p> <ul style="list-style-type: none"> • Audit Committee • Risk Committee • Nomination and Remuneration Committee • Finance and Investment Committee <p>The above TOR are accessible on the Group's website.</p> <p>In addition, there are a number of committees established by the Management with specific TOR, such as the Major Tender Committee, Minor Tender Committee and Quotation Committee.</p> <p>ORGANISATIONAL STRUCTURE</p> <p>The Group has an organisational structure with formal lines of authority and accountability that set out clear segregation of powers to guarantee effective control at various levels of the Group.</p> <p>The Management is responsible for the implementation of the Group's strategies and day-to-day business based on the established structure and limits of authority.</p> <p>The organisational structure is reviewed from time to time to address changes in the business environment, as well as to keep abreast of current and future trends in new technologies, products and services.</p> <p>RESPONSIBILITY LEVELS</p> <p>The Group has established levels of authority, which have been approved by the Board and which are subject to review from time to time to reflect the limits of authority of the Management in all aspects of the Group's major businesses, operations and functions.</p> <p>COMPLIANCE ENVIRONMENT</p> <p>Each division and business unit within the Group has established an adequate compliance environment by instituting specific and dedicated functions to oversee compliance matters with respect to business and operations.</p> <p>INTERNAL CONTROL POLICY</p> <p>The policy was established and was approved by the Board of Directors and it is subject to review from time to time, in order to reflect changes in the internal control environment that may affect the Group's business and operations.</p>

EFFECTIVE RISK MANAGEMENT STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (CONTINUED)

The Group's internal control segment comprises the following key elements:

Segment	Key Element
Planning, Monitoring & Reporting	<p>BUDGET</p> <p>The Group performs comprehensive budgeting and forecasting exercises including preparation of business plans.</p> <p>An annual planning and budgetary exercise is undertaken requiring all divisions to prepare budgets for the forthcoming year.</p> <p>These are deliberated on and approved by the Board prior to implementation by the Management.</p>
	<p>PERFORMANCE REVIEW</p> <p>The Group's business plans for the year are reviewed and deliberated on by the Board on an annual basis.</p> <p>The actual performance against budget and financial performance variances are analysed and reported on a quarterly basis to the Board and timely corrective actions are then taken.</p>
	<p>FINANCE FUNCTION</p> <p>The Group Finance Division is required to provide assurance that appropriate accounting policies have been adopted and applied consistently, that the going concern basis as applied in the Annual Financial Statements and Condensed Consolidated Financial Statements of the Group is appropriate and that prudent judgements and reasonable estimates have been made in accordance with the requirements set out in established and applicable Financial Reporting Standards.</p>

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EFFECTIVE RISK MANAGEMENT STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (CONTINUED)

The Group's internal control segment comprises the following key elements:

Segment	Key Element
Policies & Procedures	<p>STANDARD OPERATING PROCEDURES</p> <p>Clear, formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations.</p> <p>Information relating to Financial, Procurement & Contract Management, Human Resources and Information Technology are documented and accessible through the Group's intranet and manuals.</p> <p>In addition, the Group has obtained accreditation from local and international bodies to standardise relevant processes, such as ISO9001 and ISO14000.</p> <p>ANTI-BRIBERY AND CORRUPTION (ABC)</p> <p>It is also important for the Group to comply with, uphold and conduct its business in accordance with applicable laws in relation to anti-bribery and corruption. The details of the ABC Policy are set out on page 93.</p> <p>CODE OF CONDUCT</p> <p>The Code of Conduct is given to all newly recruited staff upon joining the Group.</p> <p>They are required to strictly adhere to the Code of Conduct in order to ensure a high level of discipline and integrity while carrying out their duties.</p> <p>It is the responsibility of all staff to maintain and practise the Code of Conduct as part of their accountability towards achieving the Group's overall objectives.</p> <p>CUSTOMER CHARTER</p> <p>The Customer Charter is a benchmark set by the Group for evaluating operational efficiency and performance in meeting service delivery standards and customer satisfaction.</p> <p>The Management is committed to ensuring strict adherence to the Customer Charter at all levels of operation.</p> <p>For any failure to meet the Customer Charter, the Management carries out service recovery initiatives.</p> <p>WHISTLEBLOWER POLICY</p> <p>The policy was approved by the Board to provide an avenue for employees or any external party to report any breach or suspected breach of any law or regulation, including breaches of the Code of Conduct and of the Group's policies, in a secure and confidential manner.</p>

EFFECTIVE RISK MANAGEMENT STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (CONTINUED)

The Group's internal control segment comprises the following key elements:

Segment	Key Element
Audit	<p>INTERNAL AUDIT</p> <p>The internal control practices are audited in-house by GIA to assess the adequacy and effectiveness aspects of governance, risk and controls.</p> <p>Any irregularity or significant finding by GIA is reported to the ARC together with recommendations for corrective measures on a timely basis.</p> <p>The Management is responsible for ensuring that corrective actions are carried out within a determined timeframe.</p> <p>EXTERNAL AUDIT</p> <p>The External Auditors' Annual Plan, which comprises planned audit services (inclusive of other assurance-related services), recurring non-audit services and non-recurring non-audit services, is tabled to the ARC for deliberation and approval.</p> <p>Other than the financial statutory audit, there are audits on operational statutory compliance conducted by the relevant authorities, such as the DOE Compliance Audit and BOMBA (Malaysia) Fire Certificate Inspection Audit, to ensure fulfilment of licence conditions.</p> <p>CERTIFICATION AUDIT</p> <p>The audit is conducted by certification bodies on a scheduled basis, such as ISO 9001: 2015 and ISO 14001: 2015, to ensure continuous certification is obtained from local and international bodies, including renewals of certification.</p>
Compliance	<p>The role of Group Legal Counsel is to advise the Board and Management on all legal matters and manage any litigation.</p> <p>It also plays a pivotal role in ensuring that the interests of the Group are legally preserved and safeguarded.</p> <p>The Board is updated through reports as and when there is an introduction of new legislation, new terms of business or changes in existing laws relevant to the Group.</p>
Performance Measurement	<p>Key performance indicators (KPIs), which are based on the Corporate and Divisional Balanced Scorecards, are used to track and measure employees' performance.</p> <p>In addition, annual employee engagements and customer satisfaction surveys are conducted to gain feedback on the effectiveness and efficiency of stakeholder engagements for continuous improvement.</p>
Employees' Competencies	<p>Training and development programmes are identified and scheduled for the staff to acquire the necessary knowledge, skills and core competencies to enhance their professionalism. This is to ensure that the Group can assign staff with specific and specialised training, thereby minimising unnecessary errors or non-compliance with the established policies.</p>

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EFFECTIVE RISK MANAGEMENT STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM EFFECTIVENESS

The Board reviews the effectiveness of the risk management and internal control system through the following monitoring mechanisms:

- Quarterly reviews of the Group's actual financial and operational performance and other key financial and operational indicators.
- Specific projects or business opportunities are reviewed by the Management and the Board as and when required. This allows the Board and the Management to oversee and monitor the potential and emerging risks that can hinder the achievement of the Group's objectives.
- The Group's Risk Profile is presented quarterly to the Risk Committee to provide an overview of the Group's key risks and their current mitigation status.
- The Audit Committee deliberates on and discusses reports issued by Group Internal Audit and the external auditors with regards to financial, operational, governance, risk management and internal control matters.

REVIEW OF THIS STATEMENT

As required by Para 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report (AAPG 3) issued by the Malaysian Institute of Accountants (MIA) 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 the statement intended to be included in the annual report of the Group, in all material respects, has not been prepared 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, or is factually inaccurate.

AAPG 3 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 Directors and management thereon. The report from the external auditors was made solely for, and directed solely to, the Board in connection with its compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

Group Internal Audit has also reviewed this Statement and reported to the AC that, while it has addressed certain individual lapses in internal control during the course of its internal audit assignments for the year, it has not identified any circumstances which suggest any fundamental deficiencies in the Group's risk management and internal control system.

CONCLUSION

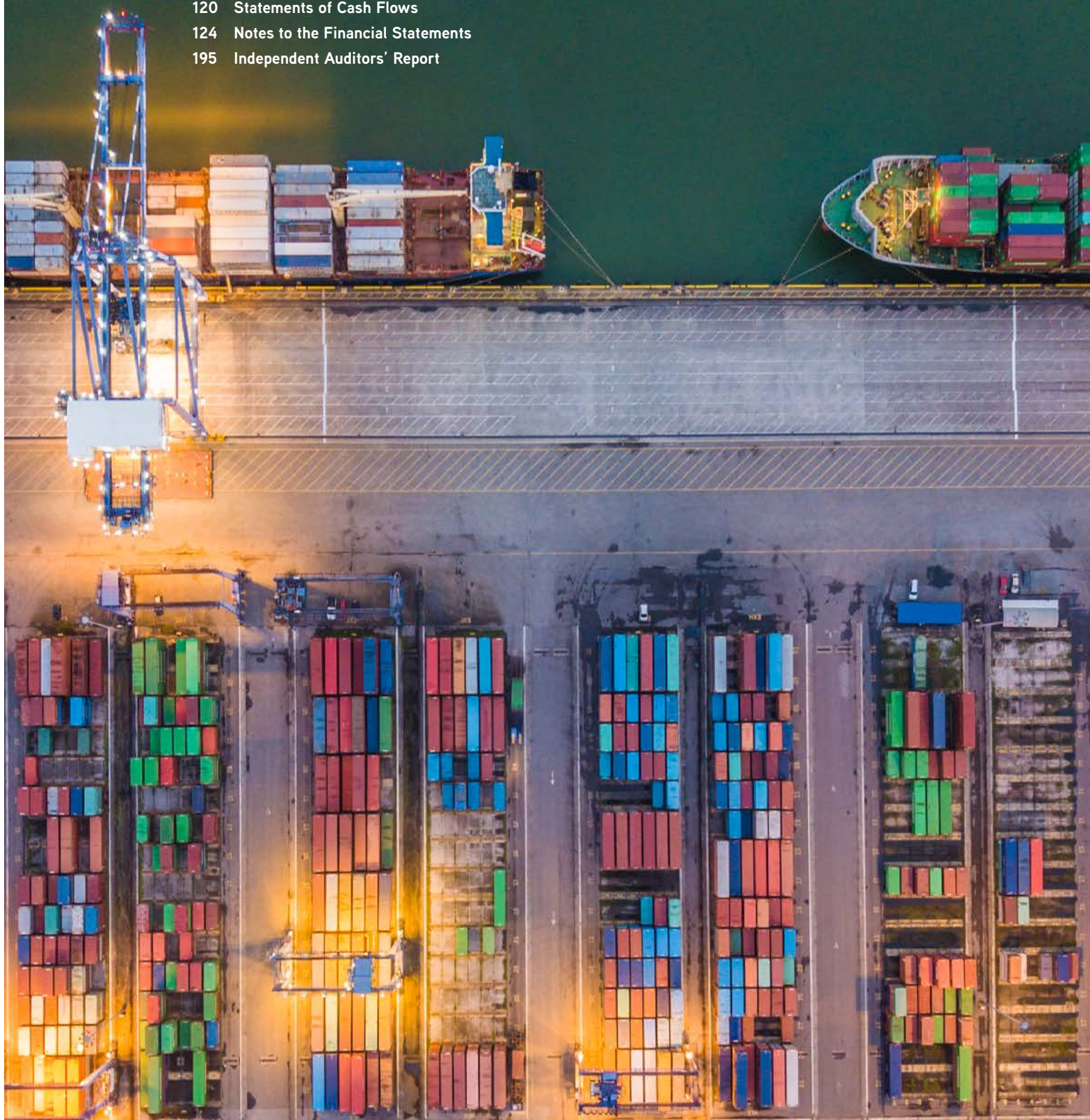
The GCEO and Group Chief Financial Officer (GCFO) have provided their reasonable assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the framework adopted by the Group.

For the year under review, the Board is of the view that the risk management and internal control system is in place, and up to the date of approval of this Statement, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments and the interests of customers, regulators, employees and other stakeholders.

Statement made in accordance with the Board's Resolution dated 17 March 2022.

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and provision of management services.

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	363,191	115,558
Profit attributable to:		
Equity holders of the parent	363,191	115,558

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

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

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2020 were as follows:

In respect of the financial year ended 31 December 2020 as reported in the Directors' report of that year:

	RM'000
Fourth interim single tier dividend of 2.00 sen per share on 460,000,000 ordinary shares, paid on 15 April 2021	9,200

DIRECTORS' REPORT**DIVIDENDS (CONTINUED)**

In respect of the financial year ended 31 December 2021:

	RM'000
First interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares, paid on 3 August 2021	13,800
Second interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares, paid on 7 October 2021	13,800
Third interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares, paid on 28 December 2021	13,800
	50,600

The Directors have authorised on 24 February 2022 the payment of a fourth interim single tier dividend of 3.0 sen per share on 460,000,000 ordinary shares, amounting to RM13,800,000, which will be paid on 14 April 2022 to shareholders registered on the Company's Register of Members at the close of business on 25 March 2022. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Abdul Mutalib bin Alias	(Appointed on 1.5.2021)
Tan Sri Datuk Amar Hj. Mohamad Morshidi bin Abdul Ghani	
Dato Sri Fong Joo Chung	
Datuk Nasarudin bin Md Idris	
Dato' Sri Mohamed Khalid bin Yusuf @ Yusup	
Datuk Yasmin binti Mahmood	
Datuk Nozirah binti Bahari	
Dr. Salihin bin Abang	
Mohamed Syazwan bin Abdullah @ Laga	(Appointed on 1.7.2021)
Hasmawati Binti Sapawi	(Appointed on 1.8.2021)
Tan Sri Dr. Ismail bin Hj. Bakar	(Resigned on 1.5.2021)
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R)	(Resigned on 1.8.2021)
Dzafri Sham bin Ahmad	(Resigned on 1.7.2021)
Zakiah binti Jaafar	(Resigned on 9.3.2022)

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DIRECTORS' REPORT**DIRECTORS' BENEFITS**

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member or with a company in which a Director has a substantial financial interest.

INDEMNITIES TO DIRECTORS AND OFFICERS

During the financial year, the Group maintained a Directors' and Officers' Liability Insurance in accordance with Section 289 of the Companies Act 2016. The total insured limit for the Directors' and Officers' Liability Insurance is RM50 million per occurrence or in the aggregate. The annual insurance premium paid is RM63,000.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

There were no changes in the issued and paid up capital of the Company during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, 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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) 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; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONTINUED)

- (c) At the date of this report, the Directors are not aware of any circumstances 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.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) 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 will or may affect the ability of the Group or the Company to meet their obligations when they fall due; and
 - (ii) 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 the operations of the Group or the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remunerations are disclosed in Note 8 to the financial statements.

Any indemnity to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 17 March 2022.

