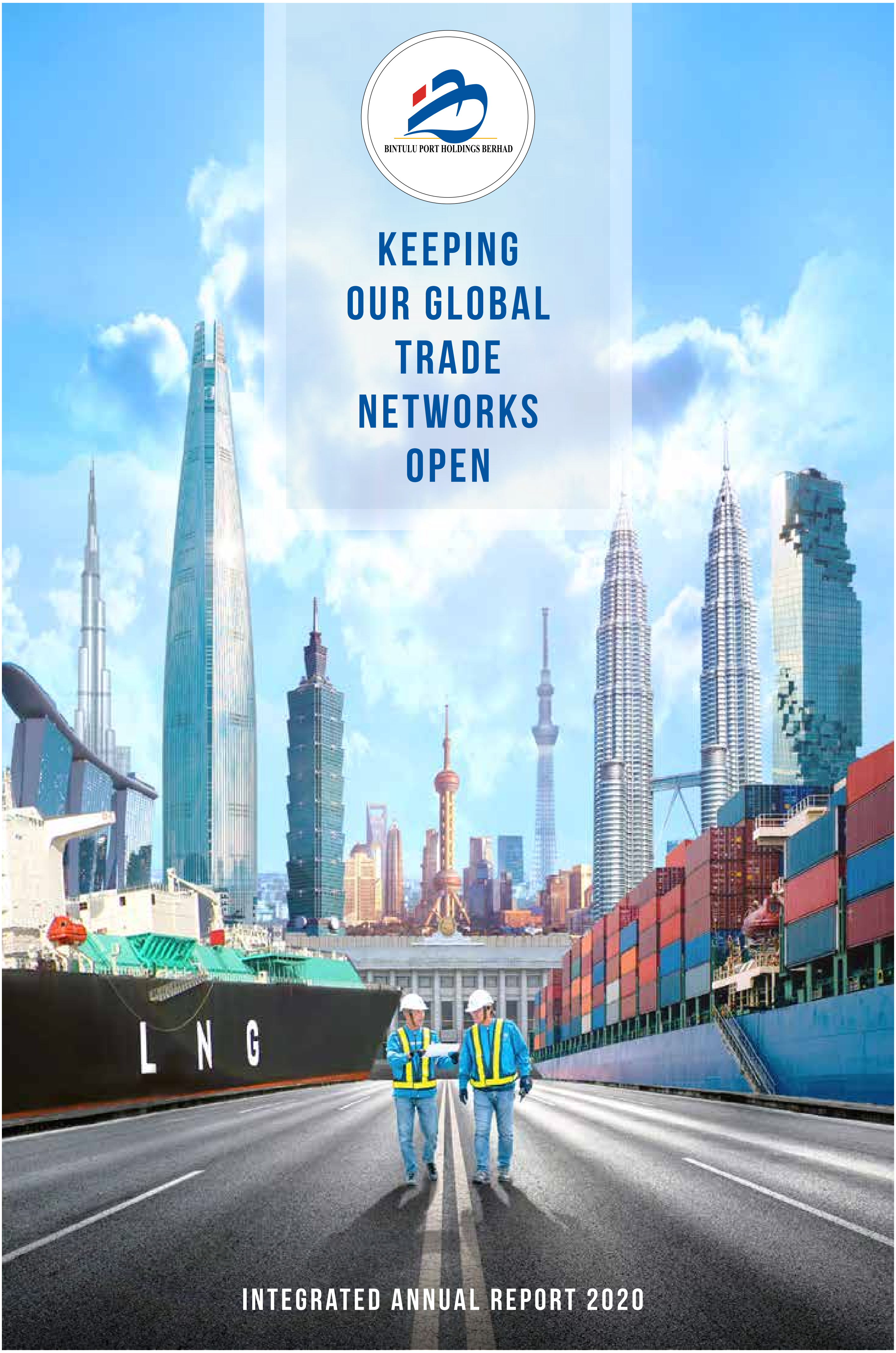
BINTULU PORT HOLDINGS BERHAD

KEEPING OUR GLOBAL TRADE NETWORKS OPEN



INTEGRATED ANNUAL REPORT 2020

THIS IS HOW WE ENSURE THE DOORS ARE KEPT OPEN

OBJECTIVE

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

- Minimise the adverse impacts due to the disruption of supply chains related to the port services industry
- Ensure delivery of our business objectives in the best possible way under these circumstances

OUR PLAN IS COMING TOGETHER

1. **KEEP THE BUSINESS GOING** – Ensure critical operations proceed with minimal disruptions
2. **KEEP THE PEOPLE HEALTHY AND SAFE** – Protecting safety and health of employees all times
3. **COMMUNICATE WELL** – Open communication with all stakeholders
4. **PROGRESS THE CORPORATE STRATEGIC THRUSTS** – Progressing business growth and operational excellence
5. **GO VIRTUAL** – Leveraging IT and virtual communication technology
6. **CASH PRESERVATION** – Review and prioritisation of CAPEX spending plans and expenditure
7. **COST CONTAINMENT** – Cost Optimisation
8. **MAINTAIN STAFF MORALE** – Employee motivation
9. **HELP CUSTOMERS TO DELIVER** – Targeted incentives to customers
10. **KEEP THE BOARD ENGAGED** – Looping in the Board

TO OBJECTIVELY TACKLE EVERY OBSTACLE

- Activation of Group Crisis Management Team
- Digital temperature screening at entry point
- Procured and provided personal protective equipment
- Establishment of prevention measures at workplace
- Establishment of Work From Home Policy
- Postponed all travel abroad & within Malaysia
- Installation of thermal scanner & thermal camera
- Daily workplace sanitation
- Continuous COVID-19 awareness via emails, stickers, banners, videos and badges
- Establishment of Close Contact Management Plan (CCMP)
- Access restrictions to or within Port area
- Implementation of self-quarantine
- QR code scanning at entry point

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

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

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

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

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

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

AND SECURE THE CONTINUITY OF OUR TRADE DOORS

BINTULU PORT SDN BHD

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

BIPORT BULKERS SDN BHD

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

SAMALAJU INDUSTRIAL PORT SDN BHD

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

ABOUT THIS REPORT

WE ARE BINTULU PORT

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

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

LEADERSHIP THAT CREATES VALUE

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

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

DRIVING VALUE CREATION

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

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

PERFORMANCE REVIEW

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

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

THE STRENGTH OF OUR GOVERNANCE

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

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

AUDITED FINANCIAL STATEMENTS

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

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

REPORTING PRINCIPLES AND FRAMEWORK

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

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

In line with best practices, this Report adopts the International Integrated Reporting Council (IIRC) framework. The reporting is also aligned to and guided by the Malaysian Code on Corporate Governance 2017 (MCCG 2017), the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, the Companies Act 2016 and the Malaysian Financial Reporting Standards.

SCOPE AND BOUNDARIES

The Report details our financial and non-financial performance for the period 1 January 2020 to 31 December 2020. In terms of reporting boundaries, we considered all business operations of the Group and this included both fully controlled operations as well as subsidiaries. The reporting scope looked at internal and external impacts on the business, sustainability efforts and operational improvements. We also evaluated the trends, opportunities and risks that could significantly affect the Group's value creation abilities.

