





Participation of GCEO during staff engagement activities



Celebration of the diverse culture in Bintulu Port Group



Our initiatives in preserving the local culture and heritage through participation in Bintulu International Kite Festival and Lingga Regatta 2023



A series of activities by Bintulu Port Group to support the local communities



Fulfilling our responsibility to the local communities through CSR project



Involvement and contribution of the Bintulu Port Group during the Bintulu International Marathon



Our investment for a greener and sustainable future



# KEY ACHIEVEMENTS 2023



## ▲ Launch of Social Media Platform

The Group's official social media platforms, which include #Facebook, #Twitter, and #Instagram, were launched by the Group CEO, En. Ruslan Bin Abdul Ghani.



## ▲ Celebrated a momentous achievement with its "BBSB 50505 Achievement" event

Biport Bulkiers Sdn Bhd celebrated its "BBSB 50505 Achievement" on 15 May 2023, marking the accomplishment of handling 50 million tonnes of throughput, 50 million tonnes of exports, and 5,000 vessels handled over the past two decades.



## ▲ Biport Bulkiers Sdn. Bhd. (BBSB) and Bintulu Edible Oil Sdn. Bhd. (BEOSB) reinforced their synergic relationship

BBSB and Bintulu Edible Oil Sdn. Bhd. (BEOSB) entered into a 20-year agreement for the utilisation of BBSB's bulking and bypass facilities.



▶

### 2023 Business Zakat Contribution handover ceremony

The port handed over its zakat contribution to the Sarawak Islamic Religious Council for the Baitulmal Fund to assist the socioeconomic development of the local community in need.



◀

### Kasawari Gas Development Project

Bintulu Port assisted in lifting heavy equipment meant for the Kasawari Gas Development Project, which included a 185 tonnes SAT 02 system.



▲

### Launching of TOP 12 Policies

Bintulu Port Group has identified its TOP 12 Policies and have successfully launched it during the Bintulu Port Ethics Day on 10 August 2023.



▲

### Amanah Raya's Remarkable 100-year Milestone

AmanahRaya Investment Management, a wholly owned subsidiary of Amanah Raya Berhad, recognised Bintulu Port Holdings Berhad as one of its top three clients, during Amanah Raya's 100<sup>th</sup> year anniversary celebration.



### ▲ Signing Ceremony between Bintulu Port Sdn Bhd and Petronas Dagangan Berhad

BPSB and Petronas Dagangan Berhad renewed an agreement to reaffirm the steady supply of diesel fuel to Bintulu Port.



### ◀ Signing Ceremony between Bintulu Port Sdn Bhd (BPSB) and Altus Oil & Gas Malaysia Sdn Bhd (Altus)

BPSB and Altus Oil & Gas Malaysia Sdn Bhd (Altus) held a signing ceremony to commemorate the establishment of a Liquid Mud Plant (LMP) at Bintulu Port, marking a significant milestone for the region's oil and gas industry.



### ▲ Launching of BRIDGE platform and BEES! Portal

On 16 November 2023, Group CEO and the Leadership Team proudly unveiled two significant milestones: BRIDGE platform and BEES! (Bintulu Port E-Learning ECO System) Portal. These tools serve as a central hub for communication, learning, and information sharing within Bintulu Port.

### ▶ Bintulu EPF Best Employer Award 2023

BPHB was accorded the Best Employer Award 2023 by Bintulu EPF and named one of the top five employers in Bintulu.



### ▶ BPSB obtained Supply Base Licence from Royal Customs Malaysia

BPSB obtained the Approval in Principle on the Supply Base Licence from Royal Customs Malaysia in September 2024. The Group GCEO briefed a group of Delegations from MOF and Royal Customs Malaysia on the potential of Supply Base in Bintulu.





### ▶ Welcoming Maiden Call of MV Lila Bhum

Samalaju Industrial Port Sdn. Bhd. proudly welcomed the Maiden Call of MV Lila Bhum, owned by Regional Container Lines (RCL), marking a significant event for Samalaju Port. RCL is recognised as the top shipping liner in Thailand.



Highest number of total vessel calls handled for base support crew transfer achieved in 2023.



Biggest volume of RORO received in single shipment achieved in September 2023.

## KEY HIGHLIGHTS

CARGO THROUGHPUT

**48.77**  
MILLION TONNES

PROFIT BEFORE TAX

**RM158.90**  
MILLION

MARKET CAPITALISATION\*

**RM2.67**  
BILLION

\*As at 29 February 2024

ANNUAL  
BERTHING  
CAPACITY

**93**  
MILLION  
TONNES

TOTAL BERTHING LENGTH

**3.8**  
KILOMETRES

TOTAL REVENUE#

**RM821.64**  
MILLION

#excluding revenue from  
construction services

PROFIT AFTER TAX

**RM125.06**  
MILLION

TOTAL LAND AREA

**713**  
HECTARES

TOTAL NUMBER OF BERTHS

**14**

comprising Bintulu  
Port and Samalaju Port

**BINTULU PORT  
HOLDINGS BERHAD**



## QUICK FACTS

**LARGEST**

LNG Export Terminal in East Asia

**LARGEST**

Multipurpose Port in Sarawak

**HOME**

to the Seri C Class LNG Carrier

**THIRD-  
RANKED**

among Malaysian Ports in 2023 with Total Cargo  
Throughput of 48.77 million tonnes

**SOLE**

Supply Base License Holder in Sarawak

**MAIN EXPORT**

Outlet of Palm Oil Products in Sarawak



Scan the QR  
code for the  
details of our  
businesses.

# BASIS OF THIS REPORT

Bintulu Port Holdings Berhad (the Group) is pleased to present its fifth Integrated Annual Report. This Report describes our journey of value creation throughout the financial year concluding on 31 December 2023.

## NAVIGATION ICONS


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


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

 Link to website at [www.bintuluport.com.my](http://www.bintuluport.com.my)


## OUR SIX CAPITALS


These icons here represent the various Capitals in our business operations. For ease of reference, these navigational icons are included in the appropriate sections of this report that discuss the Capitals.


 Financial Capital

 Manufactured Capital

 Intellectual Capital

 Human Capital

 Social and Relationship Capital

 Natural Capital

## REPORTING PRINCIPLES AND FRAMEWORK

The Group remains dedicated to effectively communicating the success of our strategy in advancing the business, despite industry challenges and risks. This enables our stakeholders to make well-informed assessments of our performance. The Report encompasses both the financial and non-financial elements of our business activities, presented in a transparent and balanced manner. Adhering to the Integrated Reporting Framework, this Report is also aligned with the Malaysian Code on Corporate Governance 2021 (MCCG 2021), Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, Companies Act 2016, International Financial Reporting Standards, and Malaysian Financial Reporting Standards.

## SCOPE AND BOUNDARIES

This Report presents a comprehensive overview of our financial and non-financial achievements between 1 January 2023 and 31 December 2023. In setting the scope and boundaries for this report, we have included all operations within the Group, encompassing both wholly owned operations and subsidiaries. The scope of the report includes an analysis of both our internal and external environments, focusing on sustainability efforts and operational improvements. Additionally, we


have evaluated the current business environment, including potential opportunities and challenges, which could influence the Group's ability to generate value.

## ASSURANCE

Selected non-financial indicators have gone through an internal audit assurance process. The details of the assurance can be found on page 238 of this report.

## BINTULU PORT'S SIX CAPITALS

In line with the requirements of the Integrated Reporting Framework, we have outlined our six capitals of value creation, presenting them in an accessible format with the aid of navigational icons that are present throughout the Report.

 Find out more about our six capitals on pages 26 to 27.

## FORWARD-LOOKING STATEMENTS

In this Report, forward-looking statements may be indicated via the usage of words or phrases such as "might", "forecast", "anticipate", "project", "may", "believe", "predict", "expect", "continue", "will", "estimate", "target" and other closely related terms. We may also include forecast information including port traffic improvements or certain execution plans and approaches that are related to our business. These statements are

not absolute and decisive for future operating, financial or other performance results due to unpredictable shifts of the industry. It is essential to understand that our forward-looking statements do not guarantee business performance.

## WE VALUE FEEDBACK

Your feedback, comments, and queries regarding this report are highly valued. Please feel free to contact and engage with us through our Investor Relations team at [irene@bintuluport.com.my](mailto:irene@bintuluport.com.my)

### SEND US YOUR FEEDBACK

To ensure that our reporting addresses matters important to our stakeholders, we invite you to share any comments or questions by scanning the QR code provided.



## REPORT APPROVAL

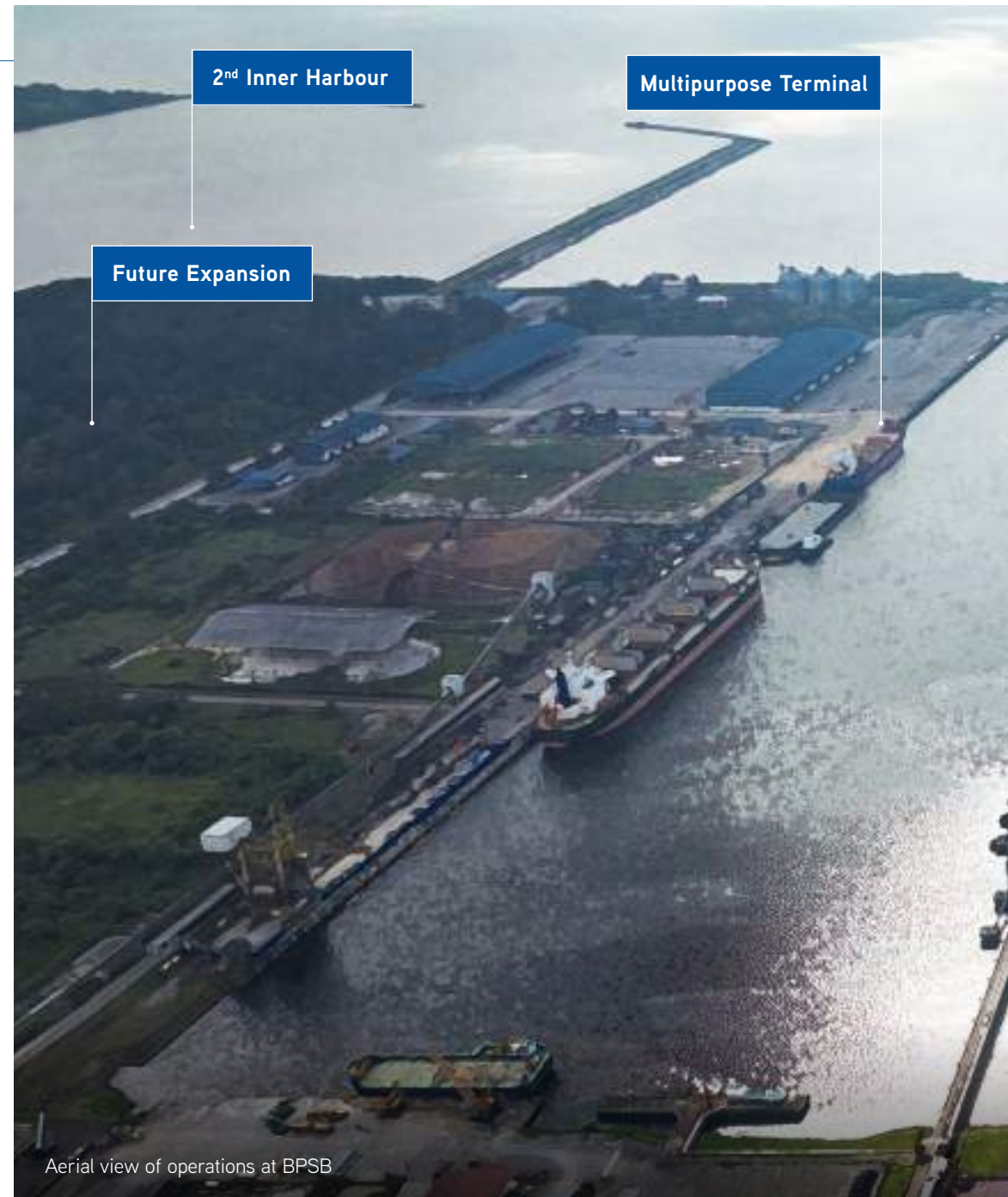
The Board of Bintulu Port Holdings Berhad recognises the organisation's responsibility to uphold the integrity of our Integrated Annual Report. The Management Due Diligence Committee, responsible for overseeing the Integrated Annual Report, has recommended the Board of Directors to endorse the Report. After a collective evaluation, the Board believes that the Integrated Annual Report accurately and fairly represents the Company's overall performance, particularly in relation to its key material matters.

# BINTULU PORT SDN. BHD. (BPSB)

BPSB is the largest Liquefied Natural Gas (LNG) Export Terminal in East Asia and operates Sarawak's largest multipurpose port, connecting over

**40 million tonnes**

of cargo per annum to major international ports.





# SAMALAJU INDUSTRIAL PORT SDN. BHD.(SIPSB)

SIPSB is a purpose-built port which greatly benefits the logistical requirements of industries in the Sarawak Corridor of Renewable Energy (SCORE) by offering dry bulk, break bulk and container services primarily to energy intensive businesses located adjacent to the port.



Aerial view of operations at SIPSB



Phase 2 Expansion

Handysize Berth

Ro-Ro Ramp

Future Expansion

Handymax Berth

Warehouses

Marine Base

Barge Berth

Conveyor System

# BIPORT BULKERS SDN. BHD. (BBSB)

Entrusted with managing 24% of the total Malaysian palm oil exports and 95% of Sarawak's palm oil exports, BBSB is the largest palm oil product exporting terminal in the country, providing bulking installation facilities for crude, refined palm oil, and their by-products.



