BINTULU PORT HOLDINGS BHD.

BINTULU PORT HOLDINGS BERHAD

(Company No. 380802-T)

a WORLD-Class
LNG Port & The Port of BIMP-EAGA

2013
ANNUAL REPORT

inside this report

18th ANNUAL GENERAL MEETING OF BINTULU PORT HOLDINGS BERHAD
Ballroom 3, Lobby Floor, Hilton Hotel Kuching
Jalan Tunku Abdul Rahman, 93748 Kuching, Sarawak
Friday, 9 May 2014 at 10.00 a.m
(Refer to page 10 for Annual General Meeting information)

About Us

WHO WE ARE

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

CORPORATE STATEMENT

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

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

Vision

A world class LNG Port and the Port of BIMP-EAGA.

Mission

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

Our values

INTEGRITY

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

CUSTOMER FOCUSED

We provide safe and efficient services that meet customer's expectations.

INNOVATION

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

QUALITY PEOPLE

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

RECOGNITION

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

NOTICE OF 18th ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Eighteenth (18th) Annual General Meeting of **BINTULU PORT HOLDINGS BERHAD** will be held at Ballroom 3, Lobby Floor, Hilton Hotel Kuching, Jalan Tunku Abdul Rahman, 93748 Kuching, Sarawak on Friday, 9 May 2014 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the year ended 31 December 2013 together with the Reports of the Directors and the Auditors thereon. [Please refer to Explanatory Note 1]	(Resolution 1)
2.	To approve the payment of Final Single Tier Dividend of 7.50 sen per share in respect of the year ended 31 December 2013. [Please refer to Explanatory Note 2]	(Resolution 2)
3.	To approve the Directors' Fees amounting to RM855,466.66 for the year ended 31 December 2013. [Please refer to Explanatory Note 3]	(Resolution 3)
4.	To re-elect Datuk Hj. Hashim bin Ismail who retires under Article 127 of the Company's Articles of Association. [Please refer to Explanatory Note 4]	(Resolution 4)
5.	To re-elect Dato' Seri Dr. Hj. Arshad bin Hashim who retires under Article 127 of the Company's Articles of Association. [Please refer to Explanatory Note 4]	(Resolution 5)
6.	To re-elect Dato' Hj. Mohamad Norza bin Hj. Zakaria who retires under Article 127 of the Company's Articles of Association. [Please refer to Explanatory Note 4]	(Resolution 6)
7.	To re-elect Encik Zakaria bin Kasah who retires under Article 132 of the Company's Articles of Association. [Please refer to Explanatory Note 5]	(Resolution 7)
8.	To re-elect Dato' Mat Noor bin Nawi who retires under Article 132 of the Company's Articles of Association. [Please refer to Explanatory Note 5]	(Resolution 8)
9.	To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. [Please refer to Explanatory Note 6]	(Resolution 9)

Other Ordinary Business

10.	To transact any other business for which due notice shall have been given in accordance with the Companies Act 1965.	(Resolution10)

NOTES:

EXPLANATORY NOTES ON ORDINARY BUSINESS:

1) **Explanatory Note for Resolution 1**
Pursuant to Section 169 (1) of the Companies Act 1965, it is the duty of the Board of Directors to present to the shareholders the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors. There is no requirement for the shareholders to approve such documents and hence the matter will not be put forward for voting.

2) **Explanatory Note for Resolution 2**
The Board of Directors is recommending that the shareholders approve the payment of the final dividend. In accordance with Article 162 of the Company's Articles of Association, the Company in general meeting may by ordinary resolution declare dividends payable to the Members in accordance with their respective rights and priorities out of any lawfully distributable profits, but no dividend shall exceed the amount recommended by the Board of Directors. Pursuant to paragraph 8.26 of the Main Market Listing Requirements, the final dividend, if approved, will be paid no later than three (3) months from the shareholders' approval. The Book Closure Date and Payment Date, subject to approval of shareholders has been announced by the Company on 28 February 2014.

3) **Explanatory Note for Resolution 3**
The Board of Directors is recommending that the shareholders approve the payment of Directors' fees totalling RM855,466.66 to the Non-Executive Directors for the financial year ended 31 December 2013. In accordance with Article 110 of the Company's Articles of Association, the remuneration of the Directors shall from time to time be determined by the Company in general meeting but :

- Directors' fees payable to Directors not holding any executive office in the Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover;
- all remuneration payable to Directors shall be deemed to accrue from day to day; and
- fees payable to Directors shall not be increased except pursuant to a resolution passed by the Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

4) **Explanatory Notes for Resolutions 4 to 6**
Article 127 of the Company's Articles of Association expressly states that an election of Directors shall take place each year. At every Annual General Meeting, one-third of the Directors (whether Government Appointed Directors or not) who are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, the number nearest to one-third shall retire from office, and if there is only 1 Director who is subject to retirement by rotation, he shall retire PROVIDED ALWAYS that all Directors shall retire from office once at least in each 3 years.

5) **Explanatory Notes for Resolutions 7 to 8**
Article 132 of the Company's Articles of Association stipulates that the Directors may appoint a person who is willing to act as Director, either to fill a casual vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election.

6) **Explanatory Note for Resolution 9**
Pursuant to Section 172 (2) of the Companies Act 1965, shareholders shall appoint Auditors who shall hold office until the conclusion of the next Annual General Meeting. The current Auditors have expressed their willingness to continue in office and the Board of Directors has recommended their reappointment. The shareholders shall consider this resolution and to authorise the Board of Directors to determine their remuneration thereof.

NOTICE OF BOOK CLOSURE AND DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT the Register of Members of the Company will be closed on 16 May 2014 for the purpose of determining shareholders' entitlement to the dividend. The dividend, if approved by Members at the Eighteenth (18th) Annual General Meeting, will be paid on 29 May 2014.

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

a. Shares transferred into the Depositor's securities account before 5.00 p.m. on 16 May 2014 in respect of ordinary transfers; and

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

By Order of the Board,

HJ. NIK ABD RAHMAN BIN NIK ISMAIL
(LS.00005892)
Company Secretary

BINTULU
17 April 2014

PROXY

i. A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
ii. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney duly authorised in writing and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised.
iii. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Headquarters Building, Bintulu Port Holdings Berhad, Lot 15, Block 20, Kemena Land District, 12th Mile, Tanjung Kidurong Road, 97008 Bintulu, Sarawak, Malaysia, not less than 48 hours before the time appointed for holding the Meeting and or any adjournment thereof.

MEMBERS ENTITLED TO ATTEND

For purpose of determining a member to attend this Eighteenth (18th) Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 77 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 30 April 2014. Only a depositor whose name appears on the Record of Depositors as at 30 April 2014 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

1. Directors who are standing for re-election at the Eighteenth (18th) Annual General Meeting of the Company

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

Datuk Hj. Hashim bin Ismail	Dato' Seri Dr. Hj. Arshad bin Hj. Hashim	Dato' Hj. Mohamad Norza bin Hj. Zakaria
Independent and Non-Executive Director	Independent and Non-Executive Director	Independent and Non-Executive Director

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

Encik Zakaria bin Kasah	Dato' Mat Noor bin Nawi
Non-Independent and Non-Executive Director (Director effective 1/11/2013)	Non-Independent and Non-Executive Director (Director effective 29/11/2013)

2. Board Meetings held during the financial year ended 31 December 2013

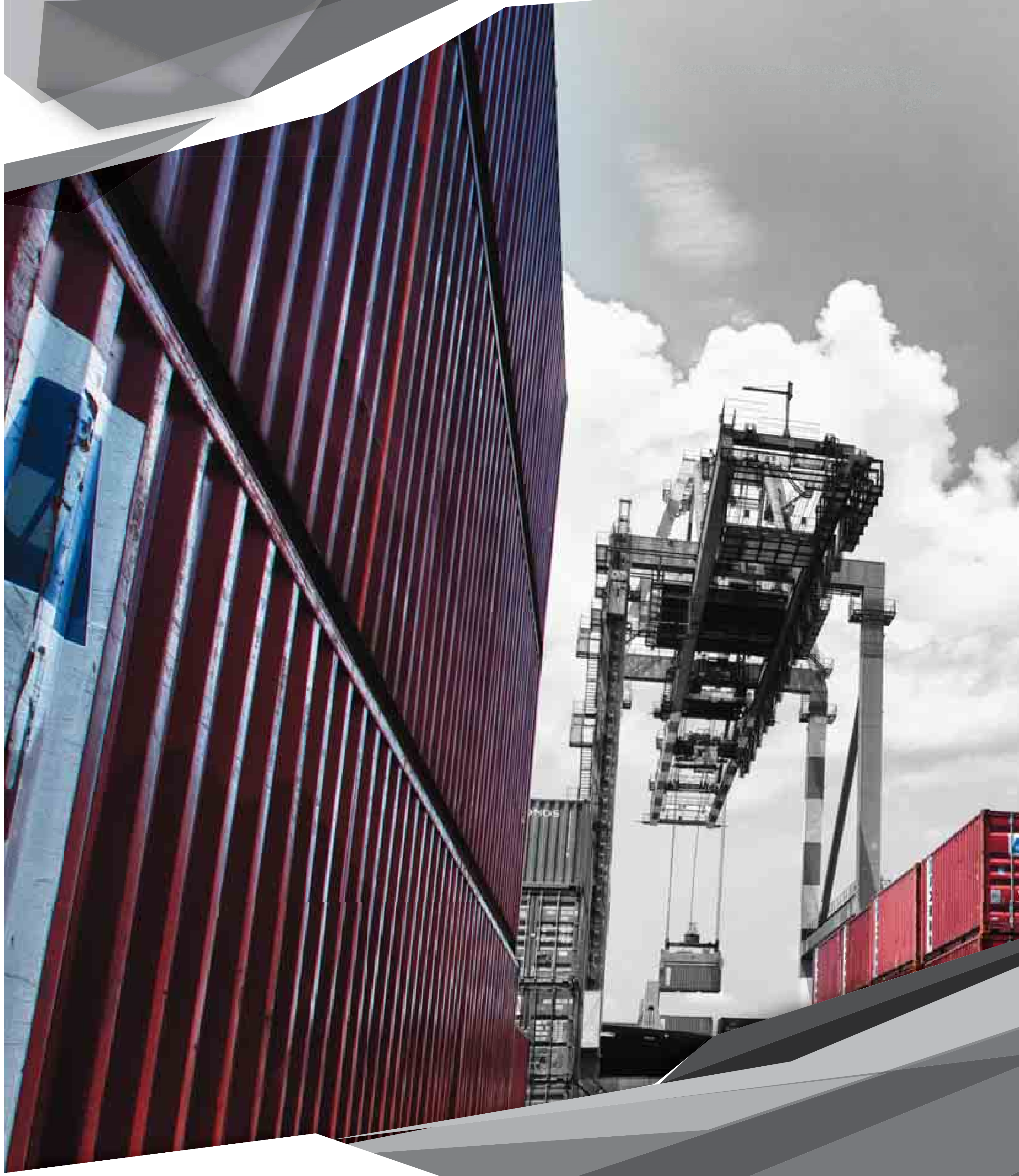
For the financial year ended 31 December 2013, a total of seventeen (17) Board Meetings were held as follows:

Meeting No.	Date/Day & Time	Venue
1/2013	23 January 2013 (Wednesday) @ 10.00 a.m.	Boeing 4 Room, Level 1, Sama-Sama Hotel, KLIA
2/2013	8 February 2013 (Friday) @ 10.00 a.m	Boeing 1 Room, Level 1, Sama-Sama Hotel, KLIA
3/2013	26 February 2013 (Tuesday) @ 6.00 p.m.	Boeing 4 Room, Level 1, Sama-Sama Hotel, KLIA
4/2013	12 March 2013 (Tuesday) @ 6.00 p.m.	Boeing 1 Room, Level 1, Sama-Sama Hotel, KLIA
5/2013	25 March 2013 (Monday) @ 6.00 p.m.	Boeing 1 Room, Level 1, Sama-Sama Hotel, KLIA
6/2013	3 May 2013 (Friday) @ 9.00 a.m.	Citation Room, Level 2, Sama-Sama Hotel, KLIA
7/2013	17 May 2013 (Friday) @ 2.00 p.m.	Rajawali Room, 1st Floor, Hilton Hotel Kuching
8/2013	28 May 2013 (Tuesday) @ 10.00 a.m.	Kelantan Room, Level 1, Marriott Hotel, Putrajaya
9/2013 (By Way of Circular Resolution and Signed by All Directors Pursuant to Article 149 of the Company's Articles of Association)	31 May 2013 (Friday)	Vide Letter Ref. (172)BHB/3.1/1 Jld. 10 dated 31 May 2013

Meeting No.	Date/Day & Time	Venue
10/2013	5 June 2013 (Wenesday) @ 6.00 p.m.	Board Room, Level 3, Sheraton Imperial Hotel,
11/2013	27 June 2013 (Thursday) @ 5.00 p.m.	Johor Room, Level 1, Marriott Hotel, Putrajaya
12/2013	8 July 2013 (Monday) @ 6.00 p.m.	Fokker Room, Level 2, Sama-Sama Hotel, KLIA
13/2013	31 July 2013 (Wednesday) @ 4.30 p.m.	Fokker Room, Level 2, Sama-Sama Hotel, KLIA
14/2013	28 August 2013 (Wednesday) @ 5.00 p.m.	Sentral Exchange A, Level 6, Hilton KL Sentral
15/2013	27 September 2013 (Friday) @ 6.00 p.m.	Perak Room, Level 1, Marriott Hotel, Putrajaya
16/2013	24 October 2013 (Thursday) @ 6.15 p.m.	Boeing 1 Room, Level 1, Sama-Sama Hotel, KLIA
17/2013	28 November 2013 (Thursday) @ 5.00 p.m.	Boardroom Level 2, Grand Millennium Hotel, Kuala Lumpur

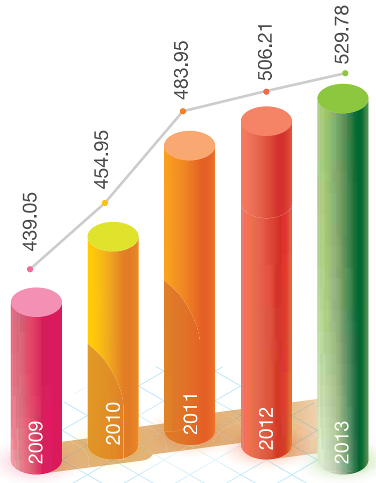
Details of the Board of Directors' attendance are as follows:

Directors	No. of Meetings Attended	Percentage of Attendance (%)
Tan Sri Dr. Ali bin Hamsa		
- As Chairman effective 1/11/2013	1/1	100
- As Director until 31/10/2013	12/16	75
Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah (Chairman until 31/10/2013)	16/16	100
Dato' Mat Noor bin Nawi (Director effective 29/11/2013)	-	-
Datuk Nasarudin bin Md Idris	16/17	94
Encik Zakaria bin Kasah (Director effective 1/11/2013)	1/1	100
Dato Mohammad Medan bin Abdullah (Director until 31/08/2013)	13/14	92
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin	16/17	94
Datuk Fong Joo Chung	16/17	94
Datu Hj. Abang Halmi bin Ikhwan	16/17	94
Datuk Hj. Hashim bin Ismail	16/17	94
Dato' Seri Dr. Hj. Arshad bin Hashim	16/17	94
Dato' Hj. Mohamad Norza bin Hj. Zakaria	15/17	88

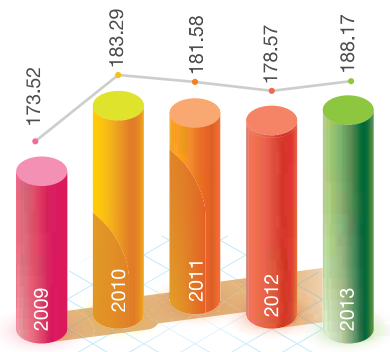


FINANCIAL HIGHLIGHTS

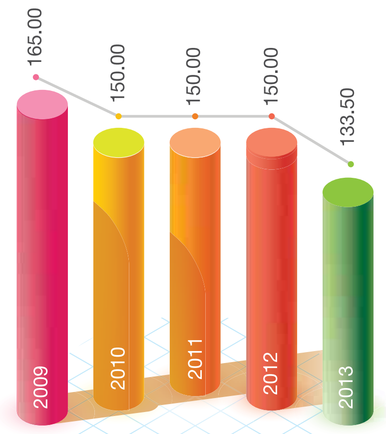
OPERATIONAL & FINANCIAL HIGHLIGHTS OF THE GROUP



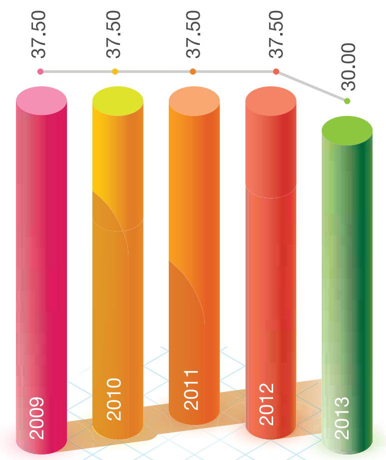
TURNOVER
RM Million



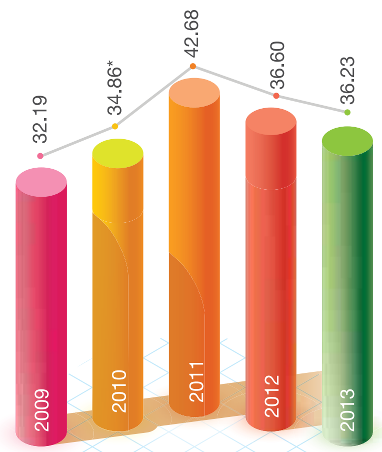
PROFIT BEFORE TAXATION
RM Million



DIVIDEND PAID DURING THE YEAR (NET)
RM Million

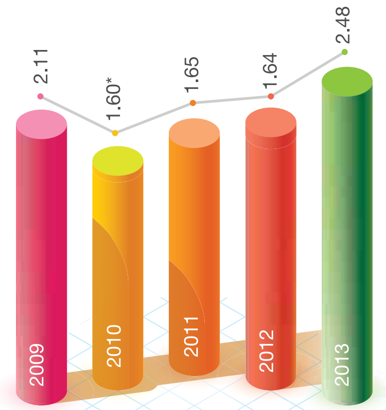


SINGLE TIER DIVIDEND
SEN



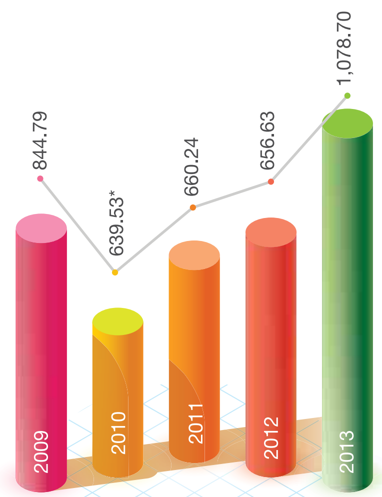
EARNING PER SHARE
SEN

*Restated 2010



*Restated 2010

NET ASSET PER SHARE
RM

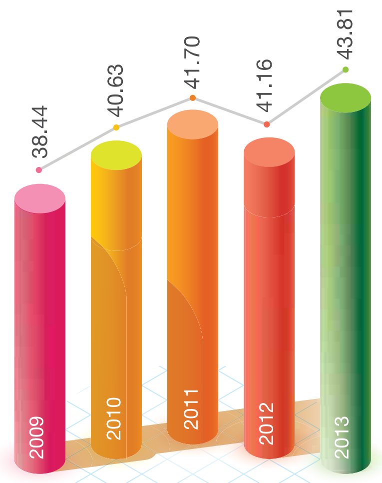


TOTAL SHAREHOLDER'S FUND
RM Million

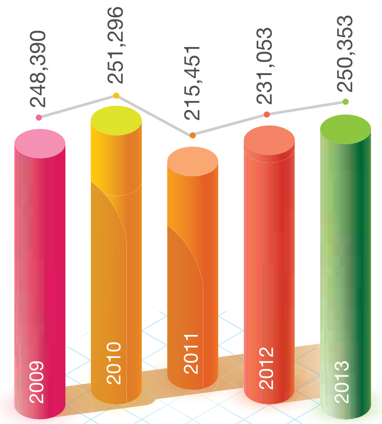
*Restated 2010

Legend 2009 2010 2011 2012 2013

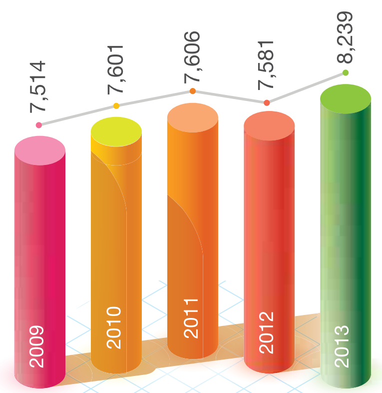
PERFORMANCE HIGHLIGHTS



CARGO THROUGHPUT
Million Tonne



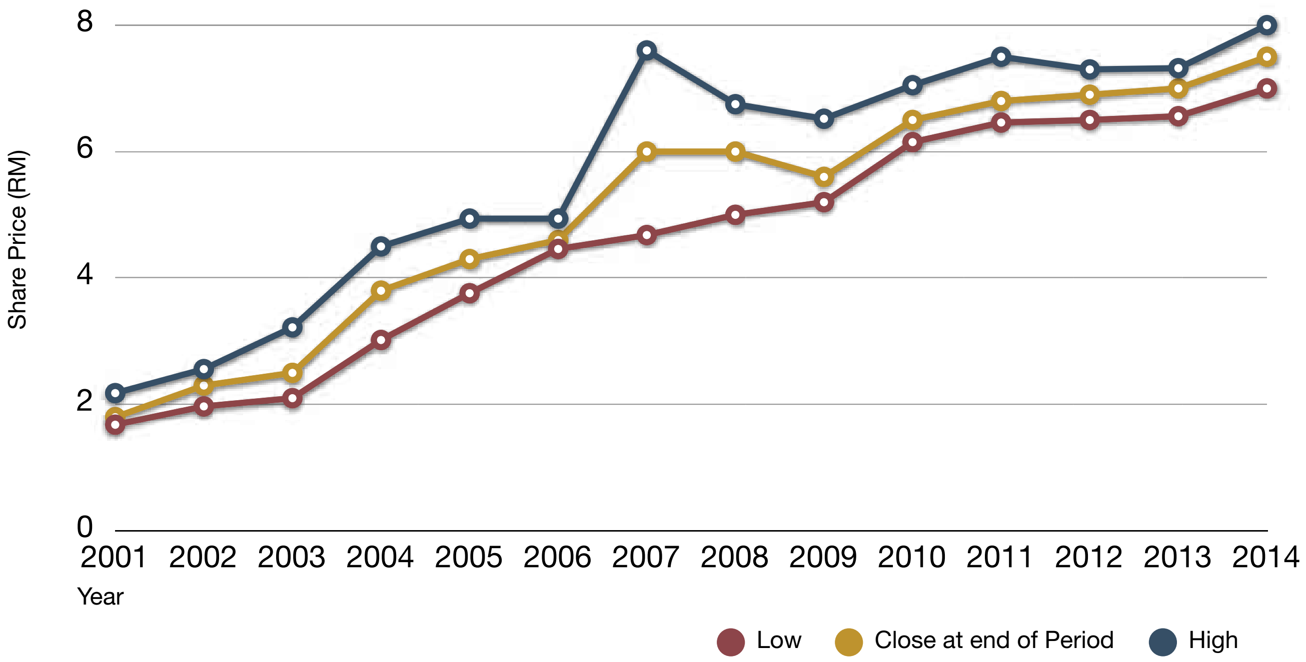
CONTAINERS HANDLED
TEUs



VESSEL CALLS
NO. OF VESSEL CALLS

Legend 2009 2010 2011 2012 2013

SHARE PERFORMANCE



Ordinary Share of RM1.00 each	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Highest Price	2.18	2.56	3.22	4.50	4.94	4.94	7.60	6.75	6.52	7.05	7.50	7.30	7.32	8.00
Lowest Price	1.68	1.97	2.10	3.02	3.76	4.46	4.68	5.00	5.20	6.15	6.46	6.50	6.56	7.00

*Based on transacted price for the period ended 31 March 2014

PERFORMANCE REVIEW

CHAIRMAN'S STATEMENT

Tan Sri Dr. Ali bin Hamsa
Chairman
Non–Independent Non-Executive Director

DEAR SHAREHOLDERS, On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of Bintulu Port Holdings Berhad (BPHB) for the financial year ended 31 December 2013.

OVERVIEW

In 2013, based on the prospects of an improved global economy, the Malaysian economy was forecasted to expand strongly between 4.5% and 5.5%. Gross Domestic Product (GDP) growth was expected with low unemployment and manageable inflation. The higher growth, to be supported by private investment and consumption at 13.3% and 5.7%, respectively. The construction sector was expected to increase by 11.2% followed by the services sector at 5.6%.

The 2013 Budget focused on sustaining economic growth and improving the well-being of the rakyat, as well as further strengthening the transformation agenda through various programmes and projects. It also focused on enhancing five key areas, namely boosting investment activities, strengthening education and training, inculcating innovation and increasing productivity, enhancing the public service delivery and ensuring the well-being of Malaysians.

Despite the increasingly volatile and challenging global economic environment, the economy grew by 4.7% in 2013, driven by robust domestic demand and supported by strong fundamentals of the economy as well as an accommodative monetary policy.

The above positive developments have enabled Bintulu Port, as a gateway to economic growth to enhance its efficiency, safety and competitiveness in providing port services as well as safeguarding the environment.

FINANCIAL HIGHLIGHTS

For the financial year ended 31 December 2013, the Group's Total Revenue was RM888.75 million compared to RM527.85 million registered in the previous year. The total revenue were comprised of operating revenue from port services and bulking services, construction services as per the Interpretation Committee (IC) 12 and investment income. Under IC 12, it is stated that when a company constructs or upgrades its infrastructure, the company is considered to be performing construction services and recognises any revenue from the construction services rendered. Revenue from construction contracts are recognised on a percentage of completion basis.

