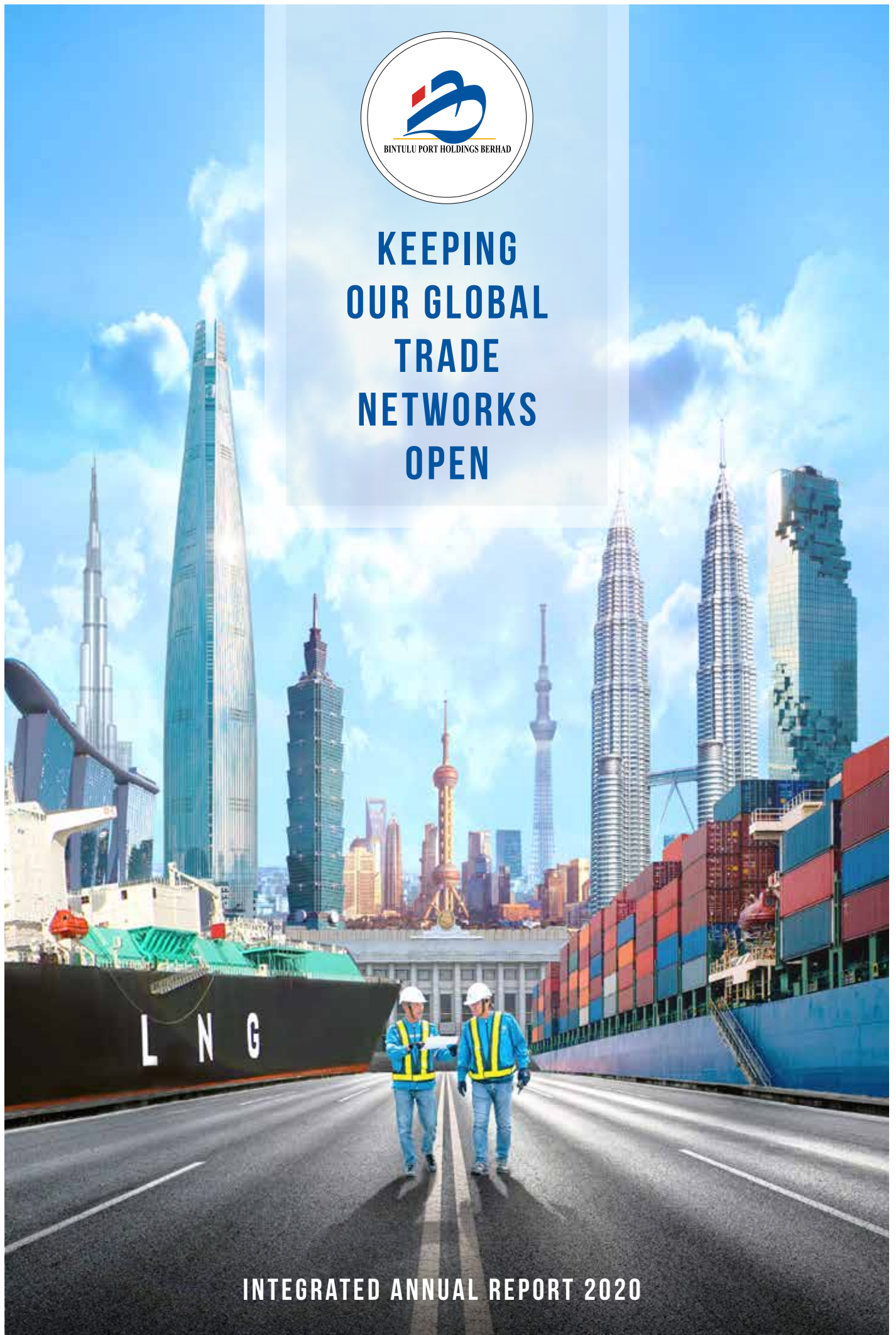




KEEPING OUR GLOBAL TRADE NETWORKS OPEN



INTEGRATED ANNUAL REPORT 2020

THIS IS HOW WE ENSURE THE DOORS ARE KEPT OPEN

OBJECTIVE

The Group has initiated its Business Response Plan (BRP) that describes the Group's 10 business strategies in facing the COVID-19 challenge. The BRP serves as a strategy and communications guideline for us to pursue our Group Business Plan during the pandemic.

Minimise the adverse impacts due to the disruption of supply chains related to the port services industry

Ensure delivery of our business objectives in the best possible way under these circumstances



TO OBJECTIVELY TACKLE EVERY OBSTACLE

Activation of Group Crisis Management Team

Digital temperature screening at entry point

Procured and provided personal protective equipment

Establishment of prevention measures at workplace

Establishment of Work From Home Policy

Postponed all travel abroad & within Malaysia

Installation of thermal scanner & thermal camera

Daily workplace sanitation

Continuous COVID-19 awareness via emails, stickers, banners, videos and badges

Establishment of Close Contact Management Plan (CCMP)

Access restrictions to or within Port area

Implementation of self-quarantine

QR code scanning at entry point

The Group sustained its operations with **zero down time** in 2020 through robust business continuity measures

The Group had **ZERO COVID-19 cases** among its employees in 2020

The Group recorded an increase in **Customer Satisfaction response of 73.1%** for service delivery

The Group received a **high positive response of 96.4%** for crisis handling from its employees

The Group put in place **stringent SOPs for berthing vessels** to prevent the spread of COVID-19



For more information, please refer to the Group Chief Executive Officer's Statement on pages 12 to 21.

AND SECURE THE CONTINUITY OF OUR TRADE DOORS

BINTULU PORT SDN BHD



Achieved operational readiness for handling LNG ISO Tanks in September 2020 and in January 2021, we handled our first major shipment of LNG ISO Tanks comprising 200 containers, marking a significant milestone as we were the first port in Asia to export LNG in this form on such a large scale.

BIPORT BULKERS SDN BHD



We achieved an exceptional pumping rate of over 1,000 MT/hr through the full utilisation of our export pipelines and the careful preparation of the receiving vessel.

SAMALAJU INDUSTRIAL PORT SDN BHD



Approval for the Samalaju Wenan Steel Project has been granted by the relevant approving authorities, and it will have a production capacity of 5.7 million tonnes per annum for its first 10 years of operations. The plant construction work is expected to start in early 2022 and be completed in the middle of 2024.

ABOUT THIS REPORT

WE ARE BINTULU PORT

This section presents an overview of our organisation, global footprint and business activities.



For more information, please refer to pages 02 to 07.

LEADERSHIP THAT CREATES VALUE

In this section, we provide an overview of how we position our strategic thrusts and good governance to create value.



For more information, please refer to pages 08 to 25.

DRIVING VALUE CREATION

This section offers insights into our Value Creation Model and outlines our Strategic Progress.



For more information, please refer to pages 26 to 39.

PERFORMANCE REVIEW

This section provides an understanding of our Operational and Sustainability performance.



For more information, please refer to pages 40 to 57.

THE STRENGTH OF OUR GOVERNANCE

This section outlines our efforts in ensuring that our organisation subscribes to good governance practices.



For more information, please refer to pages 58 to 93.

AUDITED FINANCIAL STATEMENTS

The Group's Financial Statement provides a deeper understanding of our financial position and performance for FY2020.



For more information, please refer to pages 94 to 178.

REPORTING PRINCIPLES AND FRAMEWORK

Bintulu Port Holdings Berhad is pleased to continue its integrated reporting journey with the publishing of our second Integrated Annual Report, detailing our value creation journey during the financial year ended 31 December 2020.

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. The Report will also 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 2017 (MCCG 2017), 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 2020 to 31 December 2020. 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.

WE VALUE FEEDBACK

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

BINTULU PORT'S SIX (6) 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.

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.

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 integrated performance of the Company within the context of its identified material aspects.



OUR THREE (3) STRATEGIC THRUSTS

These icons represent the Group's three important strategic thrusts. For ease of reference, we will reference these navigation icons in the sections of this Report that reference the strategies.



Institute Operational Excellence



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



Embark into Smart and Green Port

THE SIX (6) 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.



Financial Capital



Intellectual Capital



Manufactured Capital



Social and Relationship Capital



Human Capital



Natural Capital

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.



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.

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UNDERSTANDING BINTULU PORT

QUICK FACTS

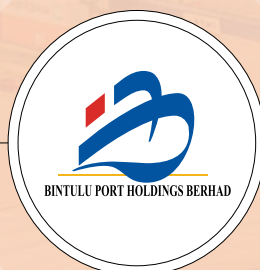
1st

- Biggest Container Terminal in East Malaysia
- The 1st Malaysian Port to Implement Container Terminal Operating System (CTOS) - NAVIS SPARCS N4
- Largest LNG Export Terminal in East Asia
- No.1 BIMP-EAGA Port in Terms of Cargo Throughput since 2011
- The Main Export Outlet of Palm Oil Products in Sarawak and Malaysia

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, Biport Bulkiers Sdn Bhd, specialises in the provision of bulking installation services.

A
World-Class
Port
Operator

OUR VISION



TIIP

CORPORATE VALUES

OUR MISSION

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

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.

UNDERSTANDING BINTULU PORT

2nd

- Second-Largest LNG Terminal in the World in a Single Location

3rd

- Ranked 3rd among Malaysian Ports in 2020 with a Cargo Throughput of 47.61 Million Tonnes



LAND AREA

713
hectares
OPERATING REVENUE
IN 2020
RM707.31
million
PROFIT BEFORE TAX
IN 2020
RM126.67
million
PROFIT AFTER TAX
IN 2020
RM93.30
million
CARGO
THROUGHPUT
IN 2020
47.61
million tonnes

BERTHING CAPACITY

93
million tonnes
TOTAL
BERTHING LENGTH
3.8
km



OUR BUSINESSES

CORPORATE MILESTONES

Jan 1983

Commencement of Bintulu Port

Jan 1983

1st LNG shipment to Japan

Jan 1993

Bintulu Port Sdn Bhd (BPSB) took over the operations

Mar 1996

Incorporation of Bintulu Port Holdings Berhad (BPHB)

Jun 1999

Commencement of Bintulu International Container Terminal (BICT)

Apr 2001

Listing of BPHB shares on KLSE

Nov 2003

Incorporation of Biport Bulkiers Sdn Bhd (BBSB)

Jan 2005

1st shipment of palm oil through the new dedicated Palm Oil Bulking Terminal

BINTULU PORT SDN BHD (BPSB)

The operator of a modern and efficient multipurpose port in Southeast Asia serving the hinterland, which 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 globally recognised as the second-largest LNG Terminal in the world in a single location. In addition, the Port is the main transshipment gateway for East Malaysia.



BIPORT BULKERS SDN BHD (BBSB)

Biport Bulkiers Sdn Bhd (BBSB) is involved in the provision of bulking installation facilities for crude and refined palm oil, edible oils, vegetable oils and fats and their by-products.

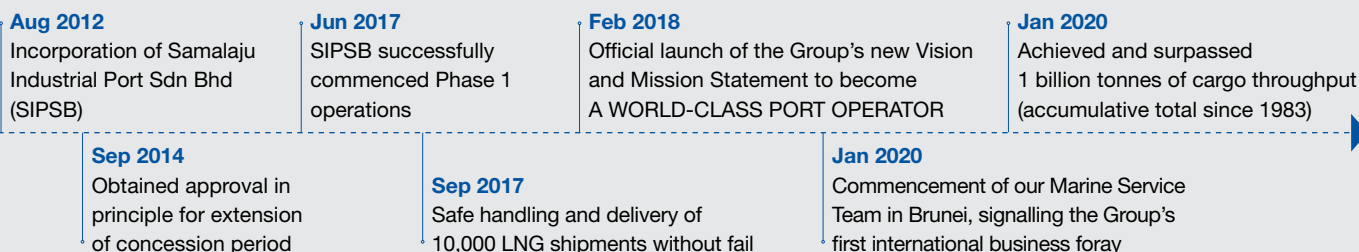


SAMALAJU INDUSTRIAL PORT SDN BHD (SIPSB)

Located 60km northeast of Bintulu, Samalaju Industrial Port Sdn Bhd (SIPSB) is the operator of a purpose-built port that provides dry bulk and break bulk cargo services to the industries operating within the Samalaju Industrial Park (SIP) and its hinterlands.



OUR BUSINESSES



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

Our facilities include multiple terminals, jetties and other berthing facilities as well as cargo and storage sites. Our Bintulu International Container Terminal (BICT) is now directly 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 40 and 41.

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 92% of Sarawak's palm oil exports.

BBSB is the largest palm oil product exporting terminal in Malaysia, handling 22% 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 of various capacities with a dedicated piping system to ensure optimum security, safety and efficiency. 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 operations are serviced by dedicated palm oil jetties adjacent to its bulking terminal and fully supported by BPSB marine services.



For more information, please refer to pages 42 and 43.

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

Just adjacent to the Port is the Samalaju Industrial Park, a 7,000-hectare area dedicated to energy-intensive heavy industries engaged in aluminium smelting, steel, oil refining, silica-based enterprises, marine engineering and a wide range of industrial and commercial activities. It is these industries that will help drive the Group's growth going forward.

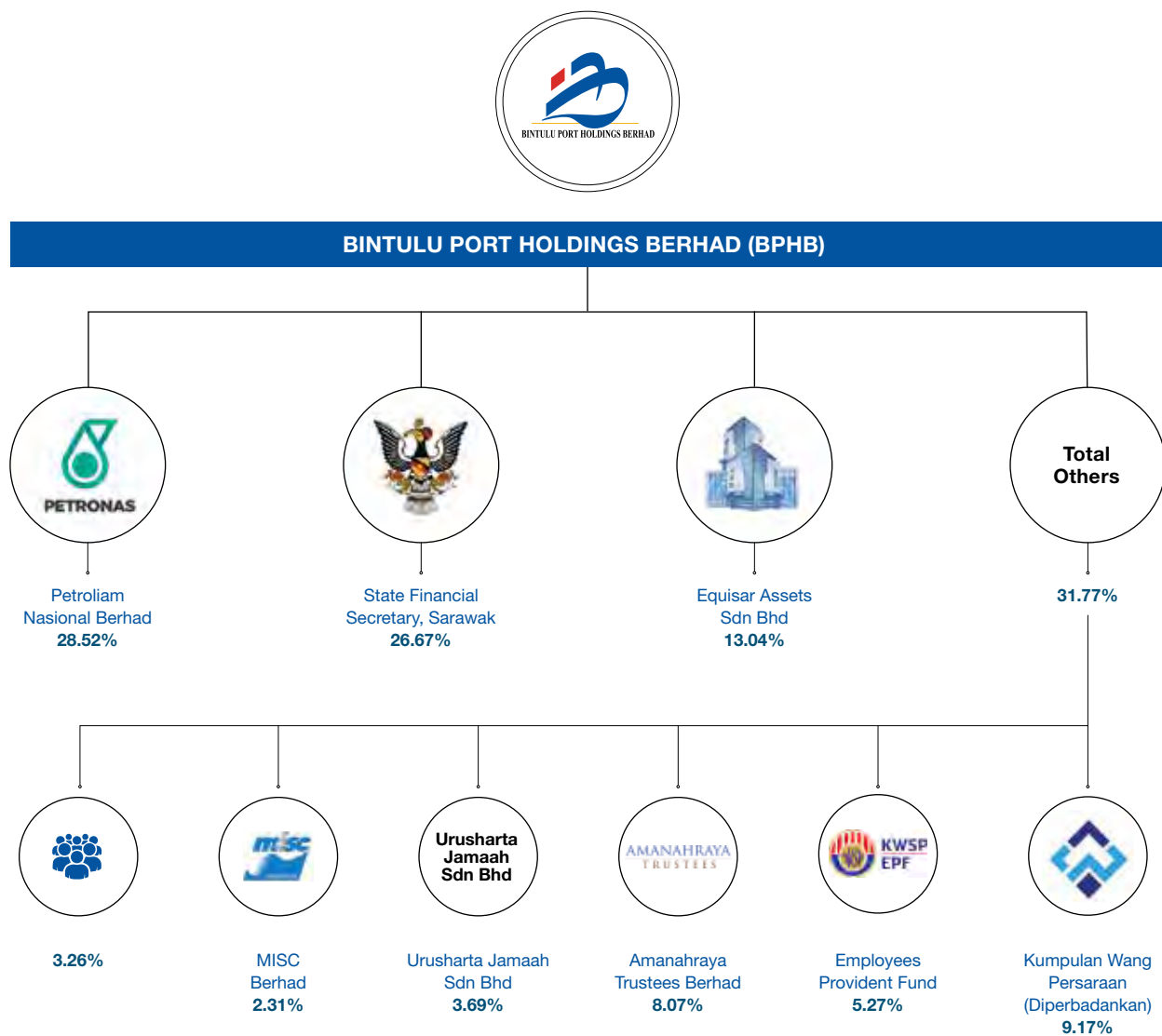
SIPSB successfully commenced Phase 1 of its operations in June 2017.