Dato' Abdul Mutalib bin Alias

Dato Sri Fong Joo Chung

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STATEMENT BY DIRECTORS

Pursuant to Section 251 (2) of the Companies Act 2016

We, **Dato’ Abdul Mutalib bin Alias** and **Dato Sri Fong Joo Chung**, being two of the Directors of **Bintulu Port Holdings Berhad**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 115 to 194 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 17 March 2022.

Dato’ Abdul Mutalib bin Alias

Dato Sri Fong Joo Chung

STATUTORY DECLARATION

Pursuant to Section 251 (1)(b) of the Companies Act 2016

I, **Daiana Luna Suip (CA 16050)**, being the Officer primarily responsible for the financial management of **Bintulu Port Holdings Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 115 to 194 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.

Subscribed and solemnly declared by
the abovenamed **Daiana Luna Suip** at
Bintulu in the State of Sarawak on
17 March 2022

Daiana Luna Suip

Before me,

Magdalene Lucas
Q 082
Commissioner For Oaths

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from port services rendered	4	671,059	645,339	-	-
Revenue from construction services for concession infrastructure	4	6,867	8,392	-	-
Revenue from bulking services	4	37,813	40,615	-	-
Dividend income from subsidiaries	4	-	-	122,200	125,200
Management fee charged to subsidiaries	4	-	-	41,534	43,416
Rental income	4	19,515	21,358	-	-
		735,254	715,704	163,734	168,616
Other income	5	16,362	13,288	3,099	2,198
Cost of construction services	6	(6,867)	(8,392)	-	-
Employee benefit expenses	7	(129,492)	(128,869)	(38,125)	(36,459)
Depreciation of property, plant and equipment	13	(34,808)	(33,860)	(793)	(716)
Depreciation of right-of-use assets	14	(36,635)	(29,977)	-	-
Amortisation of intangible assets	16	(158,859)	(152,988)	(341)	(342)
Charter hire of vessels		(4,546)	(8,310)	-	-
Maintenance dredging costs	25	(27,434)	(36,399)	-	-
Fuel, electricity and utilities		(23,191)	(19,415)	(43)	(47)
Insurance expenses		(4,102)	(3,467)	(95)	(84)
Repair and maintenance		(45,499)	(40,941)	(784)	(454)
Replacement obligations	25	(8,863)	(5,006)	-	-
Service contracts		(44,161)	(40,973)	-	-
Other expenses	8	(41,257)	(37,752)	(13,105)	(15,825)
Total expenses		(565,714)	(546,349)	(53,286)	(53,927)

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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021 (Continued)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operating profit		185,902	182,643	113,547	116,887
Finance costs	9	(74,282)	(75,176)	-	-
Finance income	5	14,695	19,199	2,011	1,299
Profit before tax		126,315	126,666	115,558	118,186
Income tax credit/(expense)	11	236,876	(33,365)	-	-
Profit net of tax, representing total comprehensive income for the year		363,191	93,301	115,558	118,186
Other comprehensive income					
Other comprehensive income that will be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		51	54	-	-
Other comprehensive income for the year		51	54	-	-
Total comprehensive income for the year		363,242	93,355	115,558	118,186
Profit attributable to:					
Equity holders of the parent		363,191	93,301	115,558	118,186
Earnings per share					
Basic (sen)	12	78.95	20.28		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	251,487	273,352	4,528	4,183
Right-of-use assets	14	56,073	92,336	-	-
Investment in subsidiaries	15	-	-	1,051,900	1,051,900
Intangible assets	16	1,390,876	1,532,213	1,578	1,512
Deferred tax assets	17	337,367	58,857	-	-
Trade and other receivables	18	10,358	10,269	-	-
		2,046,161	1,967,027	1,058,006	1,057,595
Current assets					
Inventories		3,623	3,705	-	-
Tax recoverable		18,177	2,794	-	-
Trade and other receivables	18	87,468	82,404	10,244	2,337
Investment in securities	19	306,426	229,902	30,971	22,220
Cash and bank balances	20	690,409	667,304	130,415	84,007
		1,106,103	986,109	171,630	108,564
Total assets		3,152,264	2,953,136	1,229,636	1,166,159
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	21	890,818	890,818	890,818	890,818
Foreign currency translation reserve		105	54	-	-
Retained earnings	36	799,174	486,583	319,295	254,337
Total equity		1,690,097	1,377,455	1,210,113	1,145,155

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STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021 (Continued)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current liabilities					
Other payables	22	67,209	59,906	14,528	16,123
Loans and borrowings	23	941,848	940,338	-	-
Lease liabilities	24	174,163	325,860	-	-
Provisions	25	27,436	17,622	-	-
		1,210,656	1,343,726	14,528	16,123
Current liabilities					
Other payables	22	39,072	38,513	4,995	4,881
Lease liabilities	24	166,805	170,627	-	-
Provisions	25	44,248	19,453	-	-
Income tax payable		1,386	3,362	-	-
		251,511	231,955	4,995	4,881
Total liabilities		1,462,167	1,575,681	19,523	21,004
Total equity and liabilities		3,152,264	2,953,136	1,229,636	1,166,159

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Note	Share Capital RM'000	Foreign Translation Reserve RM'000	Retained Earnings RM'000	Equity Total RM'000
Group					
2021					
At 1 January 2021		890,818	54	486,583	1,377,455
Total comprehensive income		-	51	363,191	363,242
Transactions with owners					
Dividends on ordinary shares	26	-	-	(50,600)	(50,600)
At 31 December 2021		890,818	105	799,174	1,690,097
2020					
At 1 January 2020		890,818	-	439,282	1,330,100
Total comprehensive income		-	54	93,301	93,355
Transactions with owners					
Dividends on ordinary shares	26	-	-	(46,000)	(46,000)
At 31 December 2020		890,818	54	486,583	1,377,455

	Note	Share Capital RM'000	Retained Earnings RM'000	Equity Total RM'000
Company				
2021				
At 1 January 2021		890,818	254,337	1,145,155
Total comprehensive income		-	115,558	115,558
Transactions with owners				
Dividends on ordinary shares	26	-	(50,600)	(50,600)
At 31 December 2021		890,818	319,295	1,210,113
2020				
At 1 January 2020		890,818	182,151	1,072,969
Total comprehensive income		-	118,186	118,186
Transactions with owners				
Dividends on ordinary shares	26	-	(46,000)	(46,000)
At 31 December 2020		890,818	254,337	1,145,155

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operating activities					
Profit before tax		126,315	126,666	115,558	118,186
<u>Adjustments for:</u>					
Amortisation of intangible assets	16	158,859	152,988	341	342
Derecognition upon financial liabilities reassessment	16	794	-	-	-
Depreciation of property, plant and equipment	13	34,808	33,860	793	716
Depreciation of right-of-use assets	14	36,635	29,977	-	-
Finance costs	9	74,282	75,176	-	-
Bad debts written off	8	391	-	-	-
Inventories written off	8	-	170	-	-
Net (gain)/loss on disposal of property, plant and equipment	5, 8	(1)	(315)	-	13
Dividend income from subsidiaries	4	-	-	(122,200)	(125,200)
Dividend income from unit trust	5	(15,190)	(9,989)	(1,683)	(843)
Interest income	5	(14,695)	(19,199)	(2,011)	(1,299)
Guarantee fee income	5	-	-	(1,411)	(1,339)
Gain in derecognition of right-of-use asset	5	-	(650)	-	-
Fair value loss/(gain) on investments in securities	8, 5	8,062	(1,240)	912	570
Staff gratuities	22	-	1,001	-	-
Provision for maintenance dredging costs	25	27,434	36,399	-	-
Provision for replacement obligations	25	8,863	5,006	-	-
Unrealised loss/(gain) in foreign exchange	8, 5	147	(10)	-	-
Directors' gratuities	22	201	229	201	229
Revisions on charter hire	24 (ii)	(850)	-	-	-
MFRS 16 adjustment	24 (i)	(13)	-	-	-
Total adjustments		319,727	303,403	(125,058)	(126,811)

STATEMENTS OF CASH FLOWS
For the year ended 31 December 2021 (Continued)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operating profit before working capital		446,042	430,069	(9,500)	(8,625)
<u>Changes in working capital</u>					
Decrease in inventories		82	127	-	-
(Increase)/Decrease in trade and other receivables		(4,185)	7,947	94	71
Decrease/(increase) in other current assets		566	7,327	(14)	113
(Decrease)/increase in other payables		(1,010)	(12,969)	468	(529)
Net change in subsidiaries balances		-	-	(8,311)	9,551
Payment of maintenance dredging	25	(3,846)	(56,991)	-	-
Total changes in working capital		(8,393)	(54,559)	(7,763)	9,206
Cash flows generated from/(used in) operations		437,649	375,510	(17,263)	581
Directors' gratuities paid	22	(385)	(332)	(385)	(332)
Income tax paid, net refunded		(59,005)	(43,520)	-	-
Staff gratuities paid	22	(4,190)	(5,170)	-	-
Net cash flows generated from/(used in) operating activities		374,069	326,488	(17,648)	249

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STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021 (Continued)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Investing activities					
Interest received		13,906	20,056	1,980	1,256
Acquisition of property, plant and equipment	13	(12,866)	(10,476)	(1,138)	(818)
Increase in intangible assets	16	(9,345)	(9,390)	(406)	-
Proceeds from disposal of property, plant and equipment		5	358	-	1
Purchase of investment in securities		(69,395)	(93,821)	(7,980)	(21,947)
Net dividends received		-	-	122,200	125,200
Net movement in fixed deposits with maturity more than 3 months		-	(5)	-	-
Net cash flows (used in)/generated from investing activities		(77,695)	(93,278)	114,656	103,692
Financing activities					
Dividends paid	26	(50,600)	(46,000)	(50,600)	(46,000)
Profit expense paid on Sukuk	23	(37,630)	(37,527)	-	-
Interest paid on lease liabilities	24(i),(ii)	(21,430)	(23,619)	-	-
Payment of principal portion of lease liabilities	24(i),(ii)	(163,724)	(153,487)	-	-
Net cash flows used in financing activities		(273,384)	(260,633)	(50,600)	(46,000)
Net increase/(decrease) in cash and cash equivalents		22,990	(27,423)	46,408	57,941
Effects of exchange rate changes		115	18	-	-
Cash and cash equivalents at beginning of the year		648,539	675,944	84,007	26,066
Cash and cash equivalents at end of the year	20	671,644	648,539	130,415	84,007

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021 (Continued)

Changes in liabilities arising from financing activities

	1 January RM'000	Effect of Accrued Interest RM'000	New leases RM'000	Cashflows RM'000	Reclassification RM'000	Exchanges Differences RM'000	31 December RM'000
Group							
For year ended 31 December 2021							
Current lease liabilities	170,627	-	9,468	(179,298)	166,431	(423)	166,805
Non-current lease liabilities	325,860	21,721	-	(5,856)	(167,562)	-	174,163
Non-current interest-bearing borrowings (excluding lease liabilities)	940,338	50,389	-	(37,630)	(11,249)*	-	941,848
	1,436,825	72,110	9,468	(222,784)	(12,380)	(423)	1,282,816
For year ended 31 December 2020							
Current lease liabilities	138,861	-	17,769	(171,241)	185,203	35	170,627
Non-current lease liabilities	452,780	23,619	40,529	(5,865)	(185,203)	-	325,860
Non-current interest-bearing borrowings (excluding lease liabilities)	938,827	50,523	-	(37,527)	(11,485)*	-	940,338
	1,530,468	74,142	58,298	(214,633)	(11,485)	35	1,436,825

* Reclassification relates to unpaid accrued interest reclassified to other payables.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at Lot 15, Block 20, Kemena Land District, 12th Mile, Tanjung Kidurong Road, 97000 Bintulu, Sarawak.

The principal activity of the Company is investment holding and provision of management services.

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements of the Group and of the Company have also been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

		Effective for annual periods beginning on or after
Description		
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2		1 January 2021

The adoption of these amendments did not have any material effect on the financial performance or position of the Group and the Company.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.3 Standards issued but not yet effective**

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

	Effective for annual periods beginning on or after
Description	
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 April 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors do not expect any material impact from the adoption of the above standards in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full except for unrealised losses, which are not eliminated when there are indications of impairment.

When the Group loses control of a subsidiary, a gain or loss 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 and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.4 Basis of consolidation (Continued)**

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree.

The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed off and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over investee to affect its returns. In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Service concession arrangements

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 2.12.

The Group recognises the consideration receivable as an intangible asset to the extent that it receives a right to charge users of the public service. Intangible assets are accounted for in accordance with the accounting policy set out in Note 2.7.

Subsequent costs and expenditures related to infrastructure and equipment arising from the Group's commitments to the concession contracts or that increase future revenue are recognised as additions to the intangible asset and are stated at cost. Assets for which the residual interest is not transferred to the grantor at the end of concession are recognised as property, plant and equipment, and accounted for in accordance with the policy stated under property, plant and equipment in Note 2.8. When the Company has contractual obligations that it must fulfill as a condition of its license to: a) maintain the infrastructure to a specified standard or, b) to restore the infrastructure when the infrastructure has deteriorated below a specified condition, it recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 2.16. Repairs and maintenance and other expenses that are routine in nature are expensed off and recognised in the profit or loss as incurred.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets

(a) Concession intangible assets

According to IC12: Service Concession Arrangements, where the grantor controls significant residual interest in the assets at the end of the concession term through ownership, beneficial entitlement or otherwise, these assets are intangible assets i.e., the licence to operate the port.

A concession intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. Concession intangible assets are amortised using straight-line method of amortisation over the concession period.

(b) Goodwill on acquisition of a subsidiary

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the cash-generating unit retained.

(c) Software

Software acquired separately is measured on initial recognition at cost. Software has a finite useful life and is stated at cost less accumulated amortisation and impairment losses.

Software is amortised on a straight line basis over its estimated useful life of ten years.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.8 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Depreciation for other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building and bulking facilities	9 - 25 years
Machinery and equipment	5 - 14 years
Motor vehicles	7 years
Office furniture, fittings and equipment	3 - 10 years
Vessels	10 - 20 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.9 Inventories

Inventories consist of consumables and are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average cost formula. Cost includes all incidentals incurred in bringing the inventories in store.

2.10 Foreign currency**(a) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Foreign currency (Continued)

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

2.11 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ('CGU')).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the units or groups of units on a pro-rata basis.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.11 Impairment of non-financial assets (Continued)**

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as financial assets at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of business model.

The Group's and Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual costs held while financial asset classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.12 Financial Instruments (Continued)****(i) Financial assets (Continued)****Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.12 Financial Instruments (Continued)****(i) Financial assets (Continued)****Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial Instruments (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (Continued)

The Group and the Company consider a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of those measured subsequently at amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Group and the Company that are not designated as hedging instruments in hedge relationships.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated only if the criteria in MFRS 9: Financial Instruments are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.12 Financial Instruments (Continued)****(ii) Financial liabilities (Continued)****Subsequent measurement (Continued)****Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(iii) Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13 Revenue**(a) Revenue from contracts with customers**

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as it transfers control over a service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

An entity transfers control of service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; or
- ii. the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- iii. the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Revenue (Continued)

(a) Revenue from contracts with customers (Continued)

If a performance obligation is not satisfied over time in accordance with the above criteria, an entity satisfies the performance obligation and recognises revenue at a point in time.