Revenue from construction services in 2013 totalled RM344.37 million was generated from concession infrastructures for upgrading work at Bintulu Port Sdn. Bhd. (BPSB) and the interim facilities at Samalaju Industrial Port Sdn. Bhd.(SIPSB). The revenue earned in 2012 amounting to RM8.76 million was generated from for upgrading works at BPSB only.

The operating revenue in 2013 of RM529.78 million was higher by RM23.57 million compared to RM506.21 million in 2012. This revenue attained from port and bulking services stood at RM493.00 million and RM36.78 million respectively.

For the Financial Year under review, the Group has registered a Profit After Taxation of RM157.71 million, an increase by 7.73% as compared to RM146.39 million in 2012. The improved Profit After Taxation was due to the recognition of tax benefit relating to unutilised Investment Tax Allowance.

Basic Earnings Per Share ("EPS") for Financial Year 2013 was 36.23 sen whilst Earning Per Share for Financial Year 2012 stood at 36.60 sen. The bases used for EPS calculations were based on the weighted average number of ordinary shares issued. During the financial year under review, the ordinary share capital increased from 400,000,000 shares to 460,000,000 shares arising from the Private Placement exercise during the year. Subsequently, our shareholders' equity improved by 64.31% to RM1.08 billion from RM656.62 million previously.

PERFORMANCE OF SUBSIDIARIES

The overall performance of the wholly owned subsidiaries of the Group were driven by the world economic scenarios. BPSB registered marginal increase in most areas of the port's operations in the year under review.

Overall cargo throughput at BPSB increased by 6.41% from 41.16 million tonnes in 2012 to 43.80 million tonnes in 2013. As Malaysia is the world's second largest LNG exporter after Qatar, the volume of LNG cargo handled increased by 8.30% totalling 25.48 million tonnes against 23.53 million tonnes handled the previous year.

Non-LNG cargo handled during the year also increased by 3.97% from 17.63 million to 18.33 million tonnes. Containers handling posted a record of 8.35% growth from the 231,053 TEUs in 2012 to 250,353 TEUs in 2013. Total vessel calls for all cargo categories had increased by 8.70% in 2013 from 7,581 calls to 8,239 calls.

Another wholly owned subsidiary of BPHB, Biport Bulkers Sdn. Bhd. which specialises in providing bulking services and storage, increased its throughput from 2.93 million metric tonnes to 3.21 million metric tonnes for the year 2012 and 2013, respectively. This was due to an increase in export of CPO in 2013 as a result of favourable world market prices and increased production.

DIVIDEND

For the year under review, the Board of Directors is recommending for shareholders' approval, the payment of a Final Single Tier Dividend of 7.50 sen per share. Upon approval at this Annual General Meeting, the dividend will be paid on 29 May 2014. Thus, the total dividend payout for the year under review is RM138.00 million or 30 sen per share.

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

CORPORATE GOVERNANCE

All corporate activities, business conduct and practices are governed by the Malaysian Code on Corporate Governance. Consistent with the Code, the Board of Directors will ensure that a sound system of internal controls is maintained to safeguard shareholder investment and the Company's assets. Details of various compliance initiatives are set out in the Board's Statement pertaining to the Corporate Governance on pages 50 to 62 of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Apart from our achievements at the business front, I am also pleased with the Group's Corporate Social Responsibility (CSR) efforts. Our approach towards CSR encompasses education and community development, environmental preservation as well as human capital development. Initiatives undertaken by the Group include donation of support medical equipment to Hospital Bintulu, the inter-secondary schools quiz competition and examination clinics for Form 5 students. Strong staff engagement in these initiatives made such projects a success. The Group spent about RM0.66 million for community programs in 2013.

More information on our initiatives can be found in the Corporate Social Responsibility section on page 80 to 81 of this Annual Report.

Apart from that, the Group encouraged a culture of excellence and nurturing leadership capabilities. The Group also emphasised on training, talent retention and creation of conducive working environment to foster continuous learning and development. A total of RM3.31 million was allocated for training and development of human capital in 2013. The Group placed high priority on health, safety and welfare of its staff and their families. Teamwork and creativity are also encouraged through organised activities.

To gauge safety standards at the workplace, Loss Time Injuries (LTI) has been used as a Key Performance Indicators (KPIs) in 2013. Pre-determined man-hours without injury was set as KPIs to be achieved in year 2013. Preventive and corrective actions were taken to avoid accidents from happening. Currently the Group has maintained a prestigious safety and environmental accreditation award from Bureau Veritas Certification (M) Sdn. Bhd.

KPIs such as Employee Satisfaction Survey (ESS) and Customer Satisfaction Index (CSI) were widely practised to measure the internal and external organisational behaviour of the Group as a whole. Involvement of all parties in the business spectrum is critical in this exercise.

Special teams have regularly monitored the port environment to ascertain the impact derived from operational activities. Based on these reports, preventive and corrective measures were taken to mitigate any impact.

FUTURE OUTLOOK

The Group will continue to attract traffic, enhance capacities and capabilities, improve costs and fund management, as well as developing new businesses. At the same time, the Group will also reposition itself to serve the Sarawak Corridor of Renewal Energy (SCORE) in the provision of port services and facilities including terminal operation and management.

Currently, contribution from LNG and Non-LNG cargo throughput are 58% and 42% respectively. Revenue generated from LNG sector was RM365.12 million as compared to revenue from Non-LNG of RM164.66 million.

For LNG, PETRONAS has embarked on a new the LNG train which will add another 3.6 million ton per annum to the existing 25.7 million tonnes production capacity. This project is scheduled to be completed by 2015 and operational in early 2016.

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

- Phase 1 – Conversion of 300 m General Cargo Wharf for Container Operation;
- Phase 1- 300 m of Bulk Fertilizer Wharf at 2nd Inner Harbour;
- Phase 1- 150 m Small Barge Berth at Edible Oil Terminal;
- LNG Berth No. 4;
- Phase 1- 400 m General Cargo Wharf at 2nd Inner Harbour including Warehouse, Open Yard for paper products, acacia, log and other general cargoes; and
- Phase 1 Development of Supply Base Terminal at 2nd Inner Harbour.

The Group has submitted a proposal to the Government for an extension of the existing concession period for BPSB. The proposal is under consideration by the Government.

Another wholly owned subsidiary of BPHB, Samalaju Industrial Port Sdn. Bhd. (SIPSB) is still under construction and expected to be operational in middle of 2016. However, the interim facility is expected to commence its soft operation in April 2014.

APPRECIATION

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

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

Finally, I wish to record my gratitude and appreciation to Tan Sri Dr. Wan Abdul Aziz bin Wan Abdullah and Datuk Mohammad Medan Abdullah for their invaluable contribution to the Group during their tenure and welcome Dato' Mat Noor bin Nawi and Encik Zakaria bin Kasah as our new Directors. Last but not least, I would like to thank my fellow Board of Directors for their support, guidance and advice that has always been readily forthcoming.

Thank you.

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

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dato Mior Ahmad Baiti
bin Mior Lub Ahmad
Chief Executive Officer
Bintulu Port Holdings Berhad

With the economy on a steady growth and dynamic activities within the SCORE region, Bintulu Port have identified four (4) major growth sectors namely Palm Oil products, Dry Bulk cargoes, Containerized cargoes and Oil & Gas services that will be emphasized upon in the current and immediate future.

BPSB's Bintulu International Container Terminal (BICT) intends to add additional berth and container storage yard with new handling equipment in the very near future to increase the capacity from 400,000 TEUs currently to 650,000 TEUs annually.

For the Dry Bulk and Break Bulk cargoes handled at the Multi-Purpose Terminal, BPSB also intends to develop additional berths, warehouse and storage space at the 2nd Inner Harbour to meet increasing demands.

BPSB has been approached by the oil and gas players to use BPSB as their support facilities and services provider for their production and exploration operation. BPSB is committed to develop dedicated terminal or supply base to serve the growing demand from the offshore supply vessels, passenger boats and its related operation.

Bintulu Port's edible oil terminal, through Biport Bulkers Sdn Bhd is increasing its capacity through the development of additional twenty five (25) units storage tanks in line with the increasing palm oil activities in Sarawak. This will give additional 53,000 mt of storage capacity to the current 101,600 mt storage capacity and is scheduled to be operational by Q4 2014.

Samalaju Industrial Port Sdn. Bhd. would start its interim operation with the completion of two (2) barge berth and one (1) Ro-Ro Ramp in April 2014. This interim phase will allow the plant operators at Samalaju Industrial Park to import their raw material or project cargo using barges or smaller size vessels directly to Samalaju. Cargo can also be exported using barges to Bintulu Port for transhipment through this interim facilities. While the interim phase is in operation, construction are underway and proceeding as planned for the whole Phase 1 Development of Samalaju Industrial Port. The Phase 1 development which caters for handymax and handysize vessels is slated for completion by Q2 2016.

OPERATIONAL PERFORMANCE

Total cargo throughput handled by BPSB in 2013 registered an increase of 6.41% compared to 2012, from 41.16 million tonnes to 43.80 million tonnes. LNG cargo increased by 8.30% to 25.48 million tonnes while Non-LNG cargo increased by 3.97% to 18.33 million tonnes. Despite the positive growth in these two sectors, Break Bulk cargoes recorded a negative growth of 33.06%. The major downfall is due to decrease handling of other general cargoes mainly project cargoes for

Samalaju, competition from other countries for local plywood manufacturers and the increase cost for log harvesting.

Container throughtput increased by 5.66% to 250,353 TEU's in 2013 from 231,053 TEU's in 2012. The growth was contributed by the increased in the handling of project cargoes, export cargoes from SCORE industries and increased in the handling of transhipment volume from Sarawak.

Vessel calls recorded an increase of 8.70%. These are attributed to the higher vessel calls from offshore supply boats, offshore passenger boats, LNG, Liquid Bulk, Dry Bulk and Container vessels.

Biport Bulkers Sdn Bhd's throughtput has registered an increase of 9.30 % from 2.93 million tonnes in 2012 to 3.21 million tonnes in 2013. This is due to increase in demand for RBD Olein and RBD Stearine as well as CPO from the importing countries.

FINANCIAL PERFORMANCE

The Group's total Operating Revenue for the year under review was RM 529.78 million which is 4.66% above the revenues attained in 2012. Port services in 2013 contributed RM493.00 million as compared to RM470.79 million achieved in the previous year. Bulking services registered an Operating Revenue of RM36.78 million which is 3.84% higher than the revenue achieved in 2012.

The Profit Before Taxation for the year 2013 is RM188.17 million which is RM9.60 million or 5.38% above the RM178.57 million of 2012.

Profit After Taxation is RM157.71 million in 2013 which is higher by RM11.32 million (7.73%) compared to RM146.39 million achieved in 2012. The after tax profit in 2013 improved by the recognition of tax benefit of RM14.43 million relating to unutilised Investment Tax Allowances from Biport Bulkers Sdn. Bhd.

PORT SAFETY

BPSB is an International Ship and Ports Facility Security (ISPS) compliant port. Safety aspects are therefore held paramount at all levels of our port operations. Adherence to the security and safety policies in place are stringently monitored for all staff, port users, clients and customers. The Management regularly reviews Standard Operating Procedures, Documentation Systems and Emergency Response Plan to enhance the safety standard. To ascertain the level of compliance, a safety audit on port facilities and infrastructures, vessels and operational practices is carried out regularly. This year Bintulu Port Sdn Bhd was awarded with the MSOSH Occupational Safety and Health-GOLD (Class 1) Award for a very good 2012 OSH Performance by the Malaysian Society for Occupational Safety and Health.

BUSINESS OUTLOOK

The industrial development within SCORE and increasing offshore activities will contribute and fuel the cargo growth for Bintulu Port aside from the anticipated growth of existing cargoes.

LNG will still be the major cargo with positive contribution from Palm Oil due to the increased palm oil plantation in Sarawak, Containerised cargo through surrounding industrial development and transhipment from identified hinterland and Dry Bulk cargoes such as bulk fertilizers and raw materials for the plants in Samalaju industrial Park.

"Vessel calls recorded an increase of 8.70%. These are attributed to the higher vessel calls from offshore supply boats, offshore passenger boats, LNG, Liquid Bulk, Dry Bulk and Container vessels."

The Port's business plan of a determined diversification in cargo categories is beginning to show promising results. This is evident in the performance figure returned in 2013 and bodes well for the future.

2014 will see our continuous effort as a port operator to provide quality and efficient services to the customers as part of the ongoing effort to retain and attract existing and new customers. The provision of new efficient operating procedure, new facilities and equipment are reviewed from time to time. Finally, this year and in years to come, we will face many new challenges and the need to continue improving our services delivery. We believe that by being competitive and providing efficient service we would attain our business plan goals.

APPRECIATION

On behalf of the Management, I wish to express my utmost gratitude to our staff for their unyielding loyalty, hard work and commitment to excellence. The successes of 2013 came on the back of their relentless focus and efforts. I will continue to invest in them and inculcating a strong performance culture.

My heartfelt appreciation also goes to all our shareholders and stakeholders, customers, business associates and Government Authorities, both State and Federal for their support. We look forward to your continuing partnership to propel the Group forward in the future.

For the steadfast confidence and trust in me heading the Company, I express my grateful thanks to the Board of Directors for their invaluable advice and guidance during 2013. I look forward to pursuing new heights of excellence and creating strong shareholder value as we stride confidently forward into 2014.

Thank you.

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

CORPORATE INFORMATION

CORPORATE STRUCTURE

BINTULU PORT HOLDINGS BHD.

BINTULU PORT HOLDINGS BERHAD

- BINTULU PORT SDN. BHD. (100%)
- BIPORT BULKERS SDN. BHD. (100%)
- SAMALAJU INDUSTRIAL PORT SDN. BHD. (100%)

Shareholders:

- Petroliam Nasional Berhad (28.52%)
- State Financial Secretary, Sarawak (26.67%)
- Equisar Assets Sdn. Bhd. (13.04%)
- Kumpulan Wang Persaraan (Diperbadankan) (8.98%)
- Public (22.79%)

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dr. Ali bin Hamsa - As Chairman effective 1/11/2013 - As Director until 31/10/2013	Chairman Non-Independent Non-Executive Director
Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah (Chairman until 31/10/2013)	Non-Independent Non-Executive Director
Dato' Mat Nor bin Nawi (Director effective 29/11/2013)	Non-Independent Non-Executive Director
Datuk Nasarudin bin Md Idris	Non-Independent Non-Executive Director
Encik Zakaria bin Kasah (Director effective 1/11/2013)	Non-Independent Non-Executive Director
Dato Mohammad Medan bin Abdullah (Director until 31/8/2013)	Non-Independent Non-Executive Director
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin	Non-Independent Non-Executive Director
Datuk Fong Joo Chung	Non-Independent Non-Executive Director
Datu Hj. Abang Halmi bin Ikhwan	Independent Non-Executive Director
Datuk Hj. Hashim bin Ismail	Independent Non-Executive Director
Dato' Seri Dr. Hj. Arshad bin Hashim	Independent Non-Executive Director
Dato' Hj. Mohamad Norza bin Hj. Zakaria	Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Seri Dr. Hj. Arshad bin Hashim	Chairman
Datuk Hj. Hashim bin Ismail	Member
Dato' Hj. Mohamad Norza bin Hj. Zakaria	Member

NOMINATION COMMITTEE

Datu Hj. Abang Halmi bin Ikhwan	Chairman
Datuk Nasarudin bin Md Idris	Member
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin	Member

REMUNERATION COMMITTEE

Datuk Hj. Hashim bin Ismail	Chairman
Datuk Fong Joo Chung	Member
Encik Zakaria bin Kasah (Appointed on 1/11/2013)	Member
Dato Mohammad Medan bin Abdullah (Member until 31/8/2013)	Member

FINANCE AND INVESTMENT COMMITTEE

Datuk Nasarudin bin Md Idris	Chairman
Tan Sri Dr. Ali bin Hamsa (Member until 28/11/2013)	Member
Dato Mat Nor bin Nawi (Appointed on 29/11/2013)	Member
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin	Member
Datu Hj. Abang Halmi bin Ikhwan	Member
Dato' Seri Dr. Hj. Arshad bin Hashim	Member

COMPANY SECRETARY

Hj. Nik Abd Rahman bin Nik Ismail (LS.00005892)	Tel : +60 86 251090 Fax : +60 86 254062

AUDITORS

Messrs. Ernst & Young
Chartered Accountants

REGISTRAR

Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel : +60 3 22643883 | Fax : +60 3 22821886
Email : is.enquiry@my.tricorglobal.com

PRINCIPAL BANKER

CIMB Bank Berhad

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad

PLACE OF INCORPORATION

Incorporated in Malaysia

REGISTERED OFFICE

Lot 15, Block 20, Kemena Land District
12th Mile, Tanjung Kidurong Road, 97008 Bintulu, Sarawak, Malaysia.
Tel : +60 86 291001 (30 Lines)
Fax : +60 86 254062 / +60 86 253597
Email : customerservice@bintuluport.com.my
Website : http://www.bintuluport.com.my

COMPANY NO.

380802-T

SUBSIDIARIES

Bintulu Port Sdn. Bhd. (254396-V)

Biport Bulkers Sdn. Bhd. (635147-V)

Samalaju Industrial Port Sdn. Bhd. (406345-H)

GROUP BOARD OF DIRECTORS

From Left

Datuk Nasarudin bin Md Idris
Non-Independent Non-Executive Director

Datuk Fong Joo Chung
Non-Independent Non-Executive Director

Datu Hj. Abang Halmi bin Ikhwan
Independent Non-Executive Director

Dato' Mat Noor bin Nawi
(Director effective 29/11/2013)
Non-Independent Non-Executive Director

Dato Mohammad Medan bin Abdullah
(Director until 31/08/2013)
Non-Independent Non-Executive Director

Dato' Hj. Mohamad Norza bin Hj. Zakaria
Independent Non-Executive Director

Tan Sri Dr. Ali bin Hamsa
Chairman (Effective 1/11/2013)
(Director until 31/10/2013)
Non-Independent Non-Executive Director

Dato Mior Ahmad Baiti bin Mior Lub Ahmad
Chief Executive Officer

Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah
Chairman (Until 31/10/2013)
Non-Independent Non-Executive Director

Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin
Non-Independent Non-Executive Director

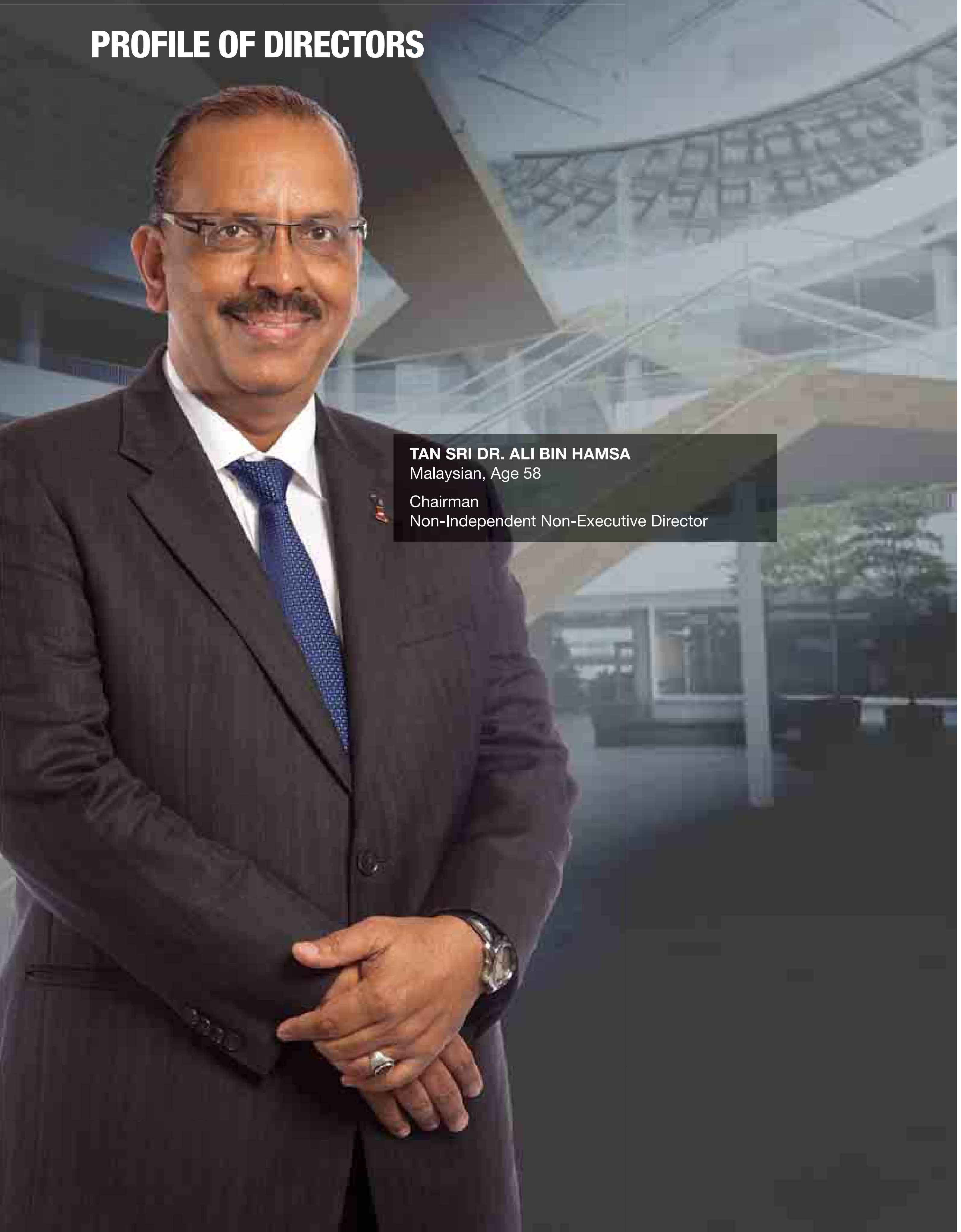
Datuk Hj. Hashim bin Ismail
Independent Non-Executive Director

Dato' Seri Dr. Hj. Arshad bin Hashim
Independent Non-Executive Director

Hj. Nik Abd Rahman bin Nik Ismail
Company Secretary

Encik Zakaria bin Kasah
(Director effective 1/11/2013)
Non-Independent Non-Executive Director

PROFILE OF DIRECTORS



TAN SRI DR. ALI BIN HAMSA
Malaysian, Age 58

Chairman
Non-Independent Non-Executive Director

TERMS OF OFFICE

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

QUALIFICATIONS

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

MEMBER OF ASSOCIATIONS

None.

WORKING EXPERIENCE & OCCUPATION

Tan Sri Dr. Ali bin Hamsa was a tutor in University of Malaya since 1979 prior to joining the Malaysia Civil Service. He served the Administrative and Diplomatic Service (PTD) as an Assistant Director at the Ministry of Trade and Industry on 5 January 1981. In 1986, he was made Senior Project Manager, Economy and Public Policy Management (PUTERA) at the National Institute of Public Administration (INTAN) where he co-authored two books namely 'Dasar-Dasar Utama Kerajaan' (1997) and 'Malaysia Kita' (1998).

After a short stint at the Ministry of Transport in 1992, he began serving at the Economic Planning Unit (EPU), Prime Minister's Department upon obtaining his PhD in 1997. He consecutively held the positions of Director of Disbursement Division and Deputy Director-General of the National Transformation and Advancement Program. On 22 April 2009, Tan Sri Dr. Ali bin Hamsa was appointed as Director-General of the Public Private Partnership Unit (UKAS), Prime Minister's Department. He represented the country in international conferences and meetings. He was appointed as the 13th Chief Secretary to the Government on 24 June 2012.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

None.

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

13 out of 17 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting.