WE VALUE FEEDBACK

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

BINTULU PORT'S SIX (6) CAPITALS

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

FORWARD-LOOKING STATEMENTS

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

REPORT APPROVAL

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

OUR THREE (3) STRATEGIC THRUSTS

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

- Institute Operational Excellence
- Expand Port Capacities and Capitalising on Key Growth Market Sector and Profitability
- Embark into Smart and Green Port

THE SIX (6) CAPITALS

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

- Financial Capital
- Intellectual Capital
- Manufactured Capital
- Social and Relationship Capital
- Human Capital
- Natural Capital

NAVIGATION ICONS

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

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

SEND US YOUR FEEDBACK

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

INSIDE THIS REPORT

UNDERSTANDING BINTULU PORT

QUICK FACTS

1st

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

Bintulu Port Holdings Berhad is an investment holding company. Its subsidiaries, Bintulu Port Sdn Bhd and Samalaju Industrial Port Sdn Bhd, are engaged in the provision of port services which includes marine services (towage, pilotage, mooring), cargo handling and storage, stevedoring, supply base services and bunkering while its other subsidiary, Biport Bulkers Sdn Bhd, specialises in the provision of bulking installation services.

OUR VISION

A World-Class Port Operator

OUR MISSION

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

BINTULU PORT HOLDINGS BERHAD

TIIP

CORPORATE VALUES

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

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

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

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

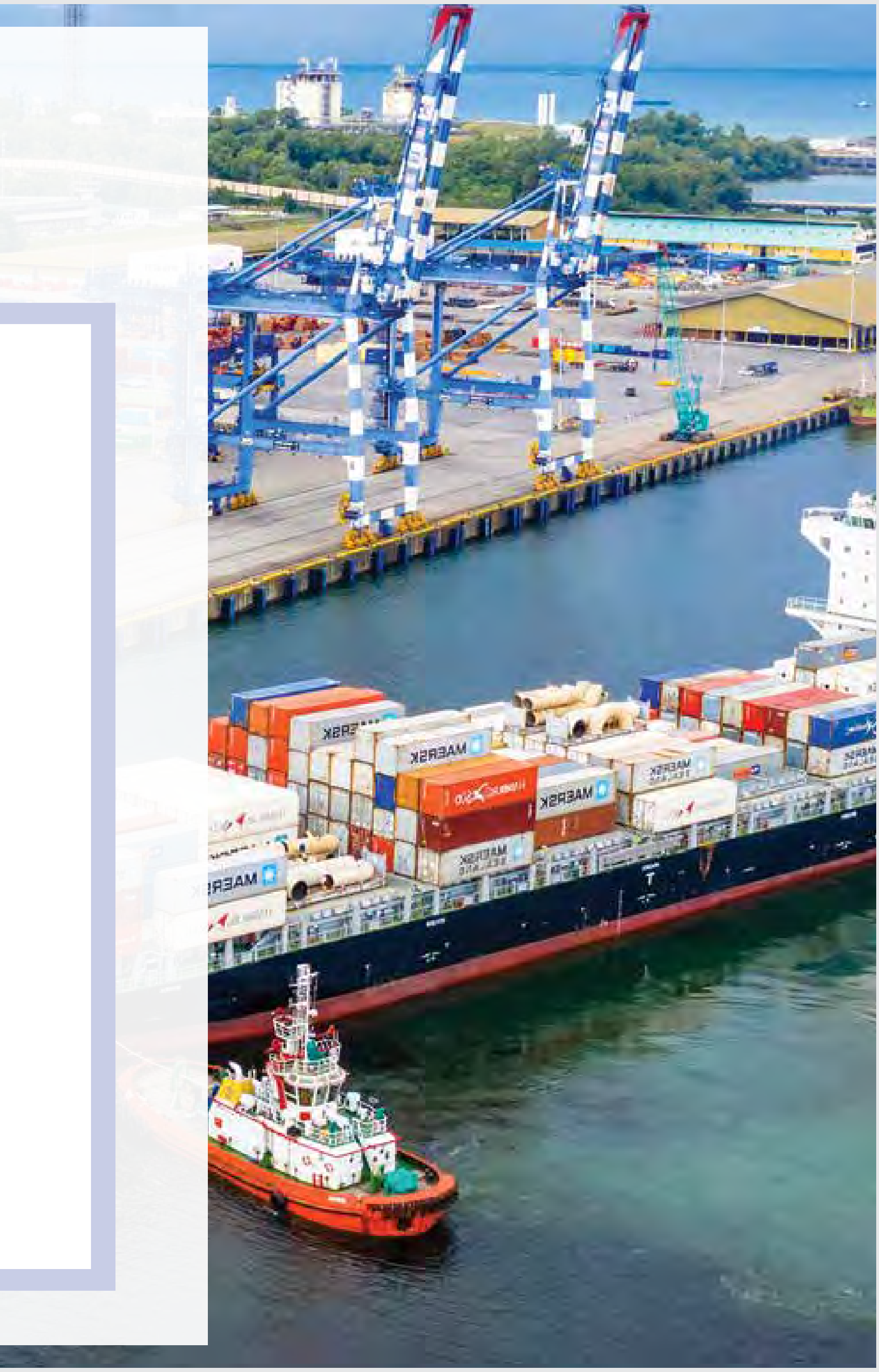
UNDERSTANDING BINTULU PORT

2nd

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

3rd

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



LAND AREA
713
hectares

OPERATING REVENUE IN 2020
RM707.31
million

PROFIT BEFORE TAX IN 2020
RM126.67
million

PROFIT AFTER TAX IN 2020
RM93.30
million

CARGO THROUGHPUT IN 2020
47.61
million tonnes

BERTHING CAPACITY
93
million tonnes

TOTAL BERTHING LENGTH
3.8
km

OUR BUSINESSES

CORPORATE MILESTONES

Jan 1983
Commencement of Bintulu Port

Jan 1983
1st LNG shipment to Japan

Jan 1993
Bintulu Port Sdn Bhd (BPSB) took over the operations

Mar 1996
Incorporation of Bintulu Port Holdings Berhad (BPHB)

Jun 1999
Commencement of Bintulu International Container Terminal (BICT)

Apr 2001
Listing of BPHB shares on KLSE

Nov 2003
Incorporation of Biport Bulkers Sdn Bhd (BBSB)

Jan 2005
1st shipment of palm oil through the new dedicated Palm Oil Bulking Terminal

BINTULU PORT SDN BHD (BPSB)

The operator of a modern and efficient multipurpose port in Southeast Asia serving the hinterland, which includes one of the nation's major oil & gas hub. The Port also serves as the export gateway for liquefied natural gas (LNG) in Malaysia and is globally recognised as the second-largest LNG Terminal in the world in a single location. In addition, the Port is the main transhipment gateway for East Malaysia.