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



CORPORATE STRUCTURE



Wholly-Owned Subsidiaries of BPHB

BINTULU PORT SDN BHD	100%	BIPORT BULKERS SDN BHD	100%	SAMALAJU INDUSTRIAL PORT SDN BHD	100%
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All information is as at **28 February 2021**

Note:

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

Overview of our organisation, global footprint and business activities

ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS

DATO MOHAMMAD MEDAN BIN ABDULLAH
Group Chief Executive Officer

BPHB Senior Management Team

ROSLI BIN IDRIS
Company Secretary

DAIANA LUNA SUIP
General Manager, Group Finance

EIZAM BIN ISMAIL
General Manager,
Group Corporate Planning & Development

AZMEL KHAN BIN ASGHAR KHAN
General Manager,
Group Human Resource Management

**DAYANG FAIZAH BINTI AWANG
BUJANG**
General Manager, Group Legal Counsel

RAMZI BIN SHAFIEE
Acting General Manager,
Group Information Technology

ABDANI BIN ABDUL GAFOR
General Manager,
Group Health, Safety & Environment

**MOHAMAD YACOP BIN MOHAMAD
JUNIT**
Senior Manager, Group Internal Audit

MASLIHAH BINTI HJ. TIOH
Senior Manager, Group Corporate Services

ELVIS TULU AYU
Senior Manager, Group Security

BINTULU PORT SDN BHD



YUSOF BIN IBRAHIM
Chief Operating Officer

BORHANA BIN GANI
General Manager, Marine Services Division

SUFRI BIN BOHARI
General Manager,
Cargo Handling Services Division

AZHARAN BIN RAMLEE
General Manager, Container Terminal Division

CAJETAN ANDREW LISSEM
Senior Manager Finance, HR & Admin Division

REMAZI BIN ARBI
Acting General Manager,
Technical Services Division

MOHAMAD AZIMAN BIN DRAHMAN
Senior Manager,
Port Operation Equipment Division

BIPORT BULKERS SDN BHD



**ABU BAKAR BIN
HUSAINI**
Chief Operating Officer

**WAN MOHAMAD ZAIDI BIN WAN
KADIR**
Senior Manager, Operations Division

PETER ANAK LAMAT
Senior Manager, Technical Division

NHADDYA BINTI WAHED
Manager Finance, HR & Admin Division

SAMALAJU INDUSTRIAL PORT SDN BHD



**MATSHALLEH BIN
MOHD ETLI**
Chief Operating Officer

DING IBAU
Acting Senior Manager,
Technical Services Division

EDDY NORIMAN BIN HOSSAIN
Senior Manager,
Port Operation Equipment Division

LAILATU'LKADAR BIN SITAM
Senior Manager, Operations Division

GHAZALI BIN TAMBI
Senior Manager Health,
Safety & Environment Division

MOHD HAFIZ BIN ADENAN
Senior Manager Finance, HR & Admin Division

VACANT
Business Development & Stakeholder Division

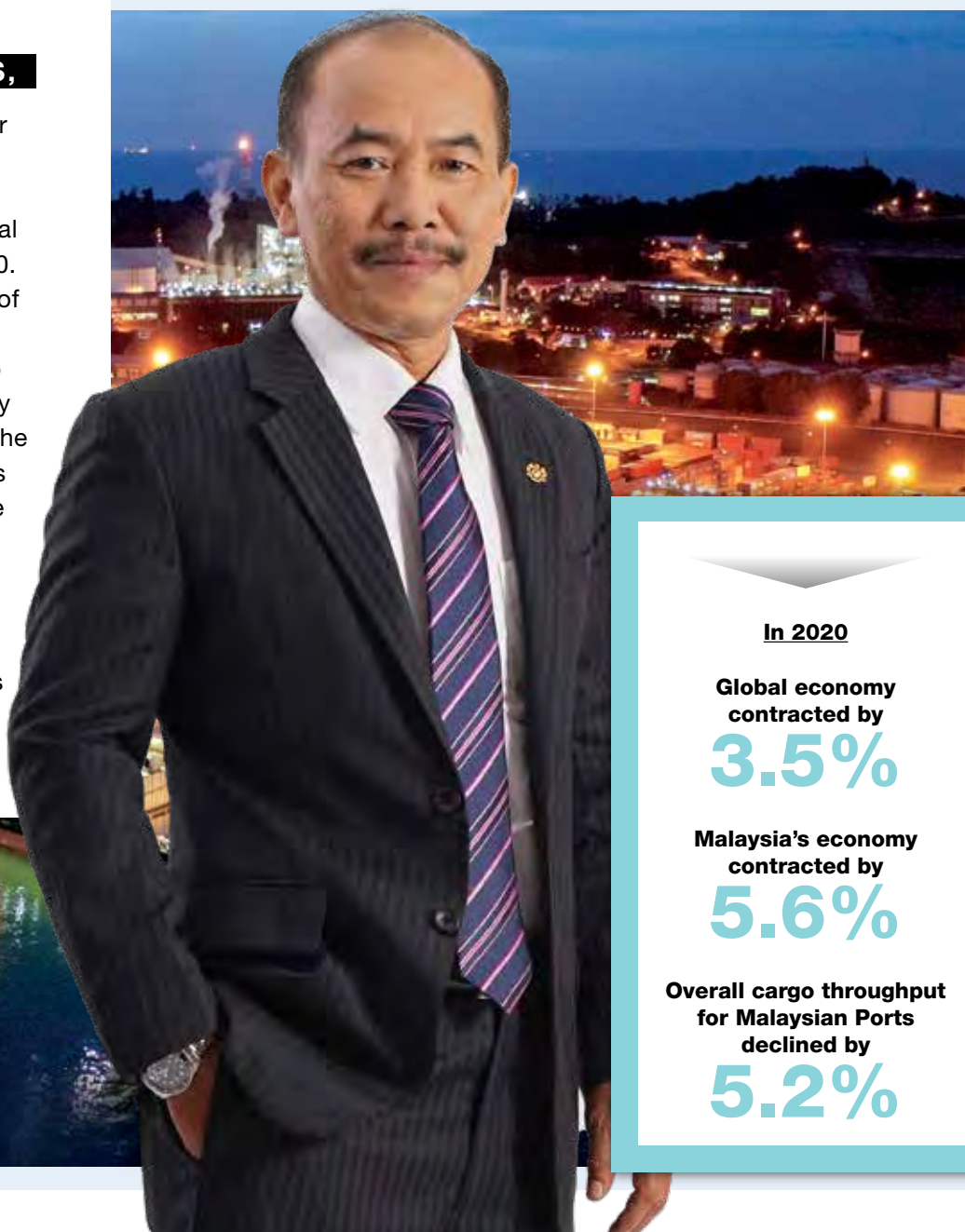


CHAIRMAN'S STATEMENT

While 2020 was a challenging year, we responded with strength, deploying strategies to ensure business continued as usual given our strategic importance as an essential service and an important port of call.

DEAR VALUED SHAREHOLDERS,

It gives me great honour to present Bintulu Port Holdings Berhad's (the Group) Integrated Annual Report for the year 2020. On behalf of the Board of Directors, I am pleased to report that the Group has performed resiliently and responded well to the considerable challenges that emerged during the past year. The Group has certainly taken the right steps to ensure the sustainability of the business, its employees and the communities where it operates.



In 2020

Global economy contracted by

3.5%

Malaysia's economy contracted by

5.6%

Overall cargo throughput for Malaysian Ports declined by

5.2%

AN UNPRECEDENTED YEAR

In what can only be described as unprecedented, the world in 2020 witnessed significant disruptions to economic growth, business activity and the livelihoods of people. The COVID-19 pandemic that swept across the world led to a severe economic downturn due to the various lockdowns and movement restrictions implemented to contain the pandemic. In Malaysia, a contraction in economic growth of 5.6% was recorded, compared to the 4.3% growth achieved in 2019. With shipping activities closely mirroring economic performance, the downturn in economic activity impacted Malaysia in terms of cargo and vessel calls.

CHAIRMAN'S STATEMENT

NAVIGATING THE PANDEMIC

Despite the challenges, the Group responded robustly as we deployed a special Business Response Plan (BRP) with strategies that served to minimise the impact of the disruptions caused by the pandemic on our business. One of the key pillars of the response plan was to ensure that business continued as usual given our strategic importance as an essential service and an important port of call. In addition to this, we ensured that we did not lose sight of our business goals and aspirations. Our BRP also included measures that safeguarded our employees during this time, as well as initiatives to contain and optimise costs.

While everyone adjusted to the new norm of working remotely or from home and using video conferencing to meet, I appreciate the fact that the Management team constantly kept the Board of Directors informed and updated about the latest developments and progress of its strategies. Through our frequent communications, the Board was able to leverage our collective experience and expertise to help guide the business through this crisis, and I believe the business and our employees have emerged stronger.

We are also appreciative of the government's numerous tax incentives announced under the economic stimulus packages that will help the impacted industries recover faster, which will have a positive impact on the Group.



For more details about our Business Response Plan, please refer to the Group Chief Executive Officer's Statement on pages 12 to 21.

Helping the Communities around Us



Bintulu Hospital receiving donated PPE

During these difficult times, when the livelihoods of the communities around us were severely impacted, we took great care to ensure that we continued our contributions to those most in need. Our corporate social responsibility programmes have always centred on the four pillars of Serving the Community, Education, Community Health and Environment. During the year, many of our initiatives were directed at helping less fortunate communities with financial contributions. We also donated equipment required by healthcare frontliners to combat the pandemic.

Our employees were exemplary in this regard, as they came together to make donations to 500 families in Bintulu. The Group also made use of its strong linkages by collaborating with the largest intra-Asian shipping line, SITC Container Lines (SITC), to bring in additional personal protective equipment (PPE) from China directly into Bintulu. Together with SITC, we distributed the additional PPE to four (4) major hospitals in Sarawak located at Bintulu, Miri, Sibu and Kuching.



For more details about our corporate social responsibility efforts, please refer to the Empowering Communities section on pages 55 and 56.



CHAIRMAN'S STATEMENT

OUR SUSTAINABILITY AGENDA

As we continued to take care of our communities and employees, we also paid attention to finding ways to mitigate our impact on the environment. Key to this was the re-establishment of our Environmental Policy that outlines our approach to managing our environmental impact. In support of the policy, the Group diligently carries out annual environmental conservation efforts through the dedication of our employees at Samalaju Industrial Port. In addition, this year's Integrated Annual Report will see the Group publishing its Carbon Footprint for the first time, marking a significant milestone in our efforts to be more transparent about our impact and the ways we are managing it.

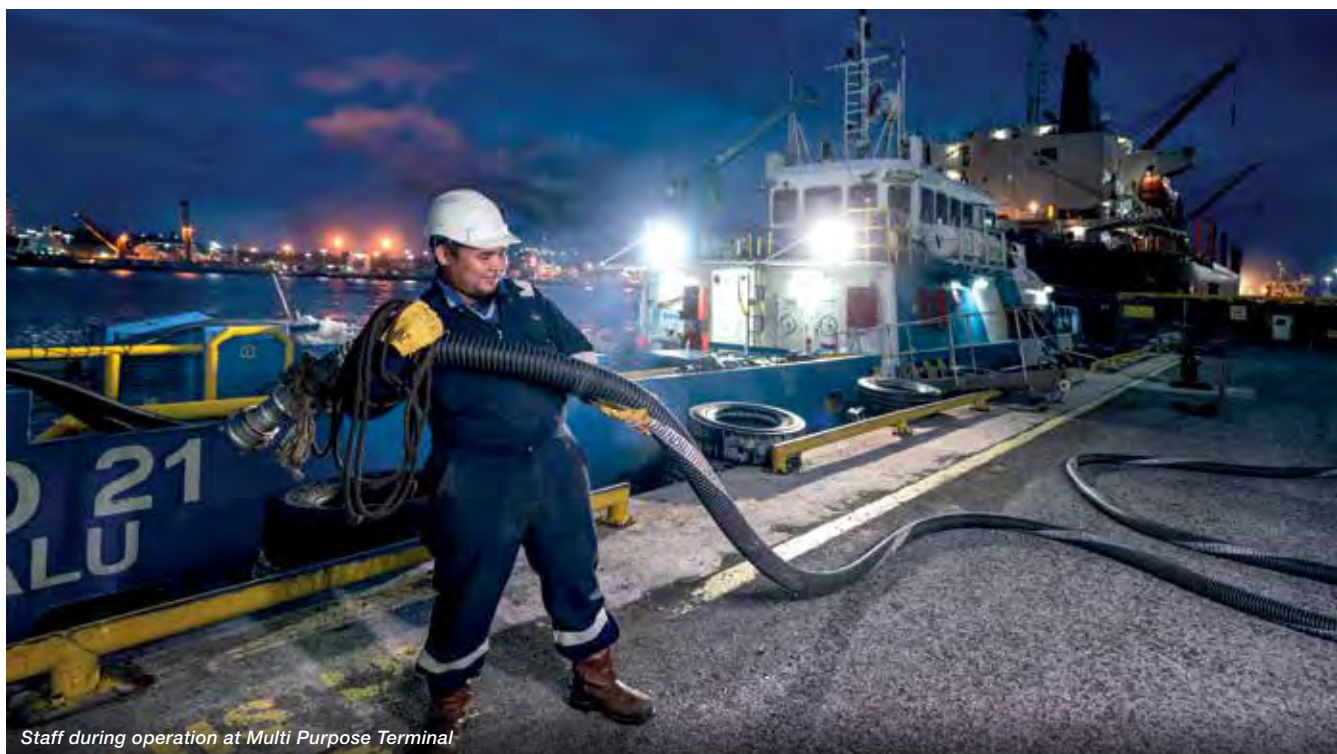
CONTINUED VALUE CREATION

The Group remained resilient in its efforts to keep the business going. Operationally speaking, we stepped up to ensure our operations continued as usual, thereby guaranteeing that our Port continued to serve the global supply chain that we are so closely connected with. From a business growth perspective, the Group remained focused on following up closely to make sure initiatives that had begun previously were implemented successfully.

In 2020, a number of these initiatives advanced positively. For example, the Group's preparations to handle LNG ISO Tanks were off to a good start and we are now operationally ready to receive such cargo on a large scale. A significant development for the Group was the Ministry of International Trade and Industry's approval of a steel plant project to be undertaken by China's Wenan Iron & Steel Co Ltd. This capped off an effort that had been four years in the making and we acknowledge the combined efforts of all stakeholders, including the federal and state governments.

This project will be a game changer for Samalaju Industrial Port, as the plant will have a production capacity of 5.7 million tonnes per annum for the first 10 years of its operations. Earthwork is targeted to start by the middle of 2021 with the commencement of the steel plant by the middle of 2024.

To secure the long-term business continuity of the Group, we engaged with Bintulu Port Authority (BPA) through a series of meetings to discuss the issues pertaining to the concession renewal. Since then, both BPSB and BPA have set up a joint working committee to manage and oversee the work related to the concession. The target is to finalise the term of the concession in 2021.



Staff during operation at Multi Purpose Terminal

CHAIRMAN'S STATEMENT

The Group's resilient financial performance has resulted in the reaffirmation of our ratings as a Corporate Guarantor for the RM950 million Sukuk Murabahah debt issued by SIPSB. Following its fifth annual rating of BPHB and SIPSB, RAM Ratings reaffirmed the respective long-term and short-term corporate ratings of AA₁ and P1 for BPHB. RAM Ratings also reaffirmed the long-term rating of AA₁(s) for SIPSB's Sukuk Murabahah Programme.

It also gives me great pride to report that the Group's effort to provide stakeholders with clearer and more transparent reporting of our business activities and aspirations has been globally recognised. In September 2020, the Group was awarded a Silver Award for its 2019 Integrated Annual Report at the 34th International Annual Report Competition (ARC Awards) held in New York. The Group's 2019 Integrated Annual Report with the tagline "Realisation of Greater Potential" clinched the Silver Award in the Port Management subcategory under the Traditional Annual Report Category. With this win, Bintulu Port is the first port in Malaysia to be recognised by the ARC Awards. This also marks the Group's first-ever international award for an annual report.

DIVIDEND

I am pleased to announce that we continue to reward our shareholders for their loyalty especially during these challenging times. The Board has authorised the payment of a fourth interim single-tier dividend of 2.00 sen per share. This brings the total dividend for the financial year ended 31 December 2020 to 10.00 sen per share.

PROGRESSING OUR GOVERNANCE AND RISK CULTURE

The Group's transformation of its governance, risk and compliance (GRC) culture is progressing well with the UTAP Transformation Programme moving into the implementation stage. UTAP means "shield" in the local dialect and symbolises the three lines of defence mechanism that will help the Group mitigate all forms of significant risks. The journey, which began in 2019, is divided into three phases and we have since completed Phases 1 and 2(a), which have laid the groundwork for the subsequent phase.

In 2020, the roadmap that explains the remaining key activities under Phase 2(b) of the UTAP Transformation Programme was rolled out to the Group. The roadmap sets out 46 initiatives that will need to be implemented across ten (10) work streams comprising various parts of the business. This phase is expected to be completed by the second quarter of 2022 and will result in a far more robust GRC culture, therefore leading to much more effective business operations.

The past year also saw the Group introducing new policies in order to comply with legislation, specifically, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 that came into effect on 1 June 2020. The Group has achieved 80% of the adequate procedures checklist as set out in the Act and rolled out an Anti-Bribery and Corruption policy statement and a No Gift policy to further strengthen our compliance and overall governance.



Storage tanks at BSB

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to extend my sincere appreciation to all our employees and the Management team for their dedication, courage and loyalty to the Group during this very challenging time. I would also like to thank all our customers, business partners and service providers for your continued support. To the state and federal government authorities, we remain grateful for your guidance and continue to look forward to a good working relationship.

Tan Sri Dr Ismail bin Haji Bakar
Chairman



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

In 2020, we introduced the Group's 10 Strategies under its Business Response Plan (BRP) to mitigate the impact of COVID-19, help our customers, enhance our resiliency and enable us to continue building for future growth.

DEAR VALUED SHAREHOLDERS,

I am pleased to report that Bintulu Port Holdings Berhad (the Group) stayed the course in the execution of its strategic objectives even as the COVID-19 pandemic disrupted economies, global supply chains and our core businesses. The Group quickly and successfully responded to the various challenges that emerged due to the pandemic, to ensure that our operations progressed with minimal interruptions. In my statement, I will be detailing the broad challenges faced by the Group and how we overcame them amid the difficulties of the new norm to produce a set of results that have placed us in a position of strength for the eventual economic recovery.

KEEPING THE BUSINESS GOING

As we entered 2020 witnessing the pandemic spreading rapidly across the world and eventually arriving at our shores, the Group was already formulating a unique response that would ensure business continuity and the safety of each and every one of our 1,534 employees. While the response was necessary for us to continue achieving our strategic objectives, more importantly, it was to ensure that the Port remained open given the essential role it plays in both the nation's and the world's various supply chains.

The Group's role as a gateway to the country has also meant that we are the first line of defence in protecting our country against the entry of the pandemic via our seaways.

As the sole LNG export gateway for the nation, Malaysia's third-largest port in terms of cargo throughput and being among the world's top five LNG exporters, we serve a vital role in the global energy supply chain. It was thus crucial for our operations to proceed with minimal disruptions. Due to our efforts, I am very proud to report that our business remained open all year round with zero disruptions or shutdowns.



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

OUR CHALLENGES

Challenge 1

On the business front, we faced an overall reduction in cargo throughput across most cargo types as consumer demand and business sentiment fell sharply during the various movement restrictions and lockdowns implemented to contain the pandemic.