TAN SRI DATO' SRI DR. WAN ABDUL AZIZ BIN WAN ABDULLAH

Malaysian, Age 61

Non-Independent Non-Executive Director

TERMS OF OFFICE

Appointed as Chairman and Non-Independent Non-Executive Director on 1 November 2009 until 31 October 2013

QUALIFICATIONS

- Bachelor of Arts (Hons) in Economics, University of Malaya, Malaysia
- Master of Philosophy (Development Studies), University of Sussex, United Kingdom
- Ph.D (Business Economics) in Economic Studies, University of Leeds, United Kingdom
- Advanced Management Program, Harvard University, United States of America

MEMBER OF ASSOCIATIONS

None

WORKING EXPERIENCE & OCCUPATION

He has vast experience of over 32 years in various capacities in the Prime Minister's Department where he started as Assistant Director of the Economic Planning Unit in the Administrative and Diplomatic Service in 1975 and later promoted to the position of Senior Assistant Director, Macro-economics in 1984, Senior Assistant Director, Human Resource Section and Director, Energy Section in 1988. He was seconded to the World Bank Group in Washington D.C., USA, representing South East Asia Group as Alternate Executive Director in the same year. In 2001, he served the Ministry of Finance as Deputy Secretary in the Economics and International Division and later resumed as Deputy Director General (Macro) Economic Planning Unit in the Prime Minister's Department in 2004. In 2005, he was appointed as the Deputy Secretary General of Treasury (Policy), Federal Treasury in the Ministry of Finance. His last position in the public service was the Secretary General of Treasury in the Ministry of Finance, the position he held between 2007 till August 2012. He currently serves as the Chairman of Malaysia Airports Holdings Berhad.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

- Malaysia Airports Holdings Berhad
- Felda Global Ventures Holdings Berhad
- Sime Darby Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

16 out of 16 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting

DATO' MAT NOOR BIN NAWI

Malaysian, Age 58

Non-Independent Non-Executive Director

Member of Finance & Investment Committee

TERMS OF OFFICE

Appointed as Non-Independent Non-Executive Director on 29 November 2013

QUALIFICATIONS

- Bachelor of Science (Resource Economics), Universiti Putra Malaysia, Malaysia
- Diploma in Public Management (Institut Tadbiran Awam Negara), Malaysia
- Master of Science (Policy Economics), University of Illinois Urbana-Champaign, United States of America

MEMBER OF ASSOCIATIONS

None

WORKING EXPERIENCE & OCCUPATION

Dato' Mat Noor has been serving the Government for over 30 years where he started his career in 1981 as an Agriculture Economist at the Federal Agriculture Marketing Authority (FAMA) before joining Economic Planning Unit (EPU) in 1983. He served various positions and his last assignment was the Deputy Director General I, EPU, Prime Minister's Department prior to joining Ministry of Finance (MoF). Dato' Mat Noor is currently the Deputy Secretary General, Treasury (Policy) at the MoF.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

- Telekom Malaysia Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

None

DATUK NASARUDIN BIN MD IDRIS

Malaysian, Age 58

Non-Independent Non-Executive Director

Chairman of Finance & Investment Committee and Member of Nomination Committee

TERMS OF OFFICE

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

QUALIFICATIONS

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

MEMBER OF ASSOCIATIONS

None

WORKING EXPERIENCE & OCCUPATION

Datuk Nasarudin joined Petroliam Nasional Berhad (PETRONAS) in 1978 and has held various positions within the PETRONAS Group includes the Vice President, Corporate Planning and Development, Group Chief Executive Officer, KLCC Holdings Berhad, Senior General Manager, Corporate Planning and Development Division, Executive Assistant to the President, General Manager, Marketing of PETRONAS Dagangan Berhad, General Manager, Corporate Development and General Manager, Group Strategic Planning. He served as the President and Chief Executive Officer of MISC Berhad, a subsidiary of PETRONAS until present.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

- MISC Berhad
- NCB Holdings Berhad
- Malaysian Marine and Heavy Engineering Holdings Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

16 out of 17 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting

ENCIK ZAKARIA BIN KASAH

Malaysian, Age 48

Non-Independent Non-Executive Director

Member of Remuneration Committee

TERMS OF OFFICE

Appointed as Non-Independent Non-Executive Director on 1 November 2013

QUALIFICATIONS

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

MEMBER OF ASSOCIATIONS

None

WORKING EXPERIENCE & OCCUPATION

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

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

1 out of 1 Board Meeting

TAN SRI DATO' SERI HJ. MOHD. ZAHIDI BIN ZAINUDDIN

Malaysian, Age 65

Non-Independent Non-Executive Director

Member of Finance & Investment Committee and Nomination Committee

TERMS OF OFFICE
Appointed as Non-Independent Non-Executive Director on 16 March 2006

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

MEMBER OF ASSOCIATIONS
- Fellow of Malaysia Institute of Management (MIM)

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

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
- Affin Holdings Berhad
- Cahya Mata Sarawak Berhad
- Genting Plantations Berhad
- Genting Malaysia Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
16 out of 17 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting

DATUK FONG JOO CHUNG

Malaysian, Age 64

Non-Independent Non-Executive Director

Member of Remuneration Committee

TERMS OF OFFICE
Appointed as Non-Independent Non-Executive Director on 16 September 2004

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

MEMBER OF ASSOCIATIONS
None

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

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
- Sarawak Cable Berhad
- Encorp Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
16 out of 17 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting

DATU HAJI ABANG HALMI BIN IKHWAN

Malaysian, Age 65

Independent Non-Executive Director

Chairman of Nomination Committee and Member of Finance & Investment Committee

TERMS OF OFFICE
Appointed as Independent Non-Executive Director on 4 November 2004

QUALIFICATIONS
- Bachelor of Economics (Hons), University of Malaya, Malaysia
- Master of Business Administration (MBA), Catholic University of Leuven, Belgium

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Datu Hj. Abang Halmi began his career in 1972 as an Administrative Officer of Bank Negara Malaysia and then served at Sarawak Economic Development Corporation (SEDC). After spending four (4) years as an Economist in SEDC, he took on the position of General Manager of Bintulu Development Authority (BDA) from 1983 until 1992. His last position before retirement was the Permanent Secretary to State Ministries from 1992 until 2002. Datu Hj. Abang Halmi is currently the President of Sarawak Chamber of Bumiputra Entrepreneurs since 2009 and as Managing Director of Custodev Sdn. Bhd.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
16 out of 17 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting

DATUK HASHIM BIN ISMAIL

Malaysian, Age 68

Independent Non-Executive Director

Chairman of Remuneration Committee and Member of Audit Committee

TERMS OF OFFICE
Appointed as Independent Non-Executive Director on 1 December 2005

QUALIFICATIONS
- Bachelor of Arts (Hons), Universiti of Malaya, Malaysia

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Datuk Hashim extensive career in Civil Service started as a Senior Private Secretary to Deputy Minister of Energy, Telecommunication and Post in 1985. He was a Johor State Assemblyman and Johor State Exco from 1990 until 1995. He later assumed the position of Parliamentary Secretary to the Ministry of Finance until he retired in 2004.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
None

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
16 out of 17 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting

DATO' SERI DR. HJ. ARSHAD BIN HASHIM

Malaysian, Age 65

Independent Non-Executive Director

Chairman of Audit Committee and Member of Finance & Investment Committee

TERMS OF OFFICE
Appointed as Independent Non-Executive Director on 1 December 2005

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

MEMBER OF ASSOCIATIONS
None

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

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
- NCB Holdings Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
16 out of 17 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting

DATO' HJ. MOHAMAD NORZA BIN HJ. ZAKARIA

Malaysian, Age 47

Independent Non-Executive Director

Member of Audit Committee

TERMS OF OFFICE
Appointed as Independent Non-Executive Director on 1 December 2005

QUALIFICATIONS
- Bachelor of Commerce (Accountancy), University of Wollongong

MEMBER OF ASSOCIATIONS
- Chartered Accountant of Malaysian Institute of Accountants (MIA)
- Fellow of Certified Practicing Accountant (CPA) of Australia

WORKING EXPERIENCE & OCCUPATION
Dato' Hj. Mohamad Norza began his career as a Senior Audit Assistant in Messrs. Arthur Anderson & Co. in 1988 before joining Bank Negara Malaysia as the Executive of Bank Regulation Department in 1990. Later he joined PETRONAS as the Senior Executive Finance and Administration Department, Gas and Petrochemical Development Division until April 1994. He moved up the corporate ladder as the Group Financial Controller at SPK Sentosa Corporation Berhad before he became the Group General Manager of Audit in Mun Loong Berhad in 1995 until 1997. Dato' Hj. Mohamad Norza was the Chief Executive Officer of Gabungan Strategik Sdn. Bhd. from 1998 until 2004. His notable contribution in the Government sector was the Political Secretary to the Minister of Finance II from 2004 until 2008. He is currently the President and Chief Executive Officer of Citaglobal Sdn. Bhd.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
- TH Heavy Engineering Berhad
- Pelikan International Corporation Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
15 out of 17 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting

DATO MOHAMMAD MEDAN BIN ABDULLAH
Malaysian, Age 55

Non-Independent Non-Executive Director

Member of Remuneration Committee

TERMS OF OFFICE
Appointed as Non-Independent Non-Executive Director on 26 August 2010 and resigned on 31 August 2013

QUALIFICATIONS
- Bachelor of Law (LLB), University of Malaya, Malaysia
- Advanced Management Programme, University of Pennsylvania, United States of America

MEMBER OF ASSOCIATIONS
None

WORKING EXPERIENCE & OCCUPATION
Dato Mohammad Medan has a vast experience in the oil and gas industries for more than thirty (30) years being attached with PETRONAS Group in various positions, amongst others are Managing Director and Chief Executive Officer of Malaysia LNG Sdn. Bhd. (MLNG), Senior General Manager for Corporate Services Division of PETRONAS Carigali Sdn. Bhd., Senior General Manager of Group Tenders and Contracts of PETRONAS, Executive Assistant to the President at the Office of the President of PETRONAS, General Counsel for Petroleum Resources of E & P Business of PETRONAS. Prior to this, he was a Senior Legal Counsel, Legal Advisor for Baram Delta Operations, Legal Officer at the Legal Services Department and Trainee Legal Officer at the Legal Services Department. Dato Mohammad Medan was the head of PETRONAS's Group Corporate Affairs Division prior to heading Gazprom Marketing & Trading Singapore (GM&TS) as the Managing Director, Asia Pacific in September 2013.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES
- Petronas Dagangan Berhad
- Petronas Gas Berhad

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR
13 out of 14 Board Meetings, 1 Annual General Meeting and 1 Extraordinary General Meeting

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

DATO MIOR AHMAD BAITI BIN MIOR LUB AHMAD
Malaysian, Age 57

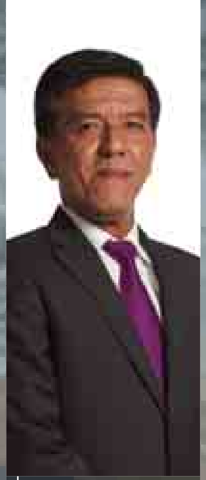
Chief Executive Officer

Dato Mior Ahmad Baiti was appointed as the Chief Executive Officer of Bintulu Port Holdings Berhad on 1 July 2011, and is also the acting Chief Executive Officer for of its subsidiaries namely Bintulu Port Sdn. Bhd., Biport Bulkers Sdn. Bhd and Samalaju Industrial Port Sdn. Bhd. Prior to that, he served as the Chief Executive Officer of Bintulu Port Sdn. Bhd. as well as the acting Chief Executive Officer of Bintulu Port Holdings Berhad and Biport Bulkers Sdn. Bhd. effective 1 July 2004 until 30 June 2011.

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

Dato Mior Ahmad Baiti is not related to any Director and/or substantial shareholder of Bintulu Port Holdings Berhad. He holds 50,200 shares of Bintulu Port Holdings Berhad and has no record of convictions of any offences within the past ten (10) years other than traffic offences, if any.

MANAGEMENT OF BINTULU PORT HOLDINGS BERHAD



Dato Mior Ahmad Baiti bin Mior Lub Ahmad
Group Chief Executive Officer

Hj. Nik Abd Rahman bin Nik Ismail
Company Secretary

Hj. Ahmat bin Narawi
Chief Operating Officer, BPSB
(Effective 1 January 2014)

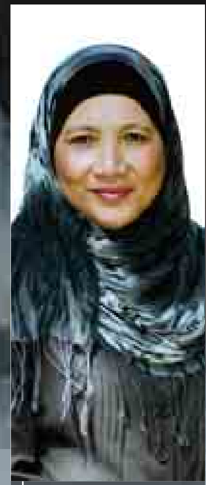
Shamsuddin bin Ismail
Chief Operating Officer, BBSB
(Effective 1 January 2014)

Matshalleh bin Mohamad Etli
Acting Chief Operating Officer, SIPSB
(Effective 1 January 2014)

Hj. Omar bin Hj. Salleh
General Manager, Group Corporate Planning & Development
(Effective 1 January 2014)

Daiana Luna Suip
Assistant General Manager, Group Finance
(Effective 1 January 2014)

Azmel Khan bin Asghar Khan
Senior Manager, Group Corporate Services,
(Effective 1 January 2014)



Hjh. Hotni binti Hj. Bahari
General Manager, Group Human Resource Management
(Effective 1 January 2014)

Hjh. Dayang Faizah binti Awang Bujang
Acting Assistant General Manager, Group Legal Counsel
(Effective 1 January 2014)

Abdul Manan bin Iling
Assistant General Manager, Group Information Technology
(Effective 1 January 2014)

Abdani bin Abdul Gafor
Acting General Manager Group Health, Safety & Environment,
(Effective 1 January 2013)

CORPORATE GOVERNANCE

STATEMENT ON CORPORATE GOVERNANCE

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

The Board of Directors is fully committed in ensuring that the highest standards of corporate governance are being practised by the Company and its controlled entities (referred to collectively as the 'Group'), as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group. This Statement on Corporate Governance is made in compliance with Chapter 15, Part E, Paragraph 15.25 of the Main Market Listing Requirements (MMLR) and the Malaysian Code on Corporate Governance 2012 (MCCG 2012), which sets out the principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

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

PRINCIPLE 1
ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

Principal Responsibilities of the Board

The Board recognises the key role it plays in charting the strategic direction of the Group and in fulfilling its fiduciary duties and in the pursuit of the Group's objectives, the Board has assumed the following leadership functions and principal responsibilities:

i. Formulate and determine the Group's strategic plans, overall long term direction, business objectives and dividend policy;
ii. Periodic review of the Group's strategic direction, annual operating plan and overall business affairs in ensuring the sustainability of the business;
iii. Identify principal business risks faced by the Group and ensuring the implementation of appropriate internal control and mitigating measures to address such risks;
iv. Ensure the adequacy and integrity of the Group's internal control systems and management systems including the compliance with applicable laws, regulations, rules, directives and guidelines;
v. Oversee and monitor major capital projects, acquisition and disposals as well as funding;
vi. Review and oversee appointments and succession plans of Senior Management;
vii. Ensure that the Group adheres to high standards of ethics and corporate behaviour; and
viii. Maintain effective investors' and shareholders' communication policy.

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

Detailed reports on Board Committees are set out on pages 68 to 70 of this Annual Report.

Board Charter

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

The Board had established clear functions for the Board and Management. Key matters reserved for the Board include the approval of strategic plans, annual operating and capital budgets, quarterly and annual financial statements for announcement and monitoring of financial and operating performance.

The Board Charter (the 'Charter') clearly spelled out the segregation of the Board and Management roles. The Board recognises the importance of having a single source of reference as recommended by the MCCG 2012.

The Board Charter is available on the Group's website at www.bintuluport.com.my.

Code of Ethics for Directors

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

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

Competition Law and Compliance Guidelines

Ever since the year 2012, the Group has actively taken steps to review the way its business operates and has taken the necessary measures to ensure that the Group is in compliance with the Competition Act 2010. As part of the Group's continuous effort in ensuring effective compliance to the Competition Act 2010, the Group takes initiatives to embark on comprehensive compliance programmes which include amongst others, training for employees, revamp of agreements and readiness audit.

Sustainability of Business

The Board is mindful of the importance of business sustainability. Towards this objective, Group's corporate strategies take into consideration the impact on the environmental, social and governance aspects. The Group embraces sustainability by balancing the interest of various stakeholders and the factors mentioned above. The Group's Sustainability Report for the year under review is disclosed on pages 77 to 78 of this Annual Report.

Customers

Guided by the Customers Charter, the Group provides quality port services through continuous understanding, accepting and meeting the needs and expectations of our customers. Annual Customer Satisfaction Survey (CSS) is conducted to gauge the customers' satisfaction against the Key Performance Indicator (KPI) of the Group.

Supply of and Access to Information

The Board is supplied with relevant information on financial, operational, corporate, regulatory, business development and audit matters by way of Board Reports. These reports are crucial for informed and sound decisions.

Procedures have been established for timely dissemination of papers or reports to all Directors prior to the Board and Board Committee meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views on specific items. Besides direct access to the Management, Directors may obtain external independent professional advice at the Company's expense, if considered necessary.

All Directors have full and unrestricted access to the advice and services of both the Senior Management and Company Secretary to enable them to discharge their duties efficiently and effectively. The Board is regularly updated and advised by the Company Secretary in relations to compliance with laws, rules, procedures and regulations affecting the Group.

The Company Secretary attends all Board and Board Committees meetings and ensures that meetings are properly convened and records of the proceedings and resolutions passed, are taken and maintained properly and accordingly.

PRINCIPLE 2
STRENGTHEN COMPOSITION OF THE BOARD

The Composition and Balance of the Board

The Board consists of ten (10) members as provided by Article 109 of the Company's Article of Association, six (6) of whom are Non-Independent Non-Executive Directors with the remaining four (4) are Independent Non-Executive Directors. This composition fulfils the requirements mandated by the MMLR of Bursa Malaysia Securities Berhad, which stipulate that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent.

The Composition of the Board of Directors, Bintulu Port Holdings Berhad

Tan Sri Dr. Ali bin Hamsa - As Chairman effective 1/11/2013 - As Director until 31/10/2013	Chairman, Non-Independent Non-Executive Director
Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah (Chairman until 31/10/2013)	Chairman, Non-Independent Non-Executive Director
Dato' Mat Noor bin Nawi (Director effective 29/11/2013)	Non-Independent Non-Executive Director
Datuk Nasarudin bin Md Idris	Non-Independent Non-Executive Director
Encik Zakaria bin Kasah (Director effective 1/11/2013)	Non-Independent Non-Executive Director
Dato Mohammad Medan bin Abdullah (Director until 31/08/2013)	Non-Independent Non-Executive Director
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin	Non-Independent Non-Executive Director
Datuk Fong Joo Chung	Non-Independent Non-Executive Director
Datu Hj. Abang Halmi bin Ikhwan	Independent Non-Executive Director
Datuk Hj. Hashim bin Ismail	Independent Non-Executive Director
Dato' Seri Dr. Hj. Arshad bin Hashim	Independent Non-Executive Director
Dato' Hj. Mohamad Norza bin Hj. Zakaria	Independent Non-Executive Director

Currently, the size and composition of the Board is well balanced to address any business challenges and to drive the business of the Group to greater heights. The Board comprises various professional backgrounds, taking into consideration the required mix of skills, knowledge, expertise and experience and other requisite qualities. These qualities include core competencies in areas of finance, business, oil and gas, law, general management and strategies that are essential for the successful direction of the Group. The Independent Non-Executive Directors play an active role in deliberations of policies and providing unbiased independent views and sound judgement.

The brief profile of each Director is presented in the "Board of Directors Profile" section found on pages 32 to 44 of this Annual Report.

The composition of the Board fairly reflects the interest of the major shareholders, which is adequately represented by the appointment of their nominee Directors, without compromising the interest of the minority shareholders. The Preference Shareholder is the Minister of Finance (Incorporated) while the Petroliam Nasional Berhad (PETRONAS), Sarawak State Financial Secretary (SFS), Equisar Assets Sdn. Bhd. and Kumpulan Wang Persaraan (Diperbadankan) (KWAP) are the major shareholders of the Group. The Independent Directors are also responsible to safeguard the interest of minority shareholders.

Nomination Committee – Selection and Assessment of Directors

The Nomination Committee was formed pursuant to a resolution of the Board of Directors in its 9th meeting held on 25 November 2001 to make recommendations to the Board on suitable candidate for appointment to the Board. The Nomination Committee comprised as follows:

- Datu Hj. Abang Halmi bin Ikhwan (Chairman/ Independent Non-Executive Director);
- Datuk Nasarudin bin Md Idris (Member/ Non-Independent Non-Executive Director); and
- Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin (Member/ Non-Independent Non-Executive Director).

The Terms of Reference of Nomination Committee covers, inter-alia, identify, recommend and nominate suitably qualified candidates in terms of appropriate balance of skills, expertise and core competencies.

The Nomination Committee evaluates Directors and Senior Management based on their performance on an on-going basis and recommends training, if necessary. The re–election or re-appointment of Directors is based on the evaluation and recommendation by the Nomination Committee.

The Committee is also tasked to review and assess the mix of skills, expertise, composition, size and experience of the Board, consider all aspects of succession planning and boardroom diversity; and other qualities of the Board, including core-competencies which the Directors should bring to the Board and the contribution of each individual Director; effectiveness of the Board, as a whole, and the Board Committees as well as the retirement of Directors by rotation who are eligible for re-election or re-appointment.

A selection process for new appointees to the Board as recommended by the Nomination Committee has been adopted by the Board. The Committee assesses the suitability of candidates based on the criteria adopted before recommending to the Board for appointment. Following the appointment of new Directors to the Board, the Committee ensures that an induction programme is arranged, including visits to the Group's significant businesses and meetings with Senior Management personnel, as appropriate, to enable them to have a full understanding of the nature of the business, current issues within the Group and corporate strategies as well as the structure and management of the Group.

Appointment and Re-Election to the Board

The Company re-election process accords with Chapter 7, Part J, Para 7.26 of MMLR, which state that all Directors shall retire at least once every three (3) years. In addition, Article 127 of the Company's Articles of Association stipulates that at least one third (1/3) of the Directors shall retire by rotation each year and are eligible for re-election. The re-election of Directors at regular intervals enhances Board effectiveness and also presents shareholders with the opportunity to measure the performance of the Directors.

The Article 132 of the Company's Articles of Association also provides authority for the Board to appoint any person who is willing to act as Director to fill up casual vacancies and such person shall retire and eligible for re-election at the next Annual General Meeting (AGM).

Directors standing for re-election/re-appointment at the forthcoming Eighteenth (18th) Annual General Meeting pursuant to Article 127 and Article 132 Company's Articles of Association are as follows:

a. Directors retiring by rotation pursuant to Article 127 of the Company's Articles of Association and Paragraph 7.26 of the Main Market Listing Requirements are:

   i. Datuk Hj. Hashim bin Ismail
      Independent Non-Executive Director

   ii. Dato' Seri Dr. Hj. Arshad bin Hashim
      Independent Non-Executive Director

   iii. Dato' Hj. Mohamad Norza bin Hj. Zakaria
      Independent Non-Executive Director

b. Directors retiring pursuant to Article 132 of the Company's Articles of Association are:

   i. Encik Zakaria bin Kasah
      Non-Independent Non-Executive Director
      (Director effective 1/11/2013)

   ii. Dato' Mat Noor bin Nawi
      Non-Independent Non-Executive Director
      (Director effective 29/11/2013)

Any nomination for new Directors to the Board are reviewed by the Nomination Committee and presented to the Board for approval. The Company Secretary will ensure that all appointments are properly made and that regulatory obligations are met.

Directors' Training

The Board via its Nomination Committee continues to evaluate and determine the training needs of its members to ensure continuing education is made available to Directors in order for them to enhance their business acumen and professionalism in discharging their duties to the Group. Any Director appointed to the Board is required to complete the Mandatory Accreditation Programme (MAP) within four (4) months from the date of appointment.

Pursuant to Paragraph 15.08(2) and Appendix 9C (Part A, Paragraph 28) of the MMLR, during the financial year ended 31 December 2013, the Directors have attended development and training programmes in areas of leadership, corporate governance, finance, tax, legal, regulatory developments, corporate social responsibility, information security and business intelligence through training programmes sponsored by the Group and/or Directors' personal initiatives.

The Group also provided internal briefings to the Directors on key corporate governance developments and salient changes on the Listing Requirements, laws and regulations.

The programmes attended by the Directors during the financial year ended 31 December 2013 included the following:

- 5th Annual Corporate Governance Summit Kuala Lumpur – Embedding the Culture of Voluntary Governance on Organization;
- Directors Training – New Financial Service Act & Islamic Financial Service Act;
- Peace & Security Forum 2013 – The Search for Human Security;
- Integrity Convention: Enforcement Agency Integrity Commission;
- CEO Forum 2013 - The Rest of the World and Malaysia: External Challenges to Malaysia's Growth;
- 32nd Management Conference (Plantation Division) - Driving Innovation & Productivity to Meet Industry Challenges;
- Managing Partner and Director, Ethos & Company - Best of Corporate Malaysia Transformations;
- Financial Services Act 2013 – Key Implications, Basel III & Its Impact on Capital and Liquidity, New Audit Opinion, Accounting & Other Regulatory Updates;
- Workshop on Reading & Analysing Annual Report;
- Transformation of Security & Fundamental Rights Legislation: Rights & Responsibilities Between Hope and Challenges – Uniting the People and the Nation Through the Federal Constitution;
- International Hydro Association Congress: Advancing Sustainable Hydropower – Working with Project – Affected Communities;
- Malaysian Code on Corporate Governance 2012: Implications and Challenges to the Board of Directors & Corporate Planning: Executive Effective Transformation Process
- Fide Core Program (Module A & B);
- SPE Offshore Europe Conference 2013;
- Fraud Risk Management 2013;
- Risk Management Conference 2013;
- PNB Group Quality Initiatives 2013;
- The 20th Annual GAD 2013;
- Offshore Technology Conference 2013;
- MIA Conference 2013;
- National Enterprise Risk Management Conference For the Public & Private Sector 2013 (Malaysian Institute of Corporate Governance);
- Inaugural Treasury Economic Forum 2013 (Kementerian Kewangan);
- Seminar Pasaran Modal, Bon dan Sukuk (Suruhanjaya Sekuriti);
- Invest Malaysia 2013 (Bursa Malaysia);
- Leadership Series: Transformational Leadership (Iskandar Regional Development Authority);
- Public Sector Forum 2013 (PwC dan MAMPU);
- Anti-Money Laundering;
- Nominating Committee Programme by Bursa Malaysia;
- Fraud Detection and Prevention: A Necessity or Not A Choice;
- Risk Management Forum: Embracing Risk For Long Term Corporate Success;
- Common Offences Committed by the Directors Under the Companies Act 1965: Pitfalls and Remedies;
- The New Landscape For Global Political Risk Management;
- Advocacy Sessions on Corporate Disclosure for Directors; and
- Wealth Creation and Preservation: Turning Possibility into Reality.

The Company Secretary circulates the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board quarterly on these updates at Board meetings. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge.

Remuneration Committee – Directors' Remuneration

The Remuneration Committee was established by the Board on the 25 November 2001 pursuant to a resolution of the Board of Directors in its 9th meeting, is mainly responsible to make recommendations to the Board on the compensation framework for Directors and Senior Management.

During the financial year under review, the Remuneration Committee comprised of the following members:

- Datuk Hj. Hashim bin Ismail (Chairman / Independent Non-Executive Director);
- Datuk Fong Joo Chung (Member / Non-Independent Non-Executive Director);
- Encik Zakaria bin Kasah (Member / Non-Independent Non-Executive Director effective 1/11/2013); and
- Dato Mohammad Medan bin Abdullah (Member / Non-Independent Non-Executive Director until 31/08/2013).

The Remuneration Committee was formed by the Board with specific Terms of Reference. The key responsibilities of the Remuneration Committee are to ensure that the compensation, salary and benefits of the employees of the Group are benchmarked with industry standards. The Committee is accountable for setting the policy, framework and determining the remuneration of Directors so as to ensure that the Group is able to attract and retain its Directors needed to run the Group professionally and effectively.

Non-Executive Directors are paid fixed annual Directors' fees. In addition to fixed annual Directors' fees, the Directors are paid meeting allowance for each Board and Board Committees' meetings. Directors' fees will be paid to the Directors after approval at the Annual General Meeting as provided in the Article 110 (1) of the Company's Article of Association.