BIPORT BULKERS SDN BHD (BBSB)

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

SAMALAJU INDUSTRIAL PORT SDN BHD (SIPSB)

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

OUR BUSINESSES

Aug 2012
Incorporation of Samalaju Industrial Port Sdn Bhd (SIPSB)

Sep 2014
Obtained approval in principle for extension of concession period

Jun 2017
SIPSB successfully commenced Phase 1 operations

Sep 2017
Safe handling and delivery of 10,000 LNG shipments without fail

Feb 2018
Official launch of the Group's new Vision and Mission Statement to become A WORLD-CLASS PORT OPERATOR

Jan 2020
Commencement of our Marine Service Team in Brunei, signalling the Group's first international business foray

Jan 2020
Achieved and surpassed 1 billion tonnes of cargo throughput (accumulative total since 1983)

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

Our facilities include multiple terminals, jetties and other berthing facilities as well as cargo and storage sites. Our Bintulu International Container Terminal (BICT) is now directly connected to ports in Indonesia, Vietnam, Thailand, Philippines and China. At present, Evergreen Marine Corporation (M) Sdn Bhd, SITC Container Lines (Sarawak) Sdn Bhd, MTT Shipping Sdn Bhd and Harbour-Link Line Sdn Bhd, offer direct shipping services to intra-Asian ports, thus boosting our connectivity offerings to customers.

For more information, please refer to pages 40 and 41.

As the leading palm oil bulking installation terminal with the biggest capacity in Sarawak, we are the main export point for edible oil products, handling 92% of Sarawak's palm oil exports.

BBSB is the largest palm oil product exporting terminal in Malaysia, handling 22% of total Malaysian palm oil exports.

Built on a 15-acre site, our bulking terminal is equipped with modern storage facilities consisting of multi-sized storage tanks of various capacities with a dedicated piping system to ensure optimum security, safety and efficiency. We are closely connected to and integrated with five refineries operating within the vicinity of the terminal, operated by Wilmar Group's Bintulu Edible Oil, Sime Darby's Austral Edible Oil, Sarawak Oil Palms' SOP Edible Oil, Kirana Edible Oil and Borneo Edible Oil. BBSB operations are serviced by dedicated palm oil jetties adjacent to its bulking terminal and fully supported by BPSB marine services.

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

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

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

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

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

CORPORATE STRUCTURE

BINTULU PORT HOLDINGS BERHAD (BPHB)

- Petroliam Nasional Berhad **28.52%**
- State Financial Secretary, Sarawak **26.67%**
- Equisar Assets Sdn Bhd **13.04%**
- Total Others **31.77%**
  - **3.26%**
  - MISC Berhad **2.31%**
  - Urusharta Jamaah Sdn Bhd **3.69%**
  - Amanahraya Trustees Berhad **8.07%**
  - Employees Provident Fund **5.27%**
  - Kumpulan Wang Persaraan (Diperbadankan) **9.17%**

Wholly-Owned Subsidiaries of BPHB

BINTULU PORT SDN BHD	100%
BIPORT BULKERS SDN BHD	100%
SAMALAJU INDUSTRIAL PORT SDN BHD	100%

*All information is as at **28 February 2021***

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

ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS

DATO MOHAMMAD MEDAN BIN ABDULLAH
Group Chief Executive Officer

BPHB Senior Management Team

ROSLI BIN IDRIS
Company Secretary

DAIANA LUNA SUIP
General Manager, Group Finance

EIZAM BIN ISMAIL
General Manager, Group Corporate Planning & Development

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

DAYANG FAIZAH BINTI AWANG BUJANG
General Manager, Group Legal Counsel

RAMZI BIN SHAFIEE
Acting General Manager, Group Information Technology

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

MOHAMAD YACOP BIN MOHAMAD JUNIT
Senior Manager, Group Internal Audit

MASLIHAH BINTI HJ. TIOH
Senior Manager, Group Corporate Services

ELVIS TULU AYU
Senior Manager, Group Security

BINTULU PORT SDN BHD

YUSOF BIN IBRAHIM
Chief Operating Officer

BORHANA BIN GANI
General Manager, Marine Services Division

SUFRI BIN BOHARI
General Manager, Cargo Handling Services Division

AZHARAN BIN RAMLEE
General Manager, Container Terminal Division

CAJETAN ANDREW LISSEM
Senior Manager Finance, HR & Admin Division

REMAZI BIN ARBI
Acting General Manager, Technical Services Division

MOHAMAD AZIMAN BIN DRAHMAN
Senior Manager, Port Operation Equipment Division

BIPORT BULKERS SDN BHD

ABU BAKAR BIN HUSAINI
Chief Operating Officer

WAN MOHAMAD ZAIDI BIN WAN KADIR
Senior Manager, Operations Division

PETER ANAK LAMAT
Senior Manager, Technical Division

NHADDYA BINTI WAHED
Manager Finance, HR & Admin Division

SAMALAJU INDUSTRIAL PORT SDN BHD

MATSHALLEH BIN MOHD ETLI
Chief Operating Officer

DING IBAU
Acting Senior Manager, Technical Services Division

EDDY NORIMAN BIN HOSSAIN
Senior Manager, Port Operation Equipment Division

LAILATU'LKADAR BIN SITAM
Senior Manager, Operations Division

GHAZALI BIN TAMBI
Senior Manager Health, Safety & Environment Division

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

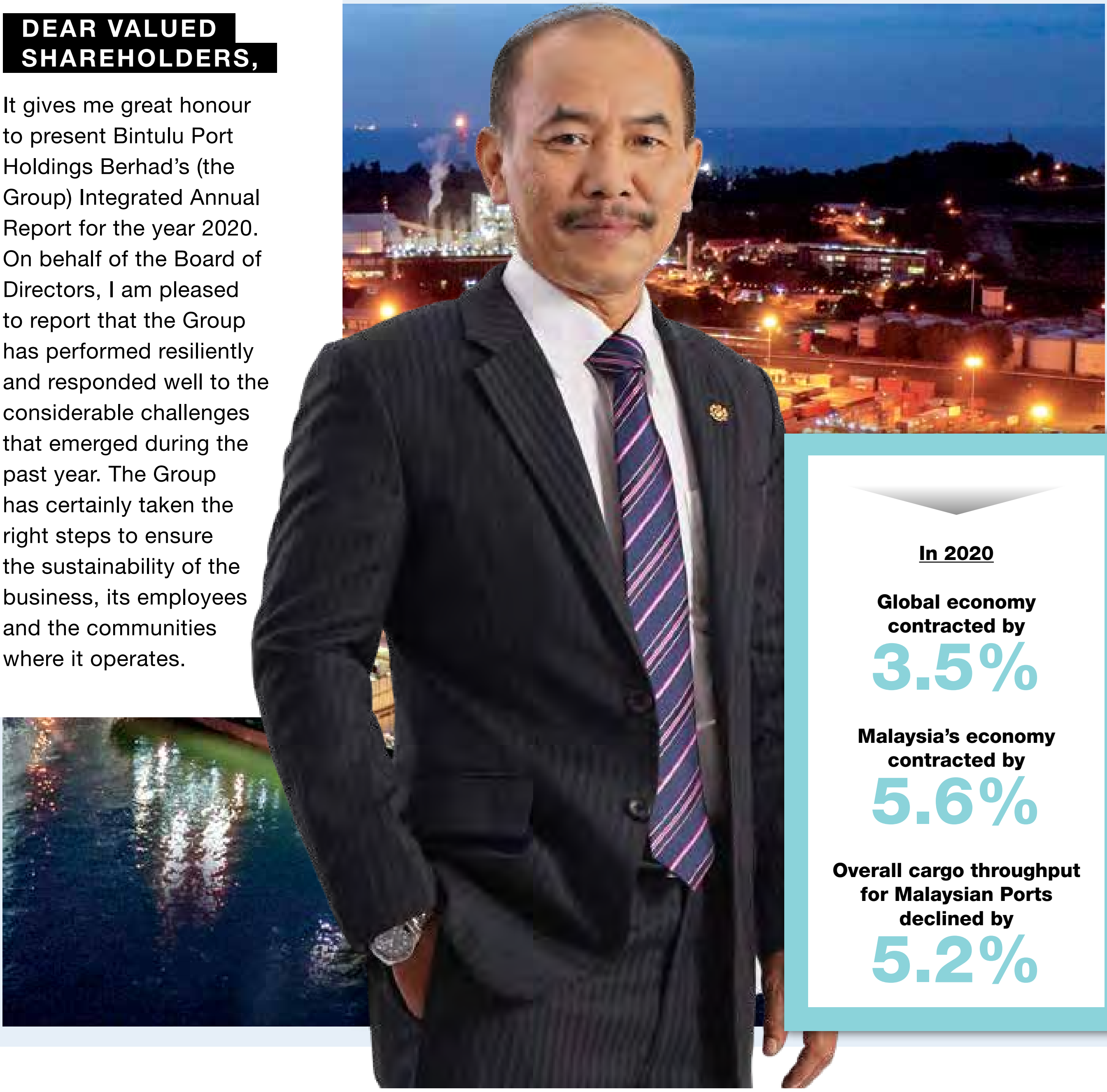
VACANT
Business Development & Stakeholder Division