Revenue from port services rendered is recognised when or as the control of the services is transferred to the customers.

Revenue from marine services such as towing, pilotage and mooring services is recognised upon completion of the services.

Revenue from cargo handling services is recognised and accrued with reference to the throughput handled and the terms of agreements of such services.

Revenue from berth occupancy or port facilities are recognised over time.

The value of tangible assets constructed on behalf of the concession grantor is recognised as revenue.

(b) Revenue from other sources

Revenue from other sources is recognised as follows:

(i) Management fees

Management fees are recognised as services are rendered.

(ii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.14 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.14 Income taxes (Continued)****(b) Deferred tax (Continued)**

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the 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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.15 Employee benefits****(a) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plan

The Group and the Company participate in the national pension scheme as defined by the laws of the country in which it has operations. The Group and the Company make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Defined benefit plan

Bintulu Port Sdn. Bhd., a subsidiary of the Group operated an unfunded, defined Retirement Benefit Scheme for its employees. Effective 1 January 2014, the subsidiary offered new benefit terms to eligible employees under its existing Retirement Benefit Scheme. The link of past service benefit to the last drawn salary is broken and instead is linked to EPF dividend rate declared annually.

Based on the standard, the expected future payments take into consideration an estimate of expected future salary increases (taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market). However, as the new scheme freeze the salary factor in the expected future payment, the subsidiary would not need to estimate the expected future salary increase, the probability that the employee may leave the entity at an earlier or later date, disability and early retirement, mortality.

The subsidiary would need to determine the appropriate discount rate to present value the expected future payments. The rate used to discount post-employment benefit obligations should reflect the time value of money and normally determined by reference to market yields at the balance sheet date on high quality corporate bonds.

2.16 Provisions

A provision is recognised if, as a result of a past event, the Group or the Company 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 net cash flows at a pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the accretion in the provision due to the passage of time is recognised as finance cost.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group and of the Company, are not recognised in the financial statements but are disclosed as contingent liabilities unless the possibility of an outflow of economic resources is considered remote.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.17 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, short term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.18 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.19 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group and Company as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold land 30 years
- Vessels 2 - 10 years

If ownership of the leased asset transfers to the Group or the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.19 Leases (Continued)****Group and Company as a lessee (Continued)****(b) Lease liabilities**

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group or the Company and payments of penalties for terminating the lease, if the lease term reflects the Group or the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group and the Company also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group and Company as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Group has also entered into a sub-lease arrangement, which has been classified as a finance lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.20 Segment reporting**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers' report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.22 Fair value measurements

The Group and the Company measure financial instruments at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Fair value measurements (Continued)

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities; or
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

2.23 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Company's accounting policies which may have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment assessment of (i) Impairment of concession intangible assets and (ii) investment in a subsidiary, Samalaju Industrial Port Sdn. Bhd. ("SIPSB")**(i) Impairment of concession intangible assets for SIPSB**

The Group assesses concession intangible assets at the end of each reporting period when there is an indication that an asset may be impaired by comparing its carrying amount with its recoverable amount. This requires an estimation of the recoverable amount by estimating the value-in-use of the cash-generating unit ("CGU"). Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 16.

(ii) Investment in a subsidiary, SIPSB

When impairment assessment as described in Note 3.2 (a)(i) is required then it indicates the carrying amount of investment in SIPSB may also be impaired. Considering SIPSB's underlying assets comprise the concession intangible assets as stated in (i), the management estimated the recoverable amount of the investment by using the same estimated future cash flows. Further details are disclosed in Note 15.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)**3.2 Key sources of estimation uncertainty (Continued)****(b) Deferred tax assets**

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future profits together with future planning strategies.

The carrying amount of the Group's deferred tax assets at the reporting date is disclosed in Note 17.

(c) Provision for maintenance dredging

In accordance with IC Interpretation 12 *Service Concession Agreements* ("IC 12"), where the operator has an obligation to maintain the infrastructure to a specified level of serviceability, the contractual obligations should be measured in accordance with MFRS 137: *Provisions, Contingent Liabilities and Contingent Assets*.

To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the Group takes into consideration factors such as past historical experience and other available information.

(d) Provision for replacement cost

In order to carry out the port services, the Company has the obligation to replace the moveable assets during the concession period. Therefore, a provision for replacement cost shall be recognised and measured in accordance with MFRS 137: *Provisions, Contingent Liabilities and Contingent Assets*.

To determine whether it is probable that an outflow of resources will be required to replace the moveable assets and the reliable amount of estimates can be made, the Company takes into consideration factors such as the expected timing of the replacement, past historical experience and other available information.

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4. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers				
- Revenue from port services rendered	671,059	645,339	-	-
- Revenue from construction services for concession infrastructure	6,867	8,392	-	-
- Revenue from bulking services	37,813	40,615	-	-
	715,739	694,346	-	-
Revenue from other source:				
- Management fee charged to subsidiaries	-	-	41,534	43,416
- Dividend income from subsidiaries	-	-	122,200	125,200
- Rental income	19,515	21,358	-	-
	19,515	21,358	163,734	168,616
	735,254	715,704	163,734	168,616

Revenue from port services and bulking services is accounted for in accordance with MFRS 15: *Revenue from contracts with customers*.

Revenue from rental income is accounted for in accordance with MFRS 16: *Leases*.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Timing of revenue recognition:				
- Over time	359,539	336,122	-	-
- Point in time	356,200	358,224	-	-
	715,739	694,346	-	-

The information regarding trade receivables and contract balances is disclosed in Note 18.

Nature of goods and services

Provision of port services and bulking services.

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4. REVENUE (CONTINUED)**Timing of recognition or method used to recognise revenue**

Revenue from port and bulking operations is recognised on an accrual basis when the services are performed.

Significant payment terms

Credit period from 15 to 45 days from the invoice date.

Provision of port services

a) Bintulu Port Sdn. Bhd. ("BPSB")

The variable element in consideration is contingent upon or affected by certain customers achieving target cargo volumes as stated in the contracts.

b) Samalaju Industrial Port Sdn. Bhd. ("SIPSB")

There are no variable elements in consideration.

There are no obligation for returns or refunds nor warranty in the provision of port services.

Provision of bulking services

The variable element in consideration is contingent upon or affected by certain customers achieving the minimum throughput as stated in the contracts.

Transaction price allocated to the performance obligations

Transaction price is based on published tariff rate provided by Bintulu Port Authority ("BPA") and Samalaju Port Authority ("SPA") for provision of port services. The transaction price for bulking services is based on contract rate signed between customers and the Company.

Revenue from construction services is recognised as required under IC Interpretation 12: *Service Concession Arrangements* and in accordance with MFRS 15: *Revenue from contracts with customers* in respect of the upgrading of port facilities works undertaken during the year. There is no mark-up recognised on these activities as the Group outsourced the construction services to third parties.

5. OTHER INCOME

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Finance income:				
Interest income from:				
- Current account	22	28	-	-
- Short term deposits	13,941	18,447	2,011	1,299
- Staff loans	43	47	-	-
- Sublease	689	677	-	-
	14,695	19,199	2,011	1,299

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5. OTHER INCOME (CONTINUED)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other income:				
Dividend income from investment in securities	15,190	9,989	1,683	843
Rental income	-	10	-	-
Gain on disposal of property, plant and equipment	1	315	-	-
Gain in derecognition of right-of-use asset	-	650	-	-
Fair value gain on investment in securities	-	1,240	-	-
Guarantee fee income	-	-	1,411	1,339
Others	1,171	1,074	5	16
Unrealised gain in foreign exchange	-	10	-	-
	16,362	13,288	3,099	2,198
	31,057	32,487	5,110	3,497

6. COST OF CONSTRUCTION SERVICES

	Group	
	2021 RM'000	2020 RM'000
Cost of construction services for concession infrastructure	6,867	8,392

The Group considers the fair value for the consideration for the services rendered in the acquisition or construction and upgrade of the infrastructure approximates the cost incurred as all the construction works are subcontracted out.

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7. EMPLOYEE BENEFIT EXPENSES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages, salaries, allowance and bonus	103,913	102,825	29,466	28,318
Defined contribution plan (Employees Provident Fund)	13,592	13,753	4,321	4,211
Staff gratuities (Note 22)	-	1,001	-	-
Other employee benefits	11,987	11,290	4,338	3,930
	129,492	128,869	38,125	36,459

8. OTHER EXPENSES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
The following items have been included in arriving at other expenses:				
Auditors' remuneration	356	338	100	100
Non-Executive Directors (Note 10)				
- Fees	1,743	1,712	1,164	1,151
- Other emoluments	854	666	763	576
(Gain)/Loss on disposal of property, plant and equipment	(1)	-	-	13
Fair value loss on investment in securities	8,062	-	912	570
Realised loss on foreign exchange	842	616	-	-
Unrealised loss on foreign exchange	147	-	-	-
Rental of equipment	741	520	51	39
Rental of premises	85	89	3,600	3,600
Bad debts written off	391	-	-	-
Inventories written off	-	170	-	-

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9. FINANCE COSTS

	Group	
	2021 RM'000	2020 RM'000
Unwinding of discount		
- Contractual obligation for lease payment (Note 24)	17,141	18,035
- Maintenance dredging (Note 25)	1,207	569
- Lease liabilities (Note 24)	4,594	5,584
- Replacement obligations (Note 25)	951	465
Profit expense on Sukuk Murabahah (Note 23)	50,389	50,523
	74,282	75,176

10. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by Directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-Executive Directors:				
- Fees	1,743	1,712	1,164	1,151
- Meeting and other allowances	556	437	465	347
	2,299	2,149	1,629	1,498
- Provision for Directors' Gratuities	298	229	298	229
	2,597	2,378	1,927	1,727

The number of Directors of the Company whose total remuneration during the financial year fall within the following bands is analysed below:

	2021	2020
Non-Executive Directors:		
RM50,001 - RM100,000	3	1
RM100,001 - RM150,000	2	9
RM150,001 - RM200,000	4	-
RM200,001 - RM250,000	5	1

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11. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 December 2021 and 2020 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Statement of profit or loss:				
Current income tax:				
- Malaysian income tax	39,628	33,144	-	-
- Foreign tax	1,896	1,097	-	-
Under/(Over) provision in previous years				
- Malaysian income tax	110	(54)	-	-
	41,634	34,187	-	-
Deferred income tax (Note 17):				
Origination of temporary differences	(276,153)	(2,081)	-	-
(Over)/Underprovision in previous years	(2,357)	1,259	-	-
	(278,510)	(822)	-	-
Income tax (credit)/expense recognised in profit or loss	(236,876)	33,365	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

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11. INCOME TAX EXPENSE (CONTINUED)

The reconciliation between tax (credit)/expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax	126,315	126,666	115,558	118,186
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	30,316	30,400	27,734	28,365
Adjustments:				
Effect of different tax rate in other country	(563)	(415)	-	-
Non-deductible expenses	5,558	5,221	558	680
Income not subject to tax	(2,757)	(2,864)	(29,732)	(30,250)
Under/(Over)provision of tax expenses in previous years	110	(54)	-	-
Overprovision of deferred tax in previous years	(2,357)	1,259	-	-
Utilisation of previously unrecognised deferred tax assets	(4,164)	(182)	-	-
Deferred tax assets not recognised during the year	1,505	-	1,440	1,205
Deferred tax assets recognised during the year	(264,524)	-	-	-
Income tax (credit)/expense recognised in profit or loss	(236,876)	33,365	-	-

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12. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the number of ordinary shares outstanding during the financial year.

The following tables reflect the profit and share data used in the computation of basic earnings per share for the year ended 31 December:

	Group	
	2021 RM'000	2020 RM'000
Profit net of tax	363,191	93,301

	Group	
	2021 '000	2020 '000
Number of ordinary shares for basic earnings per share computation	460,000	460,000

	Group	
	2021	2020
Basic earnings per share for profit for the year (sen)	78.95	20.28

(b) Diluted

The diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares outstanding.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

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13. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures RM'000	Bulking facilities RM'000	Machinery and equipment RM'000	Motor vehicles RM'000	Office furniture, fittings and equipment RM'000	Vessels RM'000	Capital work-in- progress RM'000	Total RM'000
Group								
Cost:								
At 1 January 2020	50,875	167,649	273,805	11,418	28,767	133,212	5,626	671,352
Additions	952	-	172	222	1,881	-	7,249	10,476
Disposals	(648)	-	(73)	(265)	(651)	(6,239)	-	(7,876)
Reclassification from/ (to) intangible assets	-	-	-	-	(109)	-	-	(109)
Transfers	2,146	-	2,713	-	-	5,053	(9,912)	-
Exchange differences	-	-	-	-	(1)	-	-	(1)
At 31 December 2020 and 1 January 2021	53,325	167,649	276,617	11,375	29,887	132,026	2,963	673,842
Additions	77	-	1,024	285	2,075	-	9,660	13,121
Disposals	-	-	(5)	-	(1,435)	-	-	(1,440)
Reclassification from/ (to) intangible assets	-	-	-	-	296	-	(124)	172
Transfers	801	4,253	3,311	-	505	-	(8,870)	-
Reversal of cost	-	-	-	-	(226)	-	(122)	(348)
At 31 December 2021	54,203	171,902	280,947	11,660	31,102	132,026	3,507	685,347

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13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings and structures RM'000	Bulking facilities RM'000	Machinery and equipment RM'000	Motor vehicles RM'000	Office furniture, fittings and equipment RM'000	Vessels RM'000	Capital work-in- progress RM'000	Total RM'000
Group (Continued)								
Accumulated depreciation:								
At 1 January 2020	26,293	67,179	190,354	6,848	18,347	65,441	-	374,462
Charge for the year	3,443	6,706	14,278	867	2,196	6,370	-	33,860
Disposals	(648)	-	(73)	(239)	(634)	(6,239)	-	(7,833)
Exchange differences	-	-	-	-	1	-	-	1
At 31 December 2020 and 1 January 2021	29,088	73,885	204,559	7,476	19,910	65,572	-	400,490
Charge for the year	3,778	6,734	14,894	529	2,555	6,318	-	34,808
Disposals	-	-	(1)	-	(1,435)	-	-	(1,436)
Exchange differences	-	-	(2)	-	-	-	-	(2)
At 31 December 2021	32,866	80,619	219,450	8,005	21,030	71,890	-	433,860
Net carrying amount:								
At 31 December 2020	24,237	93,764	72,058	3,899	9,977	66,454	2,963	273,352
At 31 December 2021	21,337	91,283	61,497	3,655	10,072	60,136	3,507	251,487