Directors' remuneration for the financial year ended 31 December 2013 in aggregate, with categorisation into appropriate components is as follows:

Components	Executive Directors * RM'000	Non-Executive Directors* RM'000
Fees	-	855.5
Meeting Allowance	-	361.5
Benefit in-kind	-	-
Total	-	1,217.0

* Include Directors who have resigned/retired.

The number of Directors of the Company whose remuneration band falls within the following successive bands of RM50,000.00 is as follows:

Ranges of Remuneration (RM)	Executive Directors *	Non-Executive Directors *
1 – 50,000	-	2
50,001 – 100,000	-	1
100,001 – 150,000	-	9
Total	-	12

* Include Directors who have resigned/retired.

The details of Directors' remuneration for financial year under review are set out as below:

Directors	Fees (RM'000)	Meeting Allowance (RM'000)	Benefit in-kind (RM'000)	Total (RM'000)
Non-Independent Non-Executive Directors				
Tan Sri Dr. Ali bin Hamsa - As Chairman effective 1/11/2013 - As Director until 31/10/2013	90.0	28.5	-	118.5
Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah (Chairman until 31/10/2013)	100.0	28.5	-	128.5
Dato' Mat Noor bin Nawi (Director effective 29/11/2013)	7.5	-	-	7.5
Datuk Nasarudin bin Md Idris	84.0	39.0	-	123.0
Encik Zakaria bin Kasah (Director effective 1/11/2013)	14.0	3.0	-	17.0
Dato Mohammad Medan bin Abdullah (Director until 31/08/2013)	56.0	28.5	-	84.5
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin	84.0	37.5	-	121.5
Datuk Fong Joo Chung	84.0	34.5	-	118.5
Independent Non-Executive Directors				
Datu Hj. Abang Halmi bin Ikhwan	84.0	40.5	-	124.5
Datuk Hj. Hashim bin Ismail	84.0	46.5	-	130.5
Dato' Seri Dr. Hj. Arshad bin Hashim	84.0	40.5	-	124.5
Dato' Hj. Mohamad Norza bin Hj. Zakaria	84.0	34.5	-	118.5
TOTAL	**855.5**	**361.5**	-	**1,217.0**

PRINCIPLE 3
REINFORCE INDEPENDENCE OF THE BOARD

There is clear division of responsibilities between the Chairman and the Chief Executive Officer (CEO). The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. The Chief Executive Officer (CEO), has the overall responsibility over the Group's day-to-day business operations, organisational efficiency and effectiveness as well as the implementation of duly approved Board policies and decisions.

The Senior Management team supported the CEO in implementing the Group's strategic plan, policies and decision adopted by the Board and oversees the operations and business development of the Group.

The Board recognizes the importance of independence and objectivity in the decision making process. In line with the MCCG 2012 and to enable a balance of power and authority in the Board, the Board Charter was formalised during the year.

The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

PRINCIPLE 4
FOSTER COMMITMENT OF DIRECTORS

The Board meets regularly during the financial year. All Board meetings are scheduled in advance before each meeting. Additional meetings were convened to cater for the requirements of the new subsidiary company namely Samalaju Industrial Port Sdn. Bhd. (SIPSB). Board and Board Committee papers are prepared by Management which provides the relevant facts and analysis for deliberations of the Board.

During the financial year under review, seventeen (17) meetings were held and details of attendance of members are as follows:

Directors	No. of Meetings Attended	Percentage of Attendance (%)
Tan Sri Dr. Ali bin Hamsa - As Chairman effective 1/11/2013 - As Director until 31/10/2013	 1/1 12/16	 100 75
Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah (Chairman until 31/10/2013)	16/16	100
Dato' Mat Noor bin Nawi (Director effective 29/11/2013)	-	-
Datuk Nasarudin bin Md Idris	16/17	94
Encik Zakaria bin Kasah (Director effective 1/11/2013)	1/1	100
Dato Mohammad Medan bin Abdullah (Director until 31/08/2013)	13/14	92
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin	16/17	94
Datuk Fong Joo Chung	16/17	94
Datu Hj. Abang Halmi bin Ikhwan	16/17	94
Datuk Hj. Hashim bin Ismail	16/17	94
Dato' Seri Dr. Hj. Arshad bin Hashim	16/17	94
Dato' Hj. Mohamad Norza bin Hj. Zakaria	15/17	88

All Directors have adequately complied with minimum requirements on the attendance of Board Meetings as stipulated in Chapter 15 Paragraph 15.05 of Main Market Listing Requirements (minimum 50% attendance during a financial year).

Time Commitment

It is the policy of the Group for Directors to devote sufficient time and efforts to carry out their responsibilities. The Board obtains this commitment from Directors at the time of appointment. It is also the Board's policy for Directors to notify the Chairman before accepting any new directorships notwithstanding that the Listing Requirements allow a Director to sit on the boards of 5 listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

The agenda, the relevant reports and Board papers are supplied in advance to allow sufficient time for the Directors and Board Committee members to peruse and participate in discussion and decision making during the Board meetings.

The scheduled meetings focus on the Group's Business Plan, Quarterly Reports, Recommendations of the various Board Committees, Announcements to Bursa, Group's Audited Financial Statements and Annual Report.

All pertinent matters discussed at Board meetings are properly minuted by the Company Secretary.

PRINCIPLE 5
UPHOLD INTEGRITY IN FINANCIAL REPORTING BY COMPANY

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of results to shareholders. The Board is responsible for ensuring that the financial statements give a true and fair view on the state of affairs including cash flow of the Group.

The Directors' overall responsibilities also include taking such steps to safeguard the assets of the Group and for continued operation and internal control systems of the Group.

To assist in the discharge its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Independent Directors. The composition of the Audit Committee, including its roles and responsibilities are set out on pages 71 to 75 of this Annual Report.

One of the key responsibilities of the Audit Committee is to ensure that the financial statements of the Group comply with the applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Malaysia. The Board through the Audit Committee established formal and transparent arrangements with External Auditors in producing accurate financial reports and good internal control mechanisms.

PRINCIPLE 6
RECOGNISE AND MANAGE RISKS

Recognising the importance of risk management and internal control, the Board in past years structured risk management framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an on-going basis. The key features of the risk management framework are set out in the Statement on Risk Management and Internal Control as stated in this Annual Report.

The Board has established policies and procedures to mitigate the business and operational risks identified by various divisions and coordinated by Corporate Planning and Development Division. Guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board performs reviews on a bi-annual basis covering risk management system in all material aspects. The Board is provided with reasonable assurance from the various reports submitted by Management and the Audit Committee on risk management and internal control system.

Details on the Statement on Risk Management and Internal Control is furnished on pages 63 to 67 of this Annual Report.

PRINCIPLE 7
ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board is aware of the need to establish Corporate Disclosure Policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Group to the regulators, shareholders and stakeholders.

For the financial year under review, the corporate disclosures which have been implemented by the Group are as follows:

i) Timely Release of Quarterly Financial Results

The Group accords a high priority in ensuring that information is made available and disseminated as early as possible. The prompt and timely release of financial results on a quarterly basis enables shareholders to review the Group's performance and operations in order to make informed investment decisions.

2013 Quarterly Results	Date of Issue/ Release	Number of Days after end of year/Quarter	Bursa Malaysia deadline
1st Quarter	28 May 2013	58	31 May 2013
2nd Quarter	29 August 2013	59	30 August 2013
3rd Quarter	28 November 2013	59	29 November 2013
4th Quarter	28 February 2014	59	28 February 2014

ii) Investor Relations

The Group holds separate interfacing sessions with fund managers, institutional investors and investment analysts as well as the media. The sessions are intended to disseminate updated progress and development of the Group's business to interested parties including the shareholders and stakeholders.

In year 2013, the Group's interfacing sessions were as follows:

Organisations	Venue	Date
Kumpulan Wang Persaraan (Diperbadankan)	Bintulu Port Holdings Berhad and Samalaju Industrial Port Sdn Bhd	17 January 2013
Affin Investment Bank	Bintulu Port Holdings Berhad and Samalaju Industrial Port Sdn Bhd	20 March 2013
RHB Research Institute	Samalaju Industrial Port Sdn Bhd	21 June 2013
JPMorgan Chase Bank Berhad	Marriott Hotel, Putrajaya	1 August 2013
Maybank Investment Bank	Bintulu Port Holdings Berhad	25 September 2013
Kenanga Investment Bank	Samalaju Industrial Port Sdn Bhd	4 October 2013
RHB Research Institute	Bintulu Port Holdings Berhad and Samalaju Industrial Port Sdn Bhd	29 October 2013
AmResearch Sdn. Bhd.	Samalaju Industrial Port Sdn Bhd	13 November 2013
Kenanga Research	Grand Millennium Hotel, Kuala Lumpur	28 November 2013
Unit Kerjasama Awam & Swasta (UKAS)	Bintulu Port Holdings Berhad and Samalaju Industrial Port Sdn Bhd	20 December 2013 21 December 2013

iii) Group's Website and Primary Contact

Apart from providing comprehensive insights into the Group's financial performance through the interfacing sessions, the financial and business performance are also communicated through the Group's website.

Up-to-date information on the Group is accessible via Group's website at http://www.bintuluport.com.my.

Shareholders and investors may also obtain the up-to-date information, the latest corporate, financial and market information of the Group through the Bursa Malaysia website at http://www.bursamalaysia.com.

The primary contacts of the Group are as follows:

Chief Executive Officer
Bintulu Port Holdings Berhad
Tel: +60 86 291001 (ext. 300)
Fax: +60 86 253597

Company Secretary
Bintulu Port Holdings Berhad
Tel: +60 86 291001 (ext. 257) / +60 86 251090 (Direct Line)
Fax: +60 86 254062

PRINCIPLE 8
STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Annual Report and Shareholder Participation at Annual General Meeting (AGM)

The Annual General Meeting remains the principal forum for shareholders, allow shareholders to review the Group's performance via the Company's Annual Report. The Notice of AGM is circulated at least twenty one (21) days in advance of the meeting in accordance with the MMLR to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed.

Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. During the AGM, question and answer session was held where the Chairman invited shareholders to raise questions with responses from the Board.

Upon the conclusion of the Annual General Meeting a press conference is immediately held where the Chairman advised the media in respect of the resolutions passed and answers questions from the media pertaining to the Group's business. The outcome of the Annual General Meeting is announced to Bursa Malaysia on the same meeting day.

Communication and Engagement with Shareholders

Shareholders can access corporate information, annual reports, press releases, financial information, company announcements and share prices through investors' relations programmes and website as highlighted under Principle 7 (ii & iii) above.

However, undisclosed material information about the Group will not be given to any single shareholder or shareholder groups.

ADDITIONAL COMPLIANCE INFORMATION
The information set out below is disclosed in compliance with the listing requirement of Chapter 9, Paragraph 9.25 and 9.41 of Main Market Listing Requirements

Recurrent Related Party Transactions of a Revenue Nature
As required by the Main Market Listing Requirements, Recurrent Related Party Transactions of a revenue nature must be disclosed in the Annual Report. For the year 2013, there were no new related parties involved with the Group other than the existing ones which comprise the Sarawak State Financial Secretary (SFS) and Petroliam Nasional Berhad (PETRONAS). The transactions involved are in the ordinary course of business and are of terms not more favourable to the related party than those generally available to the public. The services rendered or goods purchased are based on a non-negotiable fixed price which is published or publicly quoted and all material terms including the prices or charges are applied consistently to all customers or classes of customers.

Non-Audit Fees
The requirement to disclose the Non-Audit Fee is provided for under Chapter 9, Item (18) of Appendix 9C of the Main Market Listing Requirements. Hence, the Non-Audit Fee paid to the External Auditor by the Group for reviewing the Director's Statement on Risk Management and Internal Control for the year ended 31 December 2013 is in the sum of RM 7,000.00 only.

Material Contract
The Board confirms that there is no material contracts entered into by the Group involving the Directors' and major shareholders' interest still subsisting at the end of the year 2013.

Imposition of Sanction / Penalties
There were no sanction/penalties on the Group, Board of Directors and Management for the financial year ended 31 December 2013.

Details of Attendance at Meetings Held in the Financial Year Ended 31 December 2013
For attendance, please refer to page 58 of this Statement.

Statement by the Board on Compliance
Throughout the financial year ended 31 December 2013, the Group had complied with and observed the substantive provisions of the Malaysian Code on Corporate Governance 2012, the relevant Chapters of the Main Market Listing Requirements and the Companies Commission of Malaysia's (CCM) requirements.

Statement made in accordance with the Board's Resolution dated 27 February 2014.

Tan Sri Dr. Ali bin Hamsa
Chairman

Dato' Seri Dr. Hj. Arshad bin Hashim
Independent Non-Executive Director

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Pursuant to Chapter 15, Part E, Para 15.26 (b) of the Main Market Listing Requirements)

INTRODUCTION

The duty of the Board of Directors, amongst others, is to maintain a sound system of risk management and internal control to safeguard shareholders' investment and the assets of the Group consistent with the Principles and Best Practices as stipulated in the Malaysian Code on Corporate Governance.

Pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements and Practice Note 9 of Bursa Malaysia Securities Berhad (Bursa Malaysia), Directors of listed companies are required to include in the Annual Report, the Statement of Risk Management and Internal Control of the Group. The Board of Directors is pleased to provide the following Statement of Risk Management and Internal Control for the Group for financial year ended 31 December 2013.

BOARD'S RESPONSIBILITY

The Board of Bintulu Port Holdings Berhad maintains full control over strategic, financial, organisational and compliance issues and has put in place the formal lines of responsibility and delegation of authority. The Board has in place an on-going process of identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives of the Group. In managing the identified risks, the Group continually evaluates and reviews the risks and the mitigating programmes.

The Board has established procedures, for the Company and its subsidiaries, to ensure the adequacy and integrity of the Group's internal control. The system of internal control by its nature is designed to manage risks that may impede the achievement of the Group's business objectives rather than eliminate these risks.

Even though it is impossible to provide complete assurance through any control system for the financial year ending 2013, the Board had undertaken the following processes to provide a certain degree of assurance to further strengthen the Group's internal control system:

- The Group had established the holding-subsidiaries relationship through the appointment of Board of Directors of respective subsidiaries to oversee business operations and maintain sound Risk Management and Internal Control system at subsidiaries level.
- The Group performed comprehensive budgeting and forecasting exercises. The actual performance against budget are analysed and reported on a quarterly basis to the Board. Timely corrective actions are then taken.
- Key business risks are reviewed bi-annually by the Audit Committee and the Board taking cognisance of changes in the regulatory, technology, operational procedures and business environment in order to ensure the adequacy and integrity of the overall internal control systems.
- Upon joining the Group, staff receives the Code of Conduct as an important guidelines which they are required to adhere strictly in order to assure that staff are more discipline and positive towards carrying out their responsibilities. The Code of Conduct is also an important part of the internal control system. All staff has a responsibility towards maintaining and practicing sound management of the risk and internal control system as part of their accountability in achieving the Group's overall objectives.
- The Customer Charter is significant to the Group in order to scrutinise operational efficiency and performances in accomplishing customers' satisfaction. The Management is committed to ensure the strict adherence to the Customer Charter at all levels of operation.
- In recognition of its sound management systems, the Group through its subsidiaries has successfully managed to secure accreditation from various bodies and agencies as follows:

    1. Certified Quality Management System on Provision of Port Services (ISO 9001:2008) by Bureau Veritas Certification (M) Sdn. Bhd.;
    2. Quality Management System on Handling and Storage of Edible Oil Products, Sludge and Edible Oil Based Feed Materials (ISO 9001:2008) by Lloyds Registered Quality Assurance (LRQA);
    3. HACCP Feed Safety Management System for the Cargo Handlings Services by Bureau Veritas Certification (M) Sdn. Bhd.;
    4. HACCP Codex Alimentarius Annex (2009) System for Handling and Storage of Edible Oil Products by Lloyds Registered Quality Assurance (LRQA);
    5. GMP+B3 (for the trade, collection and storage & transhipment of feeds [fixed scope] and handling of palm kernel related products [free scope]) by Bureau Veritas Certification (M) Sdn. Bhd.;
    6. GMP+B3 (2007): Trade, Collection and Storage & Transhipment of feed (Storage of Palm Fatty Acid Distillate and Palm Kernel Fatty Acid Distillate for Third Party) by Lloyds Registered Quality Assurance (LRQA);
    7. Safety and Environmental Accreditation (ISO 14001, OHSAS 18001 & MS 1722) by Bureau Veritas Certification (M) Sdn. Bhd.;
    8. International Ship and Port Facility Security Code (ISPS) Port's Compliance by the Marine Department Malaysia; and
    9. MSOSH Occupational Safety & Health - Gold (Class 1) Award for A Very Good 2012, OSH Performance by the Malaysian Society for Occupational Safety and Health.

CONTROL ENVIRONMENT AND STRUCTURE

Control environment is the primary elements in the Risk Management and Internal Control system of the Group where it has in place policies and procedures in key business processes and support functions which include financial reporting, procurement and information systems.

Management cascades down to permeate the Risk Management and Internal Control system in order to ensure the successful implementation of risk management and internal control within the Group. Principal features of the Group's internal control structure are summarised as follows:

1. **Organisational Structure and Responsibility Levels**
   The Group has an organisational structure with formal lines of accountability which sets out clear segregation of roles and responsibilities to ensure effective control at various level of the Group. The Management is responsible for implementation of the Group's strategies and day-to-day businesses based on the established structure.

2. **Internal Audit**
   Paragraph 15.27 of the Main Market Listing Requirements mandates a listed issuer to establish an Internal Audit function which is independent and reports directly to the Audit Committee. The Internal Audit function is performed in-house by auditing internal control practices and any non-compliance elements of the policies, procedures, regulations and standards. The Internal Audit reports significant findings of the audit studies to the Audit Committee together with recommended corrective measures on a timely basis. The Management is responsible in ensuring that the corrective actions are undertaken within an appropriate time frame. The Audit Committee regularly oversees the Internal Audit Department's function, its independence, scope of work and resources.

3. **Legal**
   The role of Legal Division is to advise the Board and Management on all legal matters. It also plays a pivotal role in ensuring that the interests of the Group are legally preserved and safeguarded. The Board is regularly updated through reports as and when there are any new introduction, changes and development of the law.

4. **Policies and Procedures**
   Clearly defined and documented internal policies and guidelines have been established through the relevant charters, Terms of Reference, organisational structures and appropriate authority limits. There are documentation of policies, procedures and guidelines in manuals and on the Group's Intranet including those relating to Financial, Procurement and Contract Management, Human Resources and Information Technology System. Continuous efforts are made to enhance the Group's control mechanism to reflect the Group's changing business requirements and growing business strategy.

5. **Financial and Operational Information**
   The effectiveness of the Group's systems of internal control is monitored regularly. The financial performance is reported quarterly to comply with the Bursa Malaysia Listing Requirements. Apart from this, the business, safety and operating performances are reported to the Management on a monthly basis. The periodic reports are then presented to the respective Board to enable them to gauge the Group's overall performance.

   The risks profile is monitored at the risk owners level on monthly basis. The enterprise risk profile and mitigating programmes are reviewed and reported to the Board bi-annually.

6. **The Board Commitment**
   The Board recognises that the Group operates in a dynamic business environment. The Board is fully committed towards reviewing and improving the system of Risk Management and Internal Control in line with changes in the business environment in ensuring the Group meets its business objectives.

KEY RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges the importance of a proper control environment being emphasised throughout the organisation by undertaking various initiatives and reviews to further strengthen the risk management and internal control environment and processes of the Group.

The Board also recognises risk management systems in identifying, evaluating and managing significant risks faced by the Group. In order to safeguard the interest of the Group, the Risk Management and Internal Control are implemented and supported by a number of established Board Committees that operates within a clearly defined Terms of Reference, procedures and authority delegated and approved by the Board to support the execution of its responsibilities as follows:

1. **Audit Committee** regularly reviews and discusses the measures undertaken on Risk Management and Internal Control issues identified by the Internal Audit, External Auditors and Management for Board's approval. The Committee is equally accountable for the progress of action plans to manage and mitigate the risks.

2. **Nomination Committee** recommends to the Board any nomination, re–election and composition of the Board. The Committee is also responsible to recommend the appointment of the Chief Executive Officer and Senior Management as well as reviewing Human Resources Policies and organizational chart of the Group.

3. **Remuneration Committee** recommends to the Board remuneration packages for Directors, Chief Executive Officer and Senior Management.

4. **Finance and Investment Committee** oversees the Group's business in respect of the financial affairs, budget, planning, financial risks and control, investment and development proposals and recommendations for the Board's approval.

5. **Other Committees**
   In addition to Board Committees, there are other committees established at the subsidiaries level to support the execution of various programmes and activities as follows:

   a. **Tender Committees** at the respective subsidiaries are established to ensure that all tender administration and contract management are being carried out in accordance with the approved policies and procedures. The Committee shall ensure that tender evaluation exercises are conducted in an effective, transparent and fair manner based on guided principles of accountability to the shareholders, published policy and procedures and value for money. The Approving Authority differs according to the tender value from Chief Executive Officer to the Board of the subsidiaries and the Board of the holding company.

   b. **Other Ad-hoc Committees** such as Steering Committee for Strategic Plan for the development of the Group's 5 year plan and its strategic direction, Recruitment Committee for recruitment of new staff and Inquiry Committee to identify the cause of accident and suggested preventive measures.

The Professionalism and Competence of Staff

The Group has clear objectives and plans which have been communicated to provide effective direction to the staff. Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their job expectations.

In addition, the Group has adopted professional and efficient measures in the following areas:

- Recruitment Process;
- Performance Appraisal System;
- Key Performance Indicators;
- Employees Satisfaction Survey;
- Customer Satisfaction Survey;
- Staff Development Programmes; and
- Inculcating positive values and organisational cultures.

PRIMARY CONTACT

The primary contact pertaining to Risk Management and Internal Control of the Group are as follows:

Chief Executive Officer
Bintulu Port Holdings Berhad
Tel : + 60 86 291001 (ext. 300)
Fax : + 60 86 253597

The Head of Internal Audit
Bintulu Port Holdings Berhad
Tel : + 60 86 291001 (ext. 380) /
+ 60 86 251380 (Direct Line)
Fax : + 60 86 291617

Further details on the Groups' Board Committees Report are set out on page 68 to 70 of this Annual Report

REVIEW OF THE STATEMENT BY INTERNAL AND EXTERNAL AUDITORS

In line with Paragraph 15.23 of the Bursa Malaysia Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants.

Based on their review, for the financial year ended 31 December 2013 and up to the date of issuance of the financial statements, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in all material aspects.

This Statement on Risk Management and Internal Control had been reviewed and affirmed by the Internal Auditors as well as the External Auditors for inclusion in the Annual Report of the Group for the financial year ended 31 December 2013 in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements.

Statement made in accordance with the Board's Resolution dated the 27 February 2014.

Tan Sri Dr. Ali bin Hamsa
Chairman

Dato' Seri Dr. Hj. Arshad bin Hashim
Independent Non-Executive Director

BOARD COMMITTEES REPORT

The Board of Bintulu Port Holdings Berhad had set up four (4) committees to undertake specific duties and assist the Board in decision-making and to protect the interest of the Group in meeting the business changing needs. The criteria for the membership are based on a Director's skills and experience, as well as their ability to add value to the Board Committees. The Committees are namely, the Audit Committee, Nomination Committee, Remuneration Committee and Finance and Investment Committee.

The respective Committees had their own Terms of Reference whereby they are empowered to deliberate, discuss issues, recommend proposals as well as provide assurance through their recommendations and feedbacks to the Board. The confirmed Minutes of the Committees shall then be circulated to all Board members in order to give opportunity to Non-Committee Members to seek any clarifications, raise any queries or views on the matters discussed.

The Committees comprised of members from the main Board itself where the Independent and Non-Executive Directors play a leading role in these Committees. Three (3) of the Committees namely Audit Committee, Nomination Committee and Remuneration Committee are chaired by the Independent Non-Executive Directors whilst the Finance and Investment Committee is chaired by Non-Independent Non-Executive Directors.

AUDIT COMMITTEE

The details of the Audit Committee's composition, roles, responsibilities, activities and number of meetings held during the financial year ended 31 December 2013 are set out on page 71 to 75 of this Annual Report.

NOMINATION COMMITTEE

To review and recommend to the Board, the appointment and the renewal of the Directors, Chief Executive Officer (CEO) as well as Senior Management. The Committee also ensures balanced of Independent and Non-Independent Directors sitting on the Board and the Board Committees.

The key activities undertaken by the Nomination Committee during the financial year ended 31 December 2013 were as follows:

1. Re-election and appointment of Directors;
2. Appointment of new Directors;
2. Appointment of Senior Management; and
3. Review and approval of the New Organisation Structure.

There were five (5) meetings held for the financial year ended 31 December 2013 as follows:

Composition	Attendance at Committee Meetings	Attendance Percentage (%)
Datu Hj. Abang Halmi bin Ikhwan (Chairman) Independent Non-Executive Director	5/5	100
Datuk Nasarudin bin Md Idris (Member) Non-Independent Non-Executive Director	5/5	100
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin (Member) Non-Independent Non-Executive Director	4/5	80

REMUNERATION COMMITTEE

To establish, review and recommend to the Board the remuneration packages of Chairman, Directors, Chief Executive Officer, Company Secretary and Senior Management. The Committee also reviews and recommends their Terms and Conditions of Services.

The key activities undertaken by the Remuneration Committee during the financial year ended 31 December 2013 were as follows:

1. Propose Directors' Fee; and
2. Remuneration packages for Senior Management of the Group.

There were five (5) meetings held for the financial year ended 31 December 2013 as follows:

Composition	Attendance at Committee Meetings	Attendance Percentage (%)
Datuk Hj. Hashim bin Ismail (Chairman) Independent Non-Executive Director	5/5	100
Datuk Fong Joo Chung (Member) Non-Independent Non-Executive Director	5/5	100
Encik Zakaria bin Kasah (Member) Non-Independent Non-Executive Director (Appointed on 1/11/2013)	1/1	100
Dato Mohammad Medan bin Abdullah (Member) Non-Independent Non-Executive Director (Member until 31/8/2013)	3/3	100

FINANCE AND INVESTMENT COMMITTEE

To oversees and monitor Groups' Annual Budget including revenue and expenditure. The Committee is also responsible to review and manage the capital expenditure for projects, business acquisitions and investment appraisals undertaken by the Group as well as financial result for enhancement of profitability.