CHAIRMAN'S STATEMENT

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

DEAR VALUED SHAREHOLDERS,

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



In 2020

Global economy contracted by

3.5%

Malaysia's economy contracted by

5.6%

Overall cargo throughput for Malaysian Ports declined by

5.2%

AN UNPRECEDENTED YEAR

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

NAVIGATING THE PANDEMIC

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

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

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

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

Helping the Communities around Us

Bintulu Hospital receiving donated PPE

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

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

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

CHAIRMAN'S STATEMENT

OUR SUSTAINABILITY AGENDA

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

CONTINUED VALUE CREATION

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

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

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

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

Staff during operation at Multi Purpose Terminal

The Group's resilient financial performance has resulted in the reaffirmation of our ratings as a Corporate Guarantor for the RM950 million Sukuk Murabahah debt issued by SIPSB. Following its fifth annual rating of BPHB and SIPSB, RAM Ratings reaffirmed the respective long-term and short-term corporate ratings of AA_1 and P1 for BPHB. RAM Ratings also reaffirmed the long-term rating of AA_1(s) for SIPSB's Sukuk Murabahah Programme.

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

DIVIDEND

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

PROGRESSING OUR GOVERNANCE AND RISK CULTURE

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

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

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


Storage tanks at BBSB

ACKNOWLEDGEMENTS

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

Tan Sri Dr Ismail bin Haji Bakar
Chairman

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

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

DEAR VALUED SHAREHOLDERS,

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

KEEPING THE BUSINESS GOING

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

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

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

OUR CHALLENGES

Challenge 1

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

Challenge 2

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

Challenge 3

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

Challenge 4

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

BINTULU PORT'S BUSINESS RESPONSE PLAN

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

Keep the Business Going

1. Ensuring Critical Operations Proceeded with Minimal Disruptions

What We Did

- Maintained resiliency in delivering services and responded quickly to any interruptions.
- Minimised disruptions to productivity.
- For operations staff who continued to work from the office, strict social distancing was observed and staggered working hours were introduced where feasible.
- Developed working SOP based on relevant central and state agencies' requirements.
- Implemented stringent SOPs for vessels berthing at the Port to control the spread of the pandemic from overseas. This included categorising vessels according to their potential risk based on declarations made to the Port Health Officer.

Keep the People Healthy and Safe

2. Protecting Safety and Health of Employees at All Times

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

What We Did

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

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Communicate Well

3. Open Communication with All Stakeholders

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

What We Did

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

Progress the Corporate Strategic Thrusts

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

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

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Progress the Corporate Strategic Thrusts (Continued)

Key Initiatives	Progress
Pursuing Our Operational Excellence Initiatives	These comprise ongoing initiatives that involve improvements to operational effectiveness, workflow processes and audit transformation and cost management initiatives: 1. Review of Limit of Authority (Project Pyramid) 2. Governance, Risk and Compliance (GRC) Transformation Journey (UTAP) which includes Culture Transformation 3. Cost Management Initiative (COMMIT) 4. Operational Excellence Performance Delivery (OEPD). • **Project Diamond (BPSB):** Continuous initiatives to improve BPSB's targeted overall operational excellence in container service. • **Project Grab and Go (SIPSB):** Ongoing effort to optimise the capabilities of level luffing crane and conveyor facility operation at Samalaju Industrial Port. • **Project Vroom (BBSB):** To improve vessel turnaround and operational flow at edible oil terminal.
Direct Call Services at Samalaju Industrial Port	The Group is looking to work with potential shipping lines to provide direct call services from SIPSB to regional ports. This initiative is in line with the LNG ISO Tank development at BPSB and will ease the container volume handled at BICT while enabling SIPSB to earn additional revenue.
Project MPA (Malaysian Phosphate Additives)	Samalaju Industrial Port is expected to handle about 1.0 million tonnes of new cargo from MPA, which will bring in additional revenue of about RM23 million.
Operational Readiness of Press Metal Bintulu Sdn Bhd Phase 3	Samalaju Industrial Port facilitated the upgrading of conveyors and installation of the third pneumatic Ship Unloader within the Port area. The installation will be undertaken by Press Metal Bintulu Sdn Bhd to improve the overall productivity.

Go Virtual

5. Leveraging IT and Virtual Communications Technology

What We Did

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

Cash Preservation

6. Review and Prioritisation of CAPEX Spending Plans and Expenditure

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

What We Did

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

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Cost Containment

7. Cost Optimisation

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

What We Did

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

Maintain Staff Morale

8. Employee Motivation

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

What We Did

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

Help Customers to Deliver

9. Targeted Incentives to Customers

What We Did

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

Keep the Board Engaged

10. Looping in the Board

What We Did

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

CONCLUSION

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

ACHIEVEMENTS IN 2020

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

STRATEGIC THRUST 1: INSTITUTING OPERATIONAL EXCELLENCE

Operational Excellence in Customer Engagement and Transformation

1. OPEN FOR BUSINESS (All Year)

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

Site inspection at Biport Bulkers storage tanks

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

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

Receiving the PPE at our Container Freight Station

3. NEW POLICY ROLL-OUT (June)

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

4. INNOVATION IN OPERATION

A) CUP PIG INITIATIVE (June)

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

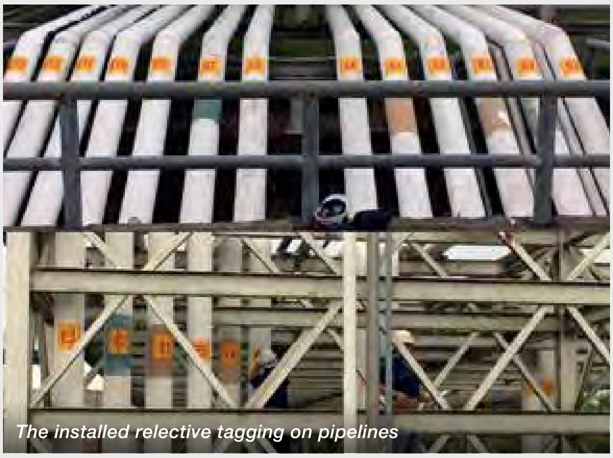
The installed slider device at our Edible Oil Jetty