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13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor Vehicles RM'000	Office Furniture, Fittings and Equipment RM'000	Capital Work-in- progress RM'000	Total RM'000
Company				
Cost:				
At 1 January 2020	2,074	3,585	-	5,659
Additions	-	677	141	818
Disposal	-	(27)	-	(27)
At 31 December 2020 and 1 January 2021	2,074	4,235	141	6,450
Additions	-	893	471	1,364
Transfer	-	502	(502)	-
Reversal of cost	-	(226)	-	(226)
At 31 December 2021	2,074	5,404	110	7,588
Accumulated depreciation:				
At 1 January 2020	849	715	-	1,564
Charge during the year	254	462	-	716
Written off/ Disposal	-	(13)	-	(13)
At 31 December 2020 and 1 January 2021	1,103	1,164	-	2,267
Charge during the year	182	611	-	793
At 31 December 2021	1,285	1,775	-	3,060
Net carrying amount:				
At 31 December 2020	971	3,071	141	4,183
At 31 December 2021	789	3,629	110	4,528

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14. RIGHT-OF-USE ASSETS

	Vessels RM'000	Leasehold land RM'000	Total RM'000
Group			
Cost:			
At 1 January 2020	108,012	26,617	134,629
Additions	49,060	-	49,060
Exchange differences	(304)	-	(304)
At 31 December 2020 and 31 December 2021	156,768	26,617	183,385
Accumulated depreciation:			
At 1 January 2020	54,055	7,098	61,153
Charge for the year	29,090	887	29,977
Exchange differences	(81)	-	(81)
At 31 December 2020 and 1 January 2021	83,064	7,985	91,049
Charge for the year	35,748	887	36,635
Exchange differences	(372)	-	(372)
At 31 December 2021	118,440	8,872	127,312
Net carrying amount:			
At 31 December 2020	73,704	18,632	92,336
At 31 December 2021	38,328	17,745	56,073

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares in Malaysia, at cost	1,030,000	1,030,000
Financial guarantee granted	21,900	21,900
	1,051,900	1,051,900

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15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

			Proportion of Ownership Interest	
			2021 %	2020 %
Name of subsidiaries	Country of Incorporation	Principal activities		
Held by the Company:				
Bintulu Port Sdn. Bhd.	Malaysia	Provision of port services at Bintulu Port, Sarawak	100	100
Biport Bulkiers Sdn. Bhd.	Malaysia	Provision of bulking installation facilities for palm oil, edible oils, vegetables oils, fats and its by-products	100	100
Samalaju Industrial Port Sdn. Bhd.	Malaysia	Development and provision of port services at Samalaju Port, Sarawak	100	100

All subsidiaries are audited by Ernst & Young PLT, Malaysia. Brunei branch of Bintulu Port Sdn. Bhd. is audited by Ernst & Young, Brunei.

16. INTANGIBLE ASSETS

	Leased land and infrastructure assets RM'000	Acquired and constructed infrastructure intangible assets RM'000	Right to operate concession rights RM'000	Software RM'000	Capital work-in-progress RM'000	Others RM'000	Total RM'000
Group							
Cost:							
At 1 January 2020	1,851,913	1,815,213	24,531	25,233	2,503	15	3,719,408
Additions	-	1,487	-	851	7,052	-	9,390
Transfer from property, plant and equipment	-	-	-	109	-	-	109
Transfers	-	3,638	-	145	(3,783)	-	-

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16. INTANGIBLE ASSETS (CONTINUED)

	Leased land and infrastructure assets RM'000	Acquired and constructed infrastructure intangible assets RM'000	Right to operate concession rights RM'000	Software RM'000	Capital work-in- progress RM'000	Others RM'000	Total RM'000
Group (Continued)							
At 31 December 2020 and 1 January 2021	1,851,913	1,820,338	24,531	26,338	5,772	15	3,728,907
Additions (via purchases)	-	6,727	-	859	2,242	-	9,828
Additions (via leases)	9,468	-	-	-	-	-	9,468
Transfer (to)/from property, plant and equipment	-	751	-	-	(923)	-	(172)
Transfers	-	2,218	-	283	(2,501)	-	-
Derecognition upon financial liabilities reassessment	(794)	(13)	-	-	-	-	(807)
Reversal of cost	-	-	-	-	(795)	-	(795)
At 31 December 2021	1,860,587	1,830,021	24,531	27,480	3,795	15	3,746,429
Accumulated amortisation:							
At 1 January 2020	1,508,049	500,172	20,934	14,551	-	-	2,043,706
Charge for the year	83,243	66,904	1,199	1,642	-	-	152,988
At 31 December 2020 and 1 January 2021	1,591,292	567,076	22,133	16,193	-	-	2,196,694
Charge for the year	87,887	68,045	1,199	1,728	-	-	158,859
At 31 December 2021	1,679,179	635,121	23,332	17,921	-	-	2,355,553
Net carrying amount:							
At 31 December 2020	260,621	1,253,262	2,398	10,145	5,772	15	1,532,213
At 31 December 2021	181,408	1,194,900	1,199	9,559	3,795	15	1,390,876

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16. INTANGIBLE ASSETS (CONTINUED)

	Capital Work-in- progress RM'000	Software RM'000	Total RM'000
Company			
Cost:			
At 1 January 2020, 31 December 2020 and 1 January 2021	-	2,602	2,602
Additions	785	228	1,013
Transfers from construction work in progress	(179)	179	-
Reversal of costs	(606)	-	(606)
At 31 December 2020, 1 January 2021 and 31 December 2021	-	3,009	3,009
Accumulated amortisation:			
At 1 January 2020	-	748	748
Charge for the year	-	342	342
At 31 December 2020 and 1 January 2021	-	1,090	1,090
Charge for the year	-	341	341
At 31 December 2021	-	1,431	1,431
Net carrying amount:			
At 31 December 2020	-	1,512	1,512
At 31 December 2021	-	1,578	1,578

Key assumptions used in value-in-use calculations of SIPSB impairment assessment ("CGU")

The Group assesses concession intangible assets at the end of each reporting period when there is an indication that an asset may be impaired by comparing its carrying amount with its recoverable amount.

The continued loss reported by SIPSB indicates that the carrying amount of concession intangible assets in SIPSB may also be impaired.

The recoverable amounts of the CGU have been determined based on value-in-use calculations using cash flow projections covering a 36-year period which is the remaining length of the concession period.

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16. INTANGIBLE ASSETS (CONTINUED)

Key assumptions used in value-in-use calculations of SIPSB impairment assessment ("CGU") (Continued)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing on the concession intangible assets:

(a) Discount rate

Value-in-use was determined by discounting the future cash flows generated by applying the discount rate of 8.0% (2020: 8.0%).

The rate used to discount future cash flows is subject to change in economic conditions and is reviewed annually.

(b) Revenue

Revenue growth is based on projected cargo volume by port users for 7 years at published tariff rates issued by Samalaju Port Authority, except for discounts given to certain port users for handling charges up to 2024 and for a particular customer, the discount on handling charges for its dry bulk cargo was assumed to end by year 2032. Projected cargo volume is assumed to be constant after 7 years.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use, management believes that reasonably possible changes in any of the above key assumptions would not cause the carrying values to materially exceed their recoverable amounts.

17. DEFERRED TAX

The components and movement of deferred tax liabilities and (assets) during the financial year prior to offsetting are as follows:

	Deferred Tax Liabilities		Deferred Tax Assets						Total
	Property, Plant and Equipment RM'000	Right-of-use Assets RM'000	Contractual Obligation on Lease Payment RM'000	Gratuity Payable RM'000	Unabsorbed Capital Allowances RM'000	Provision for Maintenance Dredging RM'000	Investment Tax Allowance (Unutilised) RM'000	Others RM'000	
Group									
At 1 January 2020	73,353	(3,235)	(36,724)	(5,097)	(76,789)	(8,688)	-	(854)	(58,035)
Recognised in profit or loss (Note 11)	(936)	184	11,212	1,001	(14,046)	4,019	-	(2,256)	(822)
At 31 December 2020 and 1 January 2021	72,417	(3,051)	(25,512)	(4,096)	(90,835)	(4,669)	-	(3,110)	(58,857)
Recognised in profit or loss (Note 11)	(124)	(2,613)	10,288	1,006	(9,323)	(5,950)	(264,524)	(7,270)	(278,510)
At 31 December 2021	72,293	(5,664)	(15,224)	(3,090)	(100,158)	(10,619)	(264,524)	(10,380)	(337,367)

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17. DEFERRED TAX (CONTINUED)

	Deferred tax liabilities	Deferred tax assets	
	Property plant and equipment RM'000	Unabsorbed capital allowance RM'000	Total RM'000
Company			
At 1 January 2020	591	(591)	-
Recognised in profit or loss (Note 11)	137	(137)	-
At 31 December 2020 and 1 January 2021	728	(728)	-
Recognised in profit or loss (Note 11)	284	(284)	-
At 31 December 2021	1,012	(1,012)	-

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses	68,222	63,117	16,332	11,499
Unabsorbed capital allowances	5,187	4,019	5,187	4,019
Investment tax allowance	-	1,102,183	-	-
Others	-	17,352	-	-
	73,409	1,186,671	21,519	15,518

Investment tax allowance was granted to Samalaju Industrial Port Sdn Bhd (SIPSB) in 2017. On 18 January 2017, SIPSB was given 100% investment tax allowance on qualifying expenditure to be set off against 70% statutory income, from 30 August 2012 to 29 August 2017 under Section 127(3A) of Income Tax Act (ITA) 1967.

In 2019, further to the Finance Act 2018 which was gazetted in December 2018, with effect from YA 2019, it was confirmed that companies with exemptions granted under Section 127(3A) of the ITA 1967 will not be subjected to 7-year carry forward restriction.

Despite the confirmation that the ITA is not subject to the 7 years restriction, the related deferred tax assets were not recognised in previous year as there were uncertainties caused by COVID- 19 and SIPSB was of the view that the probability of utilising the deferred tax assets arising from investment tax allowance remained uncertain.

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17. DEFERRED TAX (CONTINUED)

For the financial year ended 31 December 2021, following the positive growth and current business conditions of Samalaju Industrial Port users, the performance of SIPSB has now improved and is now in chargeable income tax position as opposed to making tax losses in the previous years. Based on this, as well as the expected growth of the port, the Group and SIPSB are of the view that the investment tax allowance can be utilised and has recognised deferred tax assets of RM264.52million.

Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised tax losses can only be carried forward as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses to be carried forward until:				
- Year of assessment 2028 (2020: Year of assessment 2025)	55,934	55,935	8,492	8,493
- Year of assessment 2029 (2020: Year of assessment 2026)	6,051	3,424	3,006	379
- Year of assessment 2030 (2020: Year of assessment 2027)	6,237	3,758	4,834	2,627
	68,222	63,117	16,332	11,499

Following the amendment on Subsection 44(5F) of Income Tax Act, 1967, effective from year of assessment 2019, the unabsorbed tax losses of the Group will only be available for carry forward for a period of ten consecutive years. Upon expiry of the ten years, the unabsorbed tax losses will be disregarded.

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18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current				
Trade receivables				
External parties	37,002	35,629	-	-
Other receivables				
Amounts due from subsidiaries	-	-	9,079	1,122
Interest receivable	1,311	1,212	96	66
Staff loans	1,606	1,741	585	628
Sundry receivables	4,116	3,574	23	23
	7,033	6,527	9,783	1,839
	44,035	42,156	9,783	1,839
Other current assets				
GST receivables	445	1,353	-	-
Prepaid operating expenses	23,454	23,002	461	498
Contract assets	19,534	15,893	-	-
	43,433	40,248	461	498
	87,468	82,404	10,244	2,337
Non-current				
Other receivables				
Lease receivable	10,358	10,269	-	-
	97,826	92,673	10,244	2,337
Financial assets under trade and other receivables				
Total trade and other receivables	97,826	92,673	10,244	2,337
Less: other current assets	(43,433)	(40,248)	(461)	(498)
	54,393	52,425	9,783	1,839

(a) Trade receivables

Trade receivables are non-interest bearing and are generally from 15 to 45 days (2020: 15 to 45 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent fair values on initial recognition.

Trade receivables include amounts due from Malaysia LNG Sdn. Bhd. and other subsidiaries of a substantial shareholders, Petrolim Nasional Berhad, with the amount of RM4,037,807 (2020: RM3,619,338) and RM1,013,474 (2020: RM1,141,840) respectively.

Information about the credit exposures are disclosed in Note 32(b).

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)**(b) Amounts due from subsidiaries**

The amounts due from subsidiaries are unsecured, non-interest bearing and receivable on demand.

(c) Other current assets

Included in prepaid operating expenses is prepaid lease rental for the first quarter of the following year of RM20,429,694 (2020: RM20,379,694) paid to Bintulu Port Authority ("BPA").

(d) Lease receivable

The Company has entered into lease agreement with a third party on land which is leased from Bintulu Port Authority. This lease has a term of 30 years.

Future minimum rental receivables under finance leases as at the reporting date were as follows:

	2021 RM'000	2020 RM'000
Receivable more than 5 years	10,358	10,269
The lease receivables are presented as follows:		
Non-current	10,358	10,269

The movement of finance lease receivables during the financial year is as follows:

	2021 RM'000	2020 RM'000
At 1 January	10,269	-
Additions	-	10,192
Accretion of interest	689	677
Receipt of lease	(600)	(600)
At 31 December	10,358	10,269

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19. INVESTMENT IN SECURITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<i>Fair value through profit or loss</i>				
Investment in unit trust fund	306,426	229,902	30,971	22,220

20. CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash at banks and on hand	7,124	8,939	365	507
Deposits with licensed financial institutions:				
Short term deposits with licensed banks	609,135	591,465	108,000	70,600
Money market instruments purchased under repurchase agreements	74,150	66,900	22,050	12,900
	683,285	658,365	130,050	83,500
Cash and bank balances	690,409	667,304	130,415	84,007

The effective interest rates and the maturities of deposits as at the reporting date were as follows:

	Interest rate		Maturity	
	2021 %	2020 %	2021 Days	2020 Days
Group				
Deposits with licensed banks	2.00 - 2.16	1.90 - 2.05	31 - 177	31 - 180
Money market instruments purchased under repurchase agreements	1.25 - 1.50	1.25 - 1.50	6 - 24	4 - 21

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20. CASH AND BANK BALANCES (CONTINUED)

	Interest rate		Maturity	
	2021 %	2020 %	2021 Days	2020 Days
Company				
Deposits with licensed banks	2.05 - 2.07	1.95	31 - 63	31 - 33
Money market instruments purchased under repurchase agreements	1.40 - 1.50	1.40 - 1.50	10 - 24	6 - 20

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	690,409	667,304	130,415	84,007
Less: Deposits with maturity period of more than 3 months	(18,765)	(18,765)	-	-
Cash and cash equivalents	671,644	648,539	130,415	84,007

21. SHARE CAPITAL

	No. of shares		Amount		Total Share Capital RM'000
	Share Capital (Issued And Fully Paid) '000	One Special Rights Redeemable Preference Shares '000	Share Capital (Issued and Fully Paid) RM'000	One Special Rights Redeemable Preference Shares RM'000	
Group/Company					
At 1 January 2020 and 31 December 2020	460,000	*	890,818	*	890,818

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21. SHARE CAPITAL (CONTINUED)

	No. of shares		Amount		Total Share Capital RM'000
	Share Capital (Issued And Fully Paid) '000	One Special Rights Redeemable Preference Shares '000	Share Capital (Issued and Fully Paid) RM'000	One Special Rights Redeemable Preference Shares RM'000	
Group/Company					
At 1 January 2021 and 31 December 2021	460,000	*	890,818	*	890,818

* The Special Share amounted to RM1.