Aerial view of Edible Oil Terminal at BBSB



Pipelines

Future Expansion

2<sup>nd</sup> Inner Harbour

Edible Oil Terminal

Berthing Facilities

Bulking Facilities

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# UNDERSTANDING BINTULU PORT

- Bintulu Port Holdings Berhad is an investment holding company with Bintulu Port Sdn. Bhd. (BPSB), Samalaju Industrial Port Sdn. Bhd. (SIPSB) and Biport Bulkiers Sdn. Bhd. (BBSB) as its subsidiaries. BPSB and SIPSB are providers of port services such as marine services (towage, pilotage, mooring), cargo handling and storage, stevedoring, supply base service and bunkering. BBSB's expertise lies in bulking installation services.

## STATEMENT OF PURPOSE

An integrated service and solution provider, connecting passion in delivering value responsibly

### CORPORATE VALUES

#### 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 and responsibility and proactively taking the initiative to act in advance of future needs or changes.

### CORPORATE CULTURE

#### ▶ Customer Centric

I will give my utmost to exceed the expectations of my customers

#### ▶ Solution Focused

I will focus on finding solutions with pace to every challenges

#### ▶ Step Up

I seek for every opportunity to make a positive impact and reach out to help others

#### ▶ Result Minded

I have the energy and determination to achieve the desired result

#### ▶ Value Driven

I will be driven by value in every decision I make

## CORPORATE MILESTONES

### DEC 2023

- Establishment of a Liquid Mud Plant (LMP) at Bintulu Port
- SIPSB proudly welcomed the Maiden Call of MV Lila Bhum, owned by Regional Container Lines (RCL)

### NOV 2023

20<sup>th</sup> Year Anniversary of BBSB

### SEPT 2023

BPSB received approval in principle for a Supply Base License from Royal Customs Malaysia

### AUG 2023

The Group was honored as Amanah Raya Investment Management's top three client during its 100<sup>th</sup> Anniversary

### JULY 2023

BPSB entered into Land Utilisation Agreement with GIGA Shipping and Raw Energy for the storage of RORO vehicles and grass pellets respectively

### MAY 2023

- BBSB celebrated its 50505 achievement, marking the successful handling of 50 million tonnes of throughput, 50 million tonnes of export and 5,000 vessels over the past two decades
- BBSB and Bintulu Edible Oil Sdn. Bhd. (BEOSB) entered into a 20-year agreement for the utilisation of BBSB's bulking and bypass facilities

### JAN 2023

30<sup>th</sup> Year Anniversary of BPSB

### DEC 2022

The Group's total cargo throughput surpassed 50 million tonnes mark for the 1<sup>st</sup> time

### OCT 2022

BBSB exceeded 50 million tonnes for overall lifetime inward throughput

### AUG 2022

10<sup>th</sup> Year Anniversary of SIPSB

### JUL 2022

Maiden Voyage of vessel Tiger Bintulu at BICT carrying in total 400 units of LNG ISO tanks

### FEB 2022

Commencement of additional 4 new export lines at BBSB

### DEC 2021

Commencement of Container Handling Service at Samalaju Industrial Port

### OCT 2021

BBSB registered with Bursa Malaysia Derivatives as a Port Tank Installation (PTI) service provider under the East Malaysia Crude Palm Oil Futures Contract (FEPO)

### MAR 2021

1<sup>st</sup> LNG ISO Tank export operations at Bintulu Port

### NOV 2020

- Largest LNG vessel berthed - Vasant 1
- Commencement of Base Support Contract with Mubadala Petroleum



## CORPORATE MILESTONES

### JAN 2020

- Commencement of BPSB's Marine Services in Brunei, the Group's 1<sup>st</sup> International business foray
- Achieved and surpassed 1 billion tonnes of cargo throughput (accumulative total since 1983)

### AUG 2019

Signed with GIGA Shipping Sdn. Bhd. as port of call for RORO vehicles towards achieving aspiration to become main hub for RORO operation in Sarawak region

### JUN 2019

Introduction of new bunkering service - Ship-to-Ship bunkering services

### FEB 2018

Official launch of the Group's new Vision and Mission Statement to become A WORLD-CLASS PORT OPERATOR

### JUN 2017

SIPSB successfully commenced Phase 1 operation

### SEP 2014

Obtained approval in principle for BPSB's extension of concession period

### AUG 2012

Incorporation of Samalaju Industrial Port Sdn. Bhd. (SIPSB)

### JAN 2005

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

### NOV 2003

Incorporation of Biport Bulkiers Sdn. Bhd. (BBSB)

### APR 2001

Listing of BPHB shares on KLSE

### JUN 1999

Commencement of Bintulu International Container Terminal (BICT)

### MAR 1996

Incorporation of Bintulu Port Holdings Berhad (BPHB)

### JAN 1993

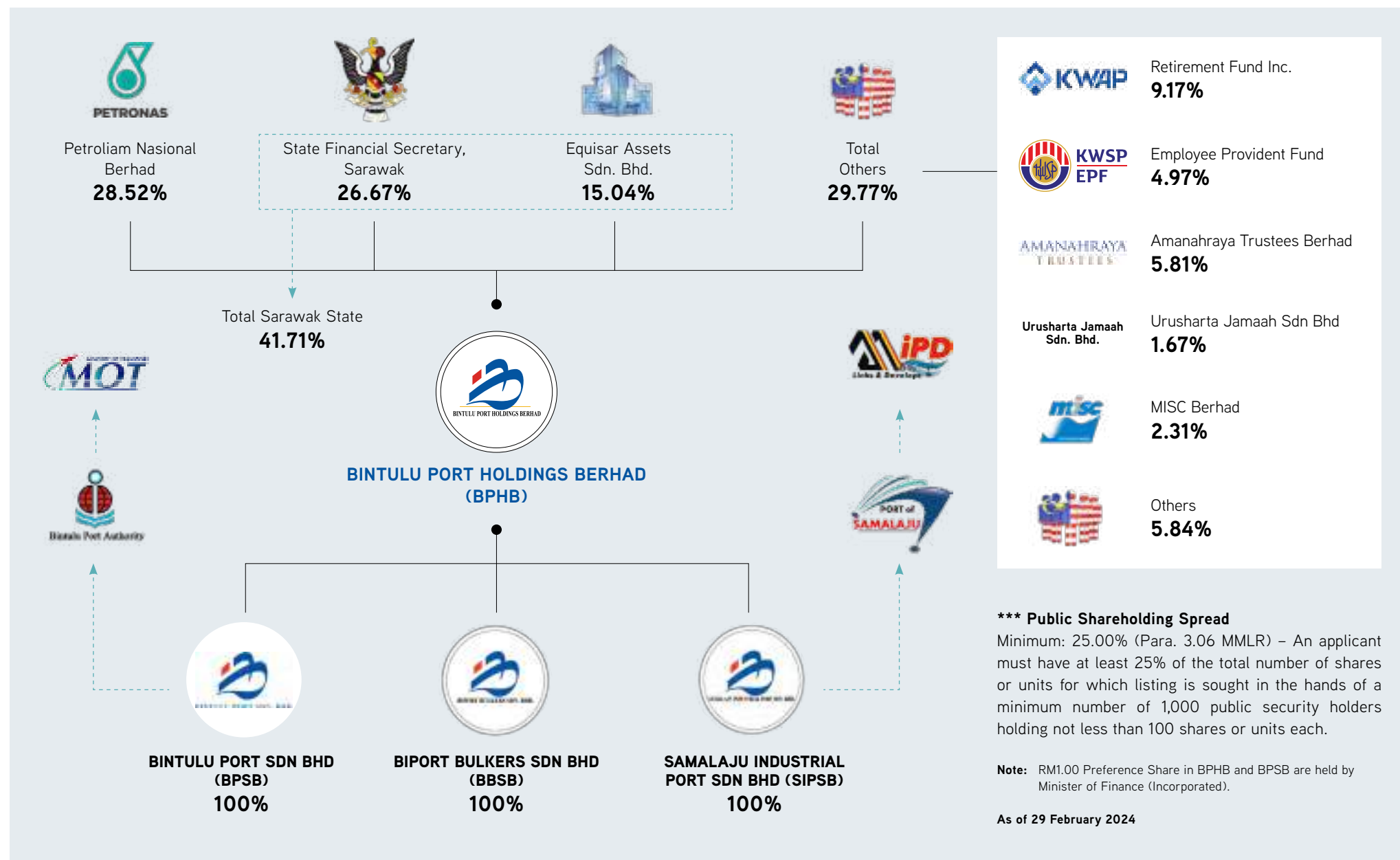
Bintulu Port Sdn. Bhd. (BPSB) took over the operations

### JAN 1983

- Commencement of Bintulu Port
- First LNG shipment to Japan



# CORPORATE STRUCTURE



# ORGANISATIONAL STRUCTURE

## BOARD OF DIRECTORS

**RUSLAN ABDUL GHANI**  
Group Chief Executive Officer

## BPHB LEADERSHIP TEAM



**MATSHALLEH MOHAMAD ETLI**  
Chief Operating Officer



**EIZAM ISMAIL**  
Chief Operating Officer



**WAN MOHAMAD ZAIDI WAN KADIR**  
Chief Operating Officer

**DAIANA LUNA SUIP**  
Group Chief Financial Officer

**ROSLI IDRIS**  
Company Secretary

**IKUM USAT**  
General Manager, Group Business Performance

**BAHARIN OSMAN**  
General Manager, Group Procurement

**RAMZI SHAFIEE**  
General Manager, Group Information Technology

**HERWAN RAMELAN**  
General Manager, Group Human Resource Management

**ELVIS TULU AYU**  
Senior Manager, Group Security

**LENNYWATI BUJANG MASLI**  
Manager, Group Sustainability

**SULAIMAN BUJANG AWI**  
Project Director, Group Project Delivery

**ESTHER LU NOI YAN**  
General Manager, Group Corporate Planning & Development

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

**ZARIFINA SARBINI**  
General Manager, Group Health, Safety & Environment

**SAFUAN YAK JAMAIN**  
General Manager, Group Maintenance & Reliability

**HASMADI ZAMHARI**  
Senior Manager, Group Internal Audit

**MASLIHAH HJ TIOH**  
Senior Manager, Group Corporate Services

**MUHAMMAD HAFIZ MOHD NOOR**  
Manager, Group Integrity & Compliance

## CHAIRMAN'S STATEMENT

It is my great honour to present Bintulu Port Holdings Berhad's (the Group) Integrated Annual Report for the year 2023. In a year marked by both challenges and opportunities, the Group has demonstrated resilience, adaptability, and a commitment to excellence. Despite the uncertainties in the global economic landscape, we have successfully navigated through various challenges and continued to deliver sustainable growth.

### MACROECONOMIC REVIEW

#### Dear Valued Shareholders,

The global economy faced significant headwinds in 2023 due to the residual effects of the COVID-19 pandemic, enduring geopolitical tensions, and the tightening of monetary policy aimed at controlling inflation. These developments collectively heightened the risk of a global economic slowdown. Despite these challenges, the global economy exhibited resilience, with the International Monetary Fund (IMF) projecting a moderate growth trajectory of 3% for both 2023 and 2024, albeit a slight decrease from the 3.5% growth in 2022.

In Malaysia, Gross Domestic Product grew by 3.7% in 2023 compared to the 8.7% recorded in 2022. This was largely driven by strong domestic demand, leading to progress in consumption and lifestyle enhancements. The strong labour market and moderating core inflation fuelled private consumption, which stood as a pillar of growth.

Our operations throughout 2023 mirrored the broader complexities encountered in the global and regional trade arenas. Initial growth in trade volumes, spurred by pent-up demand and relaxation of pandemic restrictions, faced moderation due to various challenges as the year progressed. This included supply chain disruptions and geopolitical tensions, as well as volatility in energy markets and China's slower-than-expected recovery, underscoring the impact regional economic fluctuations can have on our operations.

**YB DATUK AMAR HJ. MOHAMAD ABU BAKAR BIN MARZUKI**  
CHAIRMAN

### STATE ASPIRATION, POST COVID DEVELOPMENT STRATEGY (PCDS)

Since 2021, the Sarawak Government has been implementing the Post COVID-19 Development Strategy 2030 (PCDS) to facilitate the state's growth and improvement after the pandemic. This strategy centres around economic prosperity, environmental sustainability and social inclusivity. Sarawak's vision for 2030 is to cultivate a society that leverages new ideas and technology to continually enhance itself to ensure that everyone benefits from the positive developments taking place.

One significant aspect of the plan is to transform the way the state's economy functions. The goal is to enhance efficiency and provide support to businesses that contribute to environmental well-being. Additionally, there is an emphasis on maintaining a balance between services and manufacturing sectors to foster economic growth.

Another crucial aspect of the plan involves enhancing efficiency and speed. The intention is to leverage new technology and enhance infrastructure such as roads and internet access, ultimately making life more convenient for everyone. Additionally, there are plans to generate more jobs and encourage individuals to

## CHAIRMAN'S STATEMENT

establish their own businesses. By providing people with increased opportunities and fostering innovative ideas, the goal is to improve the quality of life for everyone.

Bintulu Port is an integral part of these plans. Its mission is to facilitate Sarawak's economic growth, generate employment opportunities, and ensure environmental sustainability. The port is dedicated to enhancing the quality of life in Sarawak, making it a better place to live and work in the future.