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

STRATEGIC THRUST 1: INSTITUTING OPERATIONAL EXCELLENCE (Continued)

B) REFLECTIVE PIPELINE TAGGING (November)

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



The installed relective tagging on pipelines

5. VIRTUAL AGM (June)

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

6. UTAP TRANSFORMATION JOURNEY (August)

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

7. IR AWARD RECEIVED (September)

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

8. MARSEC LAUNCHED (September)

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

9. LNG ISO TANK OPERATIONAL READINESS (September)

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

Staff overseeing LNG ISO Tanks loading operation

10. IMPROVEMENT IN CUSTOMER SATISFACTION (December)

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

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

Business Growth

1. COMMENCEMENT OF MARINE SERVICES IN BRUNEI (January)

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

2. ACHIEVED 1 BILLION TONNES (January)

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

3. SHIP-TO-SHIP BUNKERING (April)

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

4. LNG ISO TANK FILLING FACILITY (May)

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

Signing ceremony for sub lease agreement with Tiger Gas

5. NEW SHIPPING SERVICE (June)

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

6. PROJECT BIOHUB (July)

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

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

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

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

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

9. LARGEST LNG VESSEL BERTHED (November)

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

LNG Vasant 1 berthed at LNG Jetty 3

10. PRESS METAL PHASE 3 OPERATIONS (November)

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

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

STRATEGIC THRUST 3: EMBARK INTO SMART AND GREEN PORT

Smart Digital Green Port (SDGP)

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

Representive speaker panel at 2020 ASEAN Ports and Shipping Conference

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

Planting Belian trees at Kidurong Golf Club together with the Sarawak Forestry Department

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

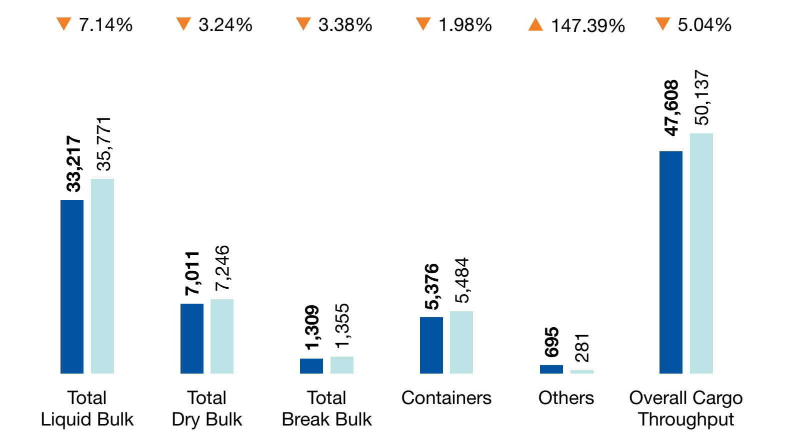
GROUP OPERATIONAL AND FINANCIAL PERFORMANCE

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

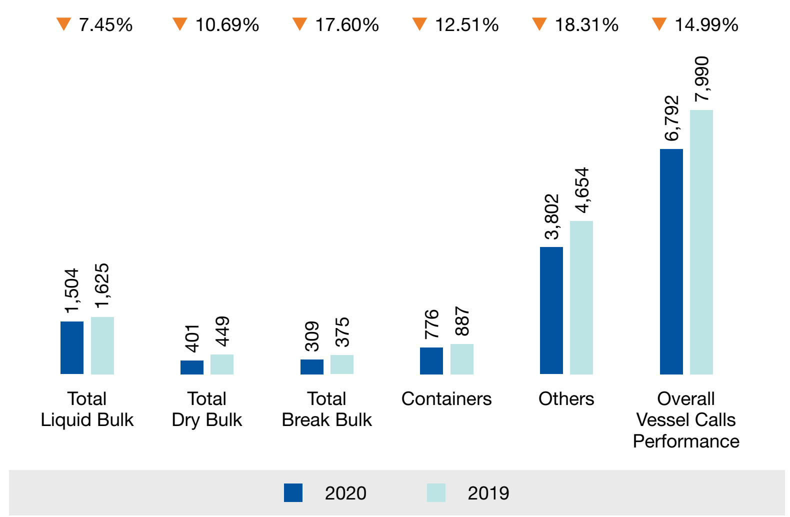
We observed a significant rebound in the second half of 2020, resulting in an annual total throughput of 47.61 million tonnes of cargo, which was just a 5.04% reduction as compared to our earlier forecast of a 7.0% decline. Vessel calls recorded a 14.99% reduction of shipment across all sectors, especially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

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

2020 Cargo Throughput ('000 tonnes)



2020 Vessel Calls (number of vessel calls)



STRATEGY AND OUTLOOK GOING FORWARD

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

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

ACKNOWLEDGEMENTS

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

Dato Mohammad Medan bin Abdullah
Group Chief Executive Officer

FINANCIAL PERFORMANCE REVIEW

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

OPERATIONAL & FINANCIAL HIGHLIGHTS OF THE GROUP

REVENUE

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

Overall, the Group recorded operating revenue of RM707.31 million, 1.27% lower than that of FY2019. The operating revenue comprised revenue from geographical locations in Malaysia of RM674.07 million and RM33.24 million from Brunei Darussalam. Revenue from LNG, which formed 51% of the total operating revenue, was still the main revenue contributor.

During the year under review, revenue generated from provision of port services at Bintulu Port, Malaysia, of RM516.58 million declined by 6.56% compared to RM552.88 million in the previous year. However, the new business venture undertaken by Bintulu Port Sdn Bhd ("BPSB"), i.e. securing a contract to provide pilotage and towage services at Muara District, Brunei Darussalam, added additional operating revenue of RM33.24 million, bringing BPSB's total revenue from port services to RM549.82 million in 2020. Meanwhile, revenue from the provision of port services at Samalaju Industrial Port dipped by 2.46% to RM111.08 million against RM113.88 million recorded previously, while revenue from the provision of bulking facilities at RM46.42 million showed a decrease of 6.52% from the RM49.66 million recorded in 2019.