Challenge 2

While the pandemic presented operational challenges, customers continued to expect to receive the same level of service and efficiency.

Challenge 3

There were also delays in the implementation of our various business initiatives, especially those involving construction work, due to compliance to new Standard Operating Procedures (SOPs).

Challenge 4

Operationally, the Group had to adjust to employees conducting their work remotely or from home and invest in the necessary personal protective equipment (PPE) for those on-site to ensure they remained safe for business to continue as usual.

BINTULU PORT'S BUSINESS RESPONSE PLAN

While the challenges described above posed some concern to the Group, our plan was created to shield our operations and to negate the effects of the pandemic on the progression of our business initiatives. It was our belief that it was the right time to capitalise on our strengths to forge ahead to build a more resilient business. The Group's Business Response Plan (BRP) thus set out ten (10) Strategies that helped mitigate the impact of COVID-19, helped our customers, enhanced our resiliency and enabled us to continue building for future growth.

Keep the Business Going

1. Ensuring Critical Operations Proceeded with Minimal Disruptions

What We Did

- Maintained resiliency in delivering services and responded quickly to any interruptions.
- Minimised disruptions to productivity.
- For operations staff who continued to work from the office, strict social distancing was observed and staggered working hours were introduced where feasible.
- Developed working SOP 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.

Keep the People Healthy and Safe

2. Protecting Safety and Health of Employees at All Times



For more details, please refer to the Commitment to Our People section on pages 46 to 50.

What We Did

- Established a Close Contact Management Plan.
- Distributed PPE to employees and observed all SOPs.
- Installed a Disinfecting Chamber for staff and port users at the main entry point.
- Actively conducted screening tests for employees.
- Activated the Group's Crisis Management Team.



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Communicate Well

3. Open Communication with All Stakeholders



For more details, please refer to the Stakeholder Engagement section on pages 32 to 35.

What We Did

- Regularly updated stakeholders on the latest information or changes.
- Distributed Business Response Plan (BRP) Guidebook on 10 June 2020 as a guideline to Management in developing strategies and plans in implementing the 10 strategies of BRP.
- Ensured the flow of information was consistent and maintained throughout the period (Concise, Clear and Correct).
- Monitored our communication channel to curb misinformation or distribution of fake news.

Progress the Corporate Strategic Thrusts

4. Progressing Key Initiatives (Business Growth and Operational Excellence) in the Best Possible Manner

Key Initiatives	Progress
Renewal of Concession (BPSB)	BPSB conducted a series of meetings in 2020 with Bintulu Port Authority (BPA) to discuss the issues related to the concession renewal. Since then, both parties have set up a joint working committee with the target to finalise the terms of the concession extension in 2021.
Samalaju Wenan Steel Project	This project has been approved by the Ministry of International Trade and Industry with the agreed allowable production capacity of 5.7 million tonnes per annum for the first 10 years. The plant construction work is expected to start in early 2022 and be completed by middle 2024.
Samling Biomass Hub	<p>Bintulu Port with its deepsea port status and close proximity to the state's planted acacia tree forests is the most ideal location/hub for biomass export.</p> <p>In 2019, BPSB signed a lease agreement with Samling Plywood Baramas, which has started the construction of a mill to produce wood pellets for export to the overseas market. Samling will construct a storage silo in BPSB to store wood pellets before they are exported.</p> <p>The export of wood pellets on this scale will make Bintulu Port the hub for biomass and attract other wood pellet exporters/producers to Bintulu.</p>
Interim Operations for LNG ISO Tank	<p>The Group signed a sublease agreement with Tiger Gas for the the LNG ISO tank filling facilities in May of 2020.</p> <p>This was followed up with the Group assisting Tiger Gas in the operational readiness of the filling station, preparing the appropriate SOPs and technical and yard preparations in terms of equipment and layout.</p>
Brunei Marine Services	Progressing and delivering marine services at Muara Port District without any disruption.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Progress the Corporate Strategic Thrusts (Continued)

Key Initiatives	Progress
Pursuing Our Operational Excellence Initiatives	<p>These comprise ongoing initiatives that involve improvements to operational effectiveness, workflow processes and audit transformation and cost management initiatives:</p> <ol style="list-style-type: none"> 1. Review of Limit of Authority (Project Pyramid) 2. Governance, Risk and Compliance (GRC) Transformation Journey (UTAP) which includes Culture Transformation 3. Cost Management Initiative (COMMIT) 4. Operational Excellence Performance Delivery (OEPD). <ul style="list-style-type: none"> • Project Diamond (BPSB): Continuous initiatives to improve BPSB's targeted overall operational excellence in container service. • Project Grab and Go (SIPSB): Ongoing effort to optimise the capabilities of level luffing crane and conveyor facility operation at Samalaju Industrial Port. • Project Vroom (BBSB): To improve vessel turnaround and operational flow at edible oil terminal.
Direct Call Services at Samalaju Industrial Port	The Group is looking to work with potential shipping lines to provide direct call services from SIPSB to regional ports. This initiative is in line with the LNG ISO Tank development at BPSB and will ease the container volume handled at BICT while enabling SIPSB to earn additional revenue.
Project MPA (Malaysian Phosphate Additives)	Samalaju Industrial Port is expected to handle about 1.0 million tonnes of new cargo from MPA, which will bring in additional revenue of about RM23 million.
Operational Readiness of Press Metal Bintulu Sdn Bhd Phase 3	Samalaju Industrial Port facilitated the upgrading of conveyors and installation of the third pneumatic Ship Unloader within the Port area. The installation will be undertaken by Press Metal Bintulu Sdn Bhd to improve the overall productivity.

Go Virtual

5. Leveraging IT and Virtual Communications Technology

What We Did

- Maintained our workflow stream so that the Group was able to function and progress despite the challenging environment by leveraging information technology and virtual communications to complement the work-from-home (WFH) initiatives.
- Held online meetings via Microsoft Teams and enabled virtual private network (VPN) address for WFH.
- Established Virtual Communicating Zone and developed SOPs applicable to virtual meetings.
- Organised our first-ever fully online AGM Meeting.

Cash Preservation

6. Review and Prioritisation of CAPEX Spending Plans and Expenditure



For more details, please refer to the Financial Performance Review section on pages 22 to 25.

What We Did

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



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Cost Containment

7. Cost Optimisation



For more details, please refer to the Financial Performance Review section on pages 22 to 25.

What We Did

- Optimised cost according to critical operational requirements, safety aspects and contractual obligations.
- Optimised cost following a reduction in operating expenses due to the impact of WFH, lower oil prices and delay in procurement.
- Group Business units undertook price negotiations of term contract.
- Exercised options on renewal of contract.

Maintain Staff Morale

8. Employee Motivation



For more details, please refer to the Commitment to Our People section on pages 46 to 50.

What We Did

- Provided financial security by ensuring salary and benefits were processed and paid on time.
- Targeted relief and assistance to employees.
- Enforced strict adherence to SOPs to ensure the safety of employees working on-site.
- Continuous communication from GCEO to the staff to assure, motivate and maintain morale throughout the pandemic.

Help Customers to Deliver

9. Targeted Incentives to Customers

What We Did

- Collaborated with an identified customer to make the Multipurpose Terminal (MPT) the centre for handling raw materials.
- Suspended the imposition of surcharges during the MCO to allow port users to have enough time to plan for their payment arrangements.
- Encouraged customers to store their cargoes/products at the Port, utilising our available capacity, enabling them to have more time to plan their logistics and mitigate the limited storage space on their premises.

Keep the Board Engaged

10. Looping in the Board

What We Did

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

CONCLUSION

While it was challenging, the BRP essentially enabled the Group to stay open and to pursue all the initiatives set in motion before the pandemic set in. I am glad to report that we achieved a number of significant milestones once again — an exceptional demonstration of our resilience and dedication in delivering value to our stakeholders.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

ACHIEVEMENTS IN 2020

Our key Corporate Achievements in 2020 are divided into three (3) sections, with the following initiatives/highlights:



STRATEGIC THRUST 1: INSTITUTING OPERATIONAL EXCELLENCE

Operational Excellence in Customer Engagement and Transformation

1. OPEN FOR BUSINESS (All Year)

- The most significant achievement we accomplished in 2020 was to stay open all year long and to continue our services without any major disruptions for all subsidiaries.



Site inspection at Biport Bulk storage tanks

2. PERSONAL PROTECTIVE EQUIPMENT (PPE) CONTRIBUTION (June)

- We collaborated with the largest intra-Asian shipping line, SITC Container Lines, to bring in PPE from China directly into Bintulu.
- The Group contributed the PPE to four major hospitals in Bintulu and other parts of Sarawak.



Receiving the PPE at our Container Freight Station

3. NEW POLICY ROLL-OUT (June)

- The Group introduced new Group-wide policies in order to comply with legislation, specifically Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 which came into effect on the 1st of June.
- Since the Act came into force, the Group has achieved 80% of the adequate procedures checklist as set out in the Act and rolled out an Anti-Bribery and Corruption policy statement and a No Gift policy in June 2020.

4. INNOVATION IN OPERATION

A) CUP PIG INITIATIVE (June)

- PIGs, which stands for Pipeline Intervention Gadgets are commonly used to clean pipelines in palm oil and oil & gas industries.
- We have made improvements to how it is transported around our operation area including installing a slider device at the jetty. This simple innovation has improved overall safety in the transportation of the Cup PIG.



The installed slider device at our Edible Oil Jetty



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT



STRATEGIC THRUST 1: INSTITUTING OPERATIONAL EXCELLENCE (Continued)

B) REFLECTIVE PIPELINE TAGGING (November)

- BBSB successfully improved the visibility and connection accuracies of its pipelines by installing reflective pipeline tagging which is very useful for pipeline tracing as well as for protecting customers' products.



The installed reflective tagging on pipelines

5. VIRTUAL AGM (June)

- We succeeded in conducting our Annual General Meeting via a fully online session in June 2020.

6. UTAP TRANSFORMATION JOURNEY (August)

- We saw the completion of Phases 1 and 2 of the UTAP transformation journey, whereby the project team declared the official completion of the project to the Audit and Risk Committee (ARC) on 14 August 2020.
- Phase 3 of the UTAP journey covers the roadmap and work stream implementation.
- As of 15 March 2021, the overall implementation of the Governance, Risk and Compliance (GRC) Roadmap is progressing well.
- All work streams have been initiated, and of the 46 initiatives which are clustered into ten (10) workstreams, 11 initiatives have been completed so far and the rest will continue to be monitored to ensure deliverables are met.

7. IR AWARD RECEIVED (September)

- BPHB became the first Malaysian port to receive an award for our Integrated Annual Report when we won the Silver Award in September 2020 at the 34th Annual Report Competition which was organised by ARC International Awards in New York.

8. MARSEC LAUNCHED (September)

- We launched a maritime security transformation programme in September which aimed to implement awareness and training programmes that were geared towards heightened accountability in security within the Port.

9. LNG ISO TANK OPERATIONAL READINESS (September)

- We also achieved operational readiness for our LNG ISO Tanks in September, which saw the completion of the interim facilities as well as the SOPs related to the operations.
- The vision of making Bintulu into a LNG ISO Tank hub is a shared vision of Bintulu Port, PETRONAS and Tiger Clean Energy to change the LNG landscape.



Staff overseeing LNG ISO Tanks loading operation

10. IMPROVEMENT IN CUSTOMER SATISFACTION (December)

- Increase in External Customer Satisfaction Index (CSI)
- We also observed an improvement in our 2020 Customer Satisfaction Survey Index where we registered an increase of 1.6% with an index score of 73.1% in comparison to 71.5% in 2019.
- This indicates our customers' growing confidence in our ability to continuously deliver value, and manage and exceed expectations in spite of the unprecedented challenges present.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT



STRATEGIC THRUST 2: EXPAND PORT CAPACITIES & CAPITALISING ON KEY GROWTH MARKET SECTOR & PROFITABILITY

Business Growth

1. COMMENCEMENT OF MARINE SERVICES IN BRUNEI (January)

- The Group commenced its marine services in Muara Port District, Brunei, thereby proving that we can compete as an international-level operator. We plan to continue growing our international service offerings within the Brunei market (i.e. pilotage and stowage services).

2. ACHIEVED 1 BILLION TONNES (January)

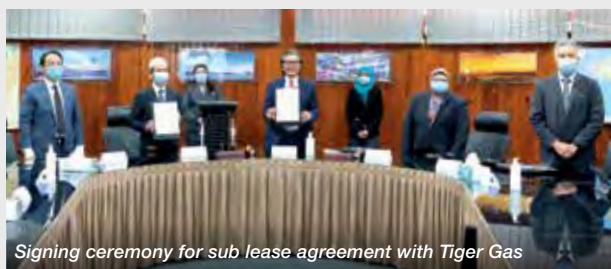
- Surpassed the mark of 1 billion tonnes of cargo throughput accumulative since 1983.

3. SHIP-TO-SHIP BUNKERING (April)

- In April, we saw the first Ship-to-Ship commercial bunkering operations being undertaken within BPSB's port water limits.
- In 2020, a total of eight (8) commercial bunkering operations took place, carried out by authorised operators through their fleet of vessels.

4. LNG ISO TANK FILLING FACILITY (May)

- The Group signed a long term sub-lease agreement with Tiger Gas for the LNG ISO Tank filling terminal and facilities in May of 2020.
- The LNG ISO Tank filling facility was completed by Tiger Gas in February 2021. The first export of LNG ISO Tanks was successfully executed on 25 March 2021, making Bintulu Port the Port in Asia to do so in a large scale.



Signing ceremony for sub lease agreement with Tiger Gas

5. NEW SHIPPING SERVICE (June)

- In June, BPSB/BICT received the maiden voyage of SITC's new China-Vietnam-Malaysia service, through the berthing of MV Bahamian Express.
- This new service route by SITC strengthens the connectivity between Bintulu and other major ports within the intra-Asian trade routes, with the addition of Ho Chi Minh and Qui Nhon.

6. PROJECT BIOHUB (July)

- The Group signed an MoU between BPHB, Regal Lands Sdn Bhd, Agensi Inovasi Malaysia and the Port of Rotterdam in July, which was conducted via a digital signing ceremony.
- The project which is benchmarked to follow the success of Rotterdam Port aims to position the Group to be a part of the global biomass ecosystem by transforming biomass resources which are abundant in Sarawak into a catalyst for growth.

7. GASSING UP AND COOLING DOWN SERVICES (All Year)

- Throughout the year, we saw the handling of a total of eight (8) LNG vessels for gassing up and cooling down operations, a significant growth compared to last year operation.

8. SECURED OIL AND GAS CONTRACT FOR BASE SUPPORT (October & November)

- We secured a contract extension with PTT Exploration and Production Public Company Limited in October as well as another long-term contract with an oil and gas major, Mubadala Petroleum, in November for the support base contract for a three (3)-year period.

9. LARGEST LNG VESSEL BERTHED (November)

- The vessel "Vasant 1" from India, with a total length of 294 meters and DWT of 97,200 was piloted on 1 November 2020.



LNG Vasant 1 berthed at LNG Jetty 3

10. PRESS METAL PHASE 3 OPERATIONS (November)

- Samalaju Industrial Port facilitated the upgrading of conveyors and installation of the third pneumatic Ship Unloader within the Port area. The installation will be undertaken by Press Metal Bintulu Sdn Bhd to improve the overall productivity.
- The Press Metal Phase 3 expansion is now expected to start by June 2021 and is projected to add another 360,000 tonnes per annum plant capacity to the current 760,000 tonnes per annum.



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT



STRATEGIC THRUST 3: EMBARK INTO SMART AND GREEN PORT

Smart Digital Green Port (SDGP)

1. SDGP BRANDING (February)

- In terms of SDGP branding, BPHB had the opportunity to deliver a paper titled “Balancing Economic and Environmental Demands” at the 2020 ASEAN Ports and Shipping Conference in Jakarta just before lockdowns took place.
- The Group remains committed to delivering on the sustainable goals and strategic outcomes outlined in the Smart Digital Green Port blueprint, as well as to continue implementing a more sustainable approach based on current best practices for our business operations and resource management.



2. GREEN BELT INITIATIVES (All Year)

- The Group continues to pay close attention to its surroundings and undertakes tree planting programmes to help mitigate our carbon footprint and to demonstrate the importance of protecting our environment. We target to plant 1,300 trees in the near future through the SIPSB Anjung Hijau 2.0 programme and the Forest Landscape Restoration programme.



Our mission is to ensure the long-term sustainability of the business not only for our shareholders and stakeholders but also to benefit our community while managing our impact on the planet. While the pandemic slowed our efforts to progress our sustainable aspirations in 2020, we plan to step up and improve on this in the years ahead.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

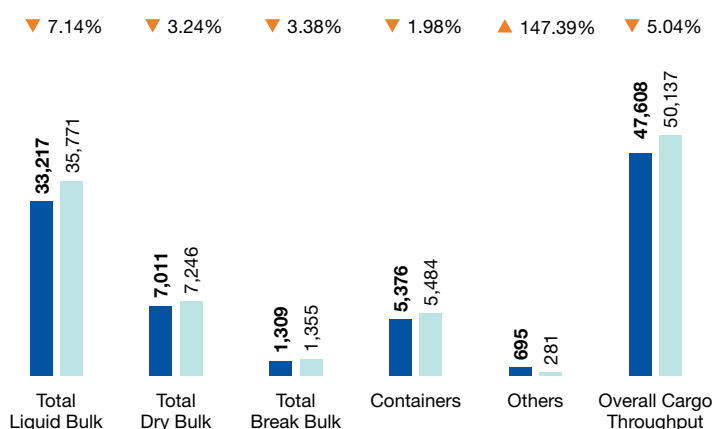
GROUP OPERATIONAL AND FINANCIAL PERFORMANCE

BPHB Group's actual cargo throughput performance for 2020 is better than forecasted, despite the challenges faced due to the COVID-19 pandemic in Q1 2020.