The Special Share

The Special Share, which may only be held by or transferred to the Minister of Finance (Incorporation) or its successors or any Minister, representative or any person acting on behalf of the Government of Malaysia, carries certain rights as provided by Clauses 9, 24.2 and 44.1 of the Company's Constitution.

These special rights include:

- (i) the right to appoint not more than four persons at anytime as directors of the Company;
- (ii) the right to repayment of the capital paid up on the Special Share in priority to any other member in the event of winding-up of the Company; and
- (iii) the right to require the Company to redeem the Special Share at its issued price at any time.

Certain matters, in particular, the alteration of specified Clauses, any substantial disposal of assets, amalgamation, merger and takeover, require prior approval of the holder of the Special Share.

The Special Share does not carry any right to vote at General Meetings but the holder is entitled to attend and speak at such meetings.

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22. OTHER PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current:				
Due to subsidiaries	-	-	11	365
Accrued operating expenses	7,756	7,328	1,768	1,850
Sundry payables	24,040	21,494	1,805	1,255
Deposit received	2,162	3,716	-	-
Retention money	1,469	1,803	-	-
Staff gratuities	3,349	3,778	-	-
Financial guarantee contract	-	-	1,411	1,411
Others	296	394	-	-
	39,072	38,513	4,995	4,881
Non-current:				
SUKUK profit distribution	56,517	45,269	-	-
Directors' gratuities	1,164	1,348	1,164	1,348
Staff gratuities	9,528	13,289	-	-
Financial guarantee contract	-	-	13,364	14,775
	67,209	59,906	14,528	16,123
Total other payables	106,281	98,419	19,523	21,004

(a) Other payables

Sundry payables include amount due to Petroleum Sarawak Berhad (PETROS) and Petronas Dagangan Berhad, with the amount of RM254,893 (2020: RM122,737) and RM263,240 (2020: RM96,720) respectively. These amounts are non-interest bearing.

(b) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, non-interest bearing and payable on demand.

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22. OTHER PAYABLES (CONTINUED)**(c) Staff gratuities**

	Group	
	2021 RM'000	2020 RM'000
At 1 January	17,067	21,236
Arose during the year (Note 7)	-	1,001
Payment during the year	(4,190)	(5,170)
At 31 December	12,877	17,067
Current:	3,349	3,778
Non-current:		
Later than 1 year but not later than 2 years	1,022	2,369
Later than 2 years but not later than 5 years	3,791	3,291
Later than 5 years	4,715	7,629
	9,528	13,289
	12,877	17,067

(d) Directors' gratuities

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	1,348	1,451	1,348	1,451
Arose during the year	201	229	201	229
Payment during the year	(385)	(332)	(385)	(332)
At 31 December	1,164	1,348	1,164	1,348
Non-current:	1,164	1,348	1,164	1,348
	1,164	1,348	1,164	1,348

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22. OTHER PAYABLES (CONTINUED)**(e) Financial guarantee contract**

Financial guarantee contracts relate to the differential rate on the financing facilities taken by a subsidiary which resulted from a corporate guarantee provided by the Group and the Company.

The Company has measured the fair value of the financial guarantee liability in respect of borrowings of a subsidiary. As a result, an income of RM1.4 million (2020: RM1.3 million) was recognised during the year.

23. LOANS AND BORROWINGS

	Group	
	2021 RM'000	2020 RM'000
Non-current		
Unsecured:		
Sukuk Murabahah	941,848	940,338
Total loans and borrowings	941,848	940,338

Sukuk Murabahah

The Sukuk Programme obtained by SIPS B, has a tenure of 20 years from the date of first issuance and has a limit of RM950 million in nominal value. It is based on the Shariah principle of Murabahah (via a tawarruq arrangement) involving selected Shariah-compliant commodities ("Sukuk Murabahah"). The Sukuk Programme is unsecured. It is backed by an irrevocable and unconditional guarantee by Bintulu Port Holdings Berhad as the guarantor. The proceeds from the issuance under the Sukuk Murabahah shall be utilised by SIPS B for the payment of fees and expenses relating to the Sukuk Programme, funding of the initial Financial Service Reserve Account Minimum Required Balance, capital expenditure, payments of Periodic Distributions to beneficial holders during construction and working capital requirements all of which shall be in relation to the Project.

On 28 December 2015, SIPS B raised a total amount of RM700 million from the first issuance of the Sukuk Murabahah, which has tenure of up to 14 years from the date of issuance.

On 23 December 2016, the subsidiary raised a total amount of RM250 million from the second issuance of the Sukuk Murabahah, which has tenure of up to 20 years from the date of issuance.

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23. LOANS AND BORROWINGS (CONTINUED)

Summary of the Sukuk Murabahah is tabulated below:

As at 31 December 2021/2020

Year of Issuance	Nominal amount	Periodic distribution rates	Yield-to-maturity rates	Tenure	Redemption dates
	RM' million	% p.a.	% p.a.	Years	Years
2015	700	5.05- 5.65	5.30- 6.00	8 - 14	2023 - 2029
2016	250	4.50	3.48- 3.49	17 - 20	2033 - 2036

The Sukuk Murabahah is redeemable as follows:

	Group	
	2021 RM'000	2020 RM'000
Later than 2 years but not later than 5 years	370,000	260,000
Later than 5 years	571,848	680,338
	941,848	940,338

	Group	
	2021 RM'000	2020 RM'000
At 1 January	940,338	938,827
Payment during the year	(37,630)	(37,527)
Profit expense on Sukuk Murabahah (Note 9)	50,389	50,523
Accrued interest	(11,249)	(11,485)
	1,510	1,511
At 31 December	941,848	940,338

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24. LEASE LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
Current:		
Contractual payments to grantors in Service Concession Agreements	148,674	131,444
Other lease liabilities	18,131	39,183
	166,805	170,627
Non-current:		
Contractual payments to grantors in Service Concession Agreements	112,072	247,652
Other lease liabilities	62,091	78,208
	174,163	325,860
	340,968	496,487

(i) Contractual payments to grantors in Service Concession Agreements

	Group	
	2021 RM'000	2020 RM'000
At 1 January	379,096	505,988
Addition	9,468	-
Unwinding of discount (Note 9)	17,141	18,035
MFRS 16 adjustments	(13)	-
Payments	(144,946)	(144,927)
At 31 December	260,746	379,096
Current:	148,674	131,444
Non-current:		
Later than 1 year but not later than 2 years	-	135,871
Later than 2 years but not later than 5 years	-	-
Later than 5 years	112,072	111,781
	112,072	247,652
	260,746	379,096

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24. LEASE LIABILITIES (CONTINUED)**(i) Contractual payments to grantors in Service Concession Agreements (Continued)**

In accordance with IC Interpretation 12: *Service Concession Arrangements*, a provision for the contractual obligations for the lease of land and facilities is accrued at the inception of the arrangement and subsequently as additional land and facilities are leased, at the present value of the future expenditure expected to be required to settle the obligation.

(ii) Other lease liabilities

	Maturity	2021 RM'000	2020 RM'000
Group			
Non-current	2023 - 2049	62,091	78,208
Current	2022	18,131	39,183
		80,222	117,391
Maturity of lease liabilities			
Within one year		18,131	39,183
Later than 1 year and not later than 2 years		8,911	13,674
Later than 2 years and not later than 5 years		15,435	21,716
Later than 5 years		37,745	42,818
		80,222	117,391

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 RM'000	2020 RM'000
Group		
At 1 January	117,391	85,653
Addition	-	58,298
Unwinding of discount (Note 9)	4,594	5,584
Payments	(40,208)	(32,179)
Reclassified to other creditors	(1,128)	-
Exchange differences	423	35
Revisions on charter hire	(850)	-
At 31 December	80,222	117,391

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24. LEASE LIABILITIES (CONTINUED)

(ii) Other lease liabilities (Continued)

The following are the amounts recognised in profit or loss:

	2021 RM'000	2020 RM'000
Depreciation expense of right-of-use assets	36,635	29,977
Unwinding of discount on lease liabilities	4,594	5,584
Expenses relating to short-term lease	1,147	805
Total amount recognised in profit or loss	42,376	36,366

The Group had total cash outflows for other leases of RM38,126,754 (2020: RM32,964,877).

Other lease liabilities relate to leases of land and vessels accounted for in accordance with MFRS 16: *Leases*. The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

25. PROVISIONS

	Maintenance dredging RM'000	Replacement obligations RM'000	Total RM'000
Group			
At 1 January 2021	19,453	17,622	37,075
Arose during the year	27,434	8,863	36,297
Unwinding of discount (Note 9)	1,207	951	2,158
Payments	(3,846)	-	(3,846)
At 31 December 2021	44,248	27,436	71,684
Current	44,248	-	44,248
Non-current	-	27,436	27,436
	44,248	27,436	71,684
At 1 January 2020	39,476	12,151	51,627
Arose during the year	36,399	5,006	41,405
Unwinding of discount (Note 9)	569	465	1,034
Payments	(56,991)	-	(56,991)
At 31 December 2020	19,453	17,622	37,075
Current	19,453	-	19,453
Non-current	-	17,622	17,622
	19,453	17,622	37,075

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26. DIVIDENDS

	Dividends in respect of the year		Dividends recognised in year	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interim single tier dividend for 2019				
- 2.00 sen per share	-	-	-	9,200
Interim single tier dividend for 2020				
- 2.00 sen per share	-	9,200	-	9,200
- 2.00 sen per share	-	9,200	-	9,200
- 4.00 sen per share	-	18,400	-	18,400
- 2.00 sen per share	-	9,200	9,200	-
Interim single tier dividend for 2021				
- 3.00 sen per share	13,800	-	13,800	-
- 3.00 sen per share	13,800	-	13,800	-
- 3.00 sen per share	13,800	-	13,800	-
	41,400	46,000	50,600	46,000

The Directors have authorised on 24 February 2022 the payment of a fourth interim single tier dividend of 3.0 sen per share on 460,000,000 ordinary shares, amounting to RM13,800,000, which will be paid on 14 April 2022 to shareholders registered on the Company's Register of Members at the close of business on 25 March 2022. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

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27. COMMITMENTS

Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Capital expenditure				
Approved and contracted for:				
Property, plant and equipment and concession intangible assets	31,843	8,501	359	361
Approved but not contracted for:				
Property, plant and equipment and concession intangible assets	7,350	497	-	-
	39,193	8,998	359	361

28. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Significant transactions with subsidiaries				
Dividend income	-	-	122,200	125,200
Management fee received from subsidiaries	-	-	41,534	43,416
Rental expense charged by BPSB	-	-	(3,600)	(3,600)

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28. RELATED PARTY TRANSACTIONS (CONTINUED)**(a) Sale and purchase of goods and services (Continued)**

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Transactions with subsidiaries of a substantial shareholder, Petrolim Nasional Berhad:				
Rendering of services:				
- Malaysia LNG Sdn. Bhd.	159,254	177,210	-	-
- Vestigo Petroleum Sdn. Bhd.	503	523	-	-
- PETRONAS Carigali Sdn. Bhd.	9,449	9,404	-	-
- PETRONAS Dagangan Berhad	1,705	1,412	-	-
- PETRONAS Floating LNG 1 (L) Ltd	-	709	-	-
- PETRONAS Chemical Marketing (L) Ltd	719	845	-	-
Purchase of fuel and lubricants:				
- PETRONAS Dagangan Berhad	(13,533)	(9,515)	-	-
Transactions with a subsidiary of a substantial shareholder, State Financial Secretary (Sarawak State Government):				
Purchase of gas:				
- Petroleum Sarawak Berhad (PETROS)	(2,168)	(2,457)	-	-

Information regarding outstanding balances arising from related party transactions as at 31 December 2021 are disclosed in Notes 18 and 22.

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Directors of that entity.

The remuneration and benefits of Directors and other member of key management of the Group and of the Company during the year are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Remuneration and benefits	4,004	3,919	2,985	2,966
Post-employment benefits:				
Defined contribution plan	256	259	256	259
	4,260	4,178	3,241	3,225

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29. SERVICE CONCESSION ARRANGEMENTS

(a) BPSB

In a privatisation exercise by the Malaysian Government on 31 December 1992, BPA sold the business of port operations at Bintulu Port to BPSB. According to the Privatisation Agreement, the subsidiary is granted a licence to provide port services at Bintulu Port for a period of 30 years, with an option to extend for another 30 years.

In consideration for a right to charge users of the port, the subsidiary pays a scheduled annual lease rental for the existing infrastructure and the land. Since the inception of the agreement, the subsidiary has also constructed additional infrastructure. These assets will be returned to BPA upon termination of the privatisation agreement at nominal value.

The charges to the users are according to a tariff set by BPA at the inception of the privatisation agreement and have not been varied.

	Intangible assets	
	Gross value RM'000	Net carrying amount RM'000
• Description arrangement: Financing, building and operating of Bintulu Port	2,307,402	128,602
	(2020: 2,297,662)	(2020: 240,500)
• Period of concession: 1993 -2022, with the option to extend for thirty years		
• Remuneration: Services for port facilities		
• Investment grant from concession grantor: No		
• Infrastructure return to grantor at end of concession		
• Investment and renewal obligations: Nil		
• Re-pricing dates: Nil		

(b) SIPSB

On 9 July 2013, a subsidiary, SIPSB and Bintulu Port Holdings Berhad signed a service agreement ("Principal Agreement") with the State Government of Sarawak for building, operating and transfer of Samalaju Port.

The estimated cost of developing the port is RM1.9 billion of which approximately RM500 million is in respect of capital dredging and reclamation which were funded by a grant from the government of Malaysia. In addition, SIPSB is required to pay a scheduled annual lease rental for the land effective from the date of completion of the port facilities.

In consideration for the construction of the port, the subsidiary is given the right to charge port users for the services rendered in accordance with port tariffs approved by the State Government of Sarawak. The operation under the service concession agreement is for a period of forty years effective from the date of completion of Phase 1 of the port facilities in June 2017, with an option to extend for twenty years.

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29. SERVICE CONCESSION ARRANGEMENTS (CONTINUED)**(b) SIPSB (CONTINUED)**

At the end of the concession period, the subsidiary shall transfer all moveable and immoveable assets of the port facilities at values determined according to the terms of the agreement.