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

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

INCOME STATEMENT

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

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

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

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

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

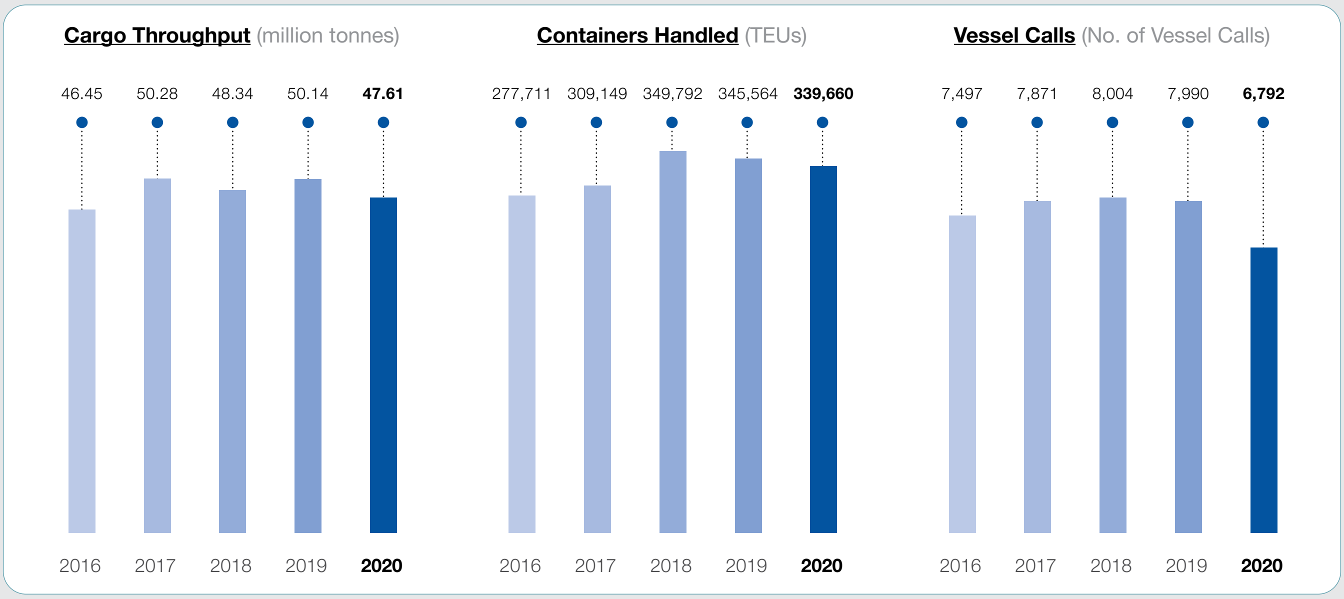
RAM Rating Services Berhad (RAM Ratings) completed their fifth (5th) annual rating review of Bintulu Port Holdings Berhad ("BPHB") as the Corporate Guarantor and SIPSB as the Issuer. RAM Ratings reaffirmed the respective long-term and short-term corporate ratings of AA_1 and P1 for BPHB, with the long-term rating having a stable outlook. RAM Ratings also reaffirmed the long-term rating of AA_1(s) for SIPSB's Sukuk Murabahah Programme of up to RM950 million in nominal value (2015/2036), with the long-term rating having a stable outlook.

FINANCIAL PERFORMANCE REVIEW

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

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

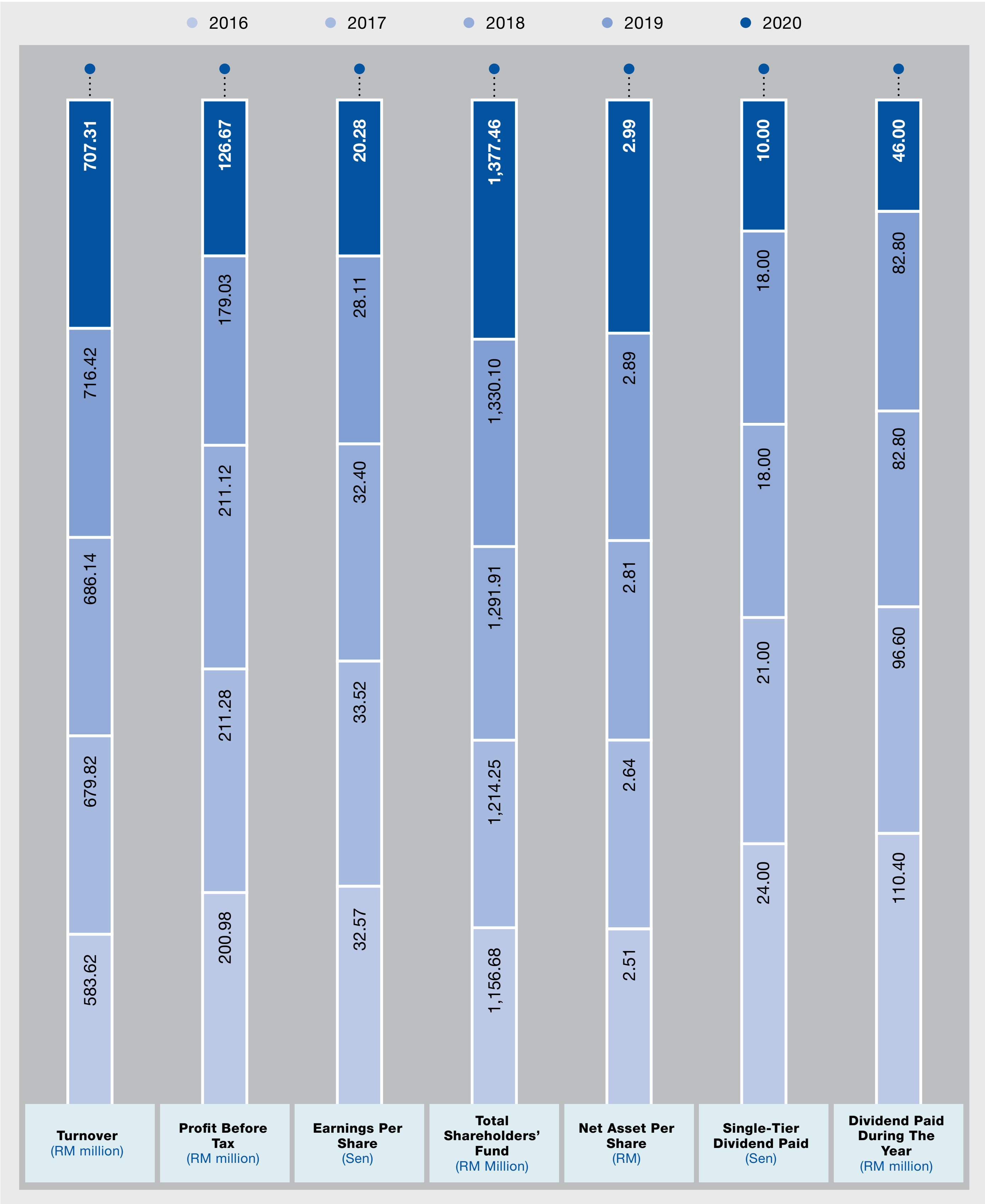
In the 2021, the Group's performance will continue to be affected by the unprecedented impact of the ongoing COVID-19 pandemic. Revenue from the handling of cargoes and vessel calls for LNG will still be the Group's main revenue contributors and starting in 2021, BPSB became the first port operator in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



SHARE PERFORMANCE

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

FINANCIAL PERFORMANCE REVIEW



MARKET LANDSCAPE

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

MARKET LANDSCAPE IN 2020

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

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

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

OUTLOOK

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

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

TRENDS MOVING FORWARD

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

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

MOST PROMISING TRENDS FOR BINTULU PORT

Vaccine roll-out and its impact

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

Economic recovery and trade normalisation

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

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

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

* *Source: Standard Chartered Research, 1 February 2021*

LNG demand and outlook on the rise

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

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

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

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

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

MARKET LANDSCAPE

MOST PROMISING TRENDS FOR BINTULU PORT (CONTINUED)

The energy transition and the rise of renewables

The Group is optimistic that we will be able to tap into opportunities present in the transition away from fossil fuels to cleaner sources of energy. We have since identified several targeted developments in the Smart Digital Green Port Blueprint to begin our journey towards becoming a carbon neutral port. Alongside this long-term goal, the initiatives and projects identified in the blueprint will also benefit the Group in terms of cost and operational efficiencies.