### TRANSITION TO A NEW REGULATORY AUTHORITY

In the effort regarding the port transfer, as per the State announcement, it is understood that Bintulu Port is anticipated to come under the administration of the Sarawak State in year 2024.

This strategic move aligns with the Sarawak government's overarching port development strategies, as articulated by Premier Datuk Patinggi Tan Sri Abang Johari Tun Openg in January 2023 during our SIPS's 10<sup>th</sup> Year Anniversary. The State aims to consolidate regulatory control over Bintulu Port to enable a comprehensive master plan for the development of all ports in Sarawak.

The State's initiative of taking over regulatory control of Bintulu Port aligns with Sarawak's vision to assign each port a specialised role in trade promotion and enhancing connectivity with global transportation hubs. This transition signifies a new phase for Bintulu Port, as we are able to offer opportunities for growth encapsulated in the PCDS strategy. The Group is committed to support this initiative spearheaded by both the Federal and Sarawak State, and we will play our role to ensure the transitions will be smooth, and the services rendered by the port will remain efficient and uninterrupted.

### SHIFT TOWARDS RENEWABLE ENERGY FOR THE FUTURE

In today's dynamic world, our pursuit of economic development will continue to be met with challenges,

particularly in addressing carbon emissions and the rising costs associated with fossil fuel usage. The global shift towards renewable energy, specifically the production of clean hydrogen, aligns with our commitment to nature conservation, sustainable power generation, and combating global warming. Sarawak, blessed with abundant raw materials and cost-effective electricity from our hydropower dams, is strategically positioned to produce hydrogen efficiently, ensuring both viability and long-term sustainability.

There are also other exciting renewable energy projects that we plan to be involved in, in line with our Port Development Plan that is further aligned with the PCDS. This includes exploring opportunities in green ammonia, solar, biomass, algae and carbon capture and storage.

### SUPPORTING OUR COMMUNITIES

As a socially responsible company, we remained actively engaged in Corporate Social Responsibility initiatives throughout 2023. For instance, we implemented a Wakalah programme for the first time to facilitate the return of zakat funds from the Baitulmal Sarawak for distribution to eligible asnaf. Through this initiative, we donated RM262,500 to 885 individuals and two organisations, making a meaningful impact on the lives of those in need.

For the wider community, we proudly participated in and sponsored state-level activities and celebrations in 2023. These included being the strategic partner of the first Bintulu International Marathon and sponsoring the Sarawak Regatta 2023. The Regatta saw its long boat race attracting 60 teams from Malaysia and 20 other countries, including from the disabled community.

In addition, to foster a healthy work environment, we established the first Rakan Agensi Antidadah Kebangsaan (AADK) in Sarawak to help employees deal with substance and drug-related issues at work. The Bintulu Port Chapter aims to implement education and awareness initiatives, as well as employee assistance programmes in collaboration with Skwad AntiDadah Bintulu.

### DIVIDEND

We have continued to reward our shareholders for their unwavering support. The Board has authorised the payment of a fourth interim single-tier dividend of 3.00 sen per share. This brings the total dividend for the financial year ended 31 December 2023 to 12.00 sen per share.

### ACKNOWLEDGMENTS

I would like to take this opportunity to express my sincere appreciation to my fellow Board members for their invaluable guidance and wisdom throughout this successful year. On behalf of the Board of Directors, heartfelt thanks are conveyed to our loyal customers, dedicated business partners, supportive service providers, stakeholders, and the unwavering backing from state and federal governments.

A heartfelt acknowledgment is extended to every member of our hardworking and resilient workforce, as well as our dedicated Leadership Team, for their unwavering commitment amid the persistent challenges we've encountered.

As we bid farewell to our former Chairman Dato' Abdul Mutalib Bin Alias, and esteemed board members Tan Sri Datuk Amar Hj. Mohamad Morshidi Bin Abdul Ghani, Datuk Johan Bin Mahmood @ Johan Mahmood Merican, Datuk Nasarudin Bin Md Idris, Dato' Sri Mohamed Khalid Bin Yusuf @ Yusuf, Datuk (Dr) Yasmin Binti Mahmood, and Datuk Nozirah Binti Bahari, we wish them every success in their future endeavours. Your contributions have been invaluable, and your legacy will undoubtedly endure.

I also wish a warm welcome to the new Board members, namely Dato' Zamzuri bin Abdul Aziz, Encik Ahmad Fauzi bin Sungip, Dato' Sharifah Halimah binti Tuanku Taha and Datuk Dyg Sadiha binti Abg Bohan. I believe our new board composition will further steer the Group to a higher success.

## GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

“For Bintulu Port Holdings Berhad, 2023 stood out as a testament of our resilience. Even amidst global economic turbulence and geopolitical tensions, we stood strong. The past year has reinforced the significance of Bintulu Port’s corporate values of Teamwork, Integrity, Innovation, and Professionalism. This was further supported by the newly introduced corporate cultures of Customer Centric, Solution Focused, Step Up, Result Minded, and Value Driven.”

### Dear Valued Shareholders,

In 2023, we initiated our 3-pronged strategy on achieving par excellence in our current core port business by focusing on our strengths and addressing our weaknesses while focusing on growth by exploring opportunities that goes beyond our traditional boundaries. In addition, we have taken concrete steps towards enhancing our sustainability agenda through a solid Sustainability Framework, not only as a license to operate but to mitigate future threats, especially in abating and offsetting carbon emissions.

These strategies are aligned to our Statement of Purpose, in ensuring that we are well-equipped to navigate the challenges and opportunities that lie ahead. These strategies will not be realised if we neglect the advancement of our human capital development and capabilities, including diversity and inclusivity. We will also need to embrace digitalisation and new technologies, enhance compliance and governance, instil strong financial discipline and continuously engage multiple groups of stakeholders, including the communities around us.

**RUSLAN BIN ABDUL GHANI**  
GROUP CHIEF EXECUTIVE OFFICER



### OPERATIONAL AND FINANCIAL PERFORMANCE

The year saw Bintulu Ports handed a total cargo throughput of 48.78 million tonnes, a slight decrease from the 50.73 million tonnes in 2022, achieving 96.61% of our target for the year. This drop was mainly contributed by the reduction in break bulk from 2.1 million tonnes to 1.6 million tonnes due to lower demand of raw materials for Samalaju Industrial Port’s (SIP) investors as well as slower exports of semi-finished products such as aluminium and manganese products. Container throughput declined slightly to 366,259 TEUs, down from 372,129 TEUs in the previous year, reaching 96.84% of our 2023 target. The reduction was primarily due to a decrease in transshipment containers by 26,729 TEUs or 26% from the previous year. However, this was positively offset by the 10% increase in local imports and exports equal to 23,692 TEUs. Despite

the reduced tonnage, revenue from containers increased by RM9.5 million based on the re-strategising of container tariff incentives. Our flagship cargo, LNG also saw a steady volume and a slight increase from 24.89 million to 24.90 million due to new exports to countries such as the Philippines and Kuwait.

Despite the reduction in cargo throughput, we recorded an increase in total vessel calls, totalling 7,708, compared to 7,505 in 2022, achieving 102% of our target for 2023. The increase was mainly contributed by the vessels supporting the O&G industry through our increasingly bustling base support operations. This underpins the growing importance of developing our capabilities in supporting the O&G sector, while not neglecting efforts to increase vessel calls in areas we are typically strong in, which has remained stable for many years.

On the operational front, we had been relentless in our pursuit to improve our HSE culture, behaviour, and mindset. We focused more on prevention, and had successfully increased and completed 85 safety walkabouts, maintained the zero-fatality rate, and averted major fires. To drive better HSE performance, the presence of the top leadership on the ground is critical in setting the right example.

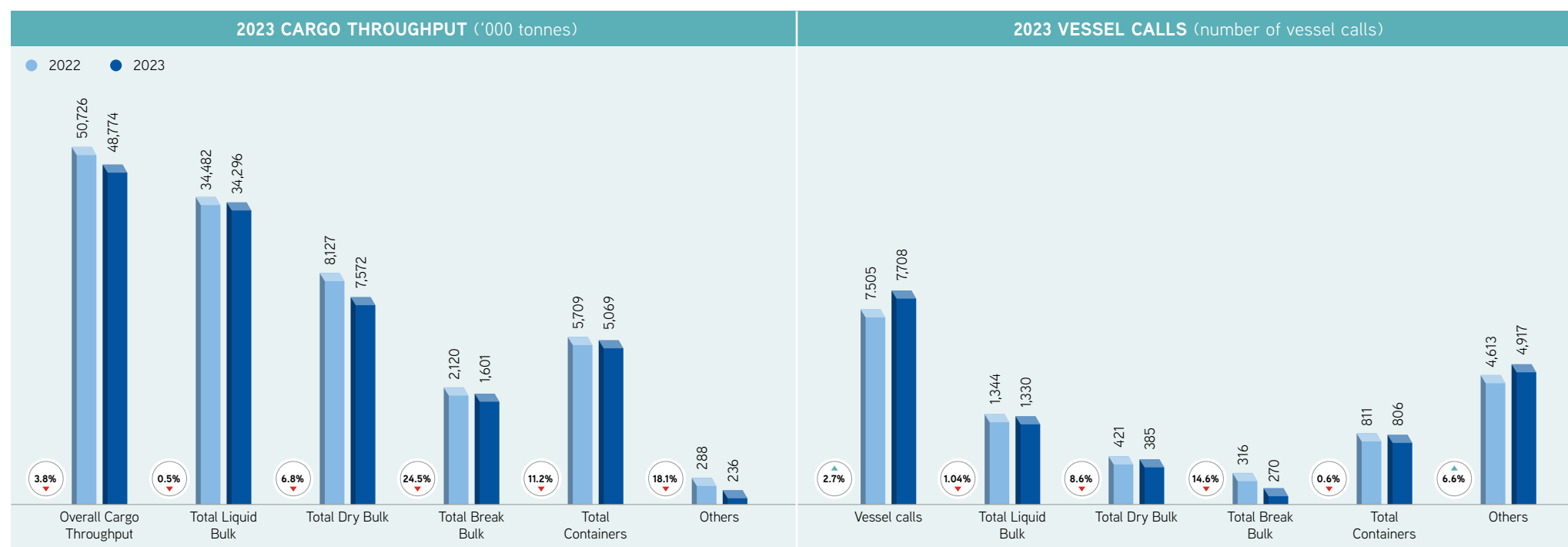
Regrettably, we continue to face challenges in 2023 in getting our key equipment such

## GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

as Quay Cranes, Rubber Tyred Gantry Cranes, Reach Stackers, and Towing Terminal Tractors to reach desired operational standards. Equipment uptime, availability, and reliability fell short of expectations, highlighting a critical area for improvement. Nonetheless, we have persevered with focused efforts to rectify this situation by setting the foundations for a more sustainable way forward. We have enhanced our overall maintenance philosophy and culture by improving preventive maintenance, increasing the usage of the computerised maintenance management system, improving spare parts availability, putting in place various maintenance contracts, and improving our maintenance capabilities. We target to have 100% of our installed

equipment to be in operations by Q3/2024, from a low of 60% uptime rate in 2023. We are encouraged by the successes and flashes of brilliance we experienced in some of these efforts and will continue to be steadfast in ensuring that this new culture will be pervasive throughout the organisation.

In terms of financial performance, Bintulu Port recorded a total revenue of RM821.64 million excluding revenue from construction services, an improvement to the RM819.79 million recorded in 2022, mainly contributed by the staggering increase in non-operating revenue to RM56.05 million from RM28.53 million achieved in the previous year, despite a decrease in operating revenue of RM25.68 million or 3.24% from the RM791.26 million achieved in 2022. Profit after Tax for 2023 was RM125.06 million, slightly below the RM127.72 million in 2022 mainly due to the lower operating revenue and higher direct operating cost. This was a result of SIPSB carrying out unplanned dredging activities due to the unexpected build-up of silt generated by earthworks conducted by other parties near the port. Through strategic cost optimisation and cost avoidance initiatives, we recorded an impressive cost saving of RM49.8 million, underscoring our commitment to financial efficiency and discipline. The savings generated through these cost optimisation exercises were deployed in areas requiring urgent attention and action, some of which were previously not budgeted for.



## GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

### HALATUJU 2050; 3-PRONGED STRATEGY

In an era where the only constant is change, we must always be prepared, be agile and be responsive to the demands of the ever changing and dynamic landscape. We must have pace, determination, and the energy to remain focused in achieving the set goals.

Harnessing the energy of our dedicated staff, synchronising and harmonising these efforts so that we move in one direction, based on a clear and precise strategy, are key in achieving results. Efforts that are not synchronised and without a clear strategy will be counterproductive and a waste of resources.

This approach is important as we are at the pivotal stage of fully embarking into our 3-pronged strategy of;

**Core Port Business -**  
Enhancing service level and operational efficiencies

**Beyond Port Business -**  
Continuously scanning for opportunities

**Low Carbon Clean Energy -**  
Towards becoming a premier green energy port

In our Core Port Business, we will be relentless in our pursuit of excellence, continue to be innovative in looking for solutions, with a clear focus on HSE performance. The safety of our people is paramount, to ensure that no one gets injured. The journey to reach a generative culture in HSE is long and arduous, but it is a journey we are prepared to take.

For us to build a lasting and long-term relationship with our customers, it is important to continuously improve on our operational and commercial excellence.