The main features of the concession arrangements are summarized as follows:

	Intangible assets	
	Gross value RM'000	Net carrying amount RM'000
• Description arrangement: Financing, building and operating of Samalaju Port	1,423,442	1,253,768
	(2020: 1,415,567)	(2020: 1,281,074)
• Period of concession: 2017 - 2056, with an option to extend for twenty years		
• Remuneration: Services for port facilities		
• Investment grant from concession grantor: Yes		
• Infrastructure return to grantor at end of concession		
• Investment and renewal obligations: Nil		
• Re-pricing dates: Nil		

30. FAIR VALUE OF FINANCIAL INSTRUMENTS**(a) Fair values of financial instruments not carried at fair value**

Set out below, is a comparison of the carrying amounts and fair values of the Group's financial instruments, by class, other than those with carrying amounts which are reasonable approximations of fair values:

	Carrying amount		Fair value	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Group				
Financial liabilities:				
Interest-bearing loans and borrowings –				
Non-current				
– SUKUK Murabahah	941,848	940,338	918,401	917,950

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30. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**(b) Determination of fair value****Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	18
Other payables	22
Lease liabilities	24

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature except for the non-current lease liabilities.

Lease liabilities

The fair values of lease liabilities are estimated by discounting expected future cashflows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

31. FAIR VALUE MEASUREMENT**Fair value hierarchy**

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities; or

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; or

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

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31. FAIR VALUE MEASUREMENT (CONTINUED)**Fair value hierarchy (Continued)**

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2021				
Current assets at fair value (Note 19)				
Investment in securities	-	306,426	-	306,426
Liabilities for which fair values are disclosed				
Loans and borrowings				
- SUKUK Murabahah	-	918,401	-	918,401
2020				
Current assets at fair value (Note 19)				
Investment in securities	-	229,902	-	229,902
Liabilities for which fair values are disclosed				
Loans and borrowings				
- SUKUK Murabahah	-	917,950	-	917,950
Company				
2021				
Current assets at fair value (Note 19)				
Investment in securities	-	30,971	-	30,971
2020				
Current assets at fair value (Note 19)				
Investment in securities	-	22,220	-	22,220

There have been no transfers between Levels during the financial year.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The Group's financial risk management strategy seeks to minimise potential adverse effects of financial performance of the Group. The key financial risks include interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's exposures to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to the interest rate risk relate to fixed deposits, money market investments and repurchasing agreement ("REPO") with financial institutions.

Since all the Group's and the Company's financial assets and liabilities are fixed rate instruments measured at amortised cost, a change in interest rate is not expected to have material impact on the Group's and the Company's profit or loss.

(b) Credit risk**Risk management objectives, policies and processes for managing the risk**

The Group and the Company minimise credit risk by ensuring that all potential third-party counterparties are assessed prior to registration and entering into new contracts. Existing third-party counterparties are also subject to regular reviews, including reappraisal and approval of granted limits. The creditworthiness of counterparties is assessed based on an analysis of all available quantitative and qualitative data regarding business risks and financial standing, together with the review of any relevant third party and market information.

The Group and the Company use ageing analysis and credit term review to monitor the credit quality of the receivables. Any customers including related companies exceeding their credit limit are monitored closely.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Credit risk (Continued)****Risk management objectives, policies and processes for managing the risk (Continued)**

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- a breach of contract such as a default; or
- it is probable that the customer will enter bankruptcy or other financial reorganisation.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company manage its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Company perform credit rating assessment of all its counterparties in order to measure expected credit loss ("ECL") of trade receivables for all segments. This credit rating assessment considers quantitative assessment using the counterparties' financial statements or a qualitative assessment of the counterparties, which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

Recognition and measurement of impairment loss (Continued)

In determining the ECL, the probability of default assigned to each counterparty is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Group's and the Company's historical experience.

No expected credit loss was provided for during the financial year as the impact to the Group and the Company were deemed immaterial.

The following table provides information about exposure to credit risk and expected credit loss for trade receivables of the Group and of the Company as at 31 December 2021 and 31 December 2020:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
31 December 2021			
Trade receivables – LNG*:			
Current (not past due)	7,878	-	7,878
More than 30 days past due	(1,080)	-	(1,080)
More than 90 days past due	(7)	-	(7)
	6,791	-	6,791
Trade receivables – Non LNG:			
Current (not past due)	11,390	-	11,390
1 to 30 days past due	212	-	212
More than 90 days past due	334	-	334
	11,936	-	11,936
	18,727	-	18,727

* - This relates to customers with vessels that carry liquefied natural gas.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Credit risk (Continued)**

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
31 December 2021			
Trade receivables - bulking services:			
Current (not past due)	2,148	-	2,148
1 to 30 days past due	55	-	55
	2,203	-	2,203
Trade receivables - port services at Samalaju:			
Current (not past due)	16,072	-	16,072
	37,002	-	37,002
31 December 2020			
Trade receivables - LNG*:			
Current (not past due)	3,441	-	3,441
More than 90 days past due	263	-	263
	3,704	-	3,704
31 December 2020			
Trade receivables - Non LNG:			
Current (not past due)	15,098	-	15,098
1 to 30 days past due	1,502	-	1,502
More than 90 days past due	4,895	-	4,895
	21,495	-	21,495
	25,199	-	25,199

* - This relates to customers with vessels that carry liquefied natural gas.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
31 December 2020			
Trade receivables - bulking services:			
Current (not past due)	3,012	-	3,012
1 to 30 days past due	120	-	120
31 to 60 days past due	31	-	31
61 to 90 days past due	34	-	34
	3,197	-	3,197
Trade receivables - port services at Samalaju:			
Current (not past due)	7,233	-	7,233
	35,629	-	35,629

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(c) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from their ability to meet the obligations on their activities in the construction of concession infrastructure. The Group will fund these activities through equity, funding from the Government and credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations.

	Carrying amount RM'000	Contractual cash flows RM'000	Within one year RM'000	Two to five years RM'000	More than five years RM'000
Group					
At 31 December 2021					
Financial liabilities:					
Other payables (Note 22)	106,281	106,281	39,072	5,977	61,232
Loans and borrowings (Note 23)	941,848	1,302,800	37,630	495,932	769,238
Lease liabilities (Note 24)	340,968	485,344	178,475	54,492	252,377
Total undiscounted financial liabilities	1,389,097	1,894,425	255,177	556,401	1,082,847
At 31 December 2020					
Financial liabilities:					
Other payables (Note 22)	98,419	98,419	38,513	7,008	52,898
Loans and borrowings (Note 23)	940,338	1,351,678	37,630	399,428	914,620
Lease liabilities (Note 24)	496,487	681,798	188,706	206,220	286,872
Total undiscounted financial liabilities	1,535,244	2,131,895	264,849	612,656	1,254,390

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Carrying amount RM'000	Contractual cash flows RM'000	Within one year RM'000	Two to five years RM'000	More than five years RM'000
Company					
At 31 December 2021					
Financial liabilities:					
Other payables (Note 22)	4,748	4,748	3,584	1,164	-
Financial guarantee contract (Note 22)	14,775	14,775	1,411	5,781	7,507
Total undiscounted financial liabilities	19,523	19,523	4,995	6,945	7,507
At 31 December 2020					
Financial liabilities:					
Other payables (Note 22)	4,818	4,818	3,470	1,348	-
Financial guarantee contract (Note 22)	16,186	16,186	1,411	5,974	8,801
Total undiscounted financial liabilities	21,004	21,004	4,881	7,322	8,801

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33. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

- i) Amortised cost ("AC")
- ii) Fair value through profit or loss ("FVTPL")

	Note	FVTPL RM'000	AC RM'000	Total carrying amount RM'000
2021				
Group				
Financial assets				
Trade and other receivables	18	-	54,393	54,393
Cash and bank balances	20	-	690,409	690,409
Investment in securities	19	306,426	-	306,426
		306,426	744,802	1,051,228
Financial liabilities				
Other payables	22	-	106,281	106,281
Loans and borrowings	23	-	941,848	941,848
Lease liabilities	24	-	340,968	340,968
		-	1,389,097	1,389,097
2020				
Group				
Financial assets				
Trade and other receivables	18	-	52,425	52,425
Cash and bank balances	20	-	667,304	667,304
Investment in securities	19	229,902	-	229,902
		229,902	719,729	949,631
Financial liabilities				
Other payables	22	-	98,419	98,419
Loans and borrowings	23	-	940,338	940,338
Lease liabilities	24	-	496,487	496,487
		-	1,535,244	1,535,244

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33. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Note	FVTPL RM'000	AC RM'000	Total carrying amount RM'000
2021				
Company				
Financial assets				
Trade and other receivables	18	-	9,783	9,783
Cash and bank balances	20	-	130,415	130,415
Investment in securities	19	30,971	-	30,971
		30,971	140,198	171,169
Financial liabilities				
Other payables	22	-	19,523	19,523
2020				
Company				
Financial assets				
Trade and other receivables	18	-	1,839	1,839
Cash and bank balances	20	-	84,007	84,007
Investment in securities	19	22,220	-	22,220
		22,220	85,846	108,066
Financial liabilities				
Other payables	22	-	21,004	21,004

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, other payables, lease liabilities less cash and bank balances. Capital includes equity attributable to the owners of the parent.

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34. CAPITAL MANAGEMENT (CONTINUED)

	Note	Group	
		2021 RM'000	2020 RM'000
Loans and borrowings	23	941,848	940,338
Other payables	22	106,281	98,419
Lease liabilities	24	340,968	496,487
Less: Cash and bank balances	20	(690,409)	(667,304)
Net debt		698,688	867,940
Equity attributable to the owners of the parent		1,690,097	1,377,455
Total equity		1,690,097	1,377,455
Capital and net debt		2,388,785	2,245,395
Gearing ratio		29.25%	38.65%

35. SEGMENT INFORMATION

The Group reporting is organised and managed into two major business segments based on the nature of services provided, which requires different business and marketing strategies. The reportable segments are summarised as follows:

- (i) Port operations - the provision of port services and construction services which include construction of port facilities, handling of cargo for liquefied natural gas, petroleum products, liquefied petroleum gas, general cargo, container, dry bulk cargo and other ancillary services; and
- (ii) Bulking services - the provision of bulking installation facilities for palm oil, edible oils, vegetable oils, fats and its by-products.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects, may be measured differently from operating profit or loss in the consolidated financial statements.

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35. SEGMENT INFORMATION (CONTINUED)

	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000	Note	Per Consolidated Financial Statements RM'000
31 December 2021						
Revenue:						
External customers (Note 4)	691,884	43,370	-	-		735,254
Inter-segment	10,800	5,678	165,145	(181,623)		-
Total revenue	702,684	49,048	165,145	(181,623)		735,254
Results:						
Interest income	12,113	571	2,011	-		14,695
Guarantee fee income	-	-	1,411	(1,411)		-
Depreciation and amortisation	219,879	9,289	1,134	-		230,302
Other non-cash expenses	59,015	1,176	299	-	A	60,490
Segment profit	116,470	17,898	115,558	(123,611)	B	126,315
Assets:						
Additions to non-current assets	24,602	5,665	1,544	-	C	31,811
Segment assets	2,808,762	176,407	1,229,636	(1,062,541)	D	3,152,264
Segment liabilities	1,438,792	29,285	19,523	(25,433)	E	1,462,167

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35. SEGMENT INFORMATION (CONTINUED)

	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000A	Note	Per Consolidated Financial Statements RM'000
31 December 2020						
Revenue:						
External customers (Note 4)	669,285	46,419	-	-		715,704
Inter-segment	10,263	6,332	168,616	(185,211)		-
Total revenue	679,548	52,751	168,616	(185,211)		715,704
Results:						
Interest income	17,225	675	1,299	-		19,199
Guarantee fee income	-	-	1,339	(1,339)		-
Depreciation and amortisation	206,703	9,064	1,058	-		216,825
Other non-cash expenses	66,044	1,185	229	-	A	67,458
Segment profit	112,699	22,320	118,186	(126,539)	B	126,666
Assets:						
Additions to non-current assets	18,225	823	818	-	C	19,866
Segment assets	2,665,773	176,011	1,166,159	(1,054,807)	D	2,953,136
Segment liabilities	1,544,164	29,621	21,004	(19,108)	E	1,575,681

- A Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Group	
	2021 RM'000	2020 RM'000
Staff gratuities	-	1,001
Maintenance dredging costs	27,434	36,399
Replacement costs	8,863	5,006
Directors' gratuities	299	229
Unwinding of discount	23,894	24,653
Inventories written off	-	170
	60,490	67,458

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35. SEGMENT INFORMATION (CONTINUED)

- B The following items are deducted from segment profit to arrive at “Profit before tax from continuing operations” presented in the consolidated statement of profit or loss:

	Group	
	2021 RM'000	2020 RM'000
Dividend income	(122,200)	(125,200)
Guarantee fee income	(1,411)	(1,339)
	(123,611)	(126,539)

- C Additions to non-current assets consist of:

	Group	
	2021 RM'000	2020 RM'000
Property, plant and equipment	13,121	10,476
Intangible assets	18,690	9,390
	31,811	19,866

- D The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Investment in subsidiaries	(1,051,900)	(1,051,900)
Inter-segment receivables	(10,641)	(2,907)
	(1,062,541)	(1,054,807)

- E The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Inter-segment payables	(25,433)	(19,108)

- F Revenue from one (2020: one) major customer amounted to RM159 million (2020: RM177 million) representing 22% (2020: 25%) of the total Group's revenue.

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35. SEGMENT INFORMATION (CONTINUED)Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	697,517	682,467	1,696,006	1,872,562
Brunei	37,737	33,237	2,430	25,339
	735,254	715,704	1,698,436	1,897,901

Non-current assets information presented above consist of the following items as presented in the Group's statement of financial position:

	2021 RM'000	2020 RM'000
Property, plant and equipment	251,487	273,352
Right-of-use assets	56,073	92,336
Intangible assets	1,390,876	1,532,213
	1,698,436	1,897,901

36. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 31 December 2021 under the single tier system.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 17 March 2022.

INDEPENDENT AUDITORS' REPORT

to the members of Bintulu Port Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Bintulu Port Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and 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 115 to 194.

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 audit 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 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 and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)*Key Audit Matters (Continued)***Impairment assessment of (a) concession intangible assets and (b) investment in a subsidiary**

(Refer to Note 2.11, Note 3.2(a), Note 15 and Note 16 to the financial statements)

(a) Concession intangible assets

The Group is required to perform impairment test of cash-generating units ("CGU") whenever there is indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount. The continued loss reported by a subsidiary, Samalaju Industrial Port Sdn. Bhd. ("SIPSB"), was identified by the management as an indication that the carrying amount of the related concession intangible assets of RM1,257 million (representing 40% of the Group's total assets) may be impaired. Accordingly, the Group estimated the recoverable amount of the concession intangible assets of SIPSB using value in use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the CGU, and discounting them at an appropriate rate.

(b) Investment in a subsidiary

The continued loss reported by SIPSB as mentioned above indicates that the carrying amount of investment in SIPSB may also be impaired. The carrying amount of investment in SIPSB was RM712 million, representing 58% of the Company's total assets. Considering SIPSB's underlying assets comprise the concession intangible assets as stated in (a), the management estimated the recoverable amount of the investment using the same VIU.

We focus on the impairment reviews above due to their significance to the Group and the Company and significant judgements and estimates were involved in the assessment of possible variations in the amount and timing of cash flows and the determination of an appropriate discount rate for SIPSB.