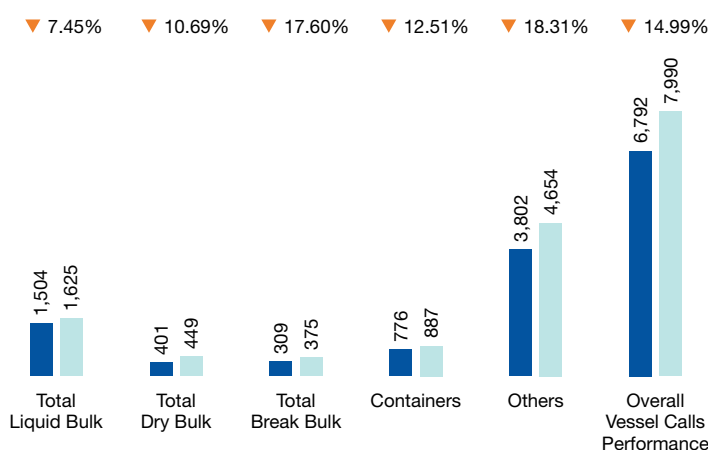
We observed a significant rebound in the second half of 2020, resulting in an annual total throughput of 47.61 million tonnes of cargo, which was just a 5.04% reduction as compared to our earlier forecast of a 7.0% decline. Vessel calls recorded a 14.99% reduction of shipment across all sectors, especially passenger and offshore supply vessels.

Overall, the Group recorded operating revenue of RM707.31 million, 1.27% lower than the RM716.42 million recorded in 2019. Profit before tax decreased by 29.25% to RM126.67 million (2019: RM179.03 million) mainly due to higher depreciation of right-of-use assets and provisions for maintenance dredging costs.

2020 Cargo Throughput ('000 tonnes)



2020 Vessel Calls (number of vessel calls)



■ 2020 ■ 2019

STRATEGY AND OUTLOOK GOING FORWARD

It remains highly conceivable that the health and economic effects of the pandemic will linger further into 2021, and we must be prepared to cope, adapt and respond accordingly. While we have done a respectable job in protecting our business and people over the past year, it is clear that more will need to be done to maintain the same resilience that has been exhibited thus far. While the Group is targeting cargo growth in 2021, the onset of renewed movement restrictions has certainly made achieving this goal more challenging. From a business perspective, our focus remains on driving our three corporate strategic thrusts and on securing the concession renewal for our port operations.

I believe that certain strategies that we emphasised over the past year in navigating through the pandemic will need to be honed and fine-tune further if we are to achieve our goals. This includes discipline in our spending, accuracy in our execution and prioritising productivity and efficiency using the assets we have in hand. The Group's stakeholders must understand that we are navigating through one of the greatest challenges that the Group and the industries have ever faced, and we must meet it with equal, if not greater, determination if we are to emerge from it in a better position.

ACKNOWLEDGEMENTS

I would like to extend my sincere thanks and appreciation to all our employees who have continued to dedicate all their energies to the smooth running of the business, allowing the Port to remain open. I would also like to express my gratitude to the Board of Directors who have shared their insights, wisdom and counsel during one of the most challenging times in the Group's history. Lastly, we thank the regulatory authorities, our business partners, customers, shareholders and suppliers for their ongoing support and cooperation.

Dato Mohammad Medan bin Abdullah
Group Chief Executive Officer



FINANCIAL PERFORMANCE REVIEW

The continuous review and prioritisation of spending plans and expenditure to optimise our cost has been the hallmark of our financial strategies during a challenging year for the port services industry.

OPERATIONAL & FINANCIAL HIGHLIGHTS OF THE GROUP

REVENUE

	2020 RM'000	2019 RM'000
Revenue from port services rendered	645,339	650,730
Revenue from bulking services	40,615	43,935
Rental income	21,358	21,756
Total Operating Revenue	707,312	716,421
Revenue from construction services for concession infrastructure	8,392	8,683
Total Revenue	715,704	725,104

Overall, the Group recorded operating revenue of RM707.31 million, 1.27% lower than that of FY2019. The operating revenue comprised revenue from geographical locations in Malaysia of RM674.07 million and RM33.24 million from Brunei Darussalam. Revenue from LNG, which formed 51% 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, Malaysia, of RM516.58 million declined by 6.56% compared to RM552.88 million in the previous year. However, the new business venture undertaken by Bintulu Port Sdn Bhd ("BPSB"), i.e. securing a contract to provide pilotage and towage services at Muara District, Brunei Darussalam, added additional operating revenue of RM33.24 million, bringing BPSB's total revenue from port services to RM549.82 million in 2020. Meanwhile, revenue from the provision of port services at Samalaju Industrial Port dipped by 2.46% to RM111.08 million against RM113.88 million recorded previously, while revenue from the provision of bulking facilities at RM46.42 million showed a decrease of 6.52% from the RM49.66 million recorded in 2019.

Revenue from rental income was accounted for in accordance with MFRS 16: Leases and comprised rental of warehouse, yard, land, office space and equipment at Bintulu Port and tank rental at Biport Bulkiers.

Revenue from construction services for concession infrastructure was recognised as required under IC Interpretation 12: Service Concession Arrangements in respect of the upgrading of port facilities and procurement of handling equipment undertaken during the year. There was no markup recognised on these activities as the Group outsourced the construction services and procurement to third parties. Likewise, the corresponding cost of construction services was also recognised as having no impact on the operating profit.

FINANCIAL PERFORMANCE REVIEW

INCOME STATEMENT

	2020 RM'000	2019 RM'000
Operating Revenue	707,312	716,421
Revenue from Construction Services	8,392	8,683
Other Income	13,288	11,631
Cost of Construction Services	(8,392)	(8,683)
Manpower Cost	(128,869)	(116,604)
Other Expenditure	(187,257)	(180,010)
EBITDA	404,474	431,438
Depreciation, Amortisation & Provision of Replacement Obligations	(221,831)	(200,708)
Operating Profit	182,643	230,730
Finance Costs	(75,176)	(76,459)
Finance Income	19,199	24,761
Profit Before Tax	126,666	179,032
Income Tax Expense	(33,365)	(49,733)
Profit After Tax	93,301	129,299

Operating profit was lower by RM48.09 million, from RM230.73 million to RM182.64 million. This was contributed by the lower EBITDA and higher depreciation on rights-of-use assets under MFRS 16: Leases for the new charter hire of vessels for the operations at the Brunei branch and Bintulu Port Main Office. The EBITDA was lower by RM26.96 million year-on-year, mainly due to the lower operating revenue and higher operating expenditure. The unprecedented COVID-19 pandemic, which caused disruptions in all supply chains in the logistics industry due to the various Movement Control Orders, contributed to the lower operating revenue generated by the Group, notably in the first half of 2020.

The operating expenditure during the year was higher mainly due to the provision of maintenance dredging work, charter hire expenses due to additional hiring of crews, procurement of personnel protective equipment (PPE) and consumables for staff to contain COVID-19 and procurement expenditure relating to virtual meeting facilities. However, expenses on fuel, electricity and utilities during the year under review were lower due to less usage, the lower price of diesel and the discount given by the government on water and electricity. The cost-containment measures undertaken during the year included deferments on the purchase of certain major handling equipment, exercising options on renewal of contracts and practising prudent spending by giving priority to expenses relating to safety requirements and those contractually committed to and critical to operations.

There were no additional borrowings in 2020. The finance costs comprised profit expenses on Sukuk Murabahah, unwinding of discounts expenses on contractual obligation for lease payment, maintenance dredging, lease liabilities and replacement obligations.

During the year under review, the Group conducted a Liability Management Exercise to seek a temporary indulgence from Sukukholders on the revision of the finance-to-equity ratio (FER) from not more than 65:35 (1.86 times) to not more than 75:25 (3.0 times) for a period of five (5) years from 2020 to 2024. This was successfully carried out on 21 August 2020. The FER on the Issuer (Samalaju Industrial Port Sdn Bhd or SIPSB) as at 31 December 2020 was 1.77 times. There were no breaches in any of the covenants relating to the Sukuk Murabahah Programme.

RAM Rating Services Berhad (RAM Ratings) completed their fifth (5th) 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, with the long-term rating having 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), with the long-term rating having a stable outlook.



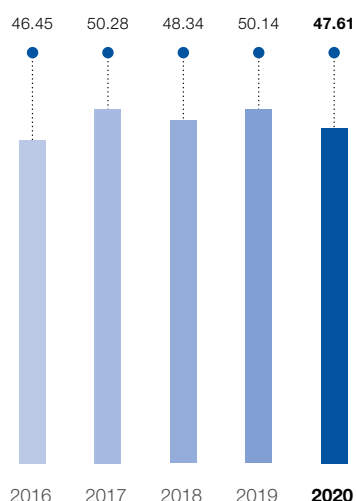
FINANCIAL PERFORMANCE REVIEW

The cash and cash equivalents as at end-2020 were RM648.54 million. The net cash generated from operating activities of RM326.49 million declined from 2019. During the year, SIPSB received its GST refund, which was due from FY2018, amounting to RM6.62 million. The net cash used in investing activities and financing activities was RM93.28 million and RM260.63 million, respectively and therefore, the net decrease in cash and cash equivalents was RM27.42 million.

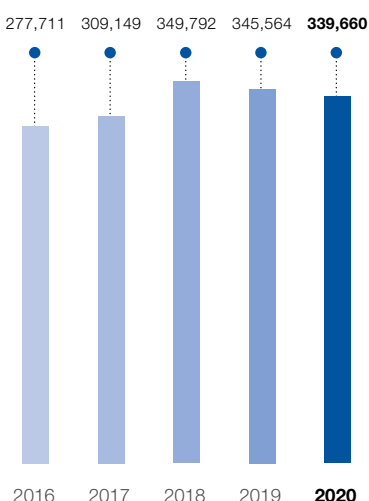
The Shareholders' fund as at 31 December 2020 stood at RM1,377.45 million from RM1,330.10 million in 2019. The net asset per share was RM2.99.

In the 2021, the Group's performance will continue to be affected by the unprecedented impact of the ongoing COVID-19 pandemic. Revenue from the handling of cargoes and vessel calls for LNG will still be the Group's main revenue contributors and starting in 2021, BPSB became the first port operator in Malaysia and the ASEAN region to export liquefied natural gas (LNG) in ISO (International Organization for Standardization) tanks on a large scale.

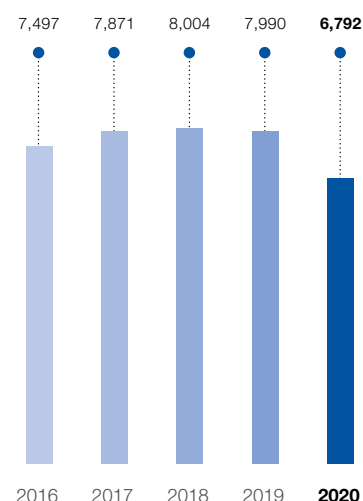
Cargo Throughput (million tonnes)



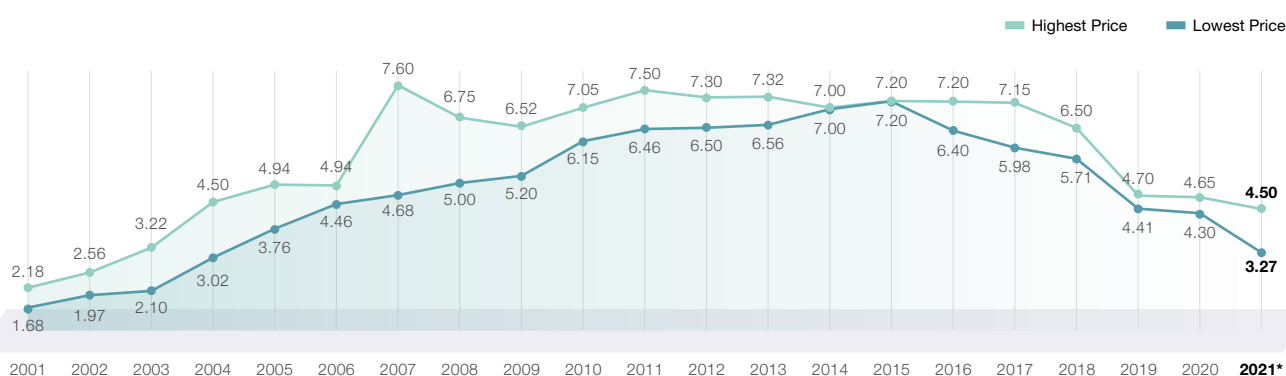
Containers Handled (TEUs)



Vessel Calls (No. of Vessel Calls)



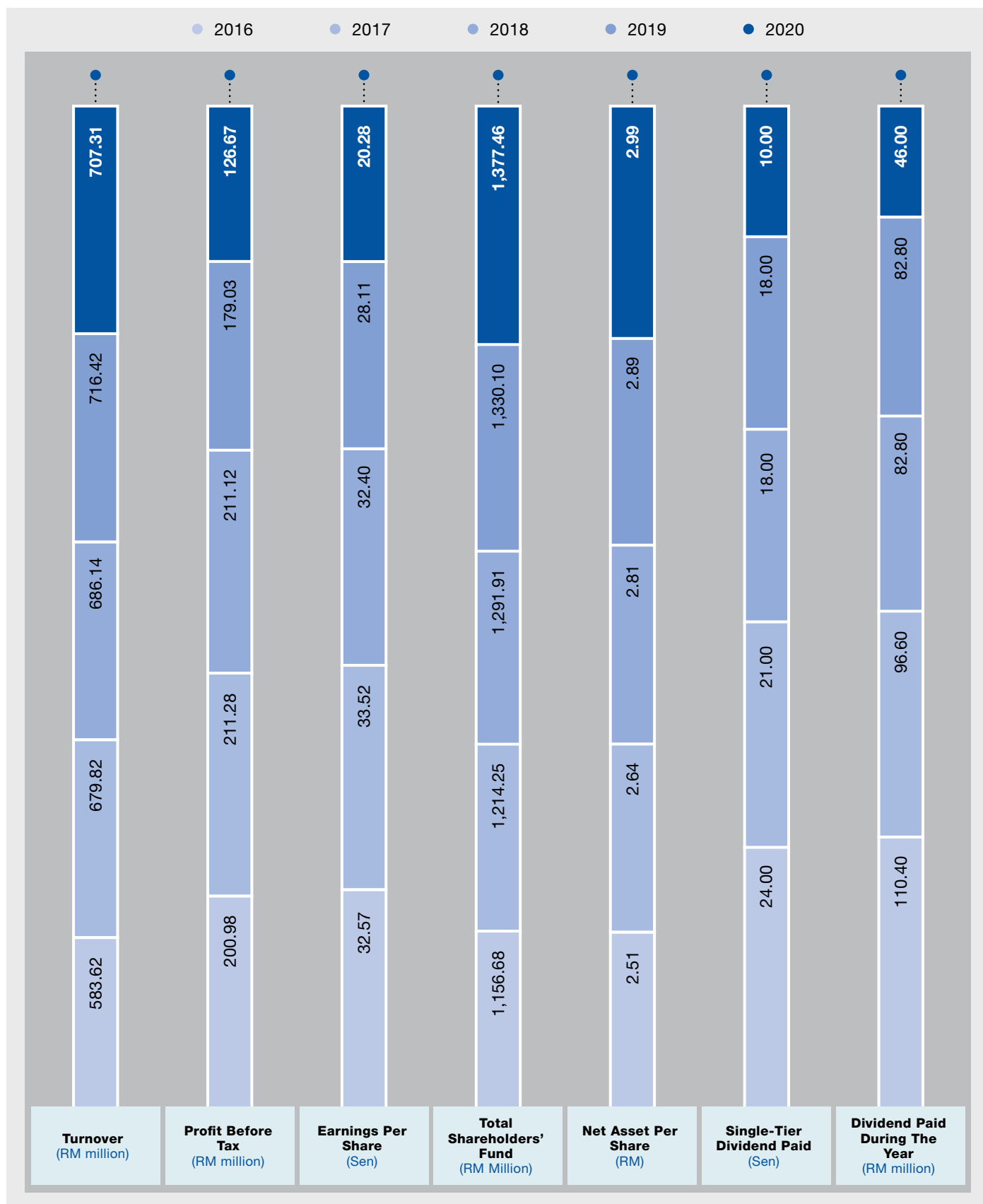
SHARE PERFORMANCE



* Based on transacted price for the period ended 28 February 2021

Overview of how we position our strategic thrusts and good governance to create value

FINANCIAL PERFORMANCE REVIEW





MARKET LANDSCAPE

The pandemic has clearly shown that maritime transport remains key to the global supply chain. However, it has also exposed areas that will need to be improved rapidly in the entire industry.

MARKET LANDSCAPE IN 2020



The global economy was shaken by the impact of the unprecedented COVID-19 pandemic, as it slid into severe downturn following the closure of borders and restrictions of movement worldwide to contain the spread of the virus. The demand for goods and services fell, as did consumer and business sentiment. Global gross domestic product (GDP) declined by 3.5% in 2020, according to the International Monetary Fund. Domestically, Bank Negara Malaysia (BNM) announced that Malaysia's economy contracted by 5.6% in 2020 compared to the 4.3% growth recorded in 2019.

The Malaysian government announced a multitude of stimulus programmes and initiatives in response, to stimulate demand and protect businesses and livelihoods. As a trading nation, Malaysia's ports were affected as throughput fell due to the slump in demand, disrupted supply chains and the cancellation of scheduled vessel voyages. We discuss below some of the main factors in play during this challenging year:

- Given its close linkage to economic activity, containerised trade slowed. Ship capacity usage fell with more frequent blank sailing, as did capacity utilisation at ports. Meanwhile, there was a corresponding increase in the usage of port storage facilities as shippers cancelled their voyages at short notice or because customers were no longer able to predict demand accurately.
- Container voyages are typically on a scheduled rotation and cancellations at the first port of call had a cascading effect on all other ports in that rotation. Smaller ports were more affected as multiple cancellations from different carriers meant significantly less shipments to handle.
- Ports are unable to mitigate the effect of a fall in volume in the same manner as shipping lines, and therefore had to focus on cost optimisation or cost-cutting measures.
- The acceleration of e-commerce during the pandemic affected shipping patterns as the cross-border movement of these goods required more warehousing space and distribution capacity.

OUTLOOK

The global economy is expected to recover with GDP growth of 5.5% in 2021 compared to the contraction of 3.5% in 2020, according to the International Monetary Fund. In Malaysia, BNM has projected growth of between 6.0% and 7.5% in 2021. In addition, the stimulus packages implemented by the government are expected to have a spillover effect and provide an additional boost to the economy in 2021. The country's highest-ever budget of RM322.5 billion through Budget 2021, that has allocations for spending on public infrastructure, will also assist in the economic recovery.