This can be achieved through adoption of new technology, digitalisation, and over the longer term, automation. We have since embarked on our digital journey and achieved a few quick wins, while staying on course with our digital roadmap which will be implemented in phases. Digitalisation serves not just as a tool for operational efficiency but to enhance customer satisfaction and experience.

Other efforts will also be futile if we neglect the development of our talents. Human capital development goes beyond upskilling and knowledge, but also in our ability to recognise what would motivates a workforce, and the ability to extract the best from the team. Retooling the workforce to ready them in facing future challenges is an absolute necessity. More so, for us to move into beyond port business, and into the low carbon clean energy business, new skills and knowledge must be acquired.

In essence, our new direction and strategy is a testament to the belief that the path to a successful future is all about meeting the needs of our customers. It is a comprehensive framework that not only addresses immediate operational and environmental challenges but also sets the stage for a sustainable, value-driven growth in the decades to come.

### STATEMENT OF PURPOSE & CORPORATE CULTURE

The essence of BPHB is captured in our commitment to excellence, as articulated in our Statement of Purpose: *"To be an Integrated Service & Solution Provider, Connecting Passion in Delivering Value, responsibly"*. This guiding principle is the cornerstone of our identity and strategy, inspiring every member of our team to align our efforts with the collective vision and mission of our organisation. It is a declaration of our dedication to not only meet but exceed the evolving expectations of the services and solutions our client's demand.

As we navigate through these changing times, having corporate values alone would not be adequate. To build a strong foundation of our success, we require a corporate culture that will enable us to develop a winning team. We require a team that will be proactive and responsive in understanding what it takes to be efficient in meeting the customer's need while being driven in the pursuit of excellence. The cultivation of a vibrant and productive corporate culture is pivotal to our success. It is constructed on the premise of fostering an environment that elevates the experience of our employees, influencing their behaviour and motivating them to take decisive actions that drive our collective goals forward.

There are 5 corporate cultures that we believe are required.

#### 1 **Customer Centricity - I will give my utmost to exceed the expectations of my customers.**

Adopting a customer-centric approach is fundamental to our operations. We strive to not just meet but to surpass the expectations of our clients, embedding customer obsession into our ethos. This philosophy enables us to forge robust and enduring relationships, ensuring mutual growth and success. Upholding professionalism always, we prioritise our clients' needs, making their satisfaction our benchmark for excellence.

#### 2 **Solutions Focused - I will focus on finding solutions with pace to every challenges.**

Our resolve to emphasise solutions over obstacles underpins our ability to navigate challenges with agility and innovation. We foster a culture of constructive feedback, steering clear of unproductive criticism and complaints. This mindset is integral to our ethos of becoming part of the solutions, and not be part of a problem, encouraging every member of our team to contribute towards overcoming hurdles and achieving our objectives.

## GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

### 3 Step Up - I seek for every opportunity to make a positive impact and reach out to help others.

We champion the principle of taking initiative and actively seeking opportunities to make a meaningful difference. Our culture is one of inclusivity and support, urging all members to lend their expertise beyond the confines of departmental boundaries. This collaborative spirit, rooted in integrity and teamwork, is essential to our collective success.

### 4 Results Oriented - I have the energy and determination to achieve the desired result.

At BPHB, we understand that while effort is important, outcomes are paramount. Our focus is on achieving tangible results through dedication, perseverance, and strategic execution. Recognising that setbacks are part of the journey, we maintain a resilient stance towards failure, emphasising rapid recovery and learning as part of our path to success. This philosophy is reflective of our commitment to professionalism and excellence.

### 5 Value-Driven - I will be driven by value in every decision I make.

Our decision-making process is guided by the principle of value creation. We prioritise profitability and efficiency, ensuring that every action taken, and every resource allocated contributes significantly to our overarching goals. This approach ensures sustainability and growth, underlining our dedication to delivering not just volume, but value.

## GOVERNANCE AND COMPLIANCE

While we strive for more business potential and new ventures, we must always uphold strong governance in doing business.

For the year under review, we have completed our Governance, Risk and Compliance Transformation Journey or UTAP Transformation Journey 1.0. This cultural transformation can foster greater collaboration, accountability, and ethical behaviour across the organisation, ultimately contributing to long-term success. We have also developed a comprehensive new Procurement Policy to govern all procurement activities.

We have also introduced and instituted 12 policy statements that we displayed strategically across the organisation. This includes our Sustainability Policy, to further our EESG initiatives with the objective of fostering sustainability and reducing our environmental impact. We strongly believe that by prioritising governance, we can enhance our stakeholder trust, manage risks effectively, and achieve our strategic objectives more efficiently.

We have also set up “*Rakan AADK Bintulu Port Chapter*”, in collaboration with Agensi Anti Dadah Kebangsaan to drive the message of maintaining operations that are free from drugs and substance misuse. We have also organised many talks and engagements on the topic of integrity and have commenced the observation of an Integrity Moment at the start of any corporate meeting.

## THE ENGINE OF GROWTH

For the last 30 years since Bintulu Port Sdn. Bhd. became the operator of Bintulu Port, we had been able to develop our tacit knowledge, capability, and skill in port operations, making Bintulu Port peerless in becoming a fully integrated port handling not only LNG, but all other services including base support operations for the O&G sector, RORO and biomass products.

There are no other ports providing the same kind of services that Bintulu Port offers.

Nonetheless, it is time to grow. Not only in expanding the current traditional business we are in, but as well as diversifying our portfolios, pivoting into areas beyond our current realm. We need to future proof our business. What

has brought us here today, might not be enough to secure our future. The need to meet the demand of our customers is paramount and we need to provide the services and the solutions they require. Thus, we need to expand our existing capacities, acquire more efficient equipment and acquire more land for future expansions. We will also need to pivot into new areas based on the future needs of our current customers as well as prospective customers that we are actively pursuing, especially in the green energy space. This is in line with and supports the aspirations of the State Government to spearhead the clean energy agenda, in areas such as hydrogen, biomass and carbon capture and storage.

However, pivoting and expanding are not without its own set of risks. We will tread with caution, as we are mindful of the perils of expanding too fast too soon due to the potential uncertainties and geopolitical market landscape. On the other hand, if we are too risk averse and slow, we will miss opportunities and be left out or even experience a loss of market share. Hence, decisions will be based on careful market analysis, understanding and discipline, guided by a clear and focused strategy. This will include forming strategic partnerships and alliances to speed up our knowledge base and capitalise on the strengths of our partners in an effort to provide the services and solutions desired by our customers.

## DIGITAL INNOVATION

In an era where digital transformation is crucial, our company has embarked on a comprehensive journey to integrate advanced technologies into every facet of our operations. The introduction of BRIDGE, our intranet communication platform, marks a significant milestone in our quest to foster a unified and informed workplace. It ensures that every team member has access to vital updates and information, promoting transparency and collaboration across the company. Similarly, the deployment of Mobile Pilotage exemplifies our commitment to operational excellence, allowing pilots to record their movements in real-time for optimised resource management during marine operations, significantly moving away from traditional paper-based systems.

## GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

The Vessel Berth Planning (VBP) system is a testament to our proactive approach in resource planning and management, enabling the electronic planning of vessel queues at each berth. This system replaces outdated manual methods, enhancing our efficiency and readiness in maritime operations.

In parallel, our adoption of Microsoft 365 through the Modern Workspace initiative has revolutionised our work environment. By leveraging cloud storage, video conferencing, and chat functions, we have created a more agile and collaborative workspace that is well-suited to the dynamic demands of our industry.

We have implemented the pilot project for our face recognition solutions to enhance security which will be fully implemented throughout the company in 2024. We will also be implementing the autogate system to enhance the efficiency of our operations. The pilot project is expected to commence at Samalaju Port in 2024 before it is rolled out company-wide in 2025. This will increase the efficiency of logistics movement going in and out of the port. In addition, we have tendered out a fully integrated and state of the art port operating system, that will revolutionise the overall managements of the port. We expect to award in the third quarter of 2024 and will be implemented in phases over the next two years.

We have also completed the overall adequacy check of all our closed-circuit televisions (CCTVs) and will tendering a contract in 2024 to implement the recommendations. This will be a prelude to our effort going into automation, coupled with the implementation of the port operating system. We have taken some first steps in this regard with our nested drone project to enhance efficiency of security patrolling. This was piloted in Samalaju port, being the first port in Malaysia to employ this technology and we plan to implement this in Bintulu Port in 2024.

There are also several other digital initiatives being undertaken to harvest the low hanging fruits. We have invested quite a significant amount to enhance digital security to address cyber threats.

Our commitment to fostering continuous learning and development is evident through the implementation of *BEES* – Bintulu Port E-Learning Eco System, an online learning management system. This platform facilitates remote access to a wide array of training materials and courses, enabling our staff to pursue personal and professional growth from anywhere. This initiative not only enhances the skills and knowledge of our workforce but also cultivates a culture of lifelong learning within our organisation.

### DRIVING SUSTAINABILITY

Sustainability and environmental stewardship have been at the forefront of our agenda. As part of our commitment to the new strategy, we have actively pursued initiatives aimed at reducing our carbon footprint and contributing to a greener future. Our efforts in enhancing operational efficiency and exploring renewable energy sources are a step towards our Net Zero Carbon Emission aspiration by 2050. We documented this in our comprehensive EESG Sustainability Framework, where we integrated 8 out of the 17 UNSDG elements that we adopt as well as the four elements under the UNGC.

Moreover, our initiatives to promote renewable energy sources, such as solar power, and to explore the possibilities of EV equipment, EV and hydrogen powered tugboats, signify our commitment to innovation in sustainability. These endeavours not only aim to reduce our carbon footprint but also to position Bintulu Port at the forefront of the industry's transition towards greener and more sustainable maritime operations. We have begun the necessary steps to install solar panels on our roofs, initiated discussion with partners for EV vehicles, including EV heavy equipment, and EV or hydrogen powered tug or pilot boats. We hope to develop these pathways towards further maturity with the plan to start the implementation of these initiatives from 2024.

We have also completed our comprehensive carbon footprint assessment for Scope 1, 2 and 3 emissions in 2023. Even though our Scope 1 and 2 emissions are relatively low at 23,510.55 tCO<sub>2</sub>e and 3,406.20 tCO<sub>2</sub>e, respectively, we are

progressively taking steps to further reduce this while exploring offset options. Hence, we have embarked on tree planting initiatives among others and will continue to focus on this moving forward.

### SOCIAL RESPONSIBILITY

The emphasis on sustainability extends beyond operational efficiency and environmental protections, but into our corporate responsibility too. Our active engagement in Corporate Social Responsibility (CSR) activities underscores our belief in the importance of giving back to the community and fostering a positive impact beyond the confines of our port operations. By integrating our primary business goals with a commitment to community and environmental well-being, we strengthen our bond with the community, reinforcing the fact that Bintulu Port is a responsible and caring corporate citizen.

CSR initiatives like “Komunitiku Sayang” brought us closer to the people of our community. These activities go beyond mere philanthropy; they are an expression of our deep-rooted commitment to being a responsible and a caring member of our society. Through strategic partnerships and active participation in events like the Bintulu International Marathon 2023, the Sarawak Regatta, and the “Perarakan Kapal Berhias” parade commemorating 60 years of Sarawak in Malaysia, have enhanced our visibility and impact, fostering goodwill and a positive image of Bintulu Port across Sarawak and beyond.

Bintulu Port is also humbled by the invitation of the Federal Ministry of Women, Family and Community Development as their strategic partner in setting up “Anjung Kasih” facility at Bintulu General Hospital. We truly believe by giving back to the society will not dent our profitability even the slightest yet will enhance our standing in the community.

Moving forward, we wish to explore into Social Enterprise in a more concrete fashion. We believe in a more sustained effort and ensuring the community will benefit in a more wholesome manner. Once our Yayasan Bintulu Port is fully incorporated in 2024, we believe our CSR activities will be better managed and streamlined.

## GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

### COMMITMENT TO DIVERSITY AND INCLUSIVITY

Our commitment to diversity and inclusivity was notably highlighted through the introduction of the “*Srikandi Programme*”, aimed at empowering our female workforce. Today, 30% of the Leadership team are women, while 35% of executives and 16% of non-executives are women. This pioneering initiative not only breaks traditional barriers but also showcases our dedication to providing equal opportunities for all and represents an effort to improve the representation of women in our workforce.

By welcoming women into roles historically dominated by men, we are not just making a statement about gender equality; we are living it. This move reflects our broader commitment to leveraging the diverse talents and perspectives within our workforce, recognising that diversity is a key driver of innovation and excellence. We have also established the *Bintulu Port Women Leaders* initiative in 2023 aimed at developing more women leaders in the future.

The establishment of social clubs, “*Kelab Sukan dan Rekreasi Bintulu Port*” or KSRBP in Bintulu Port has further enriched our organisational culture, providing platforms for staff to connect, share interests and support each other. These clubs not only promote mental and physical well-being but also strengthen our sense of community and camaraderie. Various activities have been organised, including the much-awaited Bintulu Port Family Day that took place in the fourth quarter of 2023.



### LOOKING FORWARD

Looking ahead, what we need to accomplish is clear. Firstly, we will focus on ensuring that our employees stay safe by elevating our HSE practices further. Secondly, we will also prioritise the maintenance of our equipment as higher equipment uptime and reliability will certainly enable us to increase efficiency, thus translate to higher revenues. Thirdly, we are primed to continue exploring new opportunities for additional revenue streams where the focus will be on further developing our supply base, marine, container business and possibly a freezone area.