The key activities undertaken by the Finance and Investment Committee during the financial year ended 31 December 2013 were as follows:

1. Group's Annual Budget;
2. Investment appraisals; and
3. Project financing for the Groups' Capital Expenditure.

There were two (2) meetings held for the financial year ended 31 December 2013 as follows:

Composition	Attendance at Committee Meetings	Attendance Percentage (%)
Datuk Nasarudin bin Md Idris (Chairman) Non-Independent Non-Executive Director	2/2	100
Tan Sri Dr. Ali bin Hamsa (Member) Non-Independent Non-Executive Director (Member until 28/11/2013)	2/2	100
Dato' Mat Noor bin Nawi (Member) Non-Independent Non-Executive Director (Appointed on 29/11/2013)	-	-
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin (Member) Non-Independent Non-Executive Director	2/2	100
Datu Hj. Abang Halmi bin Ikhwan (Member) Independent Non-Executive Director	2/2	100
Dato' Seri Dr. Hj. Arshad bin Hashim (Member) Independent Non-Executive Director	1/2	50

AUDIT COMMITTEE REPORT

(Pursuant to Chapter 15, Part C, Para 15.15 of the Main Market Listing Requirements)

1. AUDIT COMMITTEE MEMBERS

Chairman	Members
Dato' Seri Dr. Hj. Arshad bin Hashim Independent Non-Executive Director	Datuk Hj. Hashim bin Ismail Independent Non-Executive Director Dato' Hj. Mohamad Norza bin Hj. Zakaria Independent Non-Executive Director

2. COMPOSITION OF AUDIT COMMITTEE

In compliance with Para 15.09 (1) of Main Market Listing Requirements, the Audit Committee must comprise of not less than three (3) members, all of whom are Non-Executive Directors and the majority being Independent Directors.

Dato' Hj. Mohamad Norza bin Zakaria meets the requirement of Para 15.09 (1) (c) (i) of Main Market Listing Requirements where he is a holder of an accounting qualification and Chartered Accountant under the Malaysian Institute of Accountants (MIA) as well as a Fellow of Certified Practicing Accountant (CPA) of Australia. Further, all other members have working familiarity with basic finance and accounting practices.

3. TERMS OF REFERENCE

A. Objectives

The objectives of the Committee are to:

- ensure adequacy and effectiveness of the Company's system of internal controls and the quality of performance in carrying out the assigned responsibilities; and
- oversee, identify, manage all business risks and ensure that the risk management process is in line with the risk management principles and procedures of the Company.

B. Duties and Responsibilities

The functions of the Audit Committee are to review the following and report the same to the Board:

i. with the External Auditors, the audit plan;

ii. with the External Auditors, their evaluation of the system of internal controls;

iii. with the External Auditors, their audit report;

iv. the assistance given by the employees of the Company to the External Auditor;

v. the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;

vi. the Internal Audit programme, processes, the results of the internal audit programmes, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit functions;

vii. the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
- changes in or implementation of major accounting policy changes;
- significant and unusual events; and
- compliance with accounting standards and other legal requirements;

viii. any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

ix. any letter of resignation from the External Auditor of the Company;

x. whether there is reason (supported by grounds) to believe that the Company's External Auditor is not suitable for re-appointment;

xi. Risk management policies, guidelines and strategies of the Company;

xii. All business risks and ensure the implementation of appropriate systems to manage these risks by risk owners; and

xiii. Any other duties as directed by the Board from time to time.

C. Authority

The Committee shall have the general authority to do all things necessary to fulfil its responsibilities as vested upon it by virtue of its appointment by the Board and such other special authority specifically vested by the Board from time to time. The Committee shall have authority to regulate the manner of proceedings of its meetings having regard to normal conventions on such matter.

4. MEETINGS AND MINUTES

The Audit Committee meets on quarterly basis to carry out its functions. The quorum for the meetings of the Audit Committee shall be two (2).

A total of five (5) Audit Committee meetings were held during the financial year ended 31 December 2013. These meetings had also attended by Chief Executive Officer (CEO), General Manager, Head of Internal Audit and Financial Controller on invitation of the Audit Committee.

The details of the meetings are as follows:

No. of Meeting	Place of Meeting	Date	Time
1/2013	Sama-Sama Hotel, KLIA	26/02/13	2.30 pm
2/2013	Sama-Sama Hotel, KLIA	12/03/13	9.00 am
3/2013	Marriott Hotel, Putrajaya	27/05/13	9.00 am
4/2013	Marriott Hotel, Putrajaya	27/08/13	9.00 am
5/2013	Grand Millennium Hotel, Kuala Lumpur	28/11/13	2.00 pm

Attendance at Meetings

Attendance of Audit Committee meetings for financial year ended 31 December 2013 are as follows:

Name of Directors	No. of meetings attended
Dato' Seri Dr. Hj. Arshad bin Hashim	5/5 (100%)
Datuk Hj. Hashim bin Ismail	5/5 (100%)
Dato' Hj. Mohamad Norza bin Hj. Zakaria	5/5 (100%)

The Company Secretary shall be the Secretary to the Audit Committee and Minutes of Meetings have been circulated to the Board of Directors for information and perusal.

5. SUMMARY OF ACTIVITIES

A summary of the activities performed by the Committee during the financial year is set out below:

A. Internal Audit

- Reviewed and approved Annual Audit Plan to ensure adequacy of resources, competencies and coverage on auditable entities per risk based assessment.
- Reviewed internal audit reports issued by Internal Audit on the effectiveness and adequacy of governance, risk management, operational and compliance processes.
- Reviewed the adequacy and effectiveness of agreed corrective actions taken by management on all significant and secondary issues raised.
- Reviewed the adequacy of resources and competencies of staff within Internal Audit to execute the plan.
- Met the Internal Auditors without the presence of management staff to listen to issues that may require the Audit Committee's direction.

B. External Audit

- Reviewed and approved the External Auditors terms of engagement, audit plan, nature and scope for the financial period.
- Reviewed the results and issues arising from their Interim and Final Audit for the financial year and the resolution of issues highlighted in their report to the Committee and Management response.
- Reviewed the scope and engagement strategy of the External Auditor and upon satisfactory assessment, recommended to the Board of Directors for approval of the fee payable to the External Auditor in respect of the scope of work performed.

- Met with the External Auditor without the presence of management once a year to ensure there were no restrictions on the scope of their audit and to discuss any matters that they may wish to present.

C. Financial Results

Reviewed the Quarterly and Annual financial statement of the Group including announcements, and recommended them to the Board of Directors for their approval.

D. Annual Reporting

Reviewed and recommended the Statement on Corporate Governance, Statement on Risk Management and Internal Control and Audit Committee Report to the Board for approval.

6. INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group is carried out by the Internal Audit Department of Bintulu Port Holdings Berhad. The Group Internal Auditors work closely with the External Auditors to identify any internal control issues to ensure that significant issues are duly acted upon by the Audit Committee and the Board.

The Internal Audit also responsible to:

- Provide the Audit Committee with independent and objective reports on the state of internal control, risk management, governance processes and the extent of compliance to the Group's established policies and procedures, and the relevant statutory requirements; and

- Provide reasonable assurance to all levels of Management concerning the overall control over assets and the effectiveness of the system of internal control.

Summary of the Internal Audit Department's activities during the financial year were as follows:

- Prepared the Annual Audit Plan for consideration and approval by the Audit Committee;

- Conducted nineteen (19) audit studies based on the approved Audit Plan; and

- Conducted ten (10) follow up audits to determine the adequacy, effectiveness and timeliness of actions taken by the Management on the previous audit assignment.

The Internal Audit Department also support the Audit Committee in monitoring and managing risks and internal control.

The scope of the internal audit covers the audits of all business units and operations, including head office functions. The Group practices a risk-based approach in the implementation and monitoring of controls. The monitoring process also forms the basis for continually improving the risk management culture within the Group, which assists in achieving the Group's overall goals.

As at 31 December 2013, the Internal Audit Department managed to perform its responsibilities with independence, proficiency and due professional care so as to give assurance to the Board on the integrity of its internal control and the reliability of the systems as a whole. The cost incurred in running the in-house Internal Audit Department for the financial year 2013 was approximately RM898,221.00.

7. EXTERNAL AUDIT FUNCTION

The External Auditor has worked together with Group Internal Audit to review unaudited financial report and findings of the various audit assignments by the Internal Audit Department in determining the effectiveness of the Internal Audit functions.

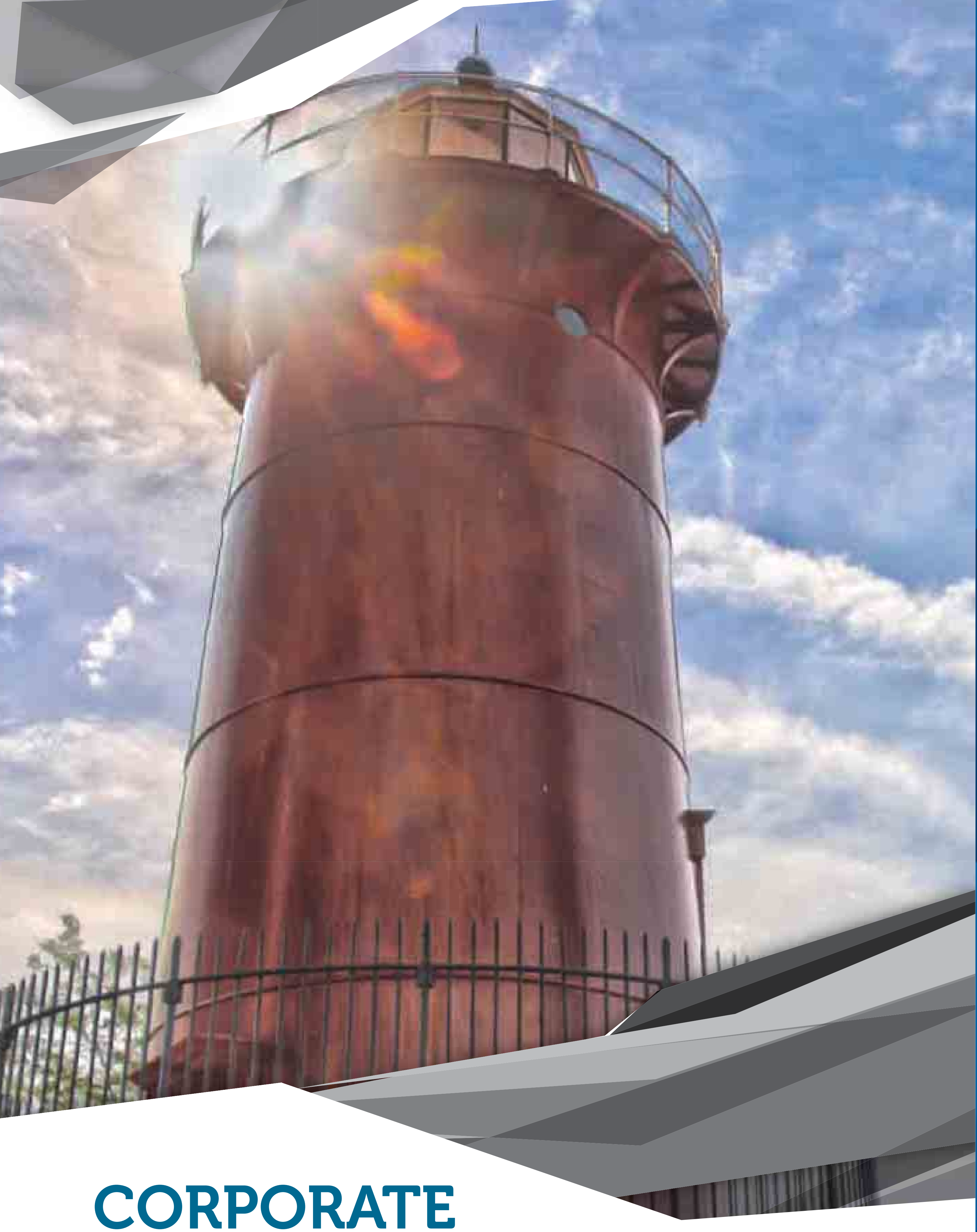
For the year under review, the External Auditor and the Internal Audit Department had worked together in respect of the following:

- Reviewed unaudited financial reports;

- Reviewed findings of the various audit assignments by the Internal Audit Department in determining the effectiveness of the Internal Audit functions; and

- Reviewed the Statement on Corporate Governance and Statement on Risk Management and Internal Control for the Group. The details of Statement on Corporate Governance and Statement on Internal Control can be found from page 50 to 62 and page 63 to 67 respectively.

The Audit Committee has received and acknowledged the information given by the External Auditor and believed that the engagement will not impair its independence.



CORPORATE RESPONSIBILITY

CORPORATE SUSTAINABILITY REPORT

Corporate sustainability is about actively doing good things and its essence focuses on active search for opportunities to make the world a better place. We realize corporate sustainability is an integral and necessary part of our on-going business, and not as a separate activity; to have a positive impact on society, the economy, and a sustainable future.

For this purpose, the Group has subscribed to transparency about the economic, environmental and social dimensions of our business.

Disclosure of corporate sustainability report confirms our commitment on transparency about managing business and its impact to economy, environmental and social aspects. Continuous improvement will be instituted to mitigate the said impacts.

This report sets forth our activities for the financial year under review and to establish baseline measurements for issues that affect key stakeholders – our customers, our people, our shareholders, communities and environment apart from corporate sustainability strategy and goals, measurement of progress towards meeting those goals.

1. Environmental Considerations

Acting as the one of the main player of Bintulu economic growth, the Group feels it has a responsibility to treat the Earth's natural resources with respect.

To help foster organizational behavioural and collectively reduce our environmental impacts while at work, the Group continues its commitment to 3R (Reduce, Reuse & Recycle) Program as well as best practices for schedule waste management which comply with Environmental Act 1974. The Company also continued to recycle items such as non-confidential documents, newspapers, peripherals, cardboards and unused or old computer equipment. To support this program, 3R bins and scheduled waste audit for offices were conducted.

The Group has signed Memorandum of Understanding with Department of Environment, Malaysia under the Ministry of Natural Resources and Environment on 30 September 2013 which serves as aspiration for the organization to serve its community in creating awareness as well as to promote environmental – related activities.

The Port's Environmental Management System is an umbrella program that encourages continuous improvement in environmental performance, including aspects such as source reduction, recycling, nontoxic product selection, and best management practices. In March 2013, the Port was successfully recertified its EMS ISO14001:2004. Only a handful of ports have achieved ISO 14001 certification. The recent recertification verifies that the EMS has been successfully maintained and is driving improvements.

2. People Considerations

a. Enhancing Customer Experience

As a customer-focused organisation, we measure customer satisfaction level annually through Customer Satisfaction Survey. The annual survey has been carried out to internal and external customers in October 2013 to help improve our services in order to attain customer satisfactions. Customer satisfaction is measured based on numbers of both positive and negative responses received.

b. Workforce Profiles

Staff is the most important asset to the Group. The Group has developed their competencies and skills to make them relevant in the marketplace. Apart from that the Group has also provided a conducive working environment to nurture innovation and creativity. Equal opportunities are given to all regardless of race, gender or religious background.

We place great emphasis on staff diversity, training and career development, work-life balance and occupational health and safety management. Enhancement of staff current careers through Executive Development Program (EDP) is introduced as an added assurance for succession of dynamic future leaders.

The Group promotes good relationship between employees and Management through various formal and informal initiatives such as Annual Family Day, Harbour Mingles, Monthly Health Talk, sports programs, staff gathering, etc.

c. Contribution to Community

The Group supports social activities organised by local community. Apart from that, the Group gets involve in several initiatives to enhance education and health standard of the local community. Annual budget are provided for all those activities.

Through its subsidiary namely Bintulu Port Sdn. Bhd., donations were made to various Government bodies such as Bintulu Hospital, public schools, etc.

Practical and training programmes have also benefitted many local undergraduate students and help bring values to them through exposure to working life. Continuation of the programmes help students to gain exposure on relevant practical working experience.

3. Economic Considerations

The Group consciously develops a range of initiatives and programs in keeping with our commitment to sustainable operations at the workplace and the port generally. In this respect, the Group has emphasised the value for money for every services rendered.

The Group provides job opportunities and preference is given to local society. The Group encourages involvement of locals in economic opportunities generated by the Group.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Bintulu Port Holdings Berhad and its subsidiaries (the Group) has continued driving many initiatives under its CSR agenda. As a partner with governments, port users, suppliers and communities, we contribute to health care, education and economic development for mutual benefit and progress.

WORKPLACE

Human Capital Development, Safety and Health and Staff Welfare are the main activities being promoted by the Group through its CSR programmes. For year 2013, Bintulu Port has invested RM3.3 million for its CSR workplace program.

We place highest importance in ensuring that our people are continuously equipped with the necessary skills and knowledge to keep us at the forefront of our business. The Company arranges programmes and activities such as training and career development, induction courses for the newly joined staff, sports and recreational programmes, Annual Family Day, Hari Raya Gathering and others. All these activities are targeted to enhance employee's capability and productivity and strengthening the relationship between the management, the staff and families.

Bintulu Port Sdn Bhd through Quality Department has participated in the ICC Convention Sabah/Sarawak Region Level 2013 from 3 to 4 July 2013 at The Pacific Harbour Hotel, Kota Kinabalu. The 3 (three) groups of ICC team were awarded with gold and silver. The Company also participated in the International Convention on QC Circles 2013 in Taipei International Convention Centre from 22 to 25 October 2013. BPSB was awarded with 2 (two) Golden Awards and its effort to improve the productivity and company revenue are now being recognized by international organization.

As an International Ship and Ports Facility Security (ISPS) compliance port, the company never compromised on the safety aspects of the port. All staff, port users and customers are required to adhere to the security and safety policies at all times. Standard Operating Procedures, Documentation Systems and Emergency Response Plan have been regularly reviewed to enhance the safety standards. Safety audits on port facilities and infrastructures, vessels and operational practices have also been carried out regularly to ascertain the level of compliance.

Bintulu Port continues its annual Employee Satisfaction Survey (ESS) to give chance for the staff to assess the company as a whole and at the same time the company is able to measure the employees' satisfaction on the cultures and values, career planning, workplace, communication, rewards and recognitions, performance and other work related issues.

COMMUNITY

For the year 2013, Bintulu Port has spent RM0.66 million for its CSR community program.

i. BPSB collaborated with Pejabat Pendidikan Daerah (PPD) Bintulu and Majlis Guru Cemerlang (MGC) Bintulu in organizing Kuiz Sejarah Bahagian Bintulu on 28 August 2013 at Auditorium Kidurong, Bintulu Port Authority. The activity was intended to cultivate students' interest on the subject in particular. The Quiz was for the Upper Secondary category and the lower Secondary category. This program will be the corporate annual program for PPD and BPSB.

ii. BPSB organizing SPM Excellence Program 2013 with PPD and MGC on 7 September 2013 and 21 September 2013 at Advance Technology College (ADTECs), Bintulu. The program was attended by 324 selected students from Bintulu Division. The objective of the program is to improve student attainment of excellent in SPM result for year 2013 which was consistent with the aspirations of Kementerian Pendidikan Malaysia & Jabatan Pelajaran Negeri Sarawak. This program also exposes students to adopt effective learning and exam techniques for Bahasa Malaysia, English, mathematics and history subjects.

iii. Handing over one (1) unit defibrillator, three (3) units of infusion pumps, one (1) unit of syringe pump, one (1) unit of portable pulse oxymeter, three (3) units of digital blood pressure monitor and one (1) unit of ripple mattress to Bintulu Hospital on 11 December 2013 worth RM73,710.00.

iv. Donations to Community, Schools and Non-Governmental Organisations.

ENVIRONMENT

Bintulu Port is also committed to health and safety at the highest level that fulfilled the national and international safety and environment standards. Health, Safety and Environmental Excellence is a corporate value which contributes to Bintulu Port sustainability. Through its subsidiary namely Bintulu Port Sdn. Bhd., a partnership with the Government was cultivated through a programme called "Friends of the Environment" aiming at improving green awareness.

THE MARKETPLACE

In port business, the marketplace covers shareholders, stakeholders, suppliers, customers, shipping agents and those related to the port activities, the customer satisfaction survey (CSS) is conducted annually to measure the performance of the Group.

The objective of this External Customer Satisfaction Survey Report is to measure external customers' satisfaction level and to find out their expectations and experienced towards the services rendered by the port. The External Customer Satisfaction Index and Customer concern and suggestions will be used as guideline and indicator to Management in making directive decisions and approaches by taking priorities measures and corrective measures to continuously improving the port services level and service quality.

AWARDS & RECOGNITIONS


1


2


3


4


5


6


7a


7b


7c


8

1. Certified Quality Management System on Provision of Port Services (ISO 9001:2008) by Bureau Veritas Certification (M) Sdn. Bhd.;

2. Quality Management System on Handling and Storage of Edible Oil Products, Sludge and Edible Oil Based Feed Materials (ISO 9001:2008) by Lloyds Registered Quality Assurance (LRQA);

3. HACCP Feed Safety Management System for the Cargo Handlings Services by Bureau Veritas Certification (M) Sdn. Bhd.;

4. HACCP Codex Alimentarius Annex (2009) System for Handling and Storage of Edible Oil Products by Lloyds Registered Quality Assurance (LRQA);

5. GMP+B3 (for the trade, collection and storage & transhipment of feeds [fixed scope] and handling of palm kernel related products [free scope]) by Bureau Veritas Certification (M) Sdn. Bhd.;

6. GMP+B3 (2007): Trade, Collection and Storage & Transhipment of feed (Storage of Palm Fatty Acid Distillate and Palm Kernel Fatty Acid Distillate for Third Party) by Lloyds Registered Quality Assurance (LRQA);

7. Safety and Environmental Accreditation (ISO 14001, OHSAS 18001 & MS 1722) by Bureau Veritas Certification (M) Sdn. Bhd.; and

8. MSOSH Occupational Safety and Health - Gold (Class I) Award for A Very Good 2012, OSH Performance by the Malaysian Society for Occupational Safety and Health.