For Sarawak's economy, the allocation of RM6.3 billion in the 2021 state budget for development expenditure comprising funds for the Sarawak Coastal Road network project and the Second Trunk Road will help improve connectivity to the Port's hinterland. This will then contribute to our profitability over the longer term. However, the resurgence of the pandemic in early 2021 does provide a cause for caution and a sustained recovery will depend on its containment and the speedy roll-out of the vaccination programme in Malaysia.

TRENDS MOVING FORWARD

The pandemic has shown clearly that maritime transport remains key to the global supply chain. However, it has also exposed areas that will need to be improved rapidly in the entire industry, while carefully navigating the evolving and dynamic market environment that is also influenced by geopolitics and the trend of deglobalisation. While this serves as the backdrop for the industry, we do note that there will be positive trends and growth drivers going into 2021.

There remains some downside risk going forward as the pandemic continues to linger, with a resurgence in cases still being seen in some countries as of early-2021. The ongoing inoculation of populations in many countries is however expected to mitigate the spread of the pandemic as the year progresses.

MARKET LANDSCAPE

MOST PROMISING TRENDS FOR BINTULU PORT

Vaccine roll-out and its impact

The most promising trend for the Group is the expected recovery in the import and export of goods, commodities and services as countries globally roll out and implement the COVID-19 vaccines. Vaccinations against COVID-19 have begun in countries across the globe since early December 2020. In Malaysia, the government is aiming to vaccinate 26.5 million people, which is 80% of the nation's population, by the end of 2021 and started its inoculation drive in late February 2021. The result of a large number of the population being inoculated is a better outlook in terms of trade and economic activities, which will further improve economic growth going forward. This will then lead to a corresponding increase in port activity.

Economic recovery and trade normalisation

Trade was heavily impacted by the COVID-19 pandemic in 2020 as borders closed and supply chains were disrupted. But with economic activities picking up steam again, regional trade is expected to normalise on the back of growth recovery in 2021.

There were also upsides in trade due to the COVID-19 impact. For instance, the ASEAN-6 region saw its trade surplus more than double from 2018-2019 levels largely due to imports contracting more than exports. This resulted in the trade surplus for Malaysia being increased by 26.9% to RM184.8 billion in 2020 compared to the previous year, registering as the largest trade surplus ever recorded thus far.*

Based on data released by Bank Negara Malaysia in February 2021, both exports and imports have started to normalise in the fourth quarter of 2020, with exports taking the lead. This is in tandem with rising crude oil prices which have increased and hovered at above USD60 per barrel as of February 2021.

* Source: Standard Chartered Research, 1 February 2021

LNG demand and outlook on the rise

After a 4% drop in 2020, natural gas demand is expected to progressively recover in 2021 as consumption returns close to its pre-crisis level in mature markets, while emerging markets will benefit from lower natural gas prices.* Natural gas is projected be the strongest-growing fossil fuel and demand will increase by 0.9% annually from 2020 to 2035. It is the only fossil fuel where demand is expected to grow beyond 2030, peaking in 2037.**

Meanwhile, demand for LNG has surged in recent years with global LNG trade setting record highs each year since 2015, mostly due to strong growth in China and India. LNG is set for stronger growth, as domestic supply in key gas markets will not keep up with demand growth. Demand is expected to grow by 3.4% per annum to 2035**, with some 100 million metric tons of additional capacity required to meet both demand growth and decline from existing projects.

In anticipation of this growth, the Group has strengthened its core offerings as an LNG Exporting Terminal Port service operator and strategically positioned itself as the first and only LNG ISO Tank Hub in Asia.

* Source: IEA report 2021 - 2025: Rebound and Beyond Gas 2020 Analysis

** McKinsey Global Gas Outlook to 2025, 26 February 2021



MARKET LANDSCAPE

MOST PROMISING TRENDS FOR BINTULU PORT (CONTINUED)

The energy transition and the 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. We have since identified several targeted developments in the Smart Digital Green Port Blueprint to 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.

Renewables, especially solar and wind power, are becoming one of the cheapest ways to generate electricity and their prices will continue to drop as greater economies of scale are achieved. Consequently, renewables will 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.*

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.

* Source: International Renewable Energy Agency (IRENA), June 2020 Press Release

Biomass hub opportunity in Sarawak

The Group is exploring biomass as a possible economic growth engine in Sarawak, which will help boost green innovation and wealth creation. Sarawak has some of the key ingredients to develop a competitive biohub ecosystem which can potentially generate more than 10 million tonnes of biomass-related cargo ranging from dry biomass and liquid fuels to chemicals and plastics to serve major import markets in the Asia Pacific region such as China, Korea, Japan, Vietnam and India. With the abundance of feedstock in Sarawak, the biomass opportunity will definitely contribute to the Group and the state in terms of economic benefits and the realisation of sustainability goals.

Promising outlook for offshore activities

In Sarawak, the Group forecasts a positive outlook for offshore operations and demand for oil and gas services. This is evident from the recent discoveries of sweet gas at the Lang Lebah-2 exploration appraisal well in Block SK410 located in Central Luconia and in Block SK417 located in the Baram Province off the coast of Sarawak.

THE RISKS WE CONSIDER

The Group constantly evaluates the various major risks that may impact the business, as well as ways to mitigate such risks.

Some of these risks may also present opportunities for the Group and we have taken this into consideration in our business strategies. We discuss some of the risks that can affect the Group's business below.

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 has also impacted the global supply chain which 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 Agreement (TSA) to protect the interests of the Group

[Link to Material Matters](#)

• Economic Performance

• Operational Efficiency

• Customer Satisfaction



THE RISKS WE CONSIDER

DELAY IN EXTENDING CONCESSION PERIOD

While the Group has received the approval in principle for the extension of its 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 project or expansion
- Loss of potential business opportunities
- Downgrading of Sukuk rating



Mitigation and Opportunities

- Established high-level Board committee to oversee the progress of the expected result
- Escalated the request for renewal to major shareholders (i.e. Petronas & Sarawak State Government) for their assistance
- Intensive collaboration with the newly appointed consultant by the Port Authority to expedite the expected result
- Established 14 Guiding Principles of the terms which have been mutually agreed with the Port Authority
- Established Steering and Working Level Committee together with the Port Authority to oversee the process and negotiations for the extension

[Link to Material Matters](#)

- Legal and Regulatory Compliance

MARITIME INCIDENT RISK

This describes the risk of marine incidents or accidents that could happen within the port water limit at any time, such as grounding, collisions or contact with the jetty during berthing operations.

Causes and Consequences of The Risk

This risk can occur due to:

- Bad weather, poor visibility and rough seas
- Mechanical failure of vessels
- Malfunctioning of navigational aids
- Human error
- Non-compliance with rules and regulations

The consequences are:

- Loss of life
- Port closure or disruption of Port operations
- Pollution, fire or explosion and damage to Port facilities
- Financial losses



Mitigation and Opportunities

- Enforcing safety practices for maritime operations
- Facilities to detect and track vessels within Port limits, for example, VTMS, radar and docking sonar
- Vessel Safety Inspection
- Maintenance of buoys
- Training for marine-related personnel (mandatory and competency training)
- Operational safety briefings and roll calls for marine crew
- Submission of Vessel Declaration Form

[Link to Material Matters](#)

- Port Security
- Customer Satisfaction
- Operational Efficiency
- Occupational Health and Safety
- Economic Performance

THE RISKS WE CONSIDER

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



Mitigation and Opportunities

- Implementation of Information Security Management System ISO 27001:2013
- Establishment of IT Security Policies and Procedures for Bintulu Port Group
- Ensuring firewall firmware are updated
- Ensuring antivirus are updated
- Continuous cyber security awareness program for users.
- Installation of additional CCTV systems at GIT Data Centre
- Annual Review of User Access
- Implementation of Cyber Security Maturity Assessment
- Establishing data disaster recovery centre

Link to Material Matters

- Port Security
- Occupational Health and Safety
- Customer Satisfaction
- Economic Performance
- Operational Efficiency






STAKEHOLDER ENGAGEMENT

We are consistently focused on engaging with our stakeholders and responding to their needs to ensure the sustainable growth of our business.

Engaging with Our Stakeholders Meaningfully

Stakeholders are groups or individuals who are directly and indirectly impacted by our business operations and who play an important role in determining our strategies. Where appropriate, we have included our responses to the effect of the COVID-19 pandemic and the subsequent impact of our actions for a particular stakeholder group.

Stakeholder Group	Our Response
Shareholders and the Investing Public  <p>Expectations/Concerns</p> <p>Shareholders expect the Company to enhance sustainable value creation and return on investment and to provide transparent information about our performance</p>	<ul style="list-style-type: none"> Improved our productivity through 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
Employees  <p>Expectations/Concerns</p> <p>Our employees expect to have a safe and secure working environment and also be given opportunities for career development</p>	<ul style="list-style-type: none"> Undertook comprehensive steps to ensure employees remained safe during the pandemic Conducted surveys in 2020 to better understand our employees Promoted work-life balance with regular health check-ups & mental health awareness talks
Regulatory Authorities and Certification Bodies  <p>Expectations/Concerns</p> <p>Regulatory authorities expect the Group to comply with the relevant laws, standards, certifications and contracts</p>	<ul style="list-style-type: none"> Continued to practice the highest standards of governance, ethics and compliance Compliance in establishing COVID-19 SOPs and strict adherence by staff and port users
Customers  <p>Expectations/Concerns</p> <p>Customers expect the Group to be efficient and secure in assisting them in moving their cargoes quickly</p>	<ul style="list-style-type: none"> 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

STAKEHOLDER ENGAGEMENT

Below we discuss the expectations and concerns of our stakeholders, the Group's responses (including methods and frequency) and the impact on the Group from our responses.

Method and Frequency of Engagement



Impact on the Group



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

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.

- 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

Creates 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.

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






Overall business continuity.

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

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.



STAKEHOLDER ENGAGEMENT

Stakeholder Group	Our Response
<p>Financial Institutions and Sukuk Murabahah Subscribers/Holders</p>  <p>Expectations/Concerns Financial institutions and Sukukholders expect strong operational and financial performance to support the repayment of loans</p>	<ul style="list-style-type: none"> • Timely and consistent sharing of relevant information and financial results • Timely repayments on our borrowings • Engaged rating agency for Corporate Credit annual rating review
<p>Vendors & Suppliers</p>  <p>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</p>	<ul style="list-style-type: none"> • 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
<p>Maritime Community</p>  <p>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</p>	<ul style="list-style-type: none"> • 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 communications
<p>Local Community</p>  <p>Expectations/Concerns The local community expects employment and business opportunities and the Group's positive contribution as a responsible corporate citizen</p>	<ul style="list-style-type: none"> • 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
<p>Media</p>  <p>Expectations/Concerns The media expects timely, reliable and transparent information about the Group's operations and initiatives</p>	<ul style="list-style-type: none"> • Provided regular press releases to be transparent about our operations and maintained good rapport with our media partners

STAKEHOLDER ENGAGEMENT

Method and Frequency of Engagement



Impact on the Group



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

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

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

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

- Briefing and communication – Periodically
- Networking events – Periodically

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

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

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.

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

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.



MAPPING OUR MATERIAL ISSUES

Material issues have the ability to affect Bintulu Port's value creation over the short, medium and long term. In this context, it is imperative for the Group to focus our attention on the matters that have been identified and prioritised, to ensure we respond to the risks and opportunities presented.

We have a set of ten (10) prioritised material issues that were identified in our last evaluation process, comprising economic performance, operational efficiency, human resource development, occupational health and safety, customer satisfaction, port security, legal and regulatory compliance, corporate governance and transparency, ethics and integrity and environmental monitoring.

However, in 2020, the Group's Business Response Plan (BRP), which was deployed in response to the COVID-19 pandemic, touched on many of these material issues, although it did not change the importance of any of the matters to the organisation. As a strategic framework which outlines how every component of the Group should respond, the BRP has in fact functioned as a "shield", enabling the Group to remain focused on the matters below which are of the most importance to our stakeholders.

Material Matter	Impact on Bintulu Port	Bintulu Port's Response to the Matter			Stakeholder Groups Affected
		BPSB	BBSB	SIPSB	
Economic Performance	Constant Practice of Cost Management and Sustaining Profit Margin	<ul style="list-style-type: none"> Improve operating margin by managing expenses consistent with changes in revenue. Effective contract and tender administration to monitor cost budgeting. Inculcate practical and prudent spending. Implementation of new tariff. 			Shareholders, Vendors, Suppliers, Customers and Employees
	Expand Revenue Stream	<ul style="list-style-type: none"> Target RM1 billion operating revenue by 2025. 			Shareholders
	Efficient Project Management	<ul style="list-style-type: none"> Delivery in full and on time (DIFOT). 			Customers
Operational Efficiency	Improve Operational Performance of Cargo/Container Handling	<ul style="list-style-type: none"> Bulk fertiliser 5,000 tonnes/day Plywood 83 tonnes/gang /hour Palm kernel 6,500 tonnes/day Woodchip 11,000 tonnes/day 	<ul style="list-style-type: none"> Palm oil 350 tonnes/hour Tank Turnaround Time more than 12x per year Zero contamination Additional pipelines 	<ul style="list-style-type: none"> Alumina 5,000 tonnes/day Silica quartz 6,000 tonnes/day Manganese ore 6,000 tonnes/day 	Employees and Customers
	Improve Reliability & Readiness of Marine/Port Equipment & Facilities	<ul style="list-style-type: none"> 100% on-time marine services 80% availability of marine craft, facilities and land equipment Sufficient assets for operation Optimum utilisation of break bulk facilities and coastal terminal 	<ul style="list-style-type: none"> Plant and equipment availability (operational equipment effectiveness not less than 90%) Sufficient operational equipment needs – shipment & bulking hoses 	<ul style="list-style-type: none"> 80% availability of marine craft, facilities and land equipment 	
	Continuous Operational, Process and Standard Operating Procedure Improvement	<ul style="list-style-type: none"> Responsiveness to customer requests. Three (3) simultaneous operations through marine craft booking system. Review of container operation process flow to improve utilisation and efficiency (from time to time). An effective in-house maintenance team. Initiation of early procurement processes to ensure timely completion of various projects. Timely and accurate billing. Efficient accounts receivable management. 			Employees and Customers

MAPPING OUR MATERIAL ISSUES

Material Matter	Impact on Bintulu Port	Bintulu Port's Response to the Matter			Stakeholder Groups Affected
		BPSB	BBSB	SIPSB	
Human Resources Development	Enrich Human Capital	<ul style="list-style-type: none"> Continue to enhance human capital capabilities despite the pandemic through: <ol 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; and Continuous improvement of our Performance Management System (PMS). Targeting Employee Engagement Index score of 60%. Minimising employee turnover rate. 			Employees
Occupational Health and Safety	Committing to Safety and Healthy Culture	<ul style="list-style-type: none"> Enforce health awareness – COVID-19 awareness, prevention and mitigation among staff and port users at workplace. Establish COVID-19 management plan, frameworks and guidelines. Inculcate ZEFA rules. Targeting Zero Lost Time Injury Frequency (LTIF). Effective enforcement of safety requirements, standards & procedures. Enhance emergency preparedness through multi-agency training & exercises. 			Employees, Customers, Vendors and Suppliers
Customer Satisfaction	Delivering Customer's Satisfaction / Delight	<ul style="list-style-type: none"> Implementation of Customer Retention & Loyalty Programme and Customer Attraction Programme. Aiming for an 80% score in the Customer Satisfaction Index. 			Employees and Customer
Port Security	Enhancing Security within Port Area	<ul style="list-style-type: none"> Restricted access to port area. Enforcement of temperature screening at all entry points. Implement security threat assessment, and develop, implement and review security plan to mitigate such threats. Effective implementation of security programmes and enforcement of security plan, standards and procedures. Enhance security and emergency preparedness through multi-agency security exercises and drills. Promote security awareness through Maritime Security (MARSEC) programme. Zero security incidents and pilferages. Access control and monitoring. Ensure compliance with ISPS Code/ Merchant Shipping Act A1316. 			Customers, Regulatory Authorities, Maritime Community
Legal and Regulatory Compliance	Renewal of Concession	<ul style="list-style-type: none"> The Group continues to engage with the government on the renewal of our concession agreement, which was agreed to in principle in 2014. 			Employees, Customers, Regulatory Authorities, Vendors and Suppliers
Corporate Governance and Transparency	Enterprise Risk Management	<ul style="list-style-type: none"> UTAP Transformation Programme – Embedding governance, risk and compliance (GRC) culture across functions and processes; integrated assurance function; strong three lines of defence. A number of risk awareness briefings and training sessions have been held for Management and our staff since the launch of UTAP in November 2019 and it has now moved into Phase 2(b). Group Internal Audit has been closely involved in UTAP transformation to ensure its smooth implementation. Rolled out the Anti-Bribery & Corruption Policy Statement and No Gift Policy on 1 June 2020. 			Employees and Shareholders
Ethics and Integrity	Transformation of Bintulu's Port Culture and Mindset	<ul style="list-style-type: none"> Implemented Anti-Bribery and Corruption Policy and Framework. Conducted in-house Corruption Risk Management (CRM) Workshop for focal staff and top Management. Developed corruption risk assessment based on Malaysian Anti-Corruption Commission's CRM model. Conducted awareness and training programme on integrity through induction courses. Statement of anti-bribery & corruption stance on BPHB Group website and in all staff's internal email footer and in briefing slides. Integrity Pledge for BPHB Group's employees, Directors and users/vendors. 			Employees, Customers, Regulatory Authorities, Vendors and Suppliers
Environmental Monitoring	Compliance with Department of Environment Requirements	<ul style="list-style-type: none"> Environment Monitoring Plan review for Second Inner Harbour from construction to operational phase. Environmental monitoring conducted quarterly at the Port: <ol style="list-style-type: none"> Marine water quality Marine sediment quality Marine biology Ambient air Ambient noise level. An Internal Environmental Audit (IEA) was also conducted to identify areas that can be improved. 			Regulatory Authorities, Local Community and Maritime Community

VALUE CREATION MODEL

We are committed to delivering operational excellence that in turn delivers value to all our stakeholders

OUR STRATEGY

Our Vision

A World-Class Port Operator

Our Mission

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

3Ps

PROFITS

PEOPLE

PLANET

Our Core 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.