Renewables, especially solar and wind power, are becoming one of the cheapest ways to generate electricity and their prices will continue to drop as greater economies of scale are achieved. Consequently, renewables will take over the role of baseload power generation from nuclear, combined-cycle power and coal power plants. However, they will still require other forms of generation to serve as a backup until power storage technology catches up, given the intermittent nature of solar and wind power generation.*

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

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

Biomass hub opportunity in Sarawak

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

Promising outlook for offshore activities

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

THE RISKS WE CONSIDER

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

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

DECREASE IN REVENUE

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

Causes and Consequences of The Risk

This risk can occur due to:

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

The consequences are:

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

Mitigation and Opportunities

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

Link to Material Matters	• Economic Performance	• Operational Efficiency	• Customer Satisfaction

THE RISKS WE CONSIDER

DELAY IN EXTENDING CONCESSION PERIOD

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

Causes and Consequences of The Risk

This risk can occur due to:

- Lengthy negotiation and extension process to finalise the terms

The consequences are:

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

Mitigation and Opportunities

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

Link to Material Matters	• Legal and Regulatory Compliance

MARITIME INCIDENT RISK

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

Causes and Consequences of The Risk

This risk can occur due to:

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

The consequences are:

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

Mitigation and Opportunities

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

Link to Material Matters	• Port Security • Occupational Health and Safety	• Customer Satisfaction • Economic Performance	• Operational Efficiency

CYBERSECURITY RISK

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

Causes and Consequences of The Risk

This risk can occur due to:
- Lack of user awareness of cybersecurity
- Antivirus programmes not being updated
- Unauthorised installation of software by users
- Possible attacks by hackers

The consequences are:
- Loss of data
- Corruption of system applications, which can result in major downtimes
- Operational disruptions
- High maintenance and support costs
- Reputational impact

Mitigation and Opportunities

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

Link to Material Matters
- Port Security
- Occupational Health and Safety
- Customer Satisfaction
- Economic Performance
- Operational Efficiency

STAKEHOLDER ENGAGEMENT

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

Engaging with Our Stakeholders Meaningfully

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

Stakeholder Group	Our Response
Shareholders and the Investing Public **Expectations/Concerns** Shareholders expect the Company to enhance sustainable value creation and return on investment and to provide transparent information about our performance	• Improved our productivity through implementing operational efficiencies while executing growth strategies to increase revenue • Progressed our strategies and contained our costs during the pandemic • An investor relations programme that shares transparent and material information about our performance
Employees **Expectations/Concerns** Our employees expect to have a safe and secure working environment and also be given opportunities for career development	• Undertook comprehensive steps to ensure employees remained safe during the pandemic • Conducted surveys in 2020 to better understand our employees • Promoted work-life balance with regular health check-ups & mental health awareness talks
Regulatory Authorities and Certification Bodies **Expectations/Concerns** Regulatory authorities expect the Group to comply with the relevant laws, standards, certifications and contracts	• Continued to practice the highest standards of governance, ethics and compliance • Compliance in establishing COVID-19 SOPs and strict adherence by staff and port users
Customers **Expectations/Concerns** Customers expect the Group to be efficient and secure in assisting them in moving their cargoes quickly	• During the pandemic, the Group facilitated new initiatives and incentives to attract and retain customers while reducing their burdens • The Group is constantly improving operational efficiency and has a robust maintenance programme to ensure reliability and availability of our equipment and facilities

STAKEHOLDER ENGAGEMENT

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

Method and Frequency of Engagement	Impact on the Group
• Annual General Meeting – Annually • Shareholdings Analysis – Monthly • Investor and Analysts' Briefing – Quarterly • Group Financial Results announcements – Quarterly • Corporate website • Annual Report	**Growing revenue while prudently managing cost leads to sustainable returns and dividends.** **Maintaining good financial health and good reporting practices will allow us to be trusted and preferred by investors.**
• Satisfaction survey - Annually • BPHB Group COVID-19 Response Survey (e-survey) to better understand the challenges faced by employees during the pandemic • UTAP Transformation Journey – GRC Culture Survey to assess employees' understanding of governance, risk and compliance culture	**Creates competent and efficient employees to add value to the Group.** **The Group is seeking to understand the impact of the pandemic on our employees to ensure that sustainable working arrangements can be established.**
• Environmental Monitoring – Quarterly • Site inspection and audits – Periodically • Continuous development for Board of Directors through a variety of training, seminars and certification programmes • Seminars, briefings and training for all employees – Online	**Overall business continuity.**
• Customer Satisfaction Index (CSI) – Annually • Customer Insight Group – Annually • Customer Attraction Programme – Periodically • Customer Loyalty and Retention Programme – Periodically	**Our quick, efficient and safe turnaround of their goods will help our customers in their business while also raising our status as their preferred port.**

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Our Response
Financial Institutions and Sukuk Murabahah Subscribers/Holders **Expectations/Concerns** Financial institutions and Sukukholders expect strong operational and financial performance to support the repayment of loans	• Timely and consistent sharing of relevant information and financial results • Timely repayments on our borrowings • Engaged rating agency for Corporate Credit annual rating review
Vendors & Suppliers **Expectations/Concerns** Vendors and suppliers expect the Group to be a professional business entity in the context of timely payments, safe operations and an ethical business environment	• Ensured timely payments, equal business opportunities and an ethical business environment • During the pandemic, we continued to allow suppliers to conduct their business, albeit with SOPs in place, and communicated transparently with them on how business would be conducted under the new normal
Maritime Community **Expectations/Concerns** The maritime community expects the Group to conduct its operations in an environmentally friendly manner for the mutual benefit of the Port and the community	• The Group complied with good environmental practices & standards and the concepts of a green port • Promoted port services to the shipping community and port users through regular and effective communications
Local Community **Expectations/Concerns** The local community expects employment and business opportunities and the Group's positive contribution as a responsible corporate citizen	• Employed locals and ensured safe operations with regular environmental monitoring and effective waste management • Regularly engaged with the community at large through CSR efforts • During the pandemic, we contributed to communities to ease their burdens and donated critical medical equipment to frontliners throughout Sarawak
Media **Expectations/Concerns** The media expects timely, reliable and transparent information about the Group's operations and initiatives	• Provided regular press releases to be transparent about our operations and maintained good rapport with our media partners