CORPORATE HIGHLIGHTS 2013


Corporate Visit by Kumpulan Wang Persaraan (Diperbadankan) on 17 January 2013


Health, Safety and Environment Campaign on 6 February 2013


Corporate Visit by Hanjin Shipping, Kuala Lumpur on 27 February 2013

Customer Appreciation Night on 5 February 2013



Courtesy Visit by Petronas LNG Sdn. Bhd. (PLSB), Kuala Lumpur on 19 February 2013

Corporate Visit by Pertama Ferroalloys Sdn. Bhd. on 1 March 2013



Courtesy Visit by Bintulu Port Authority (BPA) on 7 March 2013


Corporate Visit by PETRONAS Petroleum Management Unit (PMU) and Supply Chain Management (SCM) on 8 March 2013


Maiden Voyage Ceremony MV. Leo Perdana on 12 March 2013


Parade Competition Ceremony organized by BPHB Security Department on 28 March 2013


Maiden Call Ceremony for CPM Evergreen Marine Corporation on 24 April 2013


Presentation of cheque donations to Markas 9 Briged Sibu on 4 April 2013 for the Lahad Datu Fallen Warrior Fund


Corporate Visit by Customs, Immigration, Quarantine and Security (CIQS) on 16 May 2013

BPHB 17th AGM on 3 May 2013 at Sama-Sama Hotel, Kuala Lumpur


Extraordinary General Meeting on 17 May 2013 at Hilton Hotel, Kuching

Courtesy Visit by Sarawak Timber Industry Development Corporation (STIDC) & Jabatan Kastam Diraja Malaysia on 21 June 2013



Shooting Training 2013 organized by BPHB Security Department in Miri from 4 - 24 June 2013


Courtesy Visit by Public Investment Bank, Kuala Lumpur Visit on 27 June 2013


Corporate Visit by Asia Mineral Ltd. (AML) on 1 July 2013

Regional ICC Convention for Sabah / Sarawak in Kota Kinabalu, Sabah on 3 – 4 July 2013


Corporate Visit by Sabah Port Sdn. Bhd. Visit on 5 July 2013


4th Malaysia International Palm Oil Technology Expo (Palmex) in Tawau, Sabah on 11 to 13 July 2013


Participation in the 11th Asean Ports & Shipping Exhibition & Conference in Ho Chi Minh, Vietnam on 11 - 12 July 2013

Aidilfitri Gathering with guest of honor, the Head of State, Tun Datuk Patinggi Abang Muhammad Salahuddin Abang Barieng on 25 August 2013



History Quiz organized by BPHB under BPHB CSR Programme on 28 August 2013

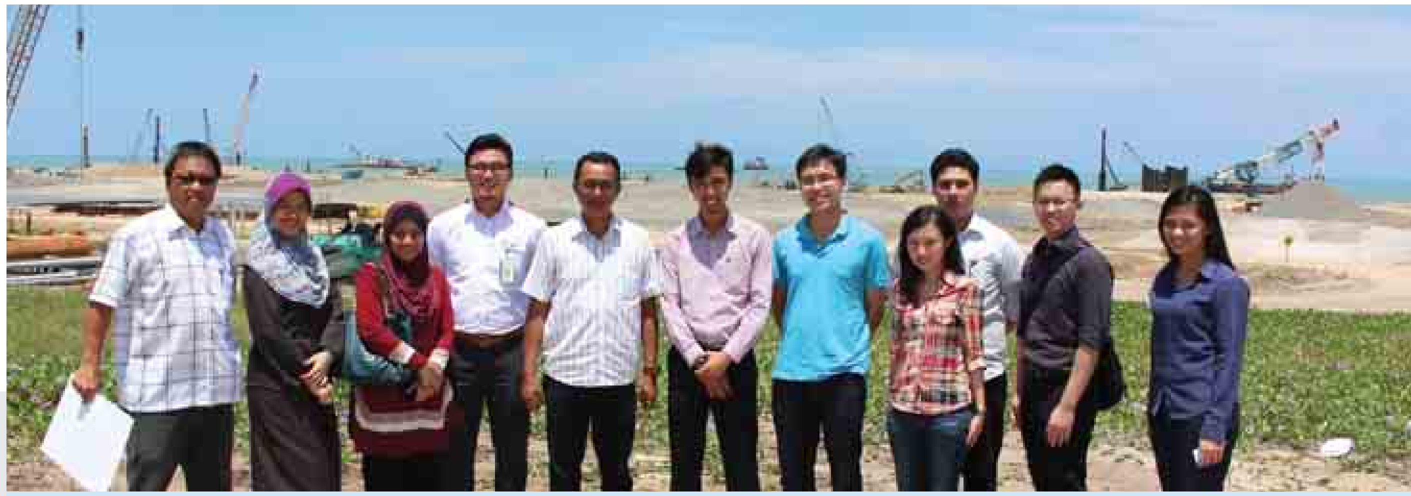
SPM Excellence Programme organized by BPHB under BPHB CSR Programme on 7 & 21 September 2013



Courtesy Visit by Safety Division of Shell MDS, Bintulu on 10 September 2013


Courtesy Visit by Politeknik Mukah on 27 September 2013


Courtesy Visit by Politeknik Mukah- Business Studies on 30 September 2013


Corporate Visit by Kenanga Investment Bank on 4 October 2013

Corporate Visit by Asia Advance Materials Sdn. Bhd. on 14 October 2013

Participation in "Pameran Sarawak Gemilang 50 Tahun" on 19 October - 2 November 2013 at Bintulu Civic Centre

Corporate Visit by Marubeni Corporation & Lucky Timber Trading Company on 25 October 2013

International ICC Convention in Taipei, Taiwan on 22 – 25 October 2013

Dialogue session with major oil palm refinery companies on 17 October 2013

Retirement Ceremony of BPSB Staff on 1 November 2013

Contributions of medical equipment to Bintulu Hospital under BPHB CSR Programme on 11 December 2013

Maiden Call StarCruise Superstar Aquarius on 12 November 2013

Corporate Visit by Malaysia Investment Development Authority (MIDA) on 14 November 2013

Corporate Visit by Unit Kerjasama Awam dan Swasta (UKAS) on 21 December 2013

PROFILE OF SUBSIDIARIES

PROFILE OF BINTULU PORT SDN. BHD. (BPSB)

BOARD OF DIRECTORS	
Datuk Fong Joo Chung	Chairman
Datuk Hj. Hashim bin Ismail	Director
Datuk Nasarudin bin Md Idris	Director

COMPANY SECRETARY
Hj. Nik Abd Rahman bin Nik Ismail
(LS.00005892)

REGISTERED OFFICE
Lot 15, Block 20, Kemena Land District
12th Mile, Tanjung Kidurong Road
97008 Bintulu, Sarawak, Malaysia

COMPANY NO.
254396-V

AUDITORS
Messrs. Ernst & Young
Chartered Accountants

PRINCIPAL BANKER
Malayan Banking Berhad

WEBSITE
http://www.bintuluport.com.my

PLACE OF INCORPORATION
Incorporated in Malaysia

TELEPHONE
+60 86 291001 (30 Lines)

FAX
+60 86 253597

OPERATIONAL & FINANCIAL HIGHLIGHTS

	2013	2012	2011	2010	2009
Cargo Throughput (Million Tonnes)	43.80	41.16	41.70	40.63	38.44
Container Handled (TEUs)	250,353	231,053	215,451	251,296	248,390
Vessel Calls	8,239	7,581	7,606	7,601	7,514
Turnover (RM Million)	493.00	470.79	454.73	434.04	421.86
Profit Before Taxation (RM Million)	172.58	165.72	167.33	171.85*	165.97
Paid-up Capital (RM Million)	65.00	65.00	65.00	65.00	65.00
Total Shareholder's Fund (RM Million)	336.50	389.59	435.15	396.57*	581.03
Dividend Paid (net) (RM Million)	211.57	149.66	119.44	119.44	165.26
Gross Dividend Rate (sen)	353	307	245	245	339

**Restated*

PROFILE OF BIPORT BULKERS SDN. BHD. (BBSB)

BOARD OF DIRECTORS	
Dato' Seri Dr. Hj. Arshad bin Hj. Hashim	Chairman
Datu Hj. Abang Halmi bin Ikhwan	Director
Dato' Hj. Mohamad Norza bin Hj. Zakaria	Director

COMPANY SECRETARY
Hj. Nik Abd Rahman bin Nik Ismail
(LS.00005892)

REGISTERED OFFICE
Lot 15, Block 20, Kemena Land District
12th Mile, Tanjung Kidurong Road
97008 Bintulu, Sarawak, Malaysia

COMPANY NO.
635147-V

AUDITORS
Messrs. Ernst & Young
Chartered Accountants

PRINCIPAL BANKER
Malayan Banking Berhad

WEBSITE
http://www.biportbulkers.com.my

PLACE OF INCORPORATION
Incorporated in Malaysia

TELEPHONE
+60 86 255101

FAX
+60 86 255117 / 255114

OPERATIONAL & FINANCIAL HIGHLIGHTS

	2013	2012	2011	2010	2009
Cargo Throughput (Million Tonnes)	3.21	2.93	2.53	2.12	1.86
Turnover (RM Million)	36.78	35.41	29.22	20.91	17.19
Profit / (Loss) Before Taxation (RM Million)	14.80	14.63	9.41	4.64	0.06
Paid-up Capital (RM Million)	40.00	40.00	40.00	40.00	40.00
Total Shareholders' Fund (RM Million)	94.80	65.71	51.17	41.86	37.35

PROFILE OF SAMALAJU INDUSTRIAL PORT SDN. BHD. (SIPSB)

BOARD OF DIRECTORS	
Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah (Until 31/3/2014)	Chairman
Tan Sri Dr. Ali bin Hamsa	Director
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin	Director
Datuk Fong Joo Chung	Director
Dato' Hj. Mohamad Norza bin Hj. Zakaria	Director
Dato Mohammad Medan bin Abdullah (Until 31/3/2014)	Director

COMPANY SECRETARY
Hj. Nik Abd Rahman bin Nik Ismail
(LS.00005892)

REGISTERED OFFICE
Lot 15, Block 20, Kemena Land District
12th Mile, Tanjung Kidurong Road
97008 Bintulu, Sarawak, Malaysia

COMPANY NO.
406345-H

AUDITORS
Messrs. Ernst & Young
Chartered Accountants

PRINCIPAL BANKER
CIMB Bank Berhad
CIMB Islamic Bank Berhad

WEBSITE
http://www.bintuluport.com.my

PLACE OF INCORPORATION
Incorporated in Malaysia

TELEPHONE
+60 86 291001 (30 Lines)

FAX
+60 86 291318

OPERATIONAL & FINANCIAL HIGHLIGHTS

	2013	2012	2011
Operating Revenue (RM)	0	0	0
Non-Operating Revenue (RM)	341,154,706	386,114	0
Expenditure (RM)	340,376,213	(2,509,279)	(1,013)
Profit/Loss Before Taxation (RM)	778,493	(2,123,165)	(1,013)
Paid-up Capital (RM)	600,000,000	100,000,002	2
Total Shareholder's Fund (RM)	598,396,642	97,861,760	(15,075)

AUDITED FINANCIAL STATEMENTS

DIRECTORS

Tan Sri Dr. Ali bin Hamsa
Datuk Nasarudin bin Md. Idris
Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin
Datuk Fong Joo Chung
Datu Hj. Abang Halmi bin Ikhwan
Datuk Hashim bin Ismail
Dato' Seri Dr. Hj. Arshad bin Hj. Hashim
Dato' Hj. Mohamad Norza bin Hj. Zakaria
Encik Zakaria bin Kasah
Dato' Mat Noor bin Nawi

REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

Lot 15, Block 20, Kemena Land District
12th Mile, Jalan Tanjung Kidurong
97008 Bintulu, Sarawak

AUDITORS

Ernst & Young

BANKERS

CIMB Bank Berhad

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Directors' Report and Audited
Financial Statements
31 December 2013

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

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

RESULTS	**Group RM'000**	**Company RM'000**
Profit net of tax	157,705	181,180

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

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

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2012 were as follows:	**RM'000**
In respect of the financial year ended 31 December 2012 as reported in the Directors' report of that year:	
Final single tier dividend of 7.50 sen per share paid on 31 May 2013	30,000
In respect of the financial year ended 31 December 2013:	
Interim single tier dividend of 7.50 sen per share paid on 6 August 2013	34,500
Interim single tier dividend of 7.50 sen per share paid on 11 October 2013	34,500
Interim single tier dividend of 7.50 sen per share paid on 30 December 2013	34,500
	133,500

DIRECTORS' REPORT

DIVIDENDS (Continued)

The Directors recommend the payment of a final single tier dividend of 7.50 sen per share on 460,000,000 ordinary shares, amounting to RM34,500,000 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 29 May 2014 to shareholders registered on the Company's Register of Members at the close of business on 16 May 2014. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2014.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah (Tenure of service expired on 1 November 2013)

Tan Sri Dr. Ali bin Hamsa

Datuk Nasarudin bin Md. Idris

Dato Mohammad Medan bin Abdullah (Resigned on 1 September 2013)

Tan Sri Dato' Seri Hj. Mohd. Zahidi bin Zainuddin

Datuk Fong Joo Chung

Datu Hj. Abang Halmi bin Ikhwan

Datuk Hashim bin Ismail

Dato' Seri Dr. Hj. Arshad bin Hj. Hashim

Dato' Hj. Mohamad Norza bin Hj. Zakaria

Encik Zakaria bin Kasah (Appointed on 1 November 2013)

Dato' Mat Noor bin Nawi (Appointed on 29 November 2013)

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member or with a company in which a Director has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM400,000,000 to RM460,000,000 by way of the issuance of 60,000,000 ordinary shares of RM1 each at an issue price of RM6.65 to Equisar Assets Sdn. Bhd., an indirect wholly-owned subsidiary company of the State Financial Secretary, Sarawak (Incorporation).

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

OTHER STATUTORY INFORMATION

a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

   i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that no provision for doubtful debts was necessary; and

   ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

b) At the date of this report, the Directors are not aware of any circumstances which would render:

   i) the amount written off for bad debts inadequate to any substantial extent or it necessary to make any provision for doubtful debts in respect of the financial statements of the Group and the Company; and

   ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (Continued)

d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

e) At the date of this report, there does not exist:

   i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

f) In the opinion of the Directors:

   i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

   ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 March 2014.

Tan Sri Dr. Ali bin Hamsa **Datuk Fong Joo Chung**

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

We, **Tan Sri Dr. Ali bin Hamsa** and **Datuk Fong Joo Chung**, being two of the Directors of **Bintulu Port Holdings Berhad**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 105 to 161 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 40 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 March 2014.

Tan Sri Dr. Ali bin Hamsa **Datuk Fong Joo Chung**

STATUTORY DECLARATION

PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT, 1965

I, **Daiana Luna Suip**, being the Officer primarily responsible for the financial management of **Bintulu Port Holdings Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 105 to 162 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed **Daiana Luna Suip** at Bintulu
in the State of Sarawak on 26 March 2014.

Before me, **Daiana Luna Suip**

Magdalene Lucas
Q 082
Commissioner For Oath

INDEPENDENT AUDITORS' REPORT

to the members of Bintulu Port Holdings Berhad – 380802-T
(Incorporated in Malaysia)

We have audited the financial statements of Bintulu Port Holdings Berhad, which comprise statements of financial position as at 31 December 2013 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 105 to 161.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the members of Bintulu Port Holdings Berhad – 380802-T (Continued)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

The supplementary information set out in Note 40 on page 162 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Mohd. Sukarno bin Tun Sardon
No. 1697/03/15 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
26 March 2014

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Revenue from port services rendered	4	492,999	470,792	-	-
Revenue from construction services for concession infrastructure	4	344,370	8,757	-	-
Revenue from bulking services	4	36,779	35,417	-	-
Dividend income	4	-	-	181,350	229,775
Other income	5	14,601	12,886	6,055	7,724
		888,749	527,852	187,405	237,499
Cost of construction services	6	(344,370)	(8,757)	-	-
Employee benefits expense	7	(73,605)	(66,681)	(2,712)	(2,440)
Depreciation of property, plant and equipment	15	(32,746)	(26,885)	(50)	(29)
Amortisation of intangible assets	17	(91,471)	(96,098)	-	-
Charter hire of boats		(10,211)	(9,177)	-	-
Dredging costs		(8,502)	(8,500)	-	-
Fuel, electricity and utilities		(24,948)	(24,728)	(2)	(1)
Insurance expenses		(3,704)	(3,585)	(1)	(1)
Leasing of land and port facilities	8	(1,198)	(1,143)	-	-
Repair and maintenance		(28,094)	(24,931)	(4)	(15)
Service contracts		(15,521)	(14,280)	-	-
Finance costs	9	(35,842)	(37,721)	-	-
Other expenses	10	(30,364)	(26,795)	(3,271)	(4,898)
		(700,576)	(349,281)	(6,040)	(7,384)
Profit before tax		188,173	178,571	181,365	230,115
Income tax expense	12	(30,468)	(32,183)	(185)	(50,581)
Profit net of tax, representing total comprehensive income for the year		157,705	146,388	181,180	179,534
Earnings per share Basic (sen)	13	36.23	36.60		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Assets					
Non-current assets					
Property, plant and equipment	15	350,395	415,716	508	196
Investment in subsidiaries	16	-	-	940,000	440,000
Intangible assets	17	1,222,941	1,135,016	-	-
Other receivables	18	-	-	-	55,706
Deferred tax assets	22	54,751	39,607	-	-
		1,628,087	1,590,339	940,508	495,902
Current assets					
Properties held for sale	23	5,880	12,373	-	-
Concession finance assets	19	168,590	-	-	-
Trade receivables	24	23,755	22,795	-	-
Other receivables	18	22,297	19,693	151	40,149
Other current assets	20	7,561	5,368	35	39
Deposits	21	460,100	180,800	50,600	11,400
Tax recoverable		-	41,234	-	185
Cash and bank balances	21	8,993	13,527	251	646
		697,176	295,790	51,037	52,419
Total assets		2,325,263	1,886,129	991,545	548,321
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	25	460,000	400,000	460,000	400,000
Share premium	25	430,818	92,950	430,818	92,950
Retained earnings	26	187,880	163,675	98,178	50,498
Total equity		1,078,698	656,625	988,996	543,448

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Non-current liabilities					
Retirement benefits	27	41,564	39,976	-	-
Other payables	30	1,070	895	1,070	895
Loan and borrowings	29	44,467	-	-	-
Contractual obligation for lease payments	28	951,515	995,020	-	-
		1,038,616	1,035,891	1,070	895
Current liabilities					
Other payables	30	84,666	87,941	1,421	3,978
Loans and borrowings	29	13,533	-	-	-
Contractual obligation for lease payments	28	87,966	77,904	-	-
Provision for maintenance dredging costs	31	5,139	11,333	-	-
Income tax payable		16,645	16,435	58	-
		207,949	193,613	1,479	3,978
Total liabilities		1,246,565	1,229,504	2,549	4,873
Total equity and liabilities		2,325,263	1,886,129	991,545	548,321

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Share Capital RM'000	Non-distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Equity, Total RM'000
Group					
2013					
Opening balance at 1 January 2013		400,000	92,950	163,675	656,625
Total comprehensive income		-	-	157,705	157,705
Transactions with owners					
Dividends on ordinary shares	14	-	-	(133,500)	(133,500)
Issuance of share capital	25	60,000	339,000	-	399,000
Share issuance expense	25	-	(1,132)	-	(1,132)
Closing balance at 31 December 2013		460,000	430,818	187,880	1,078,698
2012					
Opening balance at 1 January 2012		400,000	92,950	167,287	660,237
Total comprehensive income		-	-	146,388	146,388
Transactions with owners					
Dividends on ordinary shares	14	-	-	(150,000)	(150,000)
Closing balance at 31 December 2012		400,000	92,950	163,675	656,625

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Share Capital RM'000	Non-distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Equity, Total RM'000
Company					
2013					
Opening balance at 1 January 2013		400,000	92,950	50,498	543,448
Total comprehensive income		-	-	181,180	181,180
Transactions with owners					
Dividends on ordinary shares	14	-	-	(133,500)	(133,500)
Issuance of share capital	25	60,000	339,000	-	399,000
Share issuance expense	25	-	(1,132)	-	(1,132)
Closing balance at 31 December 2013		460,000	430,818	98,178	988,996
2012					
Opening balance at 1 January 2012		400,000	92,950	20,964	513,914
Total comprehensive income		-	-	179,534	179,534
Transactions with owners					
Dividends on ordinary shares	14	-	-	(150,000)	(150,000)
Closing balance at 31 December 2012		400,000	92,950	50,498	543,448

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Operating activities					
Profit before tax		188,173	178,571	181,365	230,115
Adjustments for:					
Amortisation of intangible assets	17	91,471	96,098	-	-
Bad debt written off		30	-	-	-
Depreciation of property, plant and equipment	15	32,746	26,885	50	29
Finance costs	9	35,842	37,721	-	-
Loss/(Gain) on disposal of property, plant and equipment	5, 10	69	(1,673)	-	-
Gross dividend income		-	-	(181,350)	(229,775)
Interest income	5	(12,441)	(9,641)	(6,055)	(7,724)
Loss on disposal of properties held for sale	10	326	228	-	-
Property, plant and equipment written off	15	3	-	-	-
Provision for retirement benefits	27	6,181	4,296	-	-
Provision for dredging costs	26	8,502	8,500	-	-
Staff gratuities	31	175	-	175	-
Total adjustments		(162,904)	162,414	(187,180)	(237,470)
Operating cash flows before working capital		351,077	340,985	(5,815)	(7,355)
Changes in working capital					
Decrease in properties held for sale		4,969	454	-	-
(Increase)/Decrease in trade and other receivables		(172,060)	5,572	(4)	21
(Increase)/Decrease in other current assets		(2,193)	14,935	4	(40)
Increase in other payables		6,109	19,321	37	795
Net change in subsidiaries balances		-	-	(2,594)	2,417
Total changes in working capital		(163,175)	40,282	(2,557)	3,193
Cash generated from/(used in) operating activities		187,902	381,267	(8,372)	(4,162)
Payment of lease rental		(99,159)	(111,603)	-	-
Payment of dredging costs		(14,696)	-	-	-
Retirement benefits paid		(4,593)	(4,445)	-	-
Income tax paid		(41,644)	(33,255)	(127)	(983)
Income tax refunded		37,476	7,486	185	-
Net cash flows from/(used in) operating activities		65,286	239,450	(8,314)	(5,145)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Investing activities					
Acquisition of a subsidiary, net of cash		-	-	(500,000)	(100,000)
Net change in a subsidiary balances		-	-	64,751	8,612
Purchase of property, plant and equipment		(30,863)	(149,733)	(362)	(90)
Purchase of intangible assets		(95,380)	(8,627)	-	-
Interest received		11,733	10,913	6,787	8,686
Proceeds from disposal of property, plant and equipment		424	838	-	-
Proceeds from disposal of properties held for sale		1,198	3,645	-	-
Net dividend received		-	-	211,575	149,663
Net cash flows (used in)/from investing activities		(112,888)	(142,964)	(217,249)	66,871
Financing activities					
Dividends paid	14	(133,500)	(150,000)	(133,500)	(150,000)
Proceeds from issuance of shares		399,000	-	399,000	-
Proceeds from term loan		58,000	-	-	-
Share issuance expense		(1,132)	-	(1,132)	-
Net cash flows from/(used in) financing activities		322,368	(150,000)	264,368	(150,000)
Net increase/(decrease) in cash and cash equivalents		274,766	(53,514)	38,805	(88,274)
Cash and cash equivalents at 1 January		194,327	247,841	12,046	100,320
Cash and cash equivalents at 31 December	21	469,093	194,327	50,851	12,046

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

1. Corporate information

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

The address of the registered office and the principal place of business of the Company is Lot 15, Block 20, Kemena Land District, 12th Mile, Jalan Tanjung Kidurong, 97008 Bintulu, Sarawak.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

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

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

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

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

2.2 Changes in accounting policies

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

On 1 January 2013, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013:

- Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income
- Amendments to MFRS 1, Government Loans
- Amendments to MFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- MFRS 3, Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- Amendments to MFRS 10, MFRS 11 and MFRS 12, Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
- MFRS 13, Fair Value Measurement
- MFRS 119, Employee Benefits (IAS 19 as amended by IASB in June 2011)
- MFRS 127, Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
- MFRS 127, Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

- MFRS 128, Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
- Amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134, Annual Improvements 2009-2011 Cycle
- Amendment to IC Interpretation 2, Annual Improvements 2009-2011 Cycle
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and of the Company except for those discussed below:

- **Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income**

  The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time (eg. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (eg. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's and the Company's financial position or performance.

- **MFRS 10: Consolidated Financial Statements**

  MFRS 10 replaces part of MFRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

  Under MFRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under MFRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

  MFRS 10 includes detailed guidance to explain when an investor that owns less than 50 per cent of the voting shares in an investee has control over the investee. MFRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

- **MFRS 12: Disclosures of Interests in Other Entities**

  MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

- **MFRS 13: Fair Value Measurement**

  MFRS 13 established a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Company re-assessed their policies for measuring fair values, in particular, their valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

- **MFRS 13: Fair Value Measurement (Continued)**

  Application of MFRS 13 has not materiality impacted the fair value measurement of the Company. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

- **MFRS 127: Separate Financial Statements**

  As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

- **MFRS 119: Employee Benefits (Revised)**

  The Group applied MFRS 119 (revised) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard.

  The changes in MFRS 119 (revised) include changes in the accounting for defined benefit plans. All past service costs are recognised at the earlier of when the amendment/curtailment occurs or when the related restructuring or termination costs are recognised. As a result, unvested past service costs can no longer be deferred and recognised over the future vesting period.

  MFRS 119 (revised) also requires more extensive disclosures.

2.3 Amendments/standards issued but not yet effective

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

MFRS effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, MFRS 12 and MFRS 127, Investment Entities
- Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136, Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139, Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21, Levies

MFRS effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124 and MFRS 138, Annual Improvements 2010-2012 Cycle
- Amendments to MFRS 3, MFRS 13 and MFRS 140, Annual Improvements 2011-2013 Cycle
- Amendments to MFRS 119, Defined Benefit Plans: Employee Contributions

MFRS effective for annual periods beginning on or after 1 January 2015

- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)
- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)

The Directors expect that the adoption of the above amendments/standards and interpretations will have no material impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation

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

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

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation (Continued)

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

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

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

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

2.5 Subsidiaries

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

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.6 Revenue recognition

Service concession arrangements

(i) Pursuant to a privatisation agreement signed between a subsidiary and Bintulu Port Authority ("BPA") on 31 December 1992, the subsidiary is granted a licence to provide port services at Bintulu Port for a duration of 30 years.

(ii) A subsidiary entered into a service agreement with the State Government of Sarawak for building and operating Samalaju Port.

Under the terms of the concession service agreement, in consideration for the construction of the port facilities, the subsidiary is given the right to charge port users for the services rendered in accordance with port tariffs approved by the State Government of Sarawak, and a facilitation fund amounting up to RM500 million from the Government of Malaysia.

The consideration is allocated by reference to the relative fair value of the services provided:

(a) a construction component and;

(b) a service element for operating and maintenance services performed.

As set out in Note 2.7 below, the right to consideration for the construction of the port facilities give rise to an intangible asset and a financial asset:

(i) Revenue earned under the financial asset model consists of fair value of the amount receivable from the Government of Malaysia. In this case, the receivable is not amortised as it is expected to be disbursed within 12 months from the financial year end.

(ii) Revenue earned under the intangible asset model consists of the fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset and payments actually received from the users.

Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.6 Revenue recognition (Continued)

Construction contracts (Continued)

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

Revenue for bulking services

Revenue is to the extent that recognised when it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Revenue from bulking services are recognised net of discount on an accrual basis when the services are performed.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.7 Concession intangible and financial assets

A subsidiary of the Company constructs the port facilities (construction or upgrade services) used to provide a public service and operates and maintains the port facilities (operation services) for a period of 40 years with an option to extend for twenty years.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Group receives a right to charge users of the public service. The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.7 Concession intangible and financial assets (Continued)

The amount receivable from the Government is classified as a financial asset and measured at fair value. It is not amortised as it is expected to be received within 12 months from the financial year end.

An intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

The concession intangible assets are derecognised on disposal or when no future economic benefits are expected from their future use or disposal or when the contractual rights to the financial asset expire.

(a) Leased land and infrastructure

This represents the fair value of the right to use the leased land and infrastructure measured at the fair value of the lease at the commencement of the lease agreements and subsequent additional leases.

(b) Acquired and constructed infrastructure

This represents the costs incurred in the acquisition and construction of additional infrastructure during the concession period.

(c) Goodwill on acquisition of business

This represents the excess of the cost of acquisition of the business by the Group from BPA over the net assets acquired in one of the concession agreements.

2.8 Other intangible assets

Other intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment loss.

(a) Goodwill on acquisition of a subsidiary

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.8 Other intangible assets (Continued)

(a) Goodwill on acquisition of a subsidiary (Continued)

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

(b) Software

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

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

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

2.9 Property, plant and equipment

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

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

Assets under construction included property, plant and equipment are not depreciated as these assets are not yet available for use. Other property, plant and equipment are depreciated on a straight-line basis to write off the cost of each asset to their residual value over the estimated useful life, at the following annual rates:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.9 Property, plant and equipment (Continued)

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

2.10 Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. The cost of properties held for sale includes the expenditure incurred in acquiring the land, direct cost and appropriate proportions of common costs attributable to developing the properties to completion.

Any gains or losses on the disposal of properties held for sale are recognised in the profit or loss in the year in which they arise.