Most significantly, we look forward to the timely conclusion of the transfer of regulatory oversight of Bintulu Port from the Federal government to the Sarawak State government in 2024, in tandem with the renewal of the Port Operating Agreement. This will give us the certainty to launch our new Port Development Plan and blueprints for BPHB, covering both Bintulu Port and Samalaju Port.

We remain cautiously optimistic going into 2024 considering that global economic growth is likely to remain moderate. However, we remain committed to further the aspirations of our Halatuju 2050 with the 3-pronged strategy. By continuing to foster a culture that embraces change, values collaboration, and prioritises sustainability, we are confident in our ability to navigate the future successfully.

I wish to end by extending our utmost appreciation to the previous GCEO, Dato Medan bin Abdullah, our previous Chairman, Dato' Abdul Mutalib bin Alias, and all the previous Board Directors that I had the pleasure of interacting with and learning from. I also wish a warm welcome to the new Board members, namely Dato' Zamzuri bin Abdul Aziz, Encik Ahmad Fauzi bin Sungip, Dato' Sharifah Halimah binti Tuanku Taha, Datuk Dyg Sadiyah binti Abg Bohan and our esteemed Chairman, YB Datuk Amar Hj. Mohamad Abu Bakar bin Marzuki.

I truly look forward to working together and to learn from our esteemed Board members, my leadership team and colleagues, vendors, customers and all other stakeholders. Together we will strive to achieve Bintulu Port's vision of becoming a “*Premier Green Energy Port*” and ensuring that BPHB's stable of companies connects passions while delivering value.

# FINANCIAL PERFORMANCE REVIEW

## REVENUE

	2023 RM'000	2022 RM'000
Revenue from port services rendered	701,690	731,822
Revenue from bulking services	40,032	39,319
Rental income	23,861	20,118
<b>Total Operating Revenue</b>	<b>765,583</b>	<b>791,259</b>
Revenue from construction services for concession infrastructure	4,476	1,828
<b>Total Revenue</b>	<b>770,059</b>	<b>793,087</b>
Other Income	21,785	9,802
Finance Income	34,269	18,728
<b>Total revenue</b>	<b>826,113</b>	<b>821,617</b>

**The Group reported a total revenue of RM826.11 million in 2023, an increase by 0.54% from RM821.62 million recorded in 2022.**

In the year under review, the total operating revenue showed a reduction by RM25.68 million or 3.24% from RM791.26 million achieved in 2022 to RM765.58 million registered in 2023. The reduction in total operating revenue is however cushioned by the remarkable increase in non-operating revenue by RM27.52 million or 96.46% from RM28.53 million in 2022 to RM56.05 million achieved in 2023.

The revenue generated from the port operations segment was lower by RM30.13 million or 4.11% from RM731.82 million registered in 2022 to RM701.69 million in 2023. The reduction in the operating revenue from the port's operations was mainly due to the reduced scope of the marine services contract for the Brunei operations from August 2022 and thereafter the cessation of contract at the end of July 2023 coupled with the slow market growth in China which resulted in lower cargo volume handled at Samalaju Port. Despite these shortfalls, there was a notable increase in the revenue from our Base Support activities and also the revenue from handling of container due to the removal of the tariff incentive. Revenue from handling of cargo and vessel calls for LNG remained the main contributor for the Group.

Revenue from the bulking services segment at RM45.35 million showed a slight increase of 1.52% from the RM44.67 million recorded in 2022.

Revenue from rental income was accounted for in accordance with MFRS 16: *Leases* which consists of rental of warehouse, yard, land, office space and equipment at Bintulu Port Sdn. Bhd. and tank rental at Biport Bulkers Sdn. Bhd.. Revenue from construction services for concession infrastructure was recognised as required under IC Interpretation 12: *Service Concession Arrangements* and in accordance with MFRS 15: *Revenue from Contracts with Customers* in respect of the upgrading works on port facilities and procurement of handling equipment undertaken during the year. There is no mark-up recognised on these activities as the Group outsourced the construction services and procurement to third parties.

The total non-operating income which comprised amongst others dividend income from investment in securities, fair value gain on investment in securities, interest income from short term deposit and profit income from short term Islamic deposits showed an impressive performance year on year under review mainly due to the favourable returns on investment and also the effort on taking advantage of better fixed deposit rate for the tenure of 3 months, 6 months and 9 months instead of one month to 3 months tenure the previous year.

## STATEMENTS OF PROFIT OR LOSS

	2023 RM'000	2022 RM'000
Operating Revenue	765,583	791,259
Revenue from Construction Services	4,476	1,828
Other Income	21,785	9,802
Cost of Construction Services	(4,476)	(1,828)
Manpower Cost	(141,246)	(139,943)
Other Operating Expenditure	(219,795)	(211,911)
<b>EBITDA</b>	<b>426,327</b>	<b>449,207</b>
Depreciation, Amortisation & Replacement Obligations	(231,050)	(222,827)
<b>Operating Profit</b>	<b>195,277</b>	<b>226,380</b>
Finance Costs	(70,645)	(67,096)
Finance Income	34,269	18,728
<b>Profit Before Taxation and Zakat</b>	<b>158,901</b>	<b>178,012</b>
Zakat	(2,100)	-
<b>Profit Before Taxation</b>	<b>156,801</b>	<b>178,012</b>
Income Tax Expense	(31,740)	(50,288)
<b>Profit Net of Tax</b>	<b>125,061</b>	<b>127,724</b>

## FINANCIAL PERFORMANCE REVIEW

Operating profit decreased by RM31.10 million from RM226.38 million to RM195.28 million. This was mainly due to the lower operating revenue achieved and higher operating expenditure incurred in 2023 resulting in lower EBITDA of RM22.88 million year-on-year despite higher Other income of RM21.78 million from dividend income and gain in fair value from investment in securities. Manpower Cost and Other operating expenditure of RM361.04 million rose by RM9.19 million or 2.61% when compared to RM351.85 million in the preceding year mainly due to ad-hoc maintenance dredging work at Samalaju Industrial Port and service contract expense incurred. Depreciation, amortisation and replacement obligations showed an increase of RM8.22 million contributed by higher amortisation of intangible assets on lease concession whilst there was a reduction on depreciation of rights-of-use assets and depreciation of property, plant and equipment.

There were no additional borrowings in 2023 and the finance cost comprised profit expenses on Sukuk Murabahah and the unwinding of discounts on lease obligations, replacement obligations, lease liabilities on right-of-use assets and provision for dredging.

The Group's finance income rose by RM15.54 million to RM34.27 million compared to the preceding year of RM18.73 million mainly due to favourable returns from investment in fixed deposit and placement of deposit for longer tenure.

With the above, the profit before taxation and zakat decreased to RM158.90 million from RM178.01 million recorded previously in 2022. The Group made a zakat contribution of RM2.10 million in 2023. The Group registered net profit after tax of RM125.06 million in 2023 compared to RM127.72 million recorded in 2022.

RAM Rating Services Berhad (RAM Ratings) had completed their eighth (8<sup>th</sup>) annual ratings review of Bintulu Port Holdings Berhad (BPHB) as the Corporate Guarantor and Samalaju Industrial Port Sdn Bhd (SIPSB) as the Issuer. RAM Ratings has revised the outlook on BPHB's corporate credit ratings to positive from stable and affirmed the respective long-term and short-term corporate ratings of AA1 and P1. At the same time, RAM Ratings has also reaffirmed the long-term rating of AA1(s) for SIPSB's Sukuk Murabahah Programme of up to RM950 million (2015/2036) and has revised the outlook from stable to positive.

### CASH FLOWS

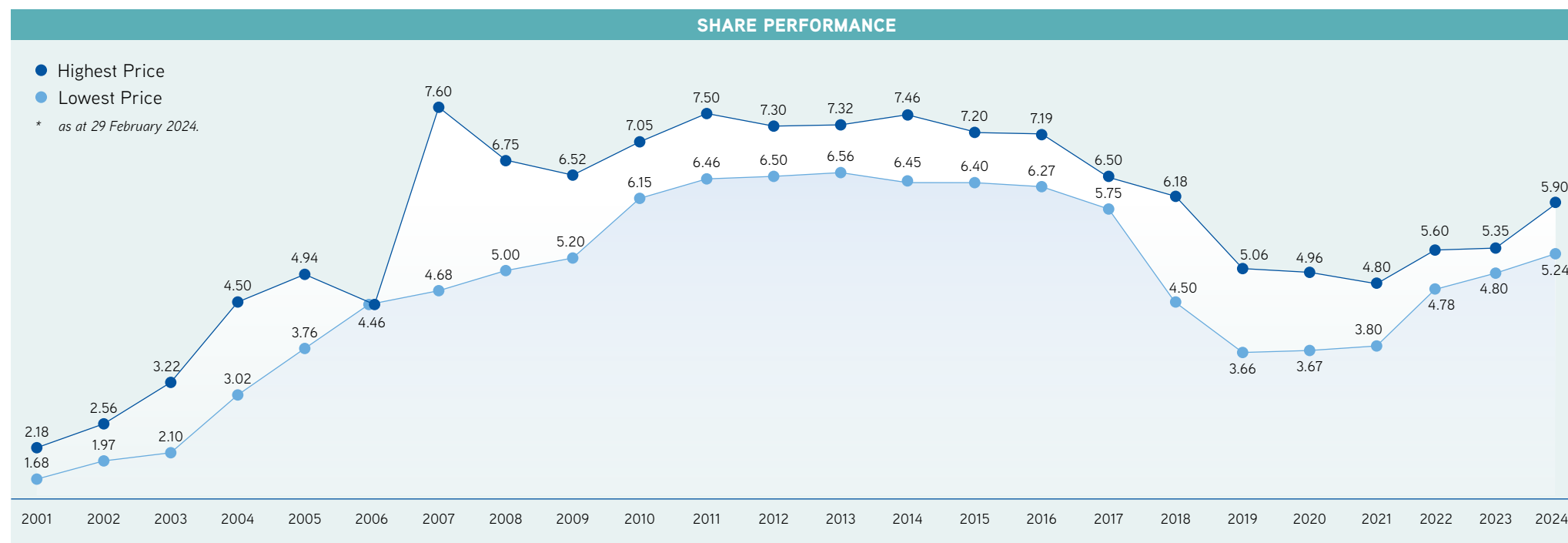
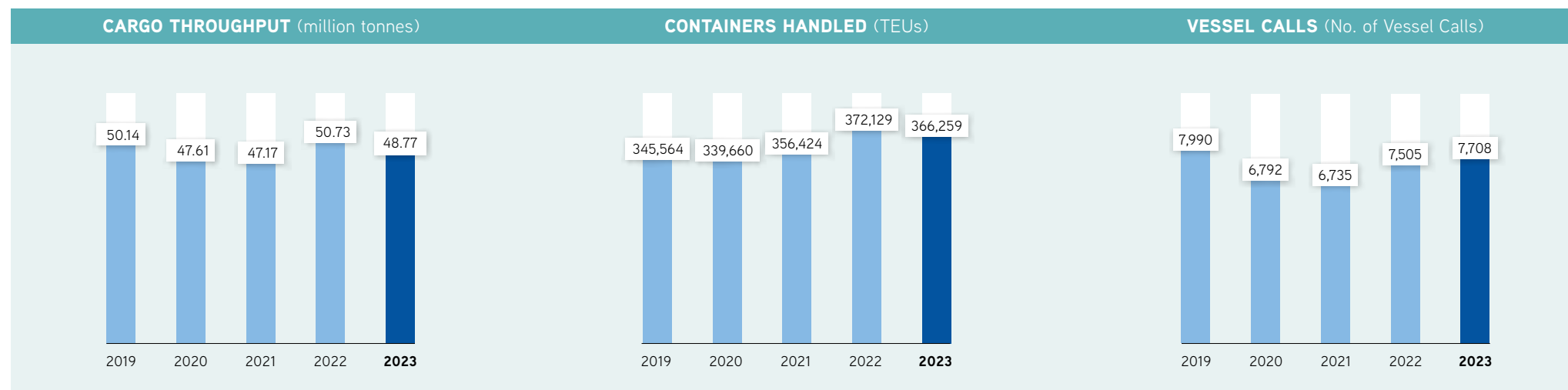
	2023 RM'000	2022 RM'000
Net cash flows generated from operating activities	361,156	419,103
Net cash flows generated from/(used in) investing activities	35,005	(112,804)
Net cash flows used in financing activities	(320,908)	(295,122)
<b>Net increase in cash and cash equivalents</b>	<b>75,253</b>	<b>11,177</b>
<b>Cash and cash equivalents at end of the year</b>	<b>235,695</b>	<b>665,768</b>

The cash and cash equivalents at the end of 2023 of RM235.69 million excluded deposits with maturity period of more than 3 months. The net cash generated from operating activities of RM361.16 million was used for investing activities which generated cash inflow of RM35.01 million. The cash generated from operating activities was also used for financing activities of RM320.91 million. This had resulted in net increase in cash and cash equivalents of RM75.25 million.