STAKEHOLDER ENGAGEMENT

Method and Frequency of Engagement	Impact on the Group
• Periodic Distribution Payment – Semi-Annually • Annual Rating Review – Annually • Interface session with bankers and Sukukholders – Periodically • Sukukholders' Extraordinary General Meeting – Periodically	**Maintaining good ratings will confirm our financial strength and ability to meet financial obligations.**
• Vendor registration – Periodically • Contract negotiations – Periodically • Safety induction briefings – Virtually • Site visits - Periodically	**The continued trust and rapport we build with our vendors and suppliers leads to better value creation outcomes.**
• Briefing and communication – Periodically • Networking events – Periodically	**Complying with rules and regulations is important for business continuity, while exploring new business opportunities improves revenue prospects for the Group.**
• Sponsorships and support for charitable and welfare programmes – Periodically • Industrial training – Periodically • CSR programmes – Regularly	**Being recognised as a caring, friendly, responsible and proactive organisation will raise our standing with the community while also ensuring the sustainability of the overall business.**
• Press releases – As and when a newsworthy event is conducted • Media coverage – As and when a newsworthy event is conducted • Media get-together – Annually	**A long-term partnership with the media is important in order to improve visibility, build on our reputation and broadcast our efforts to our stakeholders.**

MAPPING OUR MATERIAL ISSUES

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

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

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

Material Matter	Impact on Bintulu Port	Bintulu Port's Response to the Matter			Stakeholder Groups Affected
		BPSB	BBSB	SIPSB	
Economic Performance	**Constant Practice of Cost Management and Sustaining Profit Margin**	• Improve operating margin by managing expenses consistent with changes in revenue. • Effective contract and tender administration to monitor cost budgeting. • Inculcate practical and prudent spending. • Implementation of new tariff.			Shareholders, Vendors, Suppliers, Customers and Employees
	Expand Revenue Stream	• Target RM1 billion operating revenue by 2025.			Shareholders
	Efficient Project Management	• Delivery in full and on time (DIFOT).			Customers
Operational Efficiency	**Improve Operational Performance of Cargo/Container Handling**	• Bulk fertiliser 5,000 tonnes/day • Plywood 83 tonnes/ gang /hour • Palm kernel 6,500 tonnes/day • Woodchip 11,000 tonnes/day	• Palm oil 350 tonnes/ hour • Tank Turnaround Time more than 12x per year • Zero contamination • Additional pipelines	• Alumina 5,000 tonnes/day • Silica quartz 6,000 tonnes/day • Manganese ore 6,000 tonnes/day	Employees and Customers
	Improve Reliability & Readiness of Marine/Port Equipment & Facilities	• 100% on-time marine services • 80% availability of marine craft, facilities and land equipment • Sufficient assets for operation • Optimum utilisation of break bulk facilities and coastal terminal	• Plant and equipment availability (operational equipment effectiveness not less than 90%) • Sufficient operational equipment needs – shipment & bulking hoses	• 80% availability of marine craft, facilities and land equipment	
	Continuous Operational, Process and Standard Operating Procedure Improvement	• Responsiveness to customer requests. • Three (3) simultaneous operations through marine craft booking system. • Review of container operation process flow to improve utilisation and efficiency (from time to time). • An effective in-house maintenance team. • Initiation of early procurement processes to ensure timely completion of various projects. • Timely and accurate billing. • Efficient accounts receivable management.			Employees and Customers

MAPPING OUR MATERIAL ISSUES

Material Matter	Impact on Bintulu Port	Bintulu Port's Response to the Matter BPSB / BBSB / SIPSB	Stakeholder Groups Affected
Human Resources Development	**Enrich Human Capital**	• Continue to enhance human capital capabilities despite the pandemic through: i. Developing and enhancing employee capabilities in the areas of leadership, knowledge, skills, behaviour and values; ii. Enhancing talent management & developing effective succession planning; iii. Employee engagement and providing a conducive working environment in the new norm; and iv. Continuous improvement of our Performance Management System (PMS). • Targeting Employee Engagement Index score of 60%. • Minimising employee turnover rate.	Employees
Occupational Health and Safety	**Committing to Safety and Healthy Culture**	• Enforce health awareness – COVID-19 awareness, prevention and mitigation among staff and port users at workplace. • Establish COVID-19 management plan, frameworks and guidelines. • Inculcate ZEFA rules. • Targeting Zero Lost Time Injury Frequency (LTIF). • Effective enforcement of safety requirements, standards & procedures. • Enhance emergency preparedness through multi-agency training & exercises.	Employees, Customers, Vendors and Suppliers
Customer Satisfaction	**Delivering Customer's Satisfaction / Delight**	• Implementation of Customer Retention & Loyalty Programme and Customer Attraction Programme. • Aiming for an 80% score in the Customer Satisfaction Index.	Employees and Customer
Port Security	**Enhancing Security within Port Area**	• Restricted access to port area. • Enforcement of temperature screening at all entry points. • Implement security threat assessment, and develop, implement and review security plan to mitigate such threats. • Effective implementation of security programmes and enforcement of security plan, standards and procedures. • Enhance security and emergency preparedness through multi-agency security exercises and drills. • Promote security awareness through Maritime Security (MARSEC) programme. • Zero security incidents and pilferages. • Access control and monitoring. • Ensure compliance with ISPS Code/ Merchant Shipping Act A1316.	Customers, Regulatory Authorities, Maritime Community
Legal and Regulatory Compliance	**Renewal of Concession**	• The Group continues to engage with the government on the renewal of our concession agreement, which was agreed to in principle in 2014.	Employees, Customers, Regulatory Authorities, Vendors and Suppliers
Corporate Governance and Transparency	**Enterprise Risk Management**	• UTAP Transformation Programme – Embedding governance, risk and compliance (GRC) culture across functions and processes; integrated assurance function; strong three lines of defence. • A number of risk awareness briefings and training sessions have been held for Management and our staff since the launch of UTAP in November 2019 and it has now moved into Phase 2(b). Group Internal Audit has been closely involved in UTAP transformation to ensure its smooth implementation. • Rolled out the Anti-Bribery & Corruption Policy Statement and No Gift Policy on 1 June 2020.	Employees and Shareholders
Ethics and Integrity	**Transformation of Bintulu's Port Culture and Mindset**	• Implemented Anti-Bribery and Corruption Policy and Framework. • Conducted in-house Corruption Risk Management (CRM) Workshop for focal staff and top Management. • Developed corruption risk assessment based on Malaysian Anti-Corruption Commission's CRM model. • Conducted awareness and training programme on integrity through induction courses. • Statement of anti-bribery & corruption stance on BPHB Group website and in all staff's internal email footer and in briefing slides. • Integrity Pledge for BPHB Group's employees, Directors and users/vendors.	Employees, Customers, Regulatory Authorities, Vendors and Suppliers
Environmental Monitoring	**Compliance with Department of Environment Requirements**	• Environment Monitoring Plan review for Second Inner Harbour from construction to operational phase. • Environmental monitoring conducted quarterly at the Port: i) Marine water quality ii) Marine sediment quality iii) Marine biology iv) Ambient air v) Ambient noise level. • An Internal Environmental Audit (IEA) was also conducted to identify areas that can be improved.	Regulatory Authorities, Local Community and Maritime Community

VALUE CREATION MODEL

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

OUR STRATEGY

Our Vision

A World-Class Port Operator

Our Mission

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

3Ps
- PROFITS
- PEOPLE
- PLANET

Our Core Values

TIIP

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

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

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

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

Our three (3) Strategic Thrusts

- Institute Operational Excellence
- Expand Port Capacities and Capitalising on Key Growth Market Sector and Profitability
- Embark into Smart and Green Port

CAPITALS / KEY INPUTS AND RESOURCES

FINANCIAL CAPITAL

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

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

MANUFACTURED CAPITAL

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