2.11 Impairment of non-financial assets

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

For intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

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

In assessing value in use, the estimated future cash flows expected to be generated by an asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.12 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determines the classification of its financial assets at initial recognition, and the categories include loans and receivables.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset.

2.13 Impairment of financial assets

The Group and the Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.13 Impairment of financial assets (Continued)

Trade and other receivables and other financial assets carried at amortised cost (Continued)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.14 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

Other financial liabilities

The Group's and Company's other financial liabilities include other payables.

Other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.15 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.15 Income taxes (Continued)

(b) Deferred tax (Continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.16 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plan

The Group participates in the national pension scheme as defined by the laws of the country in which it has operations. The Company makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Post-employment benefits - defined benefit plan

The Group operates an unfunded, defined benefit Retirement Benefit Scheme for its employees.

Provision is made in the statement of financial position of the Group for the past service benefits cost of retirement benefits under this scheme which is determined based on actuarial valuation using the projected unit credit method. Under this method, the cost of providing retirement benefits is charged to the profit or loss. The obligation is measured at the present value of the estimated future cash outflows based on AA rated corporate bond yields that have maturity dates approximating the terms of the Group's obligations.

Actuarial gains and losses arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what has actually occurred. All actuarial gains and losses are recognised in other comprehensive income in the period in which they arise.

Effective 1 January 2014, the current scheme is closed for future accruals and members will instead receive additional contributions to EPF up to 19% of salaries.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

2. Summary of significant accounting policies (Continued)

2.16 Employee benefits (Continued)

(c) Post-employment benefits - defined benefit plan (Continued)

The past service benefit accrued under the existing scheme as at 1 January 2014 will be paid to members in the future upon attainment of 56 years old or earlier exit. The link of past service benefit to the last drawn salary is broken and instead is linked to the EPF dividend rate declared annually.

2.17 Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditure expected to be required to settle the obligation. The increase in the discounted value amount arising from the passage of time is included in “Finance costs” in the statement of comprehensive income.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.19 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.20 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

3. Significant accounting estimates and judgements

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates that could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculation is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 17.

(b) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets’ estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 25 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of the Group’s property, plant and equipment at the reporting date is disclosed in Note 15. A 5% difference in the expected useful lives of these assets from management’s estimates would result in approximately 0.87% (2012: 0.75%) variance in the Group’s profit for the year.

(c) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

3. Significant accounting estimates and judgements (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment of loans and receivables (Continued)

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables at the reporting date are disclosed in Notes 18 and Note 24.

4. Revenue

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue from port services rendered	492,999	470,792	-	-
Revenue from construction services for concession infrastructure	344,370	8,757	-	-
Revenue from bulking services	36,779	35,417	-	-
Dividend income from a subsidiary	-	-	181,350	229,775
	874,148	514,966	181,350	229,775

The revenue from construction services is in respect of the construction and upgrading of port facilities, accounted for in accordance with IC Interpretation 12 Service Concession Arrangements. The revenue from construction services for the current year is primarily from the construction of the facilities of Samalaju Port.

The Group considers the fair value for the consideration for the services rendered in the acquisition or construction and upgrade of the infrastructure approximates the cost incurred as most of the construction work was subcontracted out.

5. Other income

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest income	12,441	9,641	6,055	7,724
Rental income	361	495	-	-
Gain on disposal of property, plant and equipment	-	1,673	-	-
Tender fee	530	256	-	-
Others	1,269	821		-
	14,601	12,886	6,055	7,724

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

6. Cost of construction services

	Group	
	2013 RM'000	2012 RM'000
Cost from construction services for concession infrastructure	344,370	8,757

7. Employee benefits expense

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Wages, salaries, allowance and bonus	51,731	47,987	2,128	1,973
Defined benefit Retirement Benefit Scheme (Note 27)	6,181	4,296	-	-
Defined contribution plan (Employees Provident Fund)	6,336	5,668	398	305
Other employee benefits	9,357	8,730	186	162
	73,605	66,681	2,712	2,440

8. Leasing of land and port facilities

	Group	
	2013 RM'000	2012 RM'000
Land lease	1,198	1,143

In addition to the above land lease paid by Biport Bulkers Sdn. Bhd. to BPA, Bintulu Port Sdn. Bhd. paid RM99,158,858 (2012: RM111,602,938) for leases of land and port facilities to BPA. These payments are accounted for as reduction in the contractual obligations which were provided for at the inception of the privatisation agreement at discounted present value.

9. Finance costs

	Group	
	2013 RM'000	2012 RM'000
Increase in discounted amount of provision for contractual obligations for lease payments, arising from passage of time	35,428	37,721
Interest expenses on term loan of a subsidiary	414	-
	35,842	37,721

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

10. Other expenses

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
The following items have been included in arriving at other expenses:				
Auditors' remuneration				
- Current year	210	184	70	63
- Underprovision in prior year	7	12	3	8
Bad debts written off (Note 24)	30	-	-	-
Non-Executive Directors				
- fees	1,636	1,250	855	876
- other emoluments	680	1,274	577	1,201
Rental of equipment	1,015	1,356	25	29
Rental of premises	247	269	145	174
Loss on disposal of properties held for sale	326	228	-	-
Loss on disposal of property, plant and equipment	69	-	-	-
Property, plant and equipment written off	3	-	-	-

11. Directors' remuneration

The details of remuneration received and receivable by Directors of the Group and of the Company during the year are as follows:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Non-Executive Directors				
- fees	1,636	1,250	855	876
- meeting allowance	465	331	362	258
- car allowance	40	48	40	48
	2,141	1,629	1,257	1,182
- provision for Directors' gratuities	175	895	175	895
	2,316	2,524	1,432	2,077

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

11. Directors' remuneration (Continued)

The number of Directors of the Company whose total remuneration during the year fall within the following bands is analysed below:

	Number of Directors 2013	Number of Directors 2012
Non-executive Directors:		
Below RM50,000	2	-
RM50,001 - RM100,000	-	-
RM100,001 - RM150,000	-	4
RM150,001 - RM200,000	5	4
RM200,001 - RM250,000	2	2
RM250,001 - RM300,000	3	-

12. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2013 and 2012 are:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Statement of comprehensive income:				
Current income tax:				
Malaysian income tax	45,612	32,618	185	50,581
Underprovision in previous years	-	10	-	-
	45,612	32,628	185	50,581
Deferred income tax (Note 22):				
Origination and reversal of temporary differences	(15,144)	(445)	-	-
Income tax expensed recognised in profit and loss	30,468	32,183	185	50,581

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

12. Income tax expense (Continued)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2013 and 2012 are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax	188,173	178,571	181,365	230,115
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	47,043	44,643	45,341	57,529
Adjustments:				
Non-deductible expenses	1,497	4,027	195	607
Effect of income not subject to tax	-	-	(45,338)	(7,556)
Underprovision in previous year	-	10	-	-
Utilisation of current year investment tax allowance for Approved Service Project	-	(12,850)	-	-
Deferred tax assets not recognised	16	(3,647)	-	1
Recognition of deferred tax assets not recognised in previous years	(18,088)	-	(13)	-
Income tax expense recognised in profit and loss	30,468	32,183	185	50,581

13. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	Group	
	2013 RM'000	2012 RM'000
Profit net of tax	157,705	146,388
Weighted average number of ordinary shares for basic earnings per share computation*	435,342	400,000
Basic earnings per share for profit for the year (sen)	36.23	36.60

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

13. Earnings per share (Continued)

(a) Basic (Continued)

* The weighted average number of shares takes into account the weighted average effect of changes in ordinary shares transactions during the year.

(b) Diluted

The diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares outstanding.

14. Dividends

	Dividends in Respect of the Year		Dividends Recognised in Year	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Final single tier dividend for 2011				
- 7.50 sen per share	-	-	-	30,000
Special single tier dividend for 2011				
- 7.50 sen per share	-	-	-	30,000
Interim single tier dividend for 2012				
- 7.50 sen per share	-	30,000	-	30,000
- 7.50 sen per share	-	30,000	-	30,000
- 7.50 sen per share	-	30,000	-	30,000
Final single tier dividend for 2012				
- 7.50 sen per share	-	30,000	30,000	-
Interim single tier dividend for 2013				
- 7.50 sen per share	34,500	-	34,500	-
- 7.50 sen per share	34,500	-	34,500	-
- 7.50 sen per share	34,500	-	34,500	-
	103,500	120,000	133,500	150,000

The Directors recommend the payment of a final single tier dividend of 7.50 sen per share on 460,000,000 ordinary shares, amounting to RM34,500,000 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 29 May 2014 to shareholders registered on the Company's Register of Members at the close of business on 16 May 2014. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

15. Property, plant and equipment

Group	Buildings and Structures RM'000	Bulking Facilities RM'000	Machinery and Equipment RM'000	Motor Vehicles RM'000	Office Furniture, Fittings and Equipment RM'000	Vessels RM'000	Capital Work-in-progress RM'000	Total RM'000
Cost:								
At 1 January 2012	15,757	112,208	171,155	6,982	18,373	134,791	27,334	486,600
Additions	45	-	72,834	772	1,775	3,630	73,685	152,741
Disposals	-	-	(4,046)	(179)	-	(21,045)	-	(25,270)
Transfer from capital work-in-progress	209	8,151	5,625	226	-	-	(14,211)	-
Reclassification to intangible assets	-	-	-	-	(2,748)	-	(111)	(2,859)
Written off	-	-	-	(93)	-	-	-	(93)
At 31 December 2012 and 1 January 2013	16,011	120,359	245,568	7,708	17,400	117,376	86,697	611,119
Additions	475	-	2,497	1,812	1,760	148	290,777	297,469
Disposals	-	-	(1,160)	(82)	(1,085)	-	-	(2,327)
Transfer from capital work-in-progress	685	-	6,506	-	-	-	(7,191)	-
Reclassification from intangible assets	9,851	-	-	-	-	-	-	9,851
Reclassification to intangible assets	-	-	-	-	-	-	(168,471)	(168,471)
Reclassification to receivables	-	-	-	-	-	-	(168,590)	(168,590)
Written off	-	-	-	-	(4)	-	-	(4)
Adjustment	-	-	-	-	-	-	(416)	(416)
At 31 December 2013	27,022	120,359	253,411	9,438	18,071	117,524	32,806	578,631

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

15. Property, plant and equipment (Continued)

Group	Buildings and Structures RM'000	Bulking Facilities RM'000	Machinery and Equipment RM'000	Motor Vehicles RM'000	Office Furniture, Fittings and Equipment RM'000	Vessels RM'000	Capital Work-in-progress RM'000	Total RM'000
Accumulated depreciation:								
At 1 January 2012	3,622	20,800	103,062	3,517	12,694	52,025	-	195,720
Charge for the year	637	4,706	15,999	727	1,053	3,763	-	26,885
Disposals	-	-	(3,940)	(150)	-	(21,045)	-	(25,135)
Reclassification to intangible assets	-	-	-	-	(1,974)	-	-	(1,974)
Written off	-	-	-	(93)	-	-	-	(93)
At 31 December 2012 and 1 January 2013	4,259	25,506	115,121	4,001	11,773	34,743	-	195,403
Charge for the year	3,079	4,815	17,997	781	1,683	4,391	-	32,746
Disposals	-	-	(721)	(28)	(1,085)	-	-	(1,834)
Reclassification from intangible assets	2,696	-	-	-	(774)	-	-	1,922
Written off	-	-	-	-	(1)	-	-	(1)
At 31 December 2013	10,034	30,321	132,397	4,754	11,596	39,134	-	228,236
Net carrying amount:								
At 31 December 2012	11,752	94,853	130,447	3,707	5,627	82,633	86,697	415,716
At 31 December 2013	16,988	90,038	121,014	4,684	6,475	78,390	32,806	350,395

NOTES TO THE FINANCIAL STATEMENTS
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15. Property, plant and equipment (Continued)

	Motor Vehicle RM'000	Office Furniture, Fittings and Equipment RM'000	Total RM'000
Company			
Cost:			
At 1 January 2012	177	20	197
Additions	-	90	90
At 31 December 2012 and 1 January 2013	177	110	287
Additions	355	7	362
At 31 December 2013	532	117	649
Accumulated depreciation:			
At 1 January 2012	51	11	62
Charge during the year	21	8	29
At 31 December 2012 and 1 January 2013	72	19	91
Charge during the year	32	18	50
At 31 December 2013	104	37	141
Net carrying amount:			
At 31 December 2012	105	91	196
At 31 December 2013	428	80	508

NOTES TO THE FINANCIAL STATEMENTS
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16. Investment in subsidiaries

	Company 2013 RM'000	Company 2012 RM'000
Unquoted shares in Malaysia, at cost	940,000	440,000

Name of subsidiaries	Principal activities	Proportion of Ownership Interest 2013 %	Proportion of Ownership Interest 2012 %
Held by the Company:			
Bintulu Port Sdn. Bhd.	Provision of port services at Bintulu Port, Sarawak	100	100
Biport Bulkers Sdn. Bhd.	Provision of bulking installation facilities for palm oil, edible oils, vegetables oils, fats and its by-products	100	100
Samalaju Industrial Port Sdn. Bhd.	Development and provision of port services at Samalaju Port, Bintulu, Sarawak	100	100

NOTES TO THE FINANCIAL STATEMENTS
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17. Intangible assets

Group	Concession intangible assets: Leased Land and Infrastructure RM'000	Concession intangible assets: Acquired and Constructed Infrastructure RM'000	Concession intangible assets: Goodwill on Acquisition of Business RM'000	Goodwill on Acquisition of a Subsidiary RM'000	Software RM'000	Total RM'000
Cost:						
At 1 January 2012	1,710,863	478,666	24,531	-	7,647	2,221,707
Additions	8,242	8,287	-	15	228	16,772
Reclassification from property, plant and equipment	-	111	-	-	2,748	2,859
At 31 December 2012 and 1 January 2013	1,719,105	487,064	24,531	15	10,623	2,241,338
Additions	30,288	170	-	-	926	31,384
Transfer from capital work-in-progress	167,073	913	-	-	485	168,471
Reclassification to property, plant and equipment	-	(9,851)	-	-	-	(9,851)
Adjustment	-	(770)	-	-	-	(770)
At 31 December 2013	1,916,466	477,526	24,531	15	12,034	2,430,572
Accumulated amortisation:						
At 1 January 2012	820,794	172,512	11,916	-	3,028	1,008,250
Charge during the year	68,343	26,014	959	-	782	96,098
Reclassification from property, plant and equipment	-	-	-	-	1,974	1,974
At 31 December 2012 and 1 January 2013	889,137	198,526	12,875	-	5,784	1,106,322
Charge during the year	62,547	27,070	1,006	-	848	91,471
Reclassification to property, plant and equipment	-	(2,696)	-	-	774	(1,922)
Adjustment	11,760	-	-	-	-	11,760
At 31 December 2013	963,444	222,900	13,881	-	7,406	1,207,631
Net carrying amount:						
At 31 December 2012	829,968	288,538	11,656	15	4,839	1,135,016
At 31 December 2013	953,022	254,626	10,650	15	4,628	1,222,941

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

18. Other receivables

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Current:				
Amount due from BPA	10,809	10,809	-	-
Dividend receivable	-	-	-	30,225
Staff loans	2,292	2,556		-
Interest receivables	961	1,063	101	833
Sundry receivables	8,235	5,265	26	22
Due from subsidiaries	-	-	24	9,069
	22,297	19,693	151	40,149
Non-current:				
Due from a subsidiary	-	-	-	55,706
	22,297	19,693	151	95,855

The amount due from BPA represents the over payment of base lease rental on demised properties. The amount is unsecured, interest free and repayable on demand.

Sundry receivables are non-interest bearing. They are recognised at the amounts which represent their fair values on initial recognition.

In 2012, included in the amount due from a subsidiary was RM55,706,730, which bore interest at 5% per annum. The remaining balance was interest free. The amount due from a subsidiary was unsecured, and was repayable on demand.

19. Concession finance receivables

	Group 2013 RM'000	Group 2012 RM'000
At 1 January	-	-
Grant receivable	168,590	-
At 31 December	168,590	-

Concession finance receivable comprises receivable from the Government of Malaysia for construction services rendered in respect of Samalaju Port development project up to 31 December 2013, and is expected to be disbursed within 12 months from the financial year end.

NOTES TO THE FINANCIAL STATEMENTS
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20. Other current assets

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Prepaid operating expenses	7,561	5,368	35	39

21. Cash and cash balances

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Cash and bank balances	8,993	13,527	251	646
Deposits with licensed banks	412,500	104,700	50,600	8,400
Money market instruments purchased under repurchased agreements	47,600	76,100	-	3,000
	460,100	180,800	50,600	11,400
Cash and cash balances	469,093	194,327	50,851	12,046

The effective interest rates and the maturity of deposits of the Group and of the Company as at the balance sheet date are as follows:

	Interest rate 2013 %	Interest rate 2012 %	Maturity 2013 Days	Maturity 2012 Days
Group				
Deposits with licensed banks	3.25 - 3.50	3.18 - 3.45	30 - 365	30 - 365
Money market instruments purchased under repurchased agreements	2.65 - 2.80	2.65 - 2.80	6 - 15	4 - 15
Company				
Deposits with licensed banks	3.35	3.25	31 - 62	31
Money market instruments purchased under repurchased agreements	-	2.65	-	11

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

22. Deferred tax

The components and movement of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	Deferred Tax Liabilities: Property, Plant and Equipment RM'000	Deferred Tax Assets: Unutilised Tax Losses RM'000	Unutilised Investment Tax Allowances RM'000	Contractual Obligation on Lease Payment RM'000	Retirement Benefits RM'000	Others RM'000	Total RM'000
At 1 January 2012 as previously stated	34,684	(33)	(2,735)	(62,125)	(10,031)	1,078	(39,162)
Recognised in profit or loss (Note 12)	4,323	-	341	514	37	(5,660)	(445)
At 31 December 2012 and 1 January 2013	39,007	(33)	(2,394)	(61,611)	(9,994)	(4,582)	(39,607)
Recognised in profit or loss (Note 12)	(3,422)	-	(13,975)	1,098	(397)	1,552	(15,144)
At 31 December 2013	35,585	(33)	(16,369)	(60,513)	(10,391)	(3,030)	(54,751)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

22. Deferred tax (Continued)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting, are as follows:

	Group 2013 RM'000	Group 2012 RM'000
Deferred tax assets	(64,870)	(64,870)
Deferred tax liabilities	10,119	25,263
	(54,751)	(39,607)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2013 RM'000	Group 2012 RM'000
Unabsorbed tax losses	473,000	-
Unutilised investment tax allowances	-	81,998

23. Properties held for sale

	2013	2012
Properties held for sale, at cost	12,580	19,073
Less: Accumulated impairment loss	(6,700)	(6,700)
	5,880	12,373

A wholly-owned subsidiary, Bintulu Port Sdn. Bhd., is the registered proprietor of all parcels of land for the housing project, free from all encumbrances except for caveats lodged by the end financiers.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

24. Trade receivables

Trade receivables include amounts due from Malaysia LNG Sdn. Bhd. and other subsidiaries of a substantial shareholders, Petroliam Nasional Berhad, of RM9,990,949 (2012: RM8,603,906) and RM580,736 (RM189,696) respectively.

The Company has no other significant concentration of credit risk that may arise from exposures to a single customer or to groups of customers.

Trade receivables are non-interest bearing and are generally between 15 and 45 days (2012: between 15 and 45 days) credit terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2013 RM'000	Group 2012 RM'000
Trade receivables - LNG:		
Neither past due nor impaired	11,221	8,674
Trade receivables - Non LNG:		
Neither past due nor impaired	8,399	9,807
1 to 45 days past due not impaired	242	294
More than 45 days past due not impaired	153	222
	395	516
	8,794	10,323
	20,015	18,997
Trade receivables - bulking services:		
Neither past due nor impaired	3,052	3,298
1 to 30 days past due not impaired	617	401
31 to 60 days past due not impaired	13	6
61 to 90 days past due not impaired	4	-
More than 90 days past due not impaired	54	93
	688	500
	3,740	3,798
	23,755	22,795

NOTES TO THE FINANCIAL STATEMENTS
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24. Trade receivables (Continued)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired relate to customers for whom there were no default.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM395,584 (2012: RM1,015,912) that are past due at the reporting date but not impaired. The trade receivables for LNG and non-LNG are secured by bank guarantee or other form of credit enhancements. The trade receivables from bulking services are unsecured in nature.

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Receivables that are impaired

Movement in allowance accounts:

	Group	
	2013 RM'000	2012 RM'000
At 1 January	-	-
Charge for the year (Note 10)	30	-
Written off	(30)	-
At 31 December	-	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments and there are doubts as to the recoverability. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS
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25. Share capital and share premium

	Number of Ordinary Shares of RM1 each	←	Amount		→
	Share Capital (Issued and Fully Paid) '000	One Special Rights Redeemable Preference Share '000	Share Capital (Issued and Fully) Paid) RM'000	Share Premium RM'000	Total Share Capital and Share Premium RM'000
Group/Company					
At 1 January 2013	400,000	*	400,000	92,950	492,950
Issued during the year	60,000	-	60,000	339,000	399,000
Share issuance expense	-	-	-	(1,132)	(1,132)
At 31 December 2013	460,000	*	460,000	430,818	890,818

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Authorised share capital				
1,000,000,000 ordinary shares of RM1 each	1,000,000	1,000,000	1,000,000	1,000,000
One special rights redeemable of RM1 ("Special Share")	*	*	*	*
	1,000,000	1,000,000	1,000,000	1,000,000

* The Special Share amounted RM1.

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM400,000,000 to RM460,000,000 by way of the issuance of 60,000,000 ordinary shares of RM1 each at an issue price of RM6.65 to Equisar Assets Sdn. Bhd., an indirect wholly-owned subsidiary company of the State Financial Secretary, Sarawak (Incorporation).

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

The special share

The Special Share, which may only be held by or transferred to the Minister of Finance (Incorporation) or its successors or any Minister, representative or any person acting on behalf of the Government of Malaysia, carries certain rights as provided by Article 15A and 109(A) of the Company's Articles of Association.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

25. Share capital (Continued)

The special share (Continued)

These special rights include:

(i) the right to appoint not more than four persons at anytime as directors of the Company;

(ii) the right to repayment of the capital paid up on the Special Share in priority to any other member in the event of winding-up of the Company; and

(iii) the right to require the Company to redeem the Special Share at par at any time.

Certain matters, in particular, the alteration of specified Articles (including the Articles relating to the limitation on shareholdings), any substantial disposal of assets, amalgamation, merger and takeover, require prior approval of the holder of the Special Share.

The Special Share does not carry any right to vote at General Meetings but the holder is entitled to attend and speak at such meetings.

26. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2013 and 31 December 2012 without any restrictions.

27. Retirement benefits

The Group operates an unfunded, defined benefit Retirement Benefit Scheme for its employees. The Group's obligations under this scheme are determined based on actuarial valuation using the projected unit credit method.

The Retirement Benefit Scheme was last revalued in 2013. The movements during the financial year and the amount recognised in the statement of financial position in respect of the Group's and the Company's Retirement Benefit Scheme are as follows:

	Group	
	2013 RM'000	**2012 RM'000**
At beginning of the financial year	39,976	40,125
Charge to income statement (Note 7)	6,181	4,296
Contributions paid	(4,593)	(4,445)
At end of the financial year	41,564	39,976

NOTES TO THE FINANCIAL STATEMENTS
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27. Retirement benefits (Continued)

The amount recognised in the Group's statement of financial position may be analysed as follows:

	Group	
	2013 RM'000	**2012 RM'000**
Present value of unfunded obligations	41,564	41,338
Unrecognised actuarial losses	-	(1,362)
Liability in the statement of financial position	41,564	39,976

The expenses recognised in the Group's statements of comprehensive income may be analysed as follows:

	Group	
	2013 RM'000	**2012 RM'000**
Current service cost	2,048	2,119
Interest cost	2,015	2,177
Other movements	2,118	-
Total, included in staff costs (Note 7)	6,181	4,296

The principal actuarial assumptions used in respect of the Group's defined benefit plan are as follows:

	Group	
	2013 %	**2012 %**
Discount rate	4.75	5.00
Expected rate of salary increase	-	5.50
EPF dividend rate	5.50	-

NOTES TO THE FINANCIAL STATEMENTS
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28. Contractual obligation for lease payments

	Group 2013 RM'000	Group 2012 RM'000
At 1 January	1,072,924	1,138,564
Arose during the year	30,288	8,242
Unwinding of discount	35,428	37,721
Payments	(99,159)	(111,603)
At 31 December	1,039,481	1,072,924
Current:	87,966	77,904
Non-current:		
Later than 1 year but not later than 2 years	90,883	86,787
Later than 2 years but not later than 5 years	315,876	290,312
Later than 5 years	544,756	617,921
	951,515	995,020
	1,039,481	1,072,924

In accordance with IC Interpretation 12 Service Concession Arrangements, a provision for the contractual obligations for the lease of land and facilities was accrued at the inception of the privatisation agreement at the present value of the future expenditure expected to be required to settle the obligation.

29. Loans and borrowings

	Maturity	Group 2013 RM'000	Group 2012 RM'000
Current			
Unsecured:			
Term loan	2014	13,533	-
Non-current			
Unsecured:			
Term loan	2015 - 2018	44,467	-
Total loans and borrowings		58,000	-

NOTES TO THE FINANCIAL STATEMENTS
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29. Loans and borrowings (Continued)

The remaining maturities of the loans and borrowings as at the reporting date are as follows:

	Group 2013 RM'000	Group 2012 RM'000
On demand or within one year	13,533	-
Later than 1 year but not later than 2 years	11,600	-
Later than 2 years but not later than 5 years	32,867	-
	58,000	-

The effective interest rates during the financial year for loans and borrowings were as follows:

	2013 %	2012 %
Term loan	4.25	-

30. Other payables

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Current:				
Due to subsidiaries	-	-	1,182	3,776
Accruals	15,613	26,084	16	72
Sundry payables	55,602	24,843	223	130
Retention money	13,451	37,014	-	-
	84,666	87,941	1,421	3,978
Non-current:				
Provision for Directors' gratuities	1,070	895	1,070	895
	85,736	88,836	2,491	4,873

Included in accruals and sundry payables are amounts due to Petronas Dagangan Berhad, a subsidiary of a substantial shareholder, Petroliam Nasional Berhad of RM202,139 (2012: RM273,821).