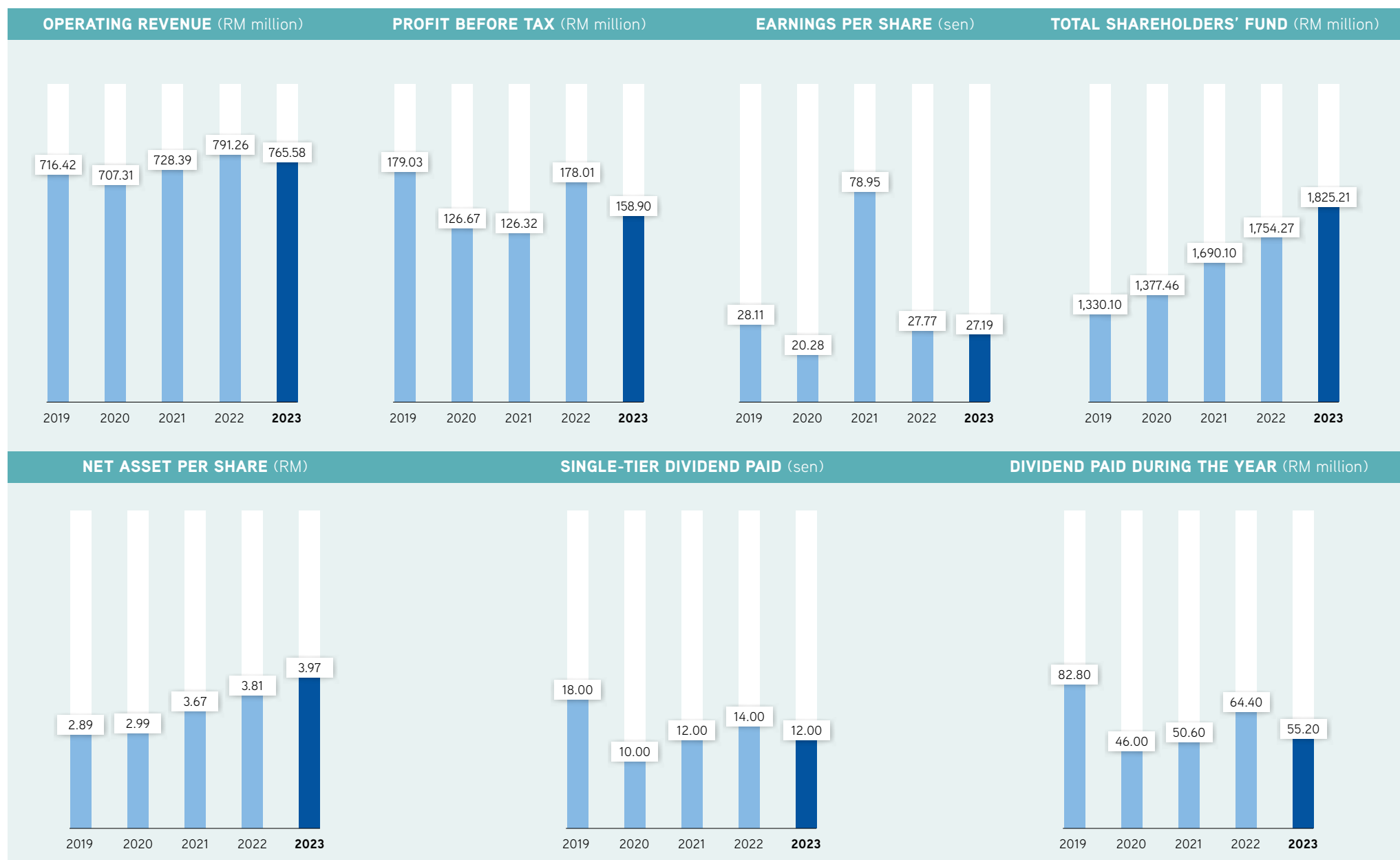
The Shareholders' fund as at 31 December 2023 stood at RM1,825.21 million from RM1,754.27 million in 2022. The Net Asset Per Share improved to RM3.97 from RM3.81 achieved in 2022.

On the outlook for 2024, the Group remains cautious of potential global economic uncertainties which may potentially influence the cargo volume at the Port. Nevertheless, the Group expects the handling of cargo and vessel calls from LNG to remain as the main revenue contributor to the Group in 2024. The Group will also continue to exercise prudent and disciplined operational and financial management in its core activities.

## FINANCIAL PERFORMANCE REVIEW



# FINANCIAL PERFORMANCE REVIEW



## MARKET LANDSCAPE

- The global economy continued to face challenges in 2023 due to the lingering effects of the Covid-19 pandemic, prolonged geopolitical tensions, and the tightening of monetary policies aimed at curbing inflationary pressures.

These factors contributed to an increased risk of a global economic slowdown. As the world navigated a dynamic environment with varying rates of growth across different regions, the global economy demonstrated moderate growth after a period of downturn. The persistence of uncertainties has led the International Monetary Fund (IMF) to forecast a global growth rate of 3% for 2023 and 2024, down from 3.5% in 2022.

Despite the growing uncertainties in the global landscape, Malaysia has shown resilience, with its GDP growth of 3.7% in 2023. The country has weathered external challenges effectively, with private consumption serving as the main driver of growth, supported by a robust labour market and gradually moderating core inflation.

By leveraging the factors driving the country's economy, the Group has observed an encouraging increase in offshore and passenger boat vessel calls, imports of petroleum products, and general cargo. Bintulu Port has also succeeded in positioning itself as a strategic location as a Roll-on Roll-off (RoRo) Hub, resulting in an influx of RoRo cargo handling.



Additionally, customers have been observed to have more bargaining power, especially in choosing the mode of transportation for their products. For instance, they may opt for containerised transport over bulk cargo transport, or vice versa, depending on which option is more cost-effective.

With an improved employment rate, there has been progress in consumption and lifestyle. Although Malaysia's growing economy has contributed to growth in certain areas, we recorded growth that was less than anticipated. As part of the supply chain in the Intra-Asia region, the slower-than-expected recovery of China's economy has adversely affected our targeted growth. Nonetheless, the Group is continuously striving to enhance operational excellence to better serve our port users.

### Source

1. IMF Staff Completes the 2024 Article IV Mission to Malaysia - <https://www.imf.org/en/News/Articles/2023/12/14/pr23448-malaysia-imf-staff-completes-2024-article-iv-mission>
2. Economy Outlook 2024 (Page Preface, 9-10) - <https://www.parlimen.gov.my/ipms/eps/2023-10-13/CMD31.2023ENG.pdf>
3. Cruising Along 2024 Market Outlook by MIDF - [https://www.midf.com.my/sites/corporate/files/2023-12/2024\\_market\\_outlook-midf-071223.pdf](https://www.midf.com.my/sites/corporate/files/2023-12/2024_market_outlook-midf-071223.pdf)

## MARKET LANDSCAPE



### BPHB Economy Outlook - 2024

Moderate global growth is anticipated in 2024, with an estimated economic growth of 3.0% projected (IMF). Global inflation is forecasted to decline to 5.8% in 2024 due to tighter monetary policy aided by lower international commodity prices.

In Malaysia, we forecast a more solid growth due to the increase in domestic demand and social activities, as well as improvements in the external trade and labour market. This is supported by Malaysia's Ministry of Finance's forecast of 5.3% growth for the year. External trade is anticipated to be supported by more stable monetary policy in major countries and China's better economic recovery.

LNG demand is expected to flourish following the increase of exploration discoveries in the country. PETRONAS and its Petroleum Arrangement Contractors

recorded 19 exploration discoveries and two exploration-appraisal successes, four of which are discoveries in the Sarawak basin.

For palm oil, firmer prices are expected for the year with solid demand for palm oil in the market. Weather conditions in 2023 which were unfavourable is also predicted to affect the global supply and production, especially during the first half of the year.

The global shipping industry sees positive demand outlook for the year. However, it is also anticipated to face challenges originating from geopolitical crises, crude oil prices, fluctuating freight rate, and the fragility of the global supply chain which is likely to affect services and transportation.

### Downside Risks

The downside risks going forward in 2024 include weaker-than-expected global demand for certain sectors, tighter global financial conditions, worsening trade tensions between major economies, geopolitical risks between Russia-Ukraine and recently at the Middle East. Albeit not anticipated to pose too big a threat to business and operations, is still a global uncertainty that we will be monitoring.

### Internal BPHB Group Outlook

To keep up with the trends and ever-changing Economic Landscape, in 2024, the Group aims to enhance our services. We strive to provide our services in the most efficient manner, offer the best productivity level and ensure equipment availability for all operations. Aside from that, our key focus moving forward is also to embed sustainability in our services, embrace digitalisation and promote corporate sustainability and social responsibility. We also aspire to uphold and improve our operational performance.

### Source

1. Petronas: Malaysia Records Over 1 Billion Barrels of Oil Equivalent of Exploration Discoveries in 2023 - [Malaysia Records Over 1 Billion Barrels of Oil Equivalent of Exploration Discoveries in 2023](https://www.petronas.com.my/malaysia-records-over-1-billion-barrels-of-oil-equivalent-of-exploration-discoveries-in-2023) | Malaysia Petroleum Management (MPM) ([petronas.com](https://www.petronas.com)).
2. The Edge: Sectors to keep an eye out for in 2024 as post-pandemic boom subsides - <https://theedgemaalaysia.com/node/696066>
3. The Malaysian Reserve: Shipping industry remains in choppy waters - <https://themalaysianreserve.com/2023/12/06/shipping-industry-remains-in-choppy-waters/>
4. Business Times: FMM says freight rates likely to triple in 2024 due to Red Sea shipping crisis - <https://www.nst.com.my/business/economy/2024/01/1001460/fmm-says-freight-rates-likely-triple-2024-due-red-sea-shipping>
5. International Monetary Fund: NAVIGATING GLOBAL DIVERGENCE - <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023>
6. Belanjawan 2024 Malaysia Madani - <https://belanjawan.mof.gov.my/en/economy>

## MARKET LANDSCAPE



### TRENDS MOVING FORWARD

1

#### Sustainability as our License to Operate

- Sustainability continues to be a top priority and commitment for businesses to operate. There is increasing awareness surrounding climate change as well as demand for ethical and more transparent business operations.
- Parties currently looking out for sustainability in businesses: Governments, Financial Institutions, Investors, Companies and Consumers.
- Journey Towards 100% Carbon Neutrality and Net Zero Carbon Status: Paris Agreement, National Commitment to reduce GHG Emissions intensity of GDP by 45% by 2030, Sarawak State Commitment to transition into achieving net-zero emissions by 2050.
- In the 12<sup>th</sup> Malaysia Plan, the government applied changes in government regulations in terms of climate change, renewable energy roadmap, protection of biodiversity, diversity & inclusion, and general accountability through ESG standards.
- The Sarawak State Government also envisions itself as a strong proponent of an economy powered by hydrogen and aims to embark into carbon trading and production of ammonia and methanol.
- Internally, BPHB Group has an ambition of having a carbon neutral position of our own emissions by 2030 and net-zero equivalent position by 2050.

#### Source:

*12<sup>th</sup> Malaysia Plan, Post Covid-19 Development Strategy 2023, BPHB Internal Study*

# MARKET LANDSCAPE

2

## Usage of Larger Vessels for Economies of Scale & the Demands on Ports for Adaptation

- In recent times, the sea transportation industry has witnessed organisations' preference in using larger vessels. Every year, we hear of a record-breaking launch of yet another biggest vessel. The world's largest container ship currently is the MSC Irina with a 24,346 TEUs capacity.
- With fast-growing global trade, bigger ships are preferred as they can transport more cargoes in a single trip, thus cutting cost and having a reduced impact on the environment.
- However, this trend comes with infrastructure demands on ports. Investments and resources need to be allocated to not only increase space and draft depth to accommodate the larger vessels, but also to enhance productivity to avoid long turnaround time and congestion.

### Source:

Smart Industry – Why Cargo Ships Keep Getting Bigger - <https://www.smartindustry.com/examples-of-transformation/supply-chain/article/33002652/why-cargo-ships-keep-getting-bigger>

3

## Modern Technological Solutions - Digitalisation

- Competitive demand for productivity and efficiency are pushing ports to increase implementation of technological solutions in their daily operations. Technological advancements also aid in business growth and innovation.
- A wide range of modern technologies are being utilised, e.g. real-time data management, equipment, yard & terminal automations, IoT enabled remote operations, big data analytics, virtual reality.
- Internally, BPHB Group's ambition is to have a fully integrated operation by 2026, to be a fully digitalised port by 2030 and to become a Smart Port by 2050, leveraging on Artificial Intelligence, Big Data, Internet of Things, Blockchain and 5G.

### Source:

Deloitte – Port Trends 2030, BPHB Internal Study

4

## Increasing Cyber Risk and Investments in Cybersecurity

- With the increased application of automation, digitalisation and having a supply chain that is more connected than ever, companies are becoming increasingly exposed to cyber-attacks.
- With real-time operational and financial data at risk, companies are now investing more on cyber protection measures.
- BPHB Group puts ICT Security at the forefront of all digital technology-related operations and provide continuous protection consisting of endpoint & network detection and response, firewall protection, cyber security operation centre and ISO 21001, the international standard for information security.

### Source:

BPHB Internal Study, Harvard Business Review – Cybersecurity & Digital Privacy, Cyber Risk Is Growing. Here's How Companies Can Keep Up <https://hbr.org/2023/04/cyber-risk-is-growing-heres-how-companies-can-keep-up>

5

## Transition to Electric-powered Equipment and Vehicles operating Ports

- Energy consumption and GHG emissions at ports contribute to significant climate change impacts. Some direct GHG emissions comes from fuel consumption through owned vessels/boats, company owned vehicles, handling equipment.
- Port electrification is recently gaining traction, especially in ports that service the shipping industries. It involves container terminals, transitioning from fossil fuel-reliant operations to becoming electric-powered.
- Handling equipment which are traditionally diesel-powered are being replaced to modern electric equipment e.g. quay equipment, terminal tractors and stacking equipment.
- Challenges for the transition exist mainly in terms of investments for electrical capacity and infrastructure modifications. However, this would be one of the more favourable solutions for a sustainable future.