To address the key audit matters, our audit procedures included, among others evaluating the assumptions and methodologies used by the Group and the Company, in particular the assumptions to which the recoverable amount of the CGUs is most sensitive such as the cargo volume projections and discount rate by performing the following:

- (a) evaluated the reasonableness of projected cargo volume by comparing to past actual outcomes and corroborating the expected volume of the port users with available public information and customer survey data, where applicable;
- (b) together with EY valuation specialists, evaluated the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset;
- (c) assessed the sensitivity of the cash flows to changes in the discount rate and projected cargo volume; and
- (d) evaluated the adequacy of the related disclosures in the financial statements.

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to the members of Bintulu Port Holdings Berhad
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 Group's 2021 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Annual Report, if we conclude that there is material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

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.

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)*Auditors' responsibilities for the audit of the financial statements (Continued)*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

INDEPENDENT AUDITORS' REPORT
to the members of Bintulu Port Holdings Berhad
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
17 March 2022

Najihah Binti Khalid
No. 03249/10/2022 J
Chartered Accountant

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SHAREHOLDINGS STATISTICS

As at 28 February 2022

1. ANALYSIS OF HOLDINGS

Size of Holdings	No. of Holders		No. of Shares		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1 - 99	70	3	560	148	0.000	0.000
100 - 1,000	580	16	479,731	10,496	0.104	0.002
1,001 - 10,000	607	6	2,461,480	18,500	0.535	0.004
10,001 - 100,000	116	8	3,099,300	209,200	0.673	0.045
100,001 - 22,999,999 (*)	22	4	72,128,485	1,278,200	15.680	0.277
23,000,000 and above (**)	5	0	380,313,900	0	82.676	0.000
Total	1,400	37	458,483,456	1,516,544	99.668	0.328

* Less than 5% of issued shares

** 5% and above of issued shares

2. LIST OF TOP THIRTY (30) HOLDERS

No.	Name of Holders	Shareholdings	%
1.	CIMB Group Nominees (Tempatan) Sdn. Bhd. Exempt an for Petroliam Nasional Berhad	131,171,000	28.515
2.	State Financial Secretary Sarawak	122,701,000	26.674
3.	Equisar Assets Sdn. Bhd.	60,000,000	13.043
4.	Kumpulan Wang Persaraan (Diperbadankan)	42,190,500	9.171
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	24,251,400	5.272
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. Urusharta Jamaah Sdn. Bhd. (1)	17,000,000	3.695
7.	MISC Berhad	10,619,000	2.308
8.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	8,980,485	1.952
9.	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	8,400,200	1.826
10.	Amanahraya Trustees Berhad Amanah Saham Malaysia	5,500,000	1.195
11.	Wong Lok Jee @ Ong Lok Jee	4,168,000	0.906
12.	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	3,974,800	0.864
13.	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	3,428,500	0.745
14.	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	3,000,000	0.652
15.	Amanahraya Trustees Berhad Public Islamic Dividend Fund	2,492,300	0.541

SHAREHOLDINGS STATISTICS

As at 28 February 2022

No.	Name of Holders	Shareholdings	%
16.	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	888,500	0.193
17.	Shoptra Jaya (M) Sdn. Bhd.	742,200	0.161
18.	Loh Kah Wai	702,000	0.152
19.	Neoh Choo Ee & Company, Sdn. Berhad	658,500	0.143
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Mtrustee Berhad For Tabung Baitulmal Sarawak (Majlis Islam Sarawak)(FM-ASSAR-TBS)(419511)	588,000	0.127
21.	Koperasi Jayadiri Malaysia Berhad	500,000	0.108
22.	RHB Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Loh Kah Wai	300,000	0.065
23.	Maybank Nominees (Tempatan) Sdn. Bhd. Etika Family Takaful Berhad (Family)	281,400	0.061
24.	Seumas Tan Nyap Tek	219,300	0.047
25.	Ahmat Bin Narawi	205,000	0.044
26.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For UBS AG Singapore (Foreign)	156,000	0.033
27.	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Nik Abd Rahman Bin Nik Ismail (BPH 1)	154,100	0.033
28.	Public Invest Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Muhamad Aloysius Heng (M)	120,200	0.026
29.	Yong Ai Ting	115,000	0.025
30.	Tan Wui Yee	111,200	0.024

3. SUBSTANTIAL SHAREHOLDERS

No.	Name of Holders	Shareholdings	%
1.	CIMB Group Nominees (Tempatan) Sdn. Bhd. Exempt an for Petroliam Nasional Berhad	131,171,000	28.515
2.	State Financial Secretary Sarawak	122,701,000	26.674
3.	Equisar Assets Sdn. Bhd.	60,000,000	13.043
4.	Kumpulan Wang Persaraan (Diperbadankan)	42,190,500	9.171
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	24,251,400	5.272
Total		380,313,900	82.676

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SUMMARY OF EQUIPMENT & FACILITIES

As at 28 February 2022

Description		Total Capacity/Area		
Type Of Berth	No. of Berth / Jetty	Length (meter)	Depth (meter)	Max Vessel Size (dwt)
Bintulu Port Sdn. Bhd.				
General Cargo Wharf	3	514.5	10.5	25,000
Bulk Cargo Wharf	1	270	13.5	60,000
LNG Jetty	3	-	15.0	80,000
LPG Jetty (Decommisioned until further notice)	1	289	11.0	51,000
Petrochemical Terminal	2	380	11.0	30,000
Shell MDS Jetty	1	200	13.0	40,000
Container Terminal	2	450	14.0	55,000
Edible Oils Terminal	2	220	14.0	50,000
	1 (Barge Berth)	120	9.0	10,000
Single Buoy Mooring	2	-	19.5	320,000
Oil Barge Berth	1	65	7.0	2,000
Coastal Terminal	1	120	4.5	1,000
Multipurpose Terminal	5	950	14.0	55,000
Bunkering Berth (MPT 10)	1	45	4.5	8,000
Samalaju Industrial Port Sdn. Bhd.				
Barge Berth	2	320	7	8,000
Ro Ro Ramp	1	20	7	8,000
Type Of Storage	Units	Area (m²)		
General Cargo Wharf				
Transit Shed	2	10,000		
- Transit Shed 1		5,000		
- Transit Shed 2		2,860		
- Timber Yard		2,140		
- Storage Godown	3	7,200		
		(each Storage Godown area: 2,400 m²)		
- Open Storage Area	16 Block (each bay length: 127.60 m) (each bay width : 18.25 m)	71,900		
- Ringger Warehouse	1	2,376		
Multipuprose Teminal				
- Timber Shed	2	7,800 m² each		
- Hazardous Godown	1	1,200 m²		
- Open Yard	6 Block A/B (each bay length: 55.22 m) (each bay width: 15.86 m)	17,160 m²		

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Type Of Storage	Units	Area (m ²)
Container Terminal		
- RTG Block	26	2,496 Ground Slots*
- RSD Block	8	640 Ground Slots*
- Customs Examination Area	1	12 Ground Slots*
- Dangerous Goods Storage	1	84 Ground Slots*
- Reefer Points	1	84 Ground Slots*
- On-Dock Depot (ODD)	5	442 Ground Slots*
		*(Twenty Footer)

Type Of Vessels	Units	Capacity
Mooring Boat	3	-
Mooring Boat (Charter)	1	-
Shiphandling Tug 45 Tons	3	45 tonnes bollard pull
Shiphandling Tug 45 Tons (Charter)	5	45 tonnes bollard pull
Shiphandling Tug 25 Tons	3	25 tonnes bollard pull
Shiphandling Tug 25 Tons (Charter)	2	25 tonnes bollard pull
Pilot Boat	2	-
Pilot Boat (Charter)	3	-
Patrol Boat	3	-
Patrol Dinghy	1	-
Fiberglass Patrol Boat	1	-

Cargo Handling & Mechanical Equipment	No. of Units	Capacity (Tonnes)
		*Safe Working Load (SWL)/Safe Loading Capacity/Towing Capacity
Container Handling Equipment		
Quay Crane		
(i) Post-Panamax	2	40.6 (Under Spreader), 50 (Cargo Beam)
(ii) Panamax	2	
Rubber Tyred Gantry Crane		
(i) 4+1 high with 6+1 row	4	40.6 (Under Spreader)
(ii) 6+1 high with 6+1 row	10	
Reach Stacker	8	45
Terminal Tractor	41	60
Container Trailer	49	40
Heavy Forklift	4	8
LPG Forklift	2	3

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Cargo Handling & Mechanical Equipment	No. of Units	Capacity (Tonnes)
		*Safe Working Load (SWL)/Safe Loading Capacity/Towing Capacity
Container Handling Equipment		
Battery Powered Forklift	2	3
Empty Reach Stacker	2	10
Cargo Handling Equipment		
Heavy Forklift (Diesel)	6	8
Forklift (Diesel)	44	4
Extra Heavy Forklift (Diesel)	1	25
LPG Forklift	1	3
Battery Powered Forklift	1	3
Battery Powered Reach Truck	1	1.5
Battery Powered Side Tracker	1	1.5
Terminal Tractor	27	60
Platform Trailer	32	40
Mobile Truck Crane	1	50
Bulking Machinery & Equipments		
Oil Fired Package Boilers	4	6,000kg/hr (Steam Generation)
Pumpsets (Pump House A)	15	250-350 mt/hr (for Export pump)
Road Tanker Pump - 7		115mt/hr (for Road Tanker Pump)
Export Pump - 8		
Pumpsets (Pump House B)	12	250-350 mt/hr (for Export Pump)
Road Tanker Pump - 6		115mt/hr (for Road Tanker Pump)
Export Pump - 6		
Tonnes Toyota Forklift	1	2.5 tonnes
Tonnes RY Forklift	2	3.0 tonnes
Ingersoll-Rand Air Compressor	4	(427 CFM)
Comp-Air Air Compressor	2	(420 CFM)
Diesel Standby Generator Set	1	500kVA
Pressure Vessel	3	30 m³
Samalaju Industrial Port Handling Equipment		
Quay Equipment		
Portable Hoppers	6	Hopper Bin Volume : 30 m³, 40 m³ and 55 m³
Level Luffing Cranes	3	Under Grab : 25T SWL Under Hook : 40T SWL
Mobile Harbour Cranes	2	Under Grab : 52T Under Hook : 84T SWL Under Spreader : 41T SWL
Remote Control Grabs	4	Grab Volume : 5 - 10 m³

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Cargo Handling & Mechanical Equipment	No. of Units	Capacity (Tonnes)
		*Safe Working Load (SWL)/Safe Loading Capacity/Towing Capacity
Samalaju Industrial Port Handling Equipment		
Yard Equipment		
Material Handlers	5	Under Grab : 8T SWL Under Hook : 20T SWL Under Spreader : 9T SWL
Reach Stackers	2	45T
Dump Trucks	8	35T
Terminal Tractors	8	Towing Capacity : 70T
Container Trailers	4	40T SWL
Platform Trailers	4	40T SWL
Extra Heavy Forklifts	1	25T
Heavy Forklifts	2	8T
High Mast Forklift	10	4T
Low Mast Forklifts	2	4T
Excavator	7	Operating weight : 13.5T & 22.5T Bucket volume : 0.54 m³ & 1.2 m³
Wheel Loaders	2	Operating Weight : 17.2T Bucket volume : 3.6 m³ Lifting Capacity : 5T
Skid Steer Loaders	4	Operating Weight : 3.3T Bucket volume : 0.4 m³ Lifting capacity : 1.7T
Conveyor System Facilities		
Conveyor Belt Line-A	1	600 TPH (max.)
Conveyor Belt Line-B	2	1,200 TPH (max.)
Conveyor Belt Line-C	3	1,200 TPH (max.)
Conveyor Belt Line-D	2	1,200 TPH (max.)
Stacker 1 (Stockpile 1)	1	3,000 TPH (max.)
Stacker 2 (Stockpile 2)	1	1,200 TPH (max.)
Stacker 3 (Stockpile 3)	1	1,200 TPH (max.)
Bulking Facilities		
	No. of Units/ Facilities	Capacity (Metric Tonnes)
2,600 MT Tank	19	49,400
2,000 MT Tank	42	84,000
1,000 MT Tank	16	16,000
650 MT Tank	8	5,200
Export Pipelines	17	-
Bulking Pipelines	16	-

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Location	Description	Tenure (Years)	Area sq. ft.
Land:			
Part of Lot 15 & 37 (Alienated Land), Tanjung Kidurong, Kemena Land District, Bintulu, Sarawak.	The surveyed land area identified in the Agreement to sub-Lease (Alienated Land) dated 31.12.1992	Leasehold (Expiring in 2022)	4,415,170
Part of Lot 15 & 37 (BICT Land) Tanjung Kidurong, Kemena Land District, Bintulu, Sarawak.	The surveyed land area which covers the BICT	Leasehold (Expiring in 2022)	2,693,040

Location	Age of Building (Years)	Area sq. ft.	Net Carrying Value (RM'000)
Building, structures & improvements:			
Built on Alienated Land			
Single Storey Office Building	27	6,935	67
Built on BICT Land			
Receipt & Delivery Building	24	12,110	87
Gate House	24	5,015	29
Crane Service Station	24	9,300	36
Crane Service Workshop (Extension)	14	3,488	58
Custom Examination Shed	5	2,583	3
Canteen Building	24	11,959	333
Marine Operation Building	24	16,534	147
Marine Maintenance Building	24	9,300	55
Wisma Kontena Building	24	69,727	480
Access Road (including 2 bridges)	22	-	445
Container Stacking Yard	24	1,937,229	2,644
Empty Container Stacking Yard	24	282,143	201
New Storage Yard	13	-	33
Container Stacking Yard (BICT Extension)	26	618,279	4,401
Upgrading Work to Open Storage Yard at BICT	12	1,216,935	375
Main Intake Substation	11	2,174	50
Quay Crane Substation	26	1,485	28
CFS Substation Marine	24	904	15
Marine Operation Substation	24	1,098	5
Wharves 4 & 5	24	168,053	2,341
Small Craft Harbour	24	-	359
Coastal Terminal / Gravel Jetty	24	9,085	31
Bulk Fertiliser Warehouse	24	21,700	491
Container Freight Station	17	65,390	1,570
CFS Pit Type Weighbridge	11	-	1,153
Mooring Service Building	11	-	585