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

CAPITALS



FINANCIAL CAPITAL

Financial capital is defined as the pool of funds available to Bintulu Port.

KEY INPUTS AND RESOURCES

- Operating revenue of RM707.31 million
- Market capitalisation of RM1,909.00 million
- Total Shareholders' fund of RM1,377.46 million
- Retained earnings of RM486.58 million
- Gearing ratio of 38.65%



MANUFACTURED CAPITAL

Manufactured capital includes Bintulu Port's assets and infrastructure, i.e. the machinery, equipment and technology that facilitate the Port's services to customers.

- 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 total capacity of 154,600 metric tonnes
- 13 units of export pipelines
- Assets worth approximately RM4,586.13 million (at cost)



HUMAN CAPITAL

This capital covers the skills and experience of all Bintulu Port employees that enable the Group to deliver its strategy, products and services to create value for stakeholders.

- 1,534 total employees
- RM361,864 spent on HSE training
- Total of RM1.66 million invested in human resource training



INTELLECTUAL CAPITAL

This capital encompasses organisational and knowledge-based intangibles that can include intellectual property, such as licences, or proprietary knowledge, systems or procedures.

- Concession agreement to operate Bintulu Port
- Sole PETRONAS Supply Base licence holder, which enables the Group to attract PETRONAS Production Arrangement Contractors
- Holds bunkering licences that enable the Group to provide bunkering services
- Innovation team



SOCIAL AND RELATIONSHIP CAPITAL

This capital describes the relationships built between communities, stakeholders and other relevant groups. This also includes promoting and participating in community welfare programmes.

- Being a good corporate citizen by engaging with the community and providing employment and business opportunities for locals
- Empowering our communities through the four (4) pillars of our corporate social responsibility programme
- Customer-centric initiatives
- Contributed more than RM300,000 to communities and frontliners impacted by the pandemic



NATURAL CAPITAL

All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of BPHB.

- Water Quality
- Air Quality
- Energy Management
- Waste Management
- Carbon Emissions Management

KEY INITIATIVES

- We continue to maintain a strong capital base to ensure investor, creditor and market confidence remains positive to enable future growth of the business.
- Constantly striving to manage working capital to be at an optimal level.
- Optimised cost following reduction in operating expenses due to the impact of WFH, lower oil prices and delay in procurement.
- Ensuring adequate reinvestment into the business via good maintenance practices.

- Implemented Maritime Security transformation programme to raise awareness and implement training programmes geared towards heightened accountability for security within the Port.
- Prioritised capital expenditure to focus on equipment necessary to navigate the pandemic.
- Improved the transportation of the Cup PIG equipment around the port area to increase safety and efficiency of our operations.
- Achieved operational readiness for handling LNG ISO Tanks.
- Continued with our Project Diamond initiatives to remove bottleneck issues in our container services and to improve productivity.

- Providing financial security by ensuring that salary and benefits are processed and disbursed on time.
- The Group provides a significant number of promotion opportunities for its employees.
- Robust occupational health, safety and environment systems in place to protect the health and safety of our employees.
- Safeguarded the health and safety of our employees during the pandemic through a comprehensive crisis management plan.

KEY INITIATIVES

KEY INITIATIVES

- Ongoing investment into the innovation team, which finds efficiencies, operational improvements or cost savings for the Group.
- Engagement with the relevant state leadership of Sarawak to ensure the continuation of our licences and to demonstrate our value and contribution to the state.
- Engagement with other central agencies – Chief Secretary, Ministry of Finance, Public-Private Partnership Unit and Ministry of Transport.

- 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.
- As a good corporate citizen, we contributed financial aid, medical equipment and personal protective equipment to support our frontliners and communities impacted by the pandemic. We also provide welfare assistance to our employees and their families, in addition to providing contributions towards the educational needs of children in Bintulu.
- The Group also primarily hires Sarawakians, providing a boost to the local economy and its communities.
- Providing incentives for container shipping lines and offering many other facilities to our customers to ease their burden during the pandemic.

- Re-established our Carbon Footprint baseline which was last calculated in 2010, and will be introducing new mitigation measures to further reduce our carbon emissions.
- Undertook maintenance dredging in 2020 for the first and second Inner Harbour areas and followed it up with an environmental monitoring plan to better understand our impact on the environment.
- Constantly carrying out environmental conservation initiatives.
- Plan to introduce real-time, online and round-the-clock environmental condition (air and water) monitoring.

OUTCOMES



FINANCIAL CAPITAL

- **Profit in 2020 (Profit after tax): RM93.30 million**
- **% decrease in revenue: 1.27%**
- **Dividend payout ratio: 49.30%**
- **Net Asset Per Share: RM2.99**



MANUFACTURED CAPITAL

- **Handled our first major shipment of LNG ISO Tanks in January 2021 and also handled our first export of LNG ISO Tanks in March 2021**
- **Handled the berthing of the Vasant 1 which has a capacity of 180,000 cubic meters, the largest vessel that has ever berthed at the Port**
- **Commencement of our Marine Service Team at Brunei, signalling the group's first international business foray**



HUMAN CAPITAL

- **In 2020, internal promotions involved 71 executives and 94 non-executives, representing almost 11% of our workforce**
- **Kept our attrition rate low at 0.71% in 2020**
- **Lowered our Lost Time Injury Frequency Rate in 2020 to 0.14**
- **Conducted 16,755 training hours in 2020 for our employees**
- **Employee Satisfaction Survey: 58.13% in 2020 (2019: 59.6%)**
- **Employees gave a high positive response of 96.4% for the Group's crisis handling during the pandemic**



INTELLECTUAL CAPITAL

- **The innovation team continued to win awards at the Annual Productivity & Innovation Conference and Exposition for projects that reduced electricity usage and improved equipment reliability.**
- **Discussions with the central authorities are ongoing to finalise the terms of the new concession agreement**



SOCIAL AND RELATIONSHIP CAPITAL

- **External Customer Satisfaction Index: 73.1% compared to 71.5% in 2019 and 70.1% in 2018**
- **Almost 99% of our 1,534 staff are Sarawakians**
- **The direct financial assistance we extended helped reduce the burden of the pandemic on more than 700 families in Bintulu**



NATURAL CAPITAL

- **Electricity consumption reduced by 9%, as compared to a reduction of 7% recorded in 2019**
- **Fuel consumption reduced by 25% due to lower vessel calls**
- **Water consumption reduced by 9% due to lower vessel calls and our reminders to save water**
- **Carbon emissions data (CO2eq tonnes): Scope 1: 16,341.652 Scope 2: 3,579.581 Scope 3: 72,583.987**
- **Our Carbon Emissions for Scope 3 have reduced significantly over the past ten (10) years due to our mitigation initiatives**

BALANCING OUR CAPITALS 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. Bintulu Port has, therefore, taken great care in recognising the processes and frameworks that require attention to meet the targets of greater efficiency. It 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 onto the table.

FINANCIAL MANAGEMENT

Delivering sustainable returns to our shareholders depends on how well we optimise our investments into 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, proprietary information and allocating capital to infrastructure and people.

PEOPLE, CAPACITY AND CAPABILITY

Bintulu Port relies on its people for its success. The Company 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 is enhancing 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 Bintulu Port, 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 the intellectual capital and human capital, but once again, we need to spend lot more financial resources and allocate infrastructure. To that extent our financial capital and manufacturing capital are impacted in the short run.

NATURAL

By remaining largely reliant on non-renewable resources, we negatively impact Natural Capital. However, through our commitment to prioritise 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.



OPERATIONAL REVIEW

We measure our strategic progress against our Corporate Strategic Thrusts.



OUR COMPETITIVE ADVANTAGES

- As a deep-sea port, we have one of the deepest drafts compared to other berthing facilities within Borneo and can cater to large vessels of up to 80,000 deadweight tonnage (DWT).
- Experience and expertise in port operations with industry recognition of world-class marine services.
- Deep sea, modern, well-equipped, multipurpose port and strategically located.
- Handling a growing variety of cargo base.
- The first Malaysian port to implement Container Terminal Operating System (CTOS) - NAVIS SPARCS N4.
- Equipped with talent who have the best mindsets and skills who prioritise operational and customer service excellence.

BINTULU PORT SDN BHD

OPERATIONAL & FINANCIAL PERFORMANCE

No.	Description
1.	Cargo Throughput (million tonnes)
2.	Container Throughput (TEUs)
3.	Vessel Calls (number of calls)
4.	Turnover (RM million)
5.	Profit Before Tax (RM million)
6.	Net Asset Per Share (RM)
7.	Total Shareholders' Fund (RM million)



Bintulu International Container Terminal (BICT)

OPERATIONAL REVIEW

	2016	2017	2018	2019	2020
	46.00	47.64	44.12	45.20	42.90
	277,771	309,149	349,792	345,564	339,621
	7,457	7,717	7,775	7,740	6,562
	539.99	582.06	538.81	561.32	559.45
	188.11	235.13	197.33	213.70	179.66
	6.61	7.70	7.89	8.65	9.08
	429.45	500.21	512.94	562.53	590.18

KEY INITIATIVES IN 2020

In 2020, BPSB handled 42.90 million tonnes of cargo, about 5% lower than the 45.20 million tonnes in 2019, mainly due to the effects of the pandemic on global supply chains. There were declines across almost all cargo types and a reduction in container throughput, largely mirroring the global economic slowdown as both consumer and business sentiment were subdued throughout 2020.

Nevertheless, BPSB remained committed to achieving its strategic objectives by improving our operational excellence and venturing into new business opportunities. For example, BPSB achieved operational readiness for handling LNG ISO Tanks in September 2020 with the completion of interim facilities and the establishment of the procedures related to the operations. In January 2021, we handled our first major shipment of LNG ISO Tanks comprising 200 containers. This was a significant milestone as we were the first port in Asia to export LNG in this form on such a large scale.

BPSB also commenced operations in Brunei in January 2021, signalling the Group's first international business foray. We plan to continue growing our service offerings and expertise within the Brunei market over time, initially focusing on pilotage and towage operations.

BPSB continued with its Project Diamond initiative which targets to remove bottleneck issues in our container services, in addition to manpower optimisation efforts taken throughout the year to improve productivity. We also handled significantly larger vessels as we served 80 vessels of more than 80,000 deadweight tonnage (DWT) in 2020, as demonstrated by the largest LNG vessel that has ever berthed at the Port, the Vasant 1, with DWT of 97,200.

KEY CHALLENGES IN 2020

BPSB faced a number of challenges in the year under review, mostly related to the pandemic. These included limitations in our ability to engage with our customers and third-party service providers, delays in resources we needed such as spare parts due to supply chain disruptions and additional cost incurred because of new safety and health requirements. Most of these obstacles were overcome by shifting to communicating virtually. For instance, specialised maintenance work was carried out by our own engineers as they were guided by our service providers through video calls. BPSB is also working hard to finalise and formalise the concession renewal with the Port Authority and we target to have this completed in 2021.

OUTLOOK & PROSPECTS

Short-Term

- Driving operational excellence to improve current processes and productivity
- Driving container sector and other dynamic cargoes for greater growth
- Reviewing current work processes to prevent any revenue leakages and having more stringent control over capital and operational spending to maximise profit margin

Mid-Term

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

Long-Term

- Being a Smart, Digital and Green Port, which will make BPSB more sustainable and competitive



OPERATIONAL REVIEW



OUR COMPETITIVE ADVANTAGES

- Located in one of the largest Palm Oil Industrial Cluster (POIC) surrounded by five (5) major refineries.
- Strategic location serving the main route of intra-Asian maritime traffic.
- Centrally located within Sarawak with the advantage of a deep-sea port compared to others.
- Large capacity and supporting infrastructure consisting of:
 - 85 storage tanks with a capacity of 154,600 metric tonnes
 - 13 units of export pipelines
 - Ability to handle large vessels of up to 50,000 deadweight tonnage (DWT)
 - Efficient pumping rate of average 350 metric tonnes per hour, with the ability to achieve an exceptional rate of 1,000 metric tonnes per hour.

BIPORT BULKERS SDN BHD (BBSB)

OPERATIONAL & FINANCIAL PERFORMANCE

No.	Description
1.	Cargo Throughput (million tonnes)
2.	Turnover (RM million)
3.	Profit Before Tax (RM million)
4.	Net Asset per Share (RM)
5.	Total Shareholders' Fund (RM million)



Bulking installations and pipelines at BBSB

OPERATIONAL REVIEW

	2016	2017	2018	2019	2020
	3.65	4.09	4.26	4.51	4.15
	41.11	45.89	52.17	56.58	52.75
	16.97	19.73	24.48	26.59	22.32
	3.11	3.33	3.53	3.64	3.66
	124.46	133.14	141.36	145.45	146.39

KEY INITIATIVES AND STRATEGIC PROGRESS

BBSB handled 4.15 million tonnes of palm oil in 2020, a decline from the 4.51 million tonnes handled in 2019, mainly due to slower demand in the first half of the year, as well as lower yields, because of the disruptions caused by the COVID-19 pandemic. We have, however, continued to deliver excellent service to our customers, and even improved the efficiency, sustainability and safety of our operations. In May 2020, we achieved an exceptional pumping rate of over 1,000 metric tonnes per hour through the full utilisation of our export pipelines in one particular major shipment. This was also made possible by having the customer's cargo fully ready for loading, which enabled faster shipment loading, improved vessel turnaround and reduced vessel berthing time.

BBSB also looked into improving equipment handling during our Cup PIG operations. Cup PIGs are large and heavy bullet-shaped equipment typically used to clear residue in pipelines and are crucial to the smooth operations at BBSB. With simple innovations, we have made improvements to how they are transported around the Port to ensure the safety of our employees and to extend the lifespan of the Cup PIGs.

KEY CHALLENGES IN 2020

Similar to the rest of the Group, BBSB's challenges during the pandemic were related to supply chain disruptions and the reduction in our ability to engage with our customers. In addition to this, BBSB also faced challenges due to geopolitical issues that has effected demand for refined palm oil. While we are always mindful of competitive threats, BBSB is constantly improving its facilities and services to mitigate this impact.

OUTLOOK & PROSPECTS

Short-Term

- To ensure the stringent observation of health and safety standard operating procedures and to ensure the Port's operations are not disrupted by the pandemic
- Targeting to handle 4.6 million tonnes throughput
- Allowing bypass services for high-tonnage refineries. Bypass operations allow the transferring of products from refineries directly onto the vessel without passing through the storage tanks
- Emphasising operational excellence

Mid-Term

- New phase of development to cater for increase in palm oil growth, which includes the possibility of constructing new jetties and bulking facilities subject to feasibility study
- Attracting palm oil players from outside Sarawak

Long-Term

- Diversifying into business relating to palm oil



OPERATIONAL REVIEW



OUR COMPETITIVE ADVANTAGES

- A major sea port owned by Sarawak State with a vast land bank of 393 hectares
- Design capacity of 18 million tonnes per annum
- Ability to handle vessels of up to 50,000 DWT
- Automated handling operations for dry bulk cargo using a conveyor belt system
- Positioned as one of the key drivers for the development of the Sarawak Corridor of Renewable Energy (SCORE)
- Specialising in dry bulk operations
- Strategically located along the major intra-Asian shipping route

SAMALAJU INDUSTRIAL PORT SDN BHD (SIPSB)

OPERATIONAL & FINANCIAL PERFORMANCE

No.	Description
1.	Cargo Throughput (million tonnes)
2.	Container Throughput (TEUs)
3.	Vessel Calls (number of calls)
4.	Turnover (RM million)
5.	Loss Before Tax (RM million)
6.	Net Asset per Share (RM)
7.	Total Shareholders' Fund (RM million)



Handysize and Barge Berth Wharves at SIPSB

OPERATIONAL REVIEW

	2016	2017	2018 (Restated)	2019	2020
	0.45	2.64	4.22	4.94	4.71
	-	-	-	-	39.00
	40.00	154.00	229.00	250.00	230.00
	8.21	58.16	101.61	114.72	111.71
	(0.06)	(38.05)	(6.51)	(56.21)	(66.96)
	0.96	0.90	0.91	0.85	0.77
	574.78	539.65	543.34	583.51	531.43

KEY INITIATIVES IN 2020

In 2020, SIPSB handled a total cargo throughput of 4.71 million tonnes with 230 total vessel calls, a slight decrease from the 4.94 million tonnes with 250 total vessel calls in 2019. The decrease was largely due to the disruptions to global supply chains caused by the COVID-19 pandemic.

SIPSB was nonetheless still able to deliver the services required by customers to drive our Strategic Thrust 1: Instituting Operational Excellence. We also continued with maintenance dredging to ensure that marine operations would proceed smoothly, especially for large vessels coming to berth at the Port, and further improved our equipment to safeguard our workers. Our commitment to occupational safety and health has been recognised with the awarding of the Malaysian Society for Occupational Safety & Health Gold Class 1 Award to SIPSB over two consecutive years.

A significant achievement in 2020 was the approval granted by the Ministry of International Trade and Industry for the Samalaju Wenan Steel Project, which will have a production capacity of 5.7 million tonnes per annum for its first ten (10) years of operations. The plant construction work is expected to start in early 2022 and be completed in the middle of 2024.

Our effort to facilitate the export of products from our customer, Malaysia Phosphate Additives Sdn. Bhd., is also progressing well and scheduled to commence in the third quarter of 2021. This will generate new cargo volume for Samalaju Port.

KEY CHALLENGES IN 2020

One of our main challenges has been to increase our cargo throughput by attracting new users to increase the utilisation of our facilities, which is closely linked to more new investors establishing their businesses in Samalaju Industrial Park (SIP). In tandem with the improving economic outlook going forward, one of SIP's investors, Press Metal Bintulu Sdn. Bhd., is helping us overcome a part of this challenge through the operationalisation of its Phase 3 plant which will reach full capacity by 2022.

The Group is also looking to engage with container shipping lines to provide direct call services from Samalaju Port. This will ease the container volume being handled at Bintulu Port due to its recent foray into LNG ISO Tanks, while enabling SIPSB to earn additional revenue and optimise its available capacity.

OUTLOOK & PROSPECTS

Short-Term

- Targeting to handle 6.0 million tonnes
- Emphasising port operational excellence
- Handling direct shipment of containers from Samalaju Port

Mid-Term

- New development phase to cater for new customers, which includes the possibility of constructing of new wharves and storage facilities subject to feasibility study

Long-Term

- Diversifying port business
- Facilitating relevant agencies to attract more players to invest in Samalaju Industrial Park



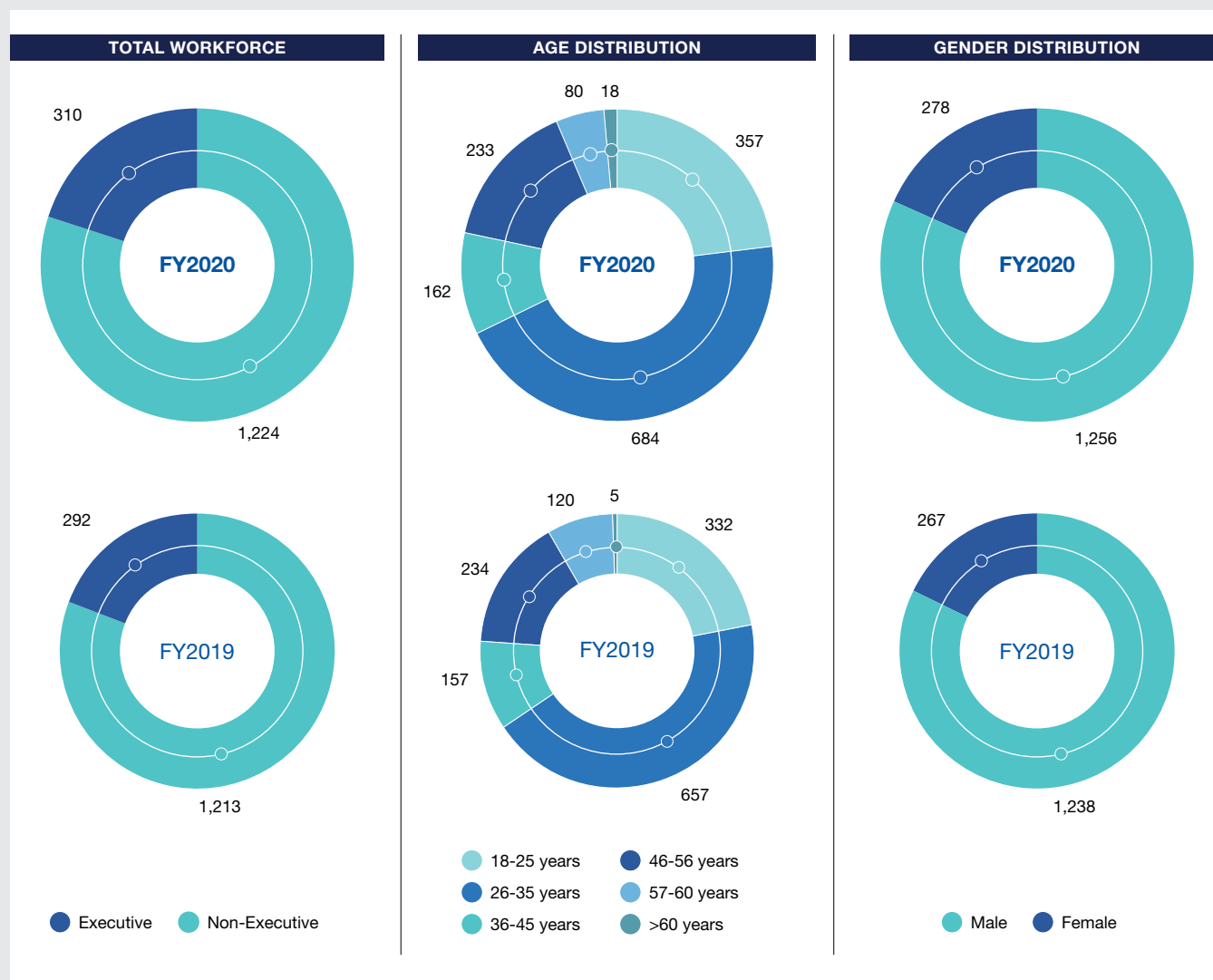
COMMITMENT TO OUR PEOPLE

The Group values the contributions of our employees and we are focused on prioritising their welfare, safety and health. We also invest in developing our talent, as we strive to identify and develop our future leaders, while remaining committed to providing a conducive working environment that is both nurturing and supportive.

DEVELOPING OUR PEOPLE

As part of our talent development efforts, the Group identifies suitable talents among its employees to aid our succession planning for leadership positions. Once identified and qualified against the Group's promotion criteria, these talents will be further supported and nurtured with specific leadership and management training to ensure a smooth transition into their new positions. In the year under review, almost 11% of our workforce was promoted internally, involving 71 executives and 94 non-executives.

Despite the pandemic, we continued with our training efforts during the year, albeit at a slower pace. A total of 82 training programmes were organised compared to 334 in 2019, with training shifting to virtual platforms after the pandemic arrived. We invested a total of RM1.66 million in training, compared to RM4.29 million in 2019. In terms of HSE training, RM361,864 was spent for a combined 16,775 training hours.



COMMITMENT TO OUR PEOPLE

TOTAL NEW HIRES



HSE TRAINING INVESTMENT (RM)



Total amount
spent on training

RM1.66 million

for 82 training
programmes

Total training hours

16,775 hours

EMPLOYEE WELFARE

Our employees are our most important asset and we value their continued contributions to helping the Group achieve its business goals and aspirations. The Group takes the welfare of its employees seriously and the policies we have in place are aimed at supporting our employees through challenges they may face. For instance, the Group is aware that the cost of treating certain critical illnesses would exceed an employee's financial capabilities. In such cases, the Group Human Resources Management will seek approval from the Group CEO to fully cover the cost of treatment. The Group also provides financial assistance to our employees in the event of natural disasters such as floods to reduce the financial burden of repairs to damaged homes.

In addition, the Group strongly believes in the benefits of education and supports our employees by providing financial aid for their children's education. Under our Academic Excellence Award programme, students who receive excellent results in their UPSR and PT3 examinations, as well as those who have gained acceptance to university, are given financial incentives by the Group.

The Group's financial aid programme for primary school-age children started in 2010. Employees who earn a base salary

of RM3,500 and below can qualify for assistance under this programme for their children attending 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.

Welfare during the pandemic

During the pandemic, employees were allowed to carry forward all unutilised balance annual leave in year 2020 to the following year due to the movement restrictions. Staff with children at the Tadika Montessori Pelabuhan Bintulu also received a waiver of fees during the MCO until it re-opened in July 2020. The Group continued to hire during the pandemic to replace those who were retiring and also to fill critical job positions.

As part of our employee engagement efforts, the Group conducted a survey to our employees to understand whether the measures taken to combat the virus were sufficient, and to find out more about their concerns with regards to working from home, returning to work and their mental health. Most of our employees felt that the measures the Group took were sufficient and also offered suggestions on what we could do to further improve.



COMMITMENT TO OUR PEOPLE

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. 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.

HEALTH AND SAFETY

Safeguarding the health and safety of our people is a crucial component of our business operations as the well-being of our employees will determine the sustainability of our business. It is our duty and moral responsibility to look after our employees.

At Bintulu Port, we strive to promote safe working practices among employees, especially to comply with the relevant health and safety regulations, orders, rules and ordinances. By preventing accidents and potential fatalities from occurring, our people can continue working in safe conditions, while the lower incidences of injuries will help to improve productivity and reduce medical costs. In addition, having a good health and safety record will improve our reputation among our customers, leading to customer loyalty and retention.

Managing the Impact of the Pandemic

The Group's focus on ensuring our people are healthy and safe was substantially increased during the onset of the COVID-19 pandemic. The Group gave significant attention to this matter during the various movement restrictions and remains committed to ensuring full compliance with all health-related standard operating procedures, especially with the continued presence of the pandemic.

At the earliest stages of the COVID-19 pandemic, the Group responded by activating the COVID-19 Crisis Management Team and the COVID-19 Emergency Control Centre (ECC) room. The Crisis Management Team's role was to:



Manage events and ensure appropriate mitigation actions relating to potential risks were carried out

Focus on identification and early detection of areas that were vulnerable in the Group

Prepare crisis management plans suited to different scenarios

COMMITMENT TO OUR PEOPLE

The ECC Room was activated to enable the monitoring and control of any issues related to the COVID-19 pandemic. In this regard, the ECC room was also used by Management to further deliberate on how to prevent the spread of the outbreak into our areas of operation. To ensure the essential service we provide as a port operator would not be disrupted, the Group formulated a comprehensive set of actions and initiatives to combat the spread of the virus, and to minimise the risk to our staff and anyone visiting our premises.

1 Provided temperature screening using a thermal camera to ensure the temperature of anyone entering the operations area did not exceed 37.5°C.

2 Mandatory MySejahtera QR code scanning at every entry point (including office and operations areas).

3 Restriction on the number of visitors to the Port's premises while strictly monitoring the movement of port users at main entrances. LNG vessel inspection was done virtually.

4 COVID-19 information was continuously disseminated to all staff through emails, posters, banners and stickers.

5 Travelling restrictions for all staff (abroad and Peninsular Malaysia) together with enforcing work-from-home arrangements and the introduction of virtual meetings to minimise movement. Any staff who were returning from high-risk areas were instructed to self-quarantine for at least seven (7) days.

6 Established social distancing and enhanced cleaning practices in all operating facilities that remained open. Sanitation or disinfection was conducted at every workplace in Bintulu Port as a preventive measure against COVID-19.

7 Provided operations staff with adequate personal protective equipment, such as face masks, hand sanitisers, rubber gloves, etc. Packed food was also provided to all operations staff during Ramadhan to help minimise their movements.

FACE MASK AND HAND SANITISER DISTRIBUTION

Total Number of Face Masks and Hand Sanitisers	Face Masks (pieces)	Hand Sanitisers (litres)
BEFORE MCO	1,911	50.3
MCO (18 March - 12 May 2020)	84,03	1,654.5
CMCO (13 May - 9 June 2020)	78,075	76.7
RMCO (10 June - 31 December 2020)	154,450	185.3
TOTAL	318,466	1,966.8

All staff/Port users/contractors/visitors were subjected to mandatory temperature screening at every point. Anyone with a temperature of 37.5°C and above was not allowed to enter and was advised to seek medical attention at the nearest clinic or hospital.

TOTAL NUMBER OF TEMPERATURE SCANS

Total Number of Temperature Scans	Screening Procedures
MCO (18 March - 12 May 2020)	109,899 (i) Mandatory temperature screening at all entry points <ul style="list-style-type: none"> Body temperature check, health declaration form, travel advisory
CMCO (13 May - 9 June 2020)	67,795 (i) Installation of thermal scanner & thermal camera
RMCO (10 June - 31 December 2020)	524,752 (ii) MySejahtera QR code scanning at entry point <ul style="list-style-type: none"> Mandatory check-in and scanning of MySejahtera QR code
TOTAL	702,446

8 As per the government directive in September 2020, swab tests were conducted on all operations staff and we recorded a 100% negative result.

Quarantine costs were also fully borne by the Group for staff travelling on official matters and for Articleship staff if conversion of tugboats took place beyond port limits.

9 Engagement with stakeholders such as PETRONAS, the Department of Environment, Department of Occupational Safety and Health and Health Ministry on how to manage and prevent the spread of COVID-19.

10 Management Walkabout by top Management to review the implementation of COVID-19 Standard Operating Procedures.



COMMITMENT TO OUR PEOPLE

ENHANCING HEALTH AND SAFETY REPORTING

In 2019, a new Occupational Health, Safety and Environment Index was introduced to help improve the Group's HSE performance. In the year under review, the implementation of the index helped the Group identify areas that needed improvement, thus enabling us to better structure workplace safety plans while complying with the relevant regulations.

Our approach to health and safety reporting is designed to drive transparency, accountability and continuous improvement at all levels of the organisation, and with the HSE index in place, the safety behaviour of our staff and port users was further enhanced. We also have various reporting processes in place that include monthly safety reports and an Employee Safety and Health Committee that discusses health and safety for the entire Port, lessons learned and improvement initiatives.

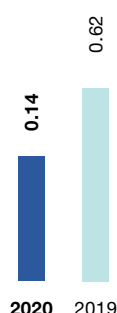
The major quality components of the HSE index include compliance, number of reported accidents & incidents and lost time injury frequency (LTIF) rate. The HSE index is derived from our various programmes and activities:

- Monthly Zero Fatality & Accident (ZEFA) rule campaign
- UAUC online reporting
- Management Walkabout
- Occupational Safety Inspection
- Vessel Safety Inspection
- Workshop Housekeeping Campaign
- Schedule Waste Inspection/Disposal
- Machinery Entry Inspection
- Building Technical Audit
- Pest Control Monitoring/Inspection
- New Mapping for Noise Risk Assessment (NRA)
- Chemical Hazards Risk Assessment (CHRA)
- EMP Second Inner Harbour Revised
- Environmental Monitoring Programme (EMP)

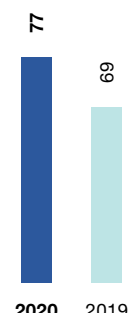
In 2020, we saw a slight increase in incident rates but a decrease in lost time injury frequency rate. The increase in incident rates was due to higher incidences of damage to property at the wharf and storage yard, indicating that incidents occurred during the loading and transferring of goods. The higher incident rate was also driven, in part, by the Group's efforts to increase awareness on reporting incidents and steps taken to make the reporting process more convenient.

The decrease in LTIF rate was mainly due to our consistent and continuous engagement with employees on safety awareness, the monthly ZEFA rules campaign and the appointment of a safety representative at each division. The UAUC campaign was also an important factor in driving the decrease. As a result, in 2020, the Group only recorded one (1) LTI case and no fatalities, which brought our LTIF rate down to 0.144 from 0.622 in 2019.

LOST TIME INJURY FREQUENCY RATE



INCIDENTS (CASES)



Looking ahead, the Group will continue to tighten our HSE SOPs to reduce incidents, focus on increasing awareness on damage to property and review and enhance the Competency Identification Tag training for our contractors.

Embedding Safety in Our Operations

To further improve our safety standards, a safety officer, selected from among Group HSE employees, has been appointed as a Safety Representative for each division at BPSB to ensure any information related to safety and environmental issues from each division is conveyed directly to Group HSE. Safety Representatives are also responsible for ensuring that each division complies with related safety and environmental obligations.

Unsafe Acts and Unsafe Conditions Inspection

Unsafe Acts and Unsafe Conditions (UAUC) Inspections are conducted daily by safety personnel to ensure all Port activities comply with the related occupational safety and environment acts, laws and regulations. Any findings will be reported directly to the relevant parties for immediate action. As of 2020, staff can make reports online by scanning a barcode linked directly to the UAUC Reporting Form.

Bintulu Port has an Integrated Management System (IMS) Policy that acts as a framework for setting objectives and targets to deliver continual performance improvements. Maintaining ISO standards for our operations is part of our approach to a safe and healthy workplace. Going forward, we will be replacing the existing OHSAS 18001 system with ISO 45001 with the certification audit scheduled for April 2021.

SAFEGUARDING THE ENVIRONMENT

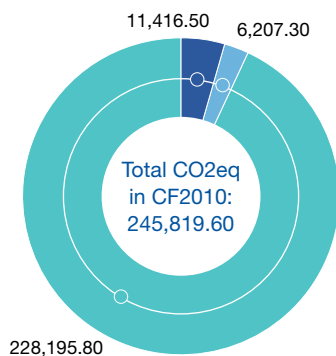
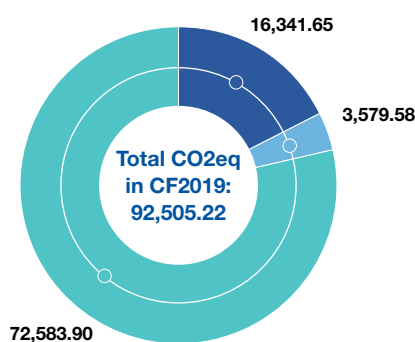
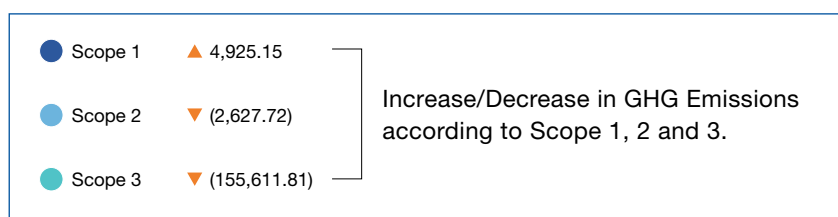
As a major port services provider, we acknowledge that our operations can negatively impact our surroundings and the environment around us. As such, we have taken incremental steps over the years to manage and reduce our environmental impacts, which include managing our carbon and ecological footprints. Other efforts we continuously undertake include reducing our electricity and water consumption, implementing sound waste management practices and monitoring our impact on biodiversity. The Group is committed to the approach we have outlined in our Environmental Policy, which is to:

- Comply fully with all applicable legislation, rules, regulations and standards related to environmental requirements
- Educate, train and motivate employees to carry out tasks in an environmentally responsible manner
- Prevent pollution, reduce waste and minimise the consumption of resources
- Monitor our environmental performance and identify initiatives that lead to improved environmental outcomes
- Collaborate and communicate with employees, clients, the government and key stakeholders on environmental issues.

RE-ESTABLISHING OUR CARBON FOOTPRINT BASELINE

The Group is aware that its operations impact the environment, especially in the context of our contribution to carbon emissions. To better manage our impact, we have implemented a range of mitigation initiatives since first conducting a Carbon Footprint Baseline Study in 2010. Based on the most recent study conducted by the Group in 2020, which utilised data from 2019, we have recorded a substantial decrease of 62.37% in our overall carbon emissions.

Both our Carbon Footprint Baseline studies were conducted using the World Port Climate Initiative method. The results of the studies conducted in 2010 and 2020, and the definitions of the emissions scopes are detailed below:



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.

SCOPE 3 (OTHER INDIRECT SOURCES)

These sources are typically associated with tenant operations and include commercial ships, trucks, cargo handling equipment, harbour craft, tenant buildings, tenant-purchased electricity and port and tenant employee commuting (personal car, public transportation, etc.).

Some of our mitigation initiatives following the 2010 study included:

- Introduction of lower speed limit for vessel movement within port water limit to minimise fuel burning and carbon emissions without affecting operations;
- Installing LED-type lighting with lower energy consumption but the same intensity;
- Developing shoreline power supply for Company internal marine vessels which can reduce fuel burning during berthing and non-operation mode;
- Enforcement of speed limit for every type of vehicle within the port operations area; and
- Installing energy-efficient air conditioners.

Based on the results in 2020, it is clear that our initiatives which began 10 years ago have significantly reduced our Scope 2 and Scope 3 emissions. However, Scope 1 emissions have increased as a result of the expansion of our business operations. Looking ahead, we will continue to deploy mitigation measures to further lower our carbon emissions by using marine fuel with lower sulphur content, which also complies with International Maritime Organization regulations for all vessels to use marine fuel that is capped at 0.5% sulphur content.



SAFEGUARDING THE ENVIRONMENT

MAINTAINING OUR OPERATING ENVIRONMENT

Workshop Housekeeping Campaign

The Workshop Housekeeping Campaign was carried out in 2020 to inspect our workshops to ensure HSE regulations were being adhered to. Conducted quarterly, seven (7) workshops were evaluated based on criteria such as Working Environment, Emergency Requirements, Signage, Chemical Arrangement, Schedule Waste Storage and others.

The following workshops were inspected:

- Workshop Technical Services Division - BPSB
- Workshop Port Operation Equipment Division (General Cargo Operation) - BPSB
- Workshop Port Operation Equipment Division (Heavy Handling Equipment) - BPSB
- Workshop Port Operation Equipment Division (Yard Support Equipment) - BPSB
- Workshop Marine Services Division – BPSB

- Workshop Technical Department – BBSB
- Workshop Port Operation Equipment Division– SIPSB.

Management Walkabout

Management Walkabouts are conducted every quarter for top Management to identify opportunities for improvement in health, safety and environmental practices. Furthermore, they build a positive relationship between Management and the employees and lead to a better understanding of the Group's operational status.

LNG & EOT Vessel Inspection

LNG & EOT Vessel Inspections are conducted by Group HSE 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.

WASTE MANAGEMENT

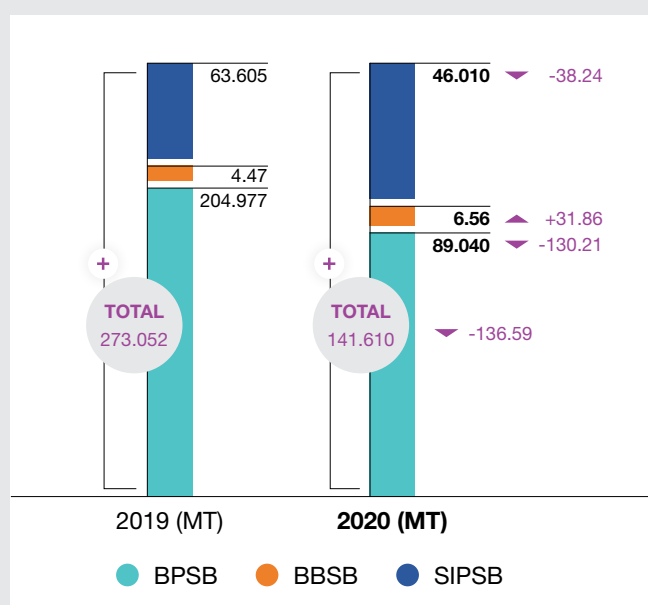
In Bintulu Port, waste is categorised into two categories, Domestic Waste and Scheduled Waste. For Domestic Waste, the collection and disposal services are conducted by an appointed contractor. For Scheduled Waste, the collection and disposal services are conducted by a DOE-approved appointed contractor. In 2020, there were no additional types of Scheduled Waste registered by our subsidiaries.

Scheduled Waste Storage Management and Performance

In 2020, Group HSE engaged with the DOE to seek approval to store a higher amount of scheduled waste than currently permitted. In BPHB, it was found that the maintenance of boats generated large quantities of Spent Lube Oil and Spent Oil-Water Mineral (Bilges), amounting to 15-20 metric tonnes for each type. The total scheduled waste thus exceeded the 20 metric tonnes the Group was permitted to store. The DOE approved our application, allowing us to have a maximum inventory of 30-40 metric tonnes that must be disposed of within 180 days of it being generated.

To ensure we adhere to these requirements, a scheduled waste storage inspection is carried out at the end of each month which also monitors the quantity of scheduled waste

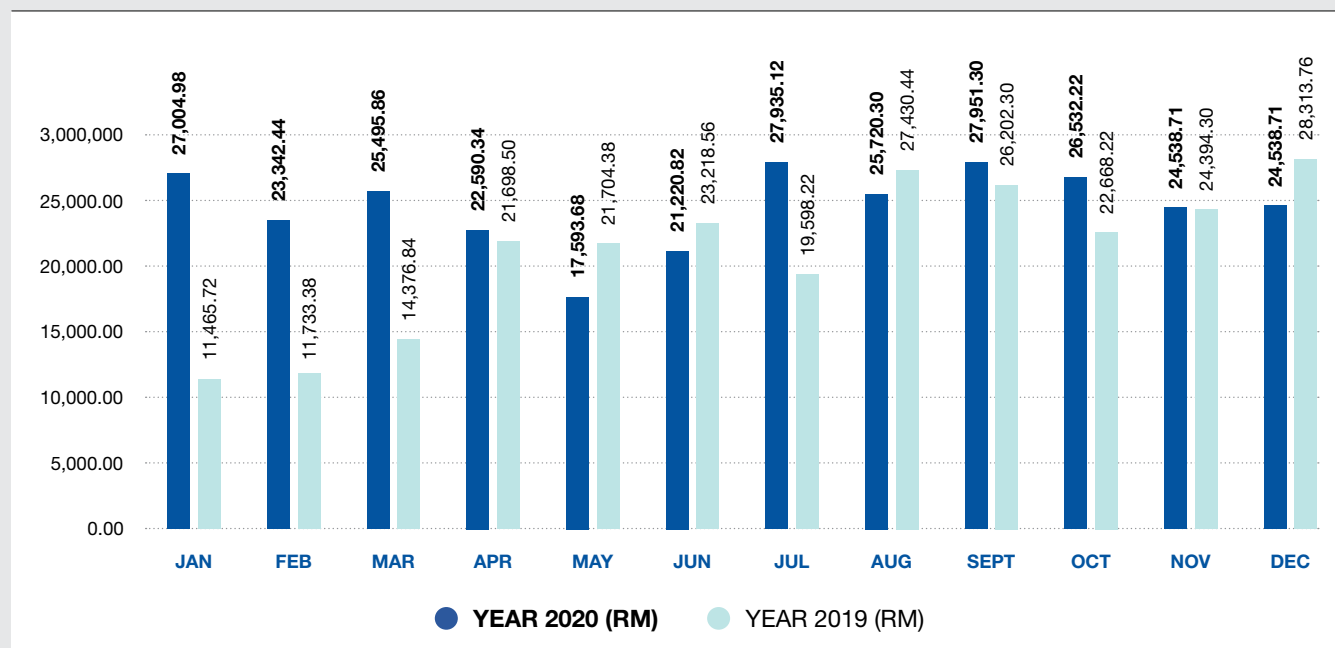
in storage. This helps us to ensure more effective disposal planning. In 2020, scheduled waste was lower due to recycling and reduction initiatives, as well as the impact of the pandemic leading to lower vessel calls and operational requirements.



SAFEGUARDING THE ENVIRONMENT

DOMESTIC WASTE MANAGEMENT PERFORMANCE

For Domestic Waste, there was an increase in the cost of 14.15% for Domestic Waste disposal in 2020 compared to 2019 due to increase in domestic waste within port area.



In 2020, there was an 18.94% reduction in tyre disposals, amounting to 549 tyres compared to the 653 disposed of in 2019. There were also no oil spills recorded in 2020, and oil spill drills continue to be conducted to ensure preparedness in the event of a spill. The drills take place throughout the year and are also carried out to check that all spill emergency equipment remains in good condition.

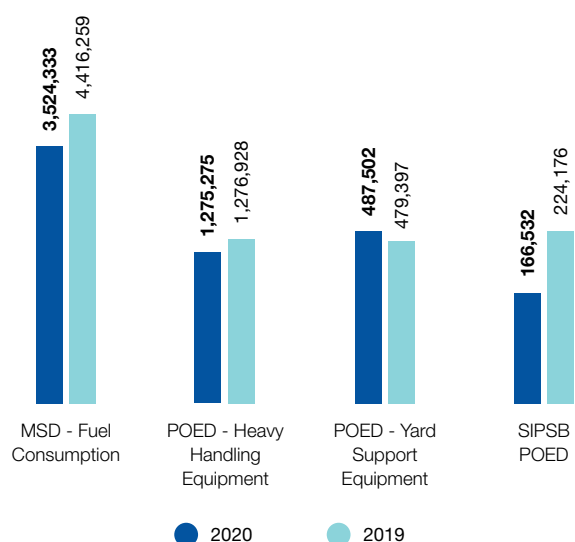
ELECTRICITY, FUEL AND WATER CONSUMPTION

Energy consumption is a substantial part of our port operations and business activities. The main energy source is diesel, which powers our vessels, plants and equipment. We are aware of the impact of fossil fuels on the environment and are taking active steps to mitigate the effects and reduce usage wherever possible.

Fuel Consumption

The graphs adjacent show the fuel consumption for the Group Operation Equipment Department (POED) and the Marine Services Division (MSD). In 2020, fuel usage decreased for the MSD by 25% due to the lower number of vessel calls, while usage by the POED was mostly unchanged due to the higher deployment of yard equipment.

Fuel Consumption (Litre)





SAFEGUARDING THE ENVIRONMENT

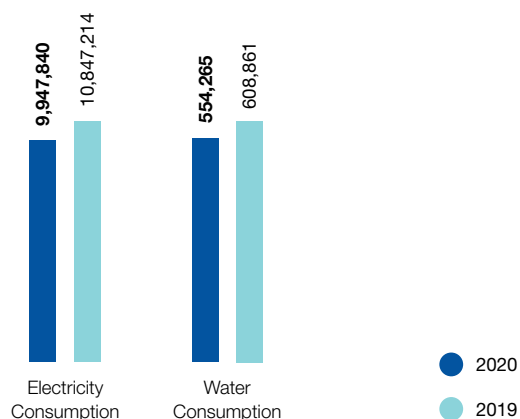
Electricity and Water Consumption

Overall, water and electricity consumption for the Group was lower because of the reduction of staff in the office due to the pandemic-related MCO.

As a result, total electricity consumption for 2020 recorded a decline of 9% from 2019. The reduction was also partly due to the ongoing initiatives to improve our energy efficiency and the BIPORT HOURS campaign that requires lights and other electrical appliances to be switched off during lunch break for our office staff and during the operations staff's third-shift break time.

Water consumption at Bintulu Port reduced by 9% in 2020 compared to 2019 due to fewer employees in the office during the MCO, lower vessel calls and continued efforts to raise awareness about saving water.

Electricity & Water Consumption (kWh & Litre)



REDUCING OUR IMPACT ON BIODIVERSITY

A properly functioning ecosystem requires biodiversity to be maintained, as it is through biodiversity that nature is able to continue to sustain itself. Biodiversity also affords humans many resources and neglecting to take care of it can lead to detrimental situations where resources become scarce and surrounding ecosystems start to deteriorate. At Bintulu Port, we are acutely aware that port operations might be harmful to biodiversity, and therefore we continue to improve the ways in which we reduce our impact on the surrounding environment.

Environmental Monitoring Programme

In 2020, Bintulu Port conducted the Environmental Monitoring Programme at the proposed Second Inner Harbour development project. Monitoring programme was conducted every quarter to monitor the environmental impacts caused by port daily activities. The monitoring parameters were centred around:




From the fourth quarter of 2020, Environmental Monitoring was conducted based on a new Environmental Management Plan which had been revised in 2019 and subsequently approved by the DOE in 2020. The new EMP is based on current operational conditions where some monitoring stations had been relocated.

Looking ahead, the Group is working with Envirosuites, a company that provides environmental intelligence solutions, to assist in realtime, online and round-the-clock environmental condition monitoring. This initiative is in line with Bintulu Port's target to become a Smart Port in 2030. A few air quality and water quality sensors have since been installed and can be monitored by the Group through a special application.

SAFEGUARDING THE ENVIRONMENT

ENVIRONMENTAL CONSERVATION ACTIVITIES CARRIED OUT IN 2020

ACTIVITY/PROGRAMME	DESCRIPTION
 Zero Waste Programme	Distribution of 3R bins to selected locations at SIPSB and implementation of biodegradable plastic use for any programme organised by SIPSB.
 Environmental Monitoring Programme	Environmental Management Plan approved by DOE.
 Cargo Spillage Prevention Programme Awareness for Transporters (Operasi Bersepadu)	To raise awareness on cargo spillage prevention among transporters and consignees.
 Scheduled Waste Management Awareness Briefing to Samalaju Industrial Port staff	Knowledge-sharing on how to properly manage scheduled waste.
 Plogging at Pantai Batu Gajah	Trekking & Beach Cleaning Programme with SIPSB staff.
 Oil Spill Management Briefing (Awareness)	To raise awareness among workshop workers on how to properly contain oil spills and keep them to prevent environmental pollution. A brief demonstration on how to use a spill kit was also conducted.



EMPOWERING COMMUNITIES

In the unprecedented year of the COVID-19 pandemic which impacted the livelihoods of communities, the Group responded with various contributions while also ensuring that our frontliners who were sacrificing their time and effort to combat the virus were well supported.

Throughout the year, our efforts continued to be guided by the four (4) pillars of our corporate social responsibility programme, although there was greater focus given to the Community Health pillar in light of the ongoing pandemic.

PILLAR 1: SERVING THE COMMUNITY

The Group is involved in numerous programmes to help those in need. Our programmes are not only limited to charity programmes but also extended to programmes that invest in the community or see our involvement in local projects that positively impact society.

Program Bintulu Port Prihatin – Sama-sama Kita Hulurkan Bantuan COVID-19

About 500 families from eight (8) underprivileged communities received aid in the form of daily essential necessities from the Group's Bintulu Port Prihatin programme. The programme, a joint effort between the Group and its staff, contributed RM50,000 to help the underprivileged communities in their daily needs.



Program Jalinan Kasih BPHB Bersama Komuniti Kg. Jepak'

About RM20,000 worth of essential items was sponsored by the Group to support and help underprivileged families, especially single mothers, mualaf and the disabled, among others, in their daily needs amid the COVID-19 pandemic. The donation of basic essential items was also expected to lessen their burden while preparing for Hari Raya and Gawai Dayak celebrations.



PILLAR 2: EDUCATION

The Group believes that every child deserves access to good education.

Back to School Programme 2021

A total of 200 students from three (3) primary schools in Tatau and Sebauh zones, namely SK Kuala Tatau, SK Kuala Serupai and SK Kuala Annau, were sponsored by the Group's Back To School Programme. The sponsorship of school supplies worth RM50,000 helped reduce the burden of underprivileged families preparing their children for the 2021 school session.

Bintulu Port Prihatin Programme

To demonstrate the Group's support towards educational excellence, a PA system, book racks, magazines, paint and rubber floor mats were donated to SK Kg. Beraya Miri to support the school's library upgrade.

Relief for Fire Victims at SK Sebauh

SK Sebauh students who were victims of an unfortunate fire at their boarding building received daily necessities such as pillows, bedsheets, blankets and towels, among others, from the Group as part of its fire relief efforts.



EMPOWERING COMMUNITIES

PILLAR 3: COMMUNITY HEALTH

The Group believes in supporting the provision of quality health services and ensuring our communities remain healthy, while also being aware of what it takes to remain healthy.

Donation of Medical Equipment to Sarawak Hospitals

To help hospitals in Sarawak cope with the COVID-19 pandemic, the Group contributed full sets of medical-grade personal protective equipment (PPE) - which included disposable medical isolation gowns, single use protective shoe covers, medical face shields and medical latex gloves - worth RM200,000 to the Bintulu, Miri, Sibul and Kuching Hospitals to show its appreciation for the effort and sacrifices of healthcare personnel and frontliners.

Donation of Medical Equipment to Bintulu Hospital

To show its continuous support towards community healthcare, the Group donated essential medical equipment - including two infusion pumps, seven sleeper chairs, two electrocardiograph (ECG) machines, a vital sign monitor and 25 pencil thermometers to Hospital Bintulu. The contribution, worth RM48,170, was to give the community access to better healthcare services.

Contribution of Personal Protective Equipment (PPE) to Kidney Association of Sarawak

Personal protective equipment (PPE) worth RM20,800 was contributed and distributed by the Group to the NKF-Kidney Association of Sarawak Dialysis Centre. The PPE was mainly for the use of frontline personnel in discharging their daily duties and to protect the healthcare personnel from infection.



PILLAR 4: ENVIRONMENT

The Group is committed to reducing the negative impact of our business operations on the environment. The Group is also concerned about the effects of climate change and has directed its conservation efforts towards tree planting, in combination with initiatives to reduce our carbon footprint.

Tree-Planting Programme – Bintulu Golf Club

In 2020, the Forest Landscape Restoration programme initiated by the Forest Department of Sarawak was carried out in collaboration with the Bintulu Golf Club and BPHB with a target to plant 300 trees.

Tree-Planting Programme - SIPSB Anjung Hijau 2.0

The SIPSB Anjung Hijau 2.0 tree-planting programme targets to plant 1,000 trees comprising 800 Rhu trees and 200 rainforest trees in Bintulu by the end of 2021. A total of 113 trees have been planted since 2019, all in close proximity to SIPSB. This programme is a continuation of the Anjung Hijau 1.0 programme that managed to plant 1,191 trees over a period of five years. Many indigenous species of trees like the Belian, Engkabang Jantung, Meranti Binatoh, Gaharu and Durian have been and will be planted.

Bukit Gondol Hiking & Plogging at Pugu Beach in Conjunction with Earth Day 2020 Celebration

In collaboration with the Sarawak Environment Department, the programme held in conjunction with Earth Day was aimed at promoting an active lifestyle among participants while also fostering awareness and responsibility for environmental cleanliness and preservation.