### Source:

WSP – Port Electrification for Container Operations and Vessels <https://www.wsp.com/en-my/insights/port-electrification-for-container-operations-and-vessels>

# THE RISKS WE CONSIDER

## STRATEGIC RISK

This risk is associated with BPSB's current Concession Agreement as the legal operator for Bintulu Port to ensure seamless continuity of port operations for the next concession period.

### Mitigation and Opportunities

To ensure the seamless continuity of port operations, the execution of the interim agreement is paramount. This is complemented by fostering a collaborative relationship with the port authority and engaging a consultant to develop the Port Development Plan. Moreover, active involvement with the state committee is crucial in the negotiation process concerning the handover of Bintulu Port, highlighting our commitment to a smooth transition and the further enhancement of port capabilities.

Link to Material Matters:

① Economic Performance

## CYBERSECURITY RISK

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

### Mitigation and Opportunities

In response to escalating cybersecurity threats, a robust mitigation strategy has been developed, encompassing a multi-layered approach to fortify the organisation's digital defenses. We have installed advanced firewall hardware, introducing an additional security layer designed to thwart unauthorised access and cyberattacks. Further reinforcing this defense mechanism is the implementation of a Web Application Firewall (WAF), specifically aimed at safeguarding web applications from vulnerabilities and exploits.

A comprehensive network assessment analysis serves as the backbone of our security posture, scrutinising switches and access points, while ensuring stringent control over network segmentation and firewall configurations. Privileged Access Management (PAM) systems have been deployed to regulate administrative access to critical servers and systems. Regular penetration testing across servers, systems, and network appliances is conducted to identify and rectify potential security flaws.

To maintain the highest standards of cybersecurity, IT General Controls are rigorously audited annually by both internal and external auditors. Moreover, the implementation of a cutting-edge Network Detection Response (NDR) System enables continuous monitoring and immediate alerting of any suspicious activities through various channels, including phone, email, and WhatsApp.

Link to Material Matters:

① Economic Performance

② Occupational Health and Safety

③ Customer Satisfaction

④ Economic Performance

⑤ Operational Efficiency

# MAPPING OUR MATERIAL ISSUES










## MATERIAL MATTERS





Bintulu Port recognises the significant impact that material matters have on our capability to generate value, encompassing both financial and non-financial aspects. We acknowledge the importance of these issues in driving business growth, satisfying stakeholder expectations, and addressing the evolving challenges our business faces.

As an integral component of our commitment to sustainability, we systematically evaluate our material matters annually and undertake a comprehensive materiality analysis every few years. In 2023, an internal review of our material matters confirmed their ongoing relevance for that year. A full materiality assessment is scheduled for 2024, following the previous assessment conducted in 2021.













This periodic evaluation of material matters is crucial for aligning our strategies and actions with the evolving demands of our business and stakeholders, ensuring relevance in our current operational context.

### Legend

 Employees	 Customers	 Regulatory Authorities and Certification Bodies	 Shareholders and the Investing Public	 Local Community
 Media	 Vendors and Suppliers	 Financial Institutions and Sukuk Murabahah Subscribers/Holders	 Maritime Community	

Material Issue	Bintulu Port's Response to the Issue	Stakeholder Groups affected
<b>Economic Performance</b>	<p>Strive to improve revenue, practice cost management and optimisation and efficient project management by:</p> <ul style="list-style-type: none"> <li>Improving operating margin through prudent expense management.</li> <li>Effective contract and tender administration to monitor cost budgeting.</li> <li>Inculcate practical and prudent spending.</li> <li>Delivery in full and on time (DIFOT).</li> </ul>	   

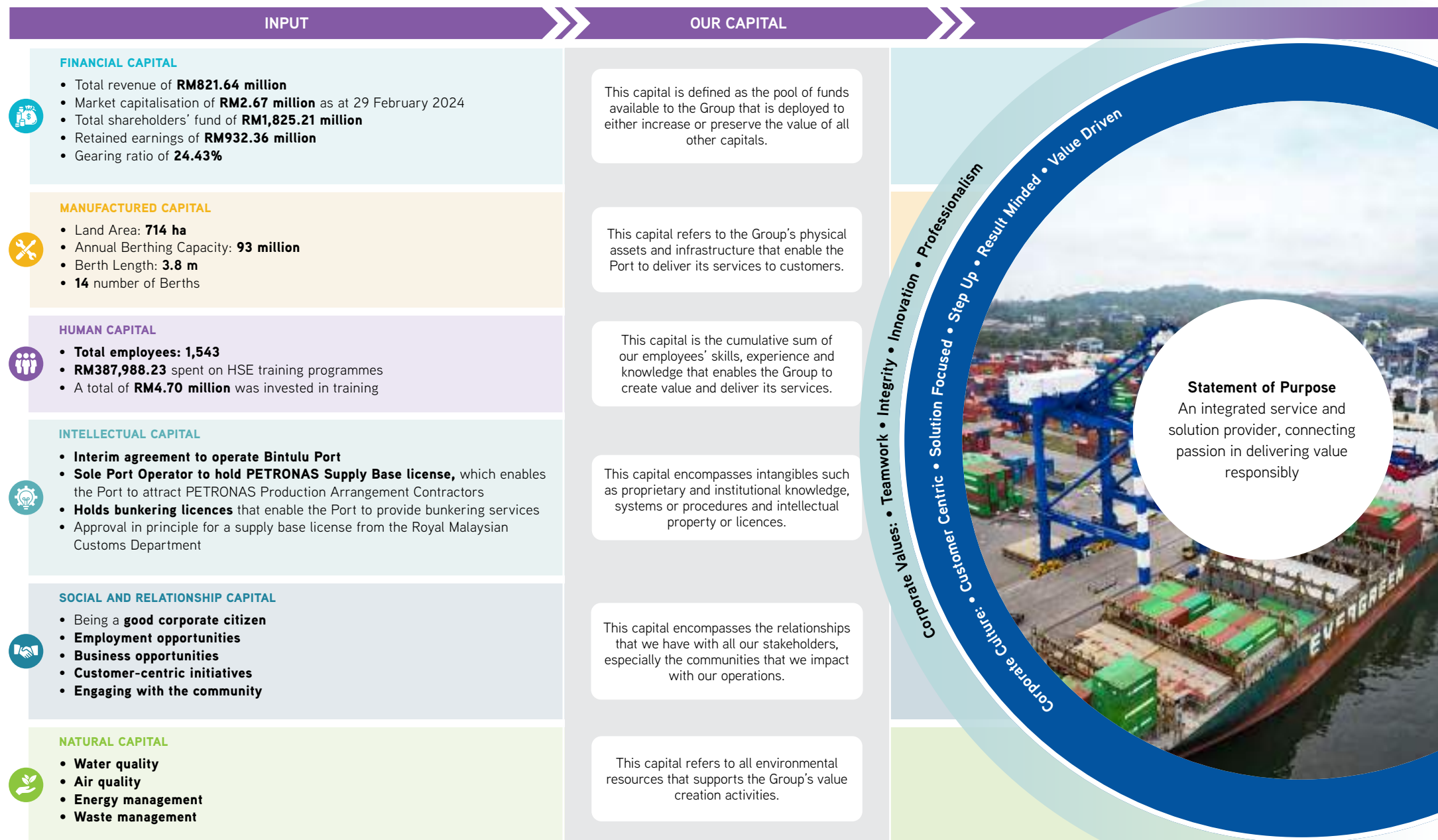
## MAPPING OUR MATERIAL ISSUES

Material Issue	Bintulu Port's Response to the Issue	Stakeholder Groups affected
<b>Corporate Governance and Transparency</b>	<ul style="list-style-type: none"> <li>Embedding a strong governance, risk and compliance (GRC) culture across functions and processes; integrated assurance function; strong three lines of defence through the UTAP Transformation Programme.</li> <li>Adhering to best practices as recommended by the Malaysian Code on Corporate Governance.</li> <li>Improving and enhancing how enterprise risk is viewed and understood by divisions, departments and employees.</li> </ul>	 
<b>Ethics and Integrity</b>	<ul style="list-style-type: none"> <li>Ensuring the various integrity policies such as Code of Business Ethics, Anti-Bribery and Corruption Policy and Procedure and Whistleblowing Policy are up to date at all times.</li> <li>Consistently conducting initiatives that raise awareness about our risk and integrity policies.</li> </ul>	   
<b>Occupational Health and Safety</b>	<p>Underlining our strong commitment to health and safety through:</p> <ul style="list-style-type: none"> <li>Targeting Zero Fatalities and Accidents and Zero Loss Time Incident Frequency (LTIF).</li> <li>Effective enforcement of safety requirements, standards and procedures.</li> <li>Enhancing emergency preparedness through multi-agency training and exercises.</li> </ul>	 
<b>Operational Efficiency</b>	<ul style="list-style-type: none"> <li>Improving operational performance of cargo/container handling and the reliability and readiness of our marine/port equipment and facilities by endeavouring to improve on the targets set out in our Customer Charter.</li> <li>Continuous improvements to our operational processes and standard operating procedures where we are also responsive to and guided by customer feedback.</li> </ul>	 
<b>Cybersecurity</b>	<p>Providing a strong foundation for cybersecurity and resilience by:</p> <ul style="list-style-type: none"> <li>Improving security protocols and protecting against potential cyber threats by instituting round-the-clock monitoring and surveillance.</li> <li>Performing Vulnerability Assessments and Penetration Testing to evaluate the system's overall security posture.</li> <li>Periodic evaluation of employees' vulnerability to phishing attacks via phishing email campaign.</li> <li>Ensuring that the Firewalls and Detection and Response Solution (antivirus and network) are current and up to date.</li> </ul>	 

## MAPPING OUR MATERIAL ISSUES

Material Issue	Bintulu Port's Response to the Issue	Stakeholder Groups affected
<b>Employee Engagement</b>	<p>Continue to enhance human capital capabilities by:</p> <ul style="list-style-type: none"> <li>Developing and enhancing employee capabilities in the areas of leadership, knowledge, skills, behaviour and values.</li> <li>Enhancing talent management and developing effective succession planning.</li> <li>Increasing employee engagement and providing a conducive working environment in the new norm.</li> </ul>	
<b>Port Security</b>	<p>Maintaining and enhancing the security within the port area by:</p> <ul style="list-style-type: none"> <li>Restricting access to the port area and implementing security threat assessments and programmes and subsequent enforcement of security plans, standards and procedures.</li> <li>Ensuring compliance with ISPS Code/Merchant Shipping Act A1316.</li> <li>Ensuring our supply chain complies with ISO 28000:2007 Security Management System (SMS).</li> <li>Ensuring all port users have undergone electronic vetting to detect past criminal history.</li> </ul>	
<b>Community Engagement</b>	<p>We give back to the community via the three pillars of our Corporate Social Responsibility programme:</p> <ul style="list-style-type: none"> <li>Serving the Community</li> <li>Education</li> <li>Community Health</li> </ul>	
<b>Climate Change</b>	<p>We are committed to climate change action by:</p> <ul style="list-style-type: none"> <li>Enhancing the monitoring of Scope 1 and 2 emissions and implementing strategies to reduce our carbon footprint, while also refining our data collection methods for Scope 3 emissions.</li> <li>Continuously improving to energy efficiency and leveraging renewable energy opportunities.</li> <li>Inculcating energy saving awareness among employees at the workplace and at home.</li> <li>Conducting electronic waste collection drives to promote proper disposal of e-waste.</li> </ul>	

# VALUE CREATION MODEL



# VALUE CREATION MODEL

## KEY INITIATIVES

### FINANCIAL CAPITAL

- We continued to maintain a strong capital base to ensure investor, creditor and market confidence remained positive to enable future growth of the business.
- Constantly strived to keep working capital at an optimal level.
- Ensured adequate reinvestment into the business via good maintenance practices.
- Optimised cost according to critical operational requirements, safety aspects and contractual obligations.

### MANUFACTURED CAPITAL

- Continued to scale up all our cargo operation for both Bintulu Port and Samalaju Port especially for container volume, LNG ISO Tank, base support services and maximising our land utilisation for new business expansion such as RORO and green pellets operation.
- BBSB and Bintulu Edible Oil Sdn Bhd (BEOSB) reinforced their synergic relationship by entering into a long term 20 years agreement for the utilisation of BBSB's bulking and by-pass facilities.

### HUMAN CAPITAL

- Robust occupational health, safety and environment systems in place to protect the health and safety of our employees.
- Maintained a skilled and productive workforce to meet current and future needs.
- Bintulu Port introduced its "Women in Operations" or better known as SriKandi Programme which aims to empower our non-executive female staff, with a goal of having 30% women in our operations by 2030.

### INTELLECTUAL CAPITAL

- Engagement with the state and central agencies to ensure the continuation of our licences and to demonstrate our value and contribution to the state.
- Maintained our international standard accreditations in ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environmental Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems).
- Obtained the renewal of the Supply Base License from PETRONAS for another three years until 2023.
- Obtained the Approval in principle of supply base licence from Royal Customs.

### SOCIAL AND RELATIONSHIP CAPITAL

- We primarily hire Sarawakians, providing a boost to the local economy and its communities.
- Our procurement practices are also geared towards supporting Sarawak-based companies, especially those in Bintulu.
- Continued to organise CSR activities.

### NATURAL CAPITAL

- Continued to monitor our carbon emissions.
- Constantly carried out environmental conservation initiatives.
- In collaboration with the Bintulu Development Authority (BDA), BPHB organised a Tree Planting Programme with the goal of promoting environmental sustainability.