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Location	Age of Building (Years)	Area sq. ft.	Net Carrying Value (RM'000)
Building, structures & improvements: (Continued)			
<u>Built on BICT Land (Continued)</u>			
Lub Oil Storage Shed	8	-	17
Schedule Waste Storage	8	-	92
Empty Container Stacking Yard (extension)	8	-	425
Asphaltic Concrete Pavement near Coastal Terminal	8	-	535
<u>Built on Multi Purpose Terminal Land (950 Meter Wharf)</u>			
MPT Open Storage Yard	12	859,815	1,790
500m Ex-BPP Wharf at MPT	12	46,177	1,638
Transit Shed 1	12	95,723	1,052
Transit Shed 3	11	95,723	734
Plant Maintenance Workshop	11	23,182	416
Hazardous Goods Godown	11	17,823	419
Operator's Resthouse	11	2,809	66
M&E Plant Room	11	3,263	173
MPT Operational Gate	11	1,791	110
MPT Weighbridge	11	32,258	27
New Stone Base (Gravel) Area	10	22,604	20
Workers Resting Area at MPT	10	2,190	25
Temporary Bunkering Facility at MPT10	7	5,301	44
<u>Built on 2nd Inner Harbour Land</u>			
Edible Oil Terminal	16	44,215	7,724
Bulking Building : Built on 2nd Inner Harbour Land			
<u>Buildings</u>			
Administrative Building	17	6,272	382
M&E Block A Building	17	3,833	167
M&E Block B Building	17	3,005	146
Pump House A	17	14,592	295
Pump House B	11	13,612	1,250
Operator Rest House	9	784	127
One Stop Sampling Store	8	-	63
<u>Samalaju Industrial Port Building and Structures</u>			
<u>Interim Port Facility</u>			
Access Road	8	437,876	10,756,625
Breakwater & Revetment	8	552m (length)	29,897,017
Wharf	8	146,820	59,677,994
Fender system	8	74 (nos)	
Navigation Lighting System	8	-	
Check Point Building	8	513.44	1,653,295
Weigh Bridges	8	-	1,275,283

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Location	Age of Building (Years)	Area sq. ft.	Net Carrying Value (RM'000)
Samalaju Industrial Port Building and Structures (Continued)			
<u>Operation Buildings</u>			
Office Block A	8	7,408	715,791
Office Block B	8	7,408	657,693
Worker Rest Shed	8	4,347	422,355
Canteen	8	4,639	430,458
Maintenance Shed	8	8,816	775,139
Guard House	8	384	74,367
Miscellaneous Building	8	-	1,716,926
 <u>Administration Building and Control Tower</u>			
Administration Building and Control Tower	5	20,700	19,333,772
Central Utilities Building Admin	5	3198	738,947
Guard House	5	135	54,504
Access Road	5		4,531,753
 <u>On-Shore Facilities</u>			
Warehouse Type 1 (Enclosed)	5	38,750	6,592,878
Warehouse Type 2 (Open)	5	31,000	4,690,155
Central Utilities Building 1	5	2,906	488,763
Central Utilities Building 2	5	2,906	942,745
Central Utilities Building 3	5	2,906	
Central Utilities Building 4	5	3,982	774,513
Access Roads and Platforming (Stockpile)	5	3,181,811	72,265,212
Electrical Works			3,554,733
Weigh Bridge (2 no.)			2,046,966
Security Fencing			2,230,172
 <u>Wharves Facilities</u>			
Handymax Wharf No.1 (including 2 nos. of Link bridges)	5	136,739	
Handymax Wharf No.2	5	96,972	151,474,111
Handymax Wharf No.3	5	91,660	
Handymax Wharf No.4	5	84,154	40,458,481
Handysize Wharf (including 2 nos. Of Link Bridges)	5	128,042	62,518,395
Tug Boat Jetty	5	3,789	3,821,504
Berth Amenity Shed	5	2,309	470,033
CUB Crane	5	4,361	734,701
2 nos. Beacon Light Tower	5	264	2,970,444
 <u>Breakwater</u>			
Southern Breakwater	5	1.6 km (length)	153,529,588
Northern Breakwater	5	1.9 km (length)	148,132,919

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting (“AGM”) of Bintulu Port Holdings Berhad (“the Company”) will be conducted entirely through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 28 April 2022 at 10.00 a.m. for the following purposes:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon.
(Please refer to Explanatory Note A)
2. To approve the payment of Directors’ Fees of up to RM1,877,200.00 for the period from April 2022 to the next AGM of the Company in 2023 to the Non-Executive Directors of Bintulu Port Holdings Berhad Group of Companies.
(Please refer to Explanatory Note B) **(Resolution 1)**
3. To approve the payment of Directors’ benefits payable of up to RM882,500.00 for the period from April 2022 to the next AGM of the Company in 2023 to the Non-Executive Directors of Bintulu Port Holdings Berhad Group of Companies.
(Please refer to Explanatory Note C) **(Resolution 2)**
4. To re-elect the following Directors who retire pursuant to Clause 24.5 of the Company’s Constitution and, being eligible, have offered themselves for re-election:
 - i. **Dato Sri Fong Joo Chung** **(Resolution 3)**
 - ii. **Datuk Nozirah binti Bahari** **(Resolution 4)**
 - iii. **(Dr.) Salihin bin Abang** **(Resolution 5)***(Please refer to Explanatory Note D)*
5. To re-elect the following Directors who retire pursuant to Clause 24.12 of the Company’s Constitution and, being eligible, have offered themselves for re-election:
 - i. **Dato’ Abdul Mutalib bin Alias** **(Resolution 6)**
 - ii. **Mohamed Syazwan bin Abdullah @ Laga** **(Resolution 7)**
 - iii. **Hasmawati binti Sapawi** **(Resolution 8)***(Please refer to Explanatory Note E)*
6. To re-appoint Messrs. Ernst & Young PLT, the retiring Auditors, as the Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration.
(Please refer to Explanatory Note F) **(Resolution 9)**
7. To transact any other business for which due notice has been given in accordance to Section 340(1)(d) of the Companies Act 2016 and the Company’s Constitution.

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FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a Member who shall be entitled to attend, speak and vote at this 26th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. ("Bursa Malaysia Depository") in accordance with Clause 22.16 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 ("SICDA") to issue a General Meeting Record of Depositors ("ROD") as at **18 April 2022**. Only a depositor whose name appears on the ROD as at **18 April 2022** shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

By Order of the Board,

ROS LI BIN IDRIS

(MIA15730) (SSM Practising Certificate No.: 201908003924)

SHARIFAH RAFIDAH BINTI WAN MANSOR

(LS0009456) (SSM Practising Certificate No.: 201908003039)

Company Secretaries
Bintulu, Sarawak
31 March 2022

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. **IMPORTANT NOTICE**

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 meeting.

Shareholders will not be allowed to attend this 26th AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tiah.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via RPV.

- For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository to make available to the Company, the ROD as at **18 April 2022**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at an AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of Bursa Malaysia.
- Where a member of the Company is an authorised nominee as defined in the SICDA, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company 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.

NOTICE OF ANNUAL GENERAL MEETING

8. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of SICDA.
9. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
10. A member who has appointed a proxy or attorney or authorised representative to participate at AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the AGM.
11. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

In hard copy form –

In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

By electronic means –

The Form of Proxy can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online.

12. Please ensure ALL the particulars as required in this Form of Proxy are completed, signed and dated accordingly.
13. Last date and time for lodging this Form of Proxy is **10.00 a.m., 26 April 2022 (Tuesday)**.
14. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
15. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
16. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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EXPLANATORY NOTES TO THE NOTICE OF AGM

Explanatory Note A

17. The Audited Financial Statements is laid in accordance with Section 340(1)(a) of the Companies Act 2016 and meant for discussion only as the Audited Financial Statements do not require shareholders' approval under the provision of Section 251(1) of the Companies Act 2016. As such, this Agenda item is not to be put forward for voting.

Explanatory Note B for Resolution 1

18. Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors, and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.
19. During the previous 25th AGM of the Company held on 28 April 2021, approval was given by the Shareholders for the payment of Directors' fees and benefits payable starting from 1 May 2021 until the next AGM of the Company in 2022.
20. **Resolution 1:** To approve the payment of Directors' fees of up to **RM1,877,200.00** for the period from April 2022 to the next AGM of the Company in 2023 to the Non-Executive Directors of Bintulu Port Holdings Berhad Group of Companies.

The estimated amount of up to **RM1,877,200.00** for the payment of Directors' fees to the Non-Executive Directors of the Company is based on the following:

Company	Designation	Director's Fees per Month (RM)
Bintulu Port Holdings Berhad	Chairman	12,000.00
	Non-Executive Directors (Members)	8,500.00
Bintulu Port Sdn. Bhd./Biport Bulkiers Sdn. Bhd./ Samalaju Industrial Port Sdn. Bhd. (Subsidiaries)	Chairman	6,000.00
	Non-Executive Directors (Members)	4,200.00

Explanatory Note C for Resolution 2

21. **Resolution 2:** To approve the payment of Directors' benefits payable of up to **RM882,500.00** for the period from April 2022 to the next AGM of the Company in 2023 to the Non-Executive Directors of Bintulu Port Holdings Berhad Group of Companies.

The estimated amount of up to **RM882,500.00** for the Directors' benefits payable to the Non-Executive Directors of the Company is based on the following:

Allowances and Benefits	Chairman	Members
Meeting Allowance (Per Meeting)	(RM)	
Bintulu Port Holdings Berhad Board	3,000.00	2,000.00
*Audit and Risk Committee	2,000.00	1,500.00
Nomination and Remuneration Committee	2,000.00	1,500.00
Finance and Investment Committee	2,000.00	1,500.00
*Risk Committee	2,000.00	1,500.00
Bintulu Port Sdn. Bhd. Board	2,000.00	1,500.00
Biport Bulkiers Sdn. Bhd. Board	2,000.00	1,500.00
Samalaju Industrial Port Sdn. Bhd. Board	2,000.00	1,500.00
Monthly Fixed Allowance	4,500.00 per month	Not Applicable
Other Benefits	Medical coverage, travel and other claimable benefits	

* Note: The separation of the Audit and Risk Committee (ARC) of Bintulu Port Holdings Berhad into **Audit Committee (AC)** and **Risk Committee (RC)** was approved in Special Board of Directors' Meeting No. 9/2021 held on 28 September 2021.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note D for Resolutions 3, 4, and 5

22. Clause 24.5 of the Company's Constitution expressly states that an election of Directors shall take place each year. At every AGM, one-third of the Directors (whether Government Appointed Directors or not) who are subject to retirement by rotation or, if their number is not three (3) or a multiple of three (3), the number nearest to one-third shall retire from office, and if there is only one (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 three (3) years.
23. Pursuant to Clause 24.5, the following are the Directors retiring and standing for re-election at the 26th AGM:
- | | | |
|------|----------------------------|-----------------------|
| i. | Dato Sri Fong Joo Chung | (Resolution 3) |
| ii. | Datuk Nozilah binti Bahari | (Resolution 4) |
| iii. | (Dr.) Salihin bin Abang | (Resolution 5) |

Explanatory Note E for Resolutions 6, 7, and 8

24. Clause 24.12 of the Company's Constitution expressly states that the Directors shall have power at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting of the company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. Provided that if the vacancy should arise from the resignation or removal of a Director representing the Special Shareholder, the vacancy shall be filled by a person nominated by the Special Shareholder.
25. Pursuant to Clause 24.12, the following Directors are standing for re-election at the 26th AGM:
- | | | |
|------|-------------------------------------|-----------------------|
| i. | Dato' Abdul Mutalib bin Alias | (Resolution 6) |
| ii. | Mohamed Syazwan bin Abdullah @ Laga | (Resolution 7) |
| iii. | Hasmawati binti Sapawi | (Resolution 8) |
26. The profiles of the Directors standing for re-elections are provided on pages 66, 68, 69, 71, 74 and 75 of the Board of Directors' Profile in the Integrated Annual Report 2021.

Explanatory Note F for Resolution 9

27. Pursuant to Section 271(3)(b) of the Companies Act 2016, shareholders shall appoint Auditors who shall hold office until the conclusion of the next AGM in 2023. 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.
28. The Audit Committee and the Board of Directors of Bintulu Port Holdings Berhad have considered the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company and collectively agreed that Messrs. Ernst & Young PLT has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Who We Are, What We Do
Our Leadership Statements
How We Create Value
Our Strategic Context
Commitment To Strong Governance
Our Financial Performance
Other Information

CORPORATE INFORMATION

COMPANY SECRETARY	PRINCIPAL BANKER	STOCK EXCHANGE LISTING
ROS LI BIN IDRIS (MIA 15730) Tel : +60 86 291257 Fax : +60 86 254062 Email : rosli@bintuluport.com.my	CIMB BANK BERHAD	MAIN MARKET Bursa Malaysia Securities Berhad (Listed since 16 April 2001)
AUDITOR	REGISTRAR	
ERNST & YOUNG PLT Chartered Accountants Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur, Malaysia Tel : +603 7495 8000 Fax : +603 2095 5332	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 Email : is.enquiry@my.tricorglobal.com	
REGISTERED OFFICE	SUBSIDIARIES	
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	BINTULU PORT SDN. BHD. [Registration No. 199201022892 (254396-V)] BIPORT BULKERS SDN. BHD. [Registration No. 200301032726 (635147-V)] SAMALAJU INDUSTRIAL PORT SDN. BHD. [Registration No. 199601033993 (406345-H)]	

GLOSSARY

3Ps	Profits, People, Planet	LTIF	Lost Time Injury Frequency
ASEAN	Association of Southeast Asian Nations	MCCG 2021	Malaysian Code on Corporate Governance 2021
BBSB	Biport Bulkiers Sdn. Bhd.	MFRS	Malaysian Financial Reporting Standards
BDDMC	Bintulu Division Disaster Management Committee	MMLR	Main Market Listing Requirements
BICT	Bintulu International Container Terminal	OECD	Operational Excellence Performance Delivery
BNM	Bank Negara Malaysia	PENJANA	Short-term Economic Recovery Plan
BPA	Bintulu Port Authority	PKRC	Pusat Kuarantin dan Rawatan COVID-19 Berisiko Rendah
BPHB	Bintulu Port Holdings Berhad	PPE	Personal Protective Equipment
BPSB	Bintulu Port Sdn. Bhd.	QR code	Quick Response code
BRP	Business Response Plan	RDT	Radio Data Terminal
CAPEX	Capital Expenditure	SCORE	Sarawak Corridor of Renewable Energy
CCMP	Close Contact Management Plan	SDGP	Smart Digital Green Port
CMEA	Chief Minister's Environmental Award	SDMC	State Disaster Management Committee
COMMIT	Cost Management Initiative	SIP	Samalaju Industrial Park
CSI	External Customer Satisfaction Index	SIPSB	Samalaju Industrial Port Sdn. Bhd.
DIFOT	Delivery in full and on time	SOPs	Standard Operating Procedures
DOE	Department of Environment	TIIP	Teamwork, Integrity, Innovation, Professionalism
DWT	Deadweight Tonnage	UAUC	Unsafe Acts and Unsafe Conditions
FPX	Financial Process Exchange	UTAP Transformation Programme	a programme to implement the three lines of defence mechanism that will help the Group mitigate all forms of significant risks
GRC	Governance, Risk and Compliance	VMT	Vehicle Mounted Terminal
HSE	Health, Safety and Environment	VPN	Virtual Private Network
IIRC	International Integrated Reporting Council	ZEFA	Zero Fatality and Accidents
IMF	International Monetary Fund		
LNG	Liquefied Natural Gas		
LNG ISO Tank	An ISO container is an international intermodal container that is manufactured according to the specifications outlined by the International Organization for Standardization		



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