NOTES TO THE FINANCIAL STATEMENTS
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31. Provision for maintenance dredging costs

	Group	
	2013 RM'000	2012 RM'000
At 1 January	11,333	2,833
Arose during the year	8,502	8,500
Payment	(14,696)	-
At 31 December	5,139	11,333

32. Commitments

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Capital expenditure				
Approved and contracted for:				
Property, plant and equipment	1,222,770	234,661	-	-
Approved but not contracted for:				
Property, plant and equipment	252,939	494,922	-	-

(b) Operating lease commitments

	Group	
	2013 RM'000	2012 RM'000
Lease commitments:		
- within one year	1,198	1,106
- between one to five years	6,602	6,094
- more than five years	4,495	5,620
	12,295	12,820

Lease commitments are in respect of leases for land used in bulking activities by a subsidiary payable to BPA. The agreement with BPA on the lease commitment has yet to be finalised.

NOTES TO THE FINANCIAL STATEMENTS
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33. Significant related party transactions

(a) Sale and purchase of goods and services

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Significant transactions with a subsidiary				
Interest income on loan from a subsidiary	-	-	2,485	3,402
Rental expense charged by subsidiary	-	-	(8)	(14)
Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad:				
Rendering of services:				
- Malaysia LNG Sdn. Bhd.	292,262	281,033	-	-
- ASEAN Bintulu Fertilizer Sdn. Bhd.	815	672	-	-
- MISC Agencies (Sarawak) Sdn. Bhd.	-	520	-	-
- PS Terminal Sdn. Bhd.	1,334	1,156	-	-
- MISC Integrated Logistics Sdn. Bhd.	214	53	-	-
- Petronas Carigali Sdn. Bhd.	658	-	-	-
Purchase of fuel and lubricants:				
- Petronas Dagangan Berhad	(9,138)	(7,999)		-

During the year, the substantial shareholder disposed of its interest in MISC Agencies (Sarawak) Sdn Bhd.

Information regarding outstanding balances arising from related party transactions as at 31 December 2013 are disclosed in Notes 24 and 30.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

33. Significant related party transactions (Continued)

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors of that entity.

The remuneration and benefits of Directors and other member of key management of the Group and of the Company during the year are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Remuneration and benefits	3,229	3,329	2,197	2,738
Post-employment benefits:				
Defined contribution plan	155	118	155	118
	3,384	3,447	2,352	2,856

34. Service concession arrangements

(a) On 9 July 2013, the subsidiary and its holding company, Bintulu Port Holdings Berhad signed a service agreement with the State Government of Sarawak for building and operating Samalaju Port.

The estimated cost of developing the port is RM1.812 billion of which approximately RM500 million is in respect of capital dredging and reclamation. In addition, the subsidiary is required to pay a scheduled annual lease rental for the land effective from the date of completion of the port facilities.

In consideration for the construction of the port, the subsidiary is given the right to charge port users for the services rendered in accordance with port tariffs approved by the State Government of Sarawak. The operation under the service concession agreement is for a period of forty years effective from the date of completion of Phase 1 of the port facilities expected to be in 2016, with an option to extend for twenty years.

On 3 April 2013, the Government of Malaysia agreed in principle to provide a facilitation fund amounting up to RM500 million to the subsidiary to facilitate the development of the port.

At the end of the concession period, the subsidiary shall transfer all moveable and immoveable assets of the port facilities at values determined according to the terms of the agreement.

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34. Service concession arrangements (Continued)

(b) In a privatisation exercise by the Malaysian Government on 31 December 1992, BPA sold the business of port operations at Bintulu Port to a subsidiary. According to the Privatisation Agreement, the subsidiary is granted a licence to provide port services at Bintulu Port for a period of 30 years, with an option to extend for another 30 years.

In consideration for a right to charge users of the port, the subsidiary pays a scheduled annual lease rental for the existing infrastructure and the land. Since the inception of the agreement, the subsidiary has also constructed additional infrastructure. These assets will be returned to BPA upon termination of the privatisation agreement at nominal value.

The charges to the users are according to a tariff set by BPA at the inception of the privatisation agreement and have not been varied.

The main features of the concession arrangements are summarized as follows:

	⟵Intangible assets	⟶	
	Gross value RM'000	Net book value RM'000	Financial asset RM'000
(i) Bintulu Port	2,251,450 (2012: 2,230,700)	1,051,225 (2012: 1,130,162)	-
• Description arrangement: Financing, building and operating of Bintulu Port			
• Period of concession: 1992 – 2022			
• Remuneration: Services for port facilities			
• Investment grant from concession grantor: No			
• Infrastructure return to grantor at end of concession			
• Investment and renewal obligations: Nil			
• Re-pricing dates: Nil			
(ii) Samalaju Port	167,073 (2012: nil)	167,073 (2012: nil)	168,590
• Description arrangement: Financing, building and operating of Samalaju Port			
• Period of concession: 2016 – 2056, with an option to extend for twenty years			
• Remuneration: Services for port facilities			
• Investment grant from concession grantor: Yes			
• Infrastructure return to grantor at end of concession			
• Investment and renewal obligations: Nil			
• Re-pricing dates: Nil			
Total 2013	2,418,523	1,218,298	168,590
Total 2012	2,230,700	1,130,162	-

NOTES TO THE FINANCIAL STATEMENTS
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35. Fair value of financial instruments

(a) Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

(i) Cash and bank deposits, other receivables and other payables

The carrying amounts of these balances approximate fair value due to their short term nature.

(ii) Trade receivables

The carrying amount of trade receivables approximates fair value because it is subject to normal trade credit terms.

(iii) Amounts due from/(to) holding company and a related company

The carrying values of amounts due from/(to) holding company and a related company in current assets and current liabilities approximate fair value due to their short term nature.

(iv) Term loan

The carrying value of the term loan approximates the fair value as it bears an interest rate which approximates the current incremental borrowing rates for similar types of lending and borrowing arrangements.

(v) Financial guarantees

Fair value is determined based on the probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

NOTES TO THE FINANCIAL STATEMENTS
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35. Fair value of financial instruments (Continued)

(b) Fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table provides the fair value measurement hierarchy of the Company's liabilities.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 December 2013 are as follows:

	Date of valuation	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Interest-bearing loans and borrowings					
Term loan	31 December 2013	-	58,000	-	58,000

There have been no transfers between Level 1 and Level 2 during the financial year.

36. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The Group's financial risk management strategy seeks to minimise potential adverse effects of financial performance of the Group. The key financial risks include interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The audit committee provides independent oversight to the effectiveness of the risk management process.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

36. Financial risk management objectives and policies (Continued)

The following sections provide details regarding the Group's exposures to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial liabilities, the Group's income and operating cash flow are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets have been mostly placed in fixed deposits with licensed banks and other financial institutions.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For cash and cash equivalents, the Group minimises credit risk by dealing exclusively with high credit rating financial institutions.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. Credit risk is controlled and minimised through the application of credit approvals, limits and monitoring procedures. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. Outstanding customer receivables are regularly monitored and are generally covered by bank guarantee.

Credit risk concentration profile

Other than the amount owing by subsidiaries of Petroliam Nasional Berhad as disclosed in Note 24, the Group does not have other significant concentration of credit risk. The credit risk is minimised and controlled through the application of credit approvals, credit limits and monitoring procedures.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 24. Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

36. Financial risk management objectives and policies (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group adopts a prudent approach to managing its liquidity risk and maintains sufficient cash and cash equivalents with minimal credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations.

	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	Total RM'000
Group			
At 31 December 2013			
Financial liabilities:			
Total other payables	84,666	1,070	85,736
Loans and borrowings	13,533	44,467	58,000
Total undiscounted financial liabilities	98,199	45,537	143,736
Group			
At 31 December 2012			
Financial liabilities:			
Total other payables	87,941	895	88,836
Loans and borrowings	-	-	-
Total undiscounted financial liabilities	87,941	895	88,836
Company			
At 31 December 2013			
Financial liabilities:			
Other payables, representing total undiscounted financial liabilities	1,421	1,070	2,491

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

36. Financial risk management objectives and policies (Continued)

(c) Liquidity risk (Continued)

	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	Total RM'000
Company			
At 31 December 2012			
Financial liabilities:			
Other payables, representing total undiscounted financial liabilities	3,978	895	4,873

37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders. Capital management decisions are approved by the Board.

The Group is not subject to any externally imposed capital requirements. There were no changes in the Group's approach to capital management during the year.

38. Segment information

The Group reporting is organised and managed into two major business segments based on the nature of services provided, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Port operations - the provision of port services and construction services which include construction of port facilities, handling of cargo for liquefied natural gas, petroleum products, liquefied petroleum gas, general cargo, container, dry bulk cargo and other ancillary services; and

(ii) Bulking services - the provision of bulking installation facilities for palm oil, edible oils, vegetable oils, fats and its by-products.

The Group's chief operating decision maker does not consider investment holding activities as a reportable operating segment. For the purpose of segmental reporting, unallocated costs relate to administrative expenses of the holding company. Unallocated assets and liabilities pertain to the holding company's property, plant and equipment, other receivables, cash and cash equivalents and other payables, subsidiary's properties held for sale and the Group's interest receivables and tax liabilities. No other operating segments have been aggregated to and from the above reportable operating segments.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

38. Segment information (Continued)

The respective subsidiaries' chief operating decision maker monitors the operating results of its business segments separately. Segment performance is evaluated based on operating profit or loss which, in certain respects, is measured differently from operating profit or loss in the financial statements.

No segmental information is provided on a geographical basis as the Group's activities are carried out predominantly in Malaysia.

	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000	Note	Per Consolidated Financial Statements RM'000
31 December 2013						
Revenue:						
External customers representing total revenue	837,369	36,779	-	-		874,148
Results:						
Interest income	8,197	674	6,055	(2,485)		12,441
Dividend income	-	-	181,350	(181,350)		-
Depreciation and amortisation	117,313	6,854	50	-		124,217
Other non-cash expenses	14,683	-	-	-	A	14,683
Segment profit	173,361	14,797	181,365	(181,350)	B	188,173
Assets:						
Additions to non-current assets	318,810	9,681	362	-	C	328,853
Segment assets	2,119,752	156,275	51,545	(2,309)	D	2,325,263
Segment liabilities	1,184,862	61,478	2,549	(2,324)	E	1,246,565

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

38. Segment information (Continued)

	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000	Note	Per Consolidated Financial Statements RM'000
31 December 2012						
Revenue:						
External customers representing total revenue	479,549	35,417	-	-		514,966
Results:						
Interest income	4,922	396	7,724	(3,402)		9,640
Dividend income	-	-	229,775	(229,775)		-
Depreciation and amortisation	116,258	6,696	29	-		122,983
Other non-cash expenses	12,796	-	895	-	A	13,691
Segment profit	163,599	14,633	230,114	(229,775)	B	178,571
Assets:						
Additions to non-current assets	171,615	667	90	-	C	172,372
Segment assets	1,830,699	134,551	108,321	(162,179)	D	1,911,392
Segment liabilities	1,343,246	68,842	4,873	(162,194)	E	1,254,767

A Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2013 RM'000	2012 RM'000
Provisions	14,683	13,691

B The following items are deducted from segment profit to arrive at "Profit before tax from continuing operations" presented in the consolidated statement of comprehensive income:

	2013 RM'000	2012 RM'000
Dividend income	(181,350)	(229,775)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

38. Segment information (Continued)

C Additions to non-current assets consist of:

	2013 RM'000	2012 RM'000
Property, plant and equipment	297,469	152,741
Intangible assets	31,384	19,631
	328,853	172,372

D The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Goodwill	15	15
Inter-segment assets	(2,324)	(162,194)
	(2,309)	(162,179)

E The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Inter-segment liabilities	(2,324)	(162,194)

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Directors on 26 March 2014.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

40. Supplementary information - breakdown of retained earnings into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group RM'000	Company RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	133,129	98,178
- Unrealised	54,751	-
Retained earnings as per financial statements	187,880	98,178

OTHER INFORMATION

ANALYSIS OF EQUITY STRUCTURE

1. ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2014

Size of Shareholdings Share	No. of Shareholders M'sian	Foreign	No. of Shares M'sian	Foreign	% M'sian	Foreign
1-99	13	3	327	173	0.000	0.000
100-1000	595	13	533,300	8,400	0.115	0.001
1,001-10,000	617	8	2,569,900	30,500	0.558	0.006
10,001-100,000	118	9	3,640,800	381,900	0.791	0.083
100,001-22,999,999	36	6	90,601,400	7,058,100	19.695	1.534
23,000,000 and above	4	0	355,175,200	0	77.212	0.000
Total	**1,383**	**39**	**452,520,927**	**7,479,073**	**98.37**	**1.63**

2. LIST OF TOP THIRTY (30) HOLDERS AS AT 31 MARCH 2014

No.	Name of Shareholders	Shareholdings	%
1.	CIMB Group Nominees (Tempatan) Sdn. Bhd. Exempt An For Petroliam Nasional Berhad	131,171,000	28.515
2.	State Financial Secretary Sarawak	122,701,000	26.674
3.	Equisar Assets Sdn. Bhd.	60,000,000	13.043
4.	Kumpulan Wang Persaraan (Diperbadankan)	41,303,200	8.978
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	16,216,400	3.525
6.	Lembaga Tabung Haji	12,212,100	2.654
7.	MISC Berhad	10,619,000	2.308
8.	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	9,425,400	2.049
9.	Amanahraya Trustees Berhad Amanah Saham Wawasan 2020	9,138,500	1.986
10.	Amanahraya Trustees Berhad Amanah Saham Didik	7,713,800	1.676
11.	Amanahraya Trustees Berhad Amanah Saham Malaysia	6,211,600	1.350
12.	Amanahraya Trustee Berhad Public Islamic Dividend Fund	3,172,100	0.689
13.	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	2,526,200	0.549
14.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	2,320,900	0.504
15.	Tokio Marine Life Insurance Malaysia Bhd as Beneficial Owner (PF)	2,320,000	0.504
16.	HSBC Nominees (Asing) Sdn. Bhd. TNTC For Mondrian Emerging Markets Small Cap Equity Fund, L.P.	2,104,700	0.457
17.	Amanahraya Trustees Berhad Public Islamic Select Enterprises Fund	1,410,600	0.306
18.	Shoptra Jaya (M) Sdn. Bhd.	1,075,500	0.233
19.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An For The Bank Of New York Mellon (MELLON ACCT)	1,003,000	0.218
20.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (NOMURA)	966,800	0.210
21.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An For Morgan Stanley & Co. International PLC (Client)	830,000	0.180
22.	CIMB Commerce Trustee Berhad Public Focus Select Fund	658,700	0.143
23.	Citigroup Nominees (Asing) Sdn. Bhd. CBNY For Old Westbury Small & Mid Cap Fund	644,400	0.140
24.	AMSEC Nominees (Tempatan) Sdn. Bhd. ASSAR Asset Management Sdn. Bhd. For Tabung Baitulmal Sarawak (Majlis Islam Sarawak) (FM-ASSAR-TBS)	631,000	0.137
25.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Takaful Berhad (Family PRF EQ)	521,000	0.113
26.	Employees Provident Fund Board	500,000	0.108
27.	Koperasi Jayadiri Malaysia Berhad	500,000	0.108
28.	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	488,000	0.106
29.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (I-VCAP)	468,000	0.101
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Takaful Berhad (Shareholders FD)	449,500	0.097

3. SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2014

No.	Name of Shareholders	Shareholdings	%
1	CIMB Group Nominees (Tempatan) Sdn. Bhd. Exempt An For Petroliam Nasional Berhad	131,171,000	28.515
2	State Financial Secretary Sarawak	122,701,000	26.674
3	Equisar Assets Sdn. Bhd.	60,000,000	13.043
4	Kumpulan Wang Persaraan (Diperbadankan)	41,303,200	8.978
	Total	**355,175,200**	**77.212**

SUMMARY OF EQUIPMENT & FACILITIES
AS AT 31 MARCH 2014

Description	No. of Berth / Jetty	Total Capacity / Area		
Type Of Berth		Length (meter)	Depth (meter)	Max Vessel Size (dwt)
General Cargo Wharf	3	514.5	10.5	25,000
Bulk Cargo Wharf	1	270	13.5	60,000
LNG Jetty	3	-	15.0	80,000
LPG Jetty	1	-	11.0	51,000
Petochemical Terminal	2	-	11.0	30,000
Shell MDS Jetty	1	-	13.0	40,000
Container Terminal	2	450	14.0	55,000
Edible Oils Terminal	2	-	14.0	50,000
Single Buoy Mooring	2	-	19.5	320,000
Oil Barge Berth	1	65	7.0	2,000
Coastal Terminal	1	120	4.5	1,000
Multipurpose Terminal		950	14.0	55,000
- Timber Shed	2 unit (7,800 m²/each)			
- Hazourdous Godown	1 Unit (1,200 m²)			
- Open Yard	6 Block A/B (17,160 m²)			
	*each bay length: 55.22 m			
	*each bay width: 15.86 m			

Type Of Storage	No. Of Units	Area (Square Meters)
General Cargo Wharf		
-Transit Shed	2	10,000
- Transit Shed 1		5,000
- Transit Shed 2		2,860
- Timber Yard		2,140
- Storage Godown	3	7,200 (each Storage Godown area: 2,400 m²)
- Open Storage Area	16 Block (each bay length: 127.6 m) (each bay width : 18.25 m)	71,900
-Ringger Warehouse	1	2,376
Container Terminal		
-RTG Block	26	2496 Ground Slots*
-RSD Block	5	524 Ground Slots*
-Customs Examination Area*	1	12 Ground Slots*

Type Of Storage	No. Of Units	Area (Square Meters)
-Dangerous Goods Storage	1	42 Ground Slots*
-Reefer Points*	1	42 Ground Slots*
-On Dock Depot Odd	5	442 Ground Slots*
*(Reach Stacker Operations) *(Twenty Foot)		

Type Of Vessels	No. Of Units	Capacity
Mooring Boat	3	-
Mooring Boat (Charter)	1	-
Shiphandling Tug 45 Tons	3	45 tonnes bollard pull
Shiphandling Tug 45 Tons (Charter)	2	45 tonnes bollard pull
Shiphandling Tug 25 Tons (New)	2	25 tonnes bollard pull
Shiphandling Tug 25 Tons (Old)	0	25 tonnes bollard pull
Shiphandling Tug 45 Tons (Charter)	2	25 tonnes bollard pull
Mild Steel Pilot Boat	1	-
Pilot Boat (Charter)	2	-
Aluminium Pilot Boat	1	-
Aluminium Patrol Boat	2	-
Mild Steel Patrol Boat	1	-
Patrol Dinggy	1	-
Fiberglass Patrol Boat	1	-

Cargo Handling & Mechanical Equipment	No. Of Units	Capacity (Tonnes)
Container Handling Equipment		
Post Panamax Quay Crane	2	40.6 (Under Spreader), 50 (Cargo Beam)
Panamax Quay Crane	2	40.6 (Under Spreader), 50 (Cargo Beam)
Rubber Tyred Gantry Crane (4+1 high / 6+1 high with 6+1 row)	14	40.6 (Under Spreader)
Mobile Harbour Crane	1	100 (Under Hook), 35 (Under Spreader)
Reach Stacker	8	45
Towing Terminal Tractor	41	60
Container Trailer	49	40
Heavy Forklift	4	8
LPG Forklift	6	3
Battery Powered Forklift	6	2.5 & 3
Empty Container Handler	2	10
Empty Reach Stacker	2	10

Cargo Handling & Mechanical Equipment	No. Of Units	Capacity (Tonnes)
Cargo Handling Equipment		
Forklift Truck 8 Ton (Diesel)	4	8
Forklift Truck 4 Ton (Diesel)	19	4
Forklift Truck 25 Ton (Diesel)	2	25
Forklift Truck H/M (LPG)	2	4
Forklift Truck L/M (LPG)	2	4
Terminal Tractor	27	40
Platform Trailer	33	40
Reach Stacker	1	36

Bulking Facilities	No. Of Units/ Facilities	Capacity (Metric Tonnes)
2,600 MT Tank	14	36,400
2,000 MT Tank	22	44,000
1,000 MT Tank	16	16,000
650 MT Tank	8	5,200

LIST OF PROPERTIES
AS AT 24 MARCH 2014

Location	Description	Tenure/ Age of Building (Years)	Area sq. ft.	Net Carrying Value (RM'000)
Land:				
Part of Lot 15 & 37 (Alienated Land), Tanjung Kidurong, Kemena Land District, Bintulu, Sarawak.	The surveyed land area identified in the Agreement to Sub-Lease (Alienated Land) dated 31.12.1992	Leasehold (Expiring in 2022)	4,415,170	-
Part of Lot 15 & 37 (BICT Land) Tanjung Kidurong, Kemena Land District, Bintulu, Sarawak.	The surveyed land area which covers the BICT	Leasehold (Expiring in 2022)	2,693,037	-
Building, Structures & Improvements:				
Built on Alienated Land				
Single Storey Office Building		19	6,935	109
Built on BICT Land				
Receipt & Delivery Building		16	12,110	987
Gate House		16	5,015	326
Crane Service Station		16	9,300	414
Crane Service Workshop (Extension)		6		686
Custom Examination Shed		16	2,583	36
Canteen Building		16	11,959	526
Marine Operation Building		16	16,534	1,677
Marine Maintenance Building		16	9,300	631
Wisma Kontena Building		14	69,727	5,698
Access Road (including 2 bridges)		16		5,073
Container Stacking Yard		16	1,937,229	30,132
Empty Container Stacking Yard		5		3,560
New Storage Yard		18		372
Container Stacking Yard (BICT Extension)		4		46,426

Location	Description	Tenure/ Age of Building (Years)	Area sq. ft.	Net Carrying Value (RM'000)
Upgrading work to Open Storage Yard at BICT		3		4,277
Main Intake Substation		18	2,174	579
Quay Crane Substation		16	1,485	343
CFS Substation Marine		16	904	183
Marine Operation Substation		16	1,098	268
Wharves 4 & 5		16	168,053	26,687
Small Craft Harbour		16		4,097
Coastal Terminal / Gravel Jetty		16	9,085	358
Bulk Fertiliser Warehouse		9	21,700	9,412
Container Freight Station		3		11,167
CFS Pit Type Weighbridge		3		60
Built on Multi Purpose Terminal Land (950 Meter Wharf)				
MPT Open Storage Yard		3		18,753
500m Ex-BPP Wharf at MPT		3		17,278
Transit Shed 3		3		10,974
Transit Shed 4		3		7,666
Plant Maintenance Workshop		3		4,351
Hazardous Goods Godown		3		4,346
Operator's Resthouse		3		690
M&E Plant Room		3		1,763
MPT Operational Gate		3		1,161
MPT Weighbridge		3		267
Built on 2nd Inner Harbour Land				
Edible Oil Terminal		9	44,215	26,754

BINTULU PORT HOLDINGS BERHAD
Company No.: 380802-T
(Incorporated in Malaysia)

• PROXY FORM •

I / We ____
Of ____
being a member / members of **BINTULU PORT HOLDINGS BERHAD**., do hereby appoint
____
____
of ____
or failing him, **THE CHAIRMAN OF THE MEETING** as my / our proxy, to vote for me / us and my / our behalf, at the Eighteenth (18th) Annual General Meeting of the Company to be held at Ballroom 3, Lobby Floor, Hilton Hotel, Kuching, Jalan Tunku Abdul Rahman, 93748 Kuching, Sarawak on Friday, 9 day of May 2014 at 10.00 am or any adjournment thereof. My / our proxy is to vote as indicated below:-

No.	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the year ended 31 December 2013 together with the Reports of the Directors and the Auditors thereon. **Resolution 1**		
2.	To approve the payment of Final Single Tier Dividend of 7.50 sen per share in respect of the year ended 31 December 2013. **Resolution 2**		
3.	To approve the Directors' Fees amounting to RM855,466.66 for the year ended 31 December 2013. **Resolution 3**		
4.	To re-elect Datuk Hj. Hashim bin Ismail who retires under Article 127 of the Company's Articles of Association. **Resolution 4**		
5.	To re-elect Dato' Seri Dr. Hj. Arshad bin Hashim who retires under Article 127 of the Company's Articles of Association. **Resolution 5**		
6.	To re-elect Dato' Hj. Mohamad Norza bin Hj. Zakaria who retires under Article 127 of the Company's Articles of Association. **Resolution 6**		
7.	To re-elect Encik Zakaria bin Kasah who retires under Article 132 of the Company's Articles of Association. **Resolution 7**		
8.	To re-elect Dato' Mat Noor bin Nawi who retires under Article 132 of the Company's Articles of Association. **Resolution 8**		
9.	To re-appoint Messrs. Ernst & Young as auditors and to authorise the Directors to fix their remuneration. **Resolution 9**		
10.	To transact any other business for which due notice shall have been given in accordance with the Companies Act 1965. **Resolution 10**		

Please indicate with "X" on the spaces provided how you wish your votes to be casted. In the absent of specific directions, your proxy will vote or abstain from voting at his discretion.

Dated this ....day of 2014

No. of Shares Held	

....
Signatures of Member (s) / Common Seal

Notes :-

PROXY
- A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney duly authorised in writing and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Headquarters Building, Bintulu Port Holdings Berhad, Lot 15, Block 20, Kemena Land District, 12th Mile, Tanjung Kidurong Road, 97008 Bintulu, Sarawak, Malaysia, not less than 48 hours before the time appointed for holding the Meeting and or any adjournment thereof.

The Company Secretary
Bintulu Port Holdings Berhad
Lot 15, Block 20, Kemena Land District
12th Mile, Tanjung Kidurong Road
P. O. Box 996, 97008 Bintulu, Sarawak, Malaysia

Bintulu Port Holdings Berhad
(Company No. 380802-T)
Lot 15, Block 20, Kemena Land District
12th Mile, Tanjung Kidurong District
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