## OUTCOMES



- Profit in 2023 (profit after tax): **RM125.06 million**
- Total Revenue Growth: **0.22%**
- Dividend payout ratio: **44.14%**
- Net asset per share: **RM3.97**



- We received International container shipping liners direct calling to Samalaju Port, received the worlds largest and first dual fuelled LNG.
- We entered into agreement on utilisation of land to handle RORO vehicles with Giga Shipping.
- We entered into long term agreement on utilisation of land to handle green pellets operations with Raw Energy.
- We entered into long term agreement on utilisation of by pass facilities with BEOSB.



- Conducted **44,532** training hours in 2023 for our employees.



- Discussions are ongoing with relevant state agencies to facilitate the port transfer exercise.
- Meetings are ongoing to discuss the terms of the new concession agreement between BPSB and the new Bintulu Port Authority.
- Ongoing efforts to fulfil all the requirements set by the Royal Malaysian Customs Department for the supply base license.



- Almost **99% of our 1,543 employees are Sarawakians.**
- Contributed over **RM184,000** of financial aid, educational materials and other necessities to the communities benefiting 14,214 beneficiaries.



- Initiatives to enhance energy efficiency and enable energy cost saving such as replacement of high-energy consumption lighting fixtures, such as High Mast lighting, with energy-efficient LED lighting throughout operational areas.
- Implemented initiatives to raise environmental awareness by conducting environmental week programmes at BPSB and SIPSB.
- A total of 600 Hopea Odorata (merawan siput jantan) tree saplings were planted at Taman Millenium, Bintulu.

### CUSTOMER-CENTRICITY

At the core of our business philosophy is a commitment to customer-centricity, which means that we prioritise our clients and strive to deliver services that meet their needs seamlessly, across their preferred channels. However, establishing and maintaining robust customer relationship management structures can be a substantial financial investment.

### BRAND DEVELOPMENT

To drive sustainable growth, it is vital to enhance the visibility of our brand and services among current and potential customers. To accomplish this objective, we adopt a rigorous approach towards our socioeconomic development programmes and marketing strategies, with the aim of optimising their effectiveness. This requires us to devote significant resources and effort, as well as utilising our knowledge and expertise to guide our decision-making.

### FINANCIAL MANAGEMENT

The key to providing sustainable returns to our shareholders lies in our ability to efficiently allocate resources towards enhancing customer satisfaction, promoting employee engagement and managing risks effectively. To achieve this, we must focus on generating revenue by continuously meeting our clients' evolving needs, while simultaneously reinforcing our competitive position. This also entails investments in building intellectual property and proprietary information, as well as allocating capital towards infrastructure and human resources.

### PEOPLE, CAPACITY AND CAPABILITY

The success of the Group hinges on the collective efforts of its people, and therefore, we prioritise the development of our employees to meet the evolving needs of our organisation. This investment significantly enhances our human capital, supported by investments in information technology that amplify productivity and effectiveness. Moreover, the learning experience gained in creating new products and services contributes to the Group's intellectual capital.

### REGULATORY ENVIRONMENT

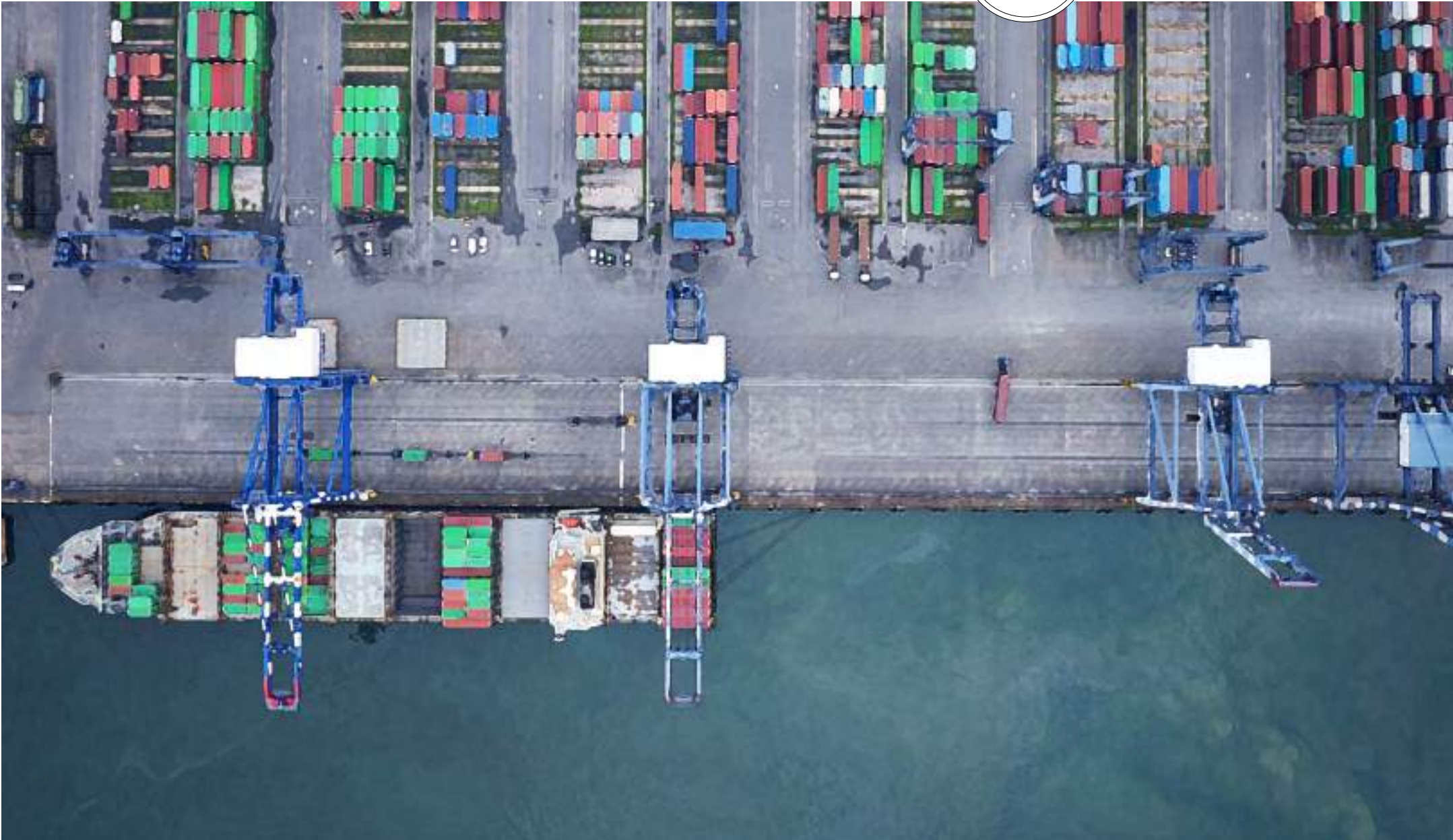
Adherence to a range of regulations and laws is a non-negotiable requirement for operating any business. In today's climate of heightened governance standards, only those businesses that demonstrate a genuine commitment to compliance are regarded as successful. The Group places a great deal of emphasis on achieving complete compliance with applicable regulations, irrespective of our location of operation. This not only ensures business continuity but also contributes to the growth of our social and relationship capital, as well as intellectual and human capital. However, achieving compliance often necessitates a considerable investment of financial resources and infrastructure, potentially impacting our financial and manufacturing capital in the short term.

### NATURAL CAPITAL

Our dependence on non-renewable resources has a detrimental effect on the state of our natural capital. Nevertheless, we remain committed to prioritising energy efficiency and making concerted efforts and investments to minimise our environmental footprint. By implementing energy-saving initiatives, we not only mitigate the overall impact on our natural capital but also fortify our infrastructure for long-term sustainability, resulting in cost savings.

Operational Review:

## BINTULU PORT SDN. BHD. (BPSB)



## BINTULU PORT SDN. BHD. (BPSB)



### OUR BUSINESS DESCRIPTION

BPSB operates Sarawak's largest multipurpose port and is recognised as the largest Liquefied Natural Gas (LNG) Export Terminal in East Asia. As East Malaysia's largest container port, managing up to 450,000 TEUs annually, we play a crucial role in the global supply chain in connecting over 40 million tonnes of cargo per annum to other major international ports all over the world.

### KEY ACHIEVEMENTS

- ▶ The Group managed to attract a major RORO (Roll-on/Roll-off) player to make Bintulu Port its port of call, contributing to additional cargo and vessel calls to the Group.
- ▶ From the biomass sector, the Group had signed a long-term agreement with a grass pellet producer and exporter to utilise Bintulu Port as its home port.
- ▶ Bintulu Port assisted in lifting heavy equipment meant for the Kasawari Gas Development Project, which included a 185 tonnes SAT 02 system.
- ▶ BPSB and Petronas Dagangan Berhad renewed an agreement to reaffirm the steady supply of diesel fuel to Bintulu Port.
- ▶ BPSB and Altus Oil & Gas Malaysia Sdn Bhd (Altus) held a signing ceremony to commemorate the establishment of a Liquid Mud Plant (LMP) at Bintulu Port, marking a significant milestone for the region's oil and gas industry.



### OPERATIONAL & FINANCIAL PERFORMANCE

	2019	2020	2021	2022	2023
<b>Cargo Throughput</b> (Million tonnes)	45.20	42.90	41.84	43.99	<b>42.83</b>
<b>Container Throughput</b> (TEUs)	345,564	339,621	355,700	364,169	<b>359,831</b>
<b>Vessel Calls</b> (Number of calls)	7,740	6,562	6,473	7,152	<b>7,399</b>
<b>Turnover</b> (RM million)	561.32	559.45	558.50	592.26	<b>585.02</b>
<b>Profit Before Tax</b> (RM million)	213.70	179.66	154.59	196.61	<b>211.30</b>
<b>Net Asset per Share</b> (RM)	8.65	9.08	9.26	9.86	<b>10.83</b>
<b>Total Shareholders' Fund</b> (RM million)	562.53	590.18	601.68	641.12	<b>704.01</b>

Operational Review:

## SAMALAJU INDUSTRIAL PORT SDN. BHD. (SIPSB)



## SAMALAJU INDUSTRIAL PORT SDN. BHD. (SIPSB)



### OUR BUSINESS DESCRIPTION

SIPSB is a purpose-built port that offers dry bulk, break bulk and container services primarily to energy intensive businesses found within Samalaju Industrial Park (SIP) and its surroundings. We play an instrumental role in supporting the logistical requirements of industries in the Sarawak Corridor of Renewable Energy (SCORE) and continuously promote the port facilities and services to attract investors to utilise the port.



### KEY ACHIEVEMENTS

Samalaju Industrial Port Sdn. Bhd. proudly welcomed the Maiden Call of MV Lila Bhum, owned by Regional Container Lines (RCL), marking a significant event for Samalaju Port. RCL is recognised as the number 1 shipping liner in Thailand.

### OPERATIONAL & FINANCIAL PERFORMANCE

	2019	2020	2021	2022	2023
<b>Cargo Throughput</b> (Million tonnes)	4.94	4.71	5.33	6.73	<b>5.95</b>
<b>Container Throughput</b> (TEUs)	-	39	724	7,960	<b>6,428</b>
<b>Vessel Calls</b> (Number of calls)	250	230	262	353	<b>307</b>
<b>Turnover</b> (RM million)	114.72	111.71	137.32	164.66	<b>144.78</b>
<b>Loss Before Tax</b> (RM million)	(56.21)	(66.96)	(38.12)	(23.62)	<b>(63.93)</b>
<b>Net Asset per Share</b> (RM)	0.85	0.77	1.11	1.08	<b>1.01</b>
<b>Total Shareholders' Fund</b> (RM million)	583.51	531.43	768.29	747.99	<b>694.44</b>

Operational Review:

## BIPORT BULKERS SDN. BHD. (BBSB)



## BIPORT BULKERS SDN. BHD. (BBSB)



### OUR BUSINESS DESCRIPTION

BBSB is the largest palm oil product exporting terminal in Malaysia, providing bulking installation facilities for crude palm oil, refined palm oil, and their by-products. We are entrusted with managing 24% of Malaysia's palm oil exports and 95% of Sarawak's palm oil exports, supported by our state-of-the-art facilities and five refineries within the vicinity of our terminal.



### KEY ACHIEVEMENTS

- Biport Bulkiers Sdn Bhd celebrated its "BBSB 50505 Achievement" on 15 May 2023, marking the accomplishment of handling 50 million tonnes of throughput, 50 million tons of exports, and 5,000 vessels handled over the past two decades.
- BBSB and Bintulu Edible Oil Sdn Bhd (BEOSB) reinforced their synergic relationship by entering into a 20-year agreement for the utilisation of BBSB's bulking and bypass facilities.

### OPERATIONAL & FINANCIAL PERFORMANCE

	2019	2020	2021	2022	2023
<b>Cargo Throughput</b> (Million tonnes)	4.51	4.15	3.76	3.96	<b>3.99</b>
<b>Turnover</b> (RM million)	56.58	52.75	49.05	50.77	<b>51.44</b>
<b>Profit Before Tax</b> (RM million)	26.59	22.32	17.90	17.12	<b>19.89</b>
<b>Net Asset per Share</b> (RM)	3.64	3.66	3.68	3.74	<b>3.89</b>
<b>Total Shareholders' Fund</b> (RM million)	145.45	146.39	147.12	149.46	<b>155.42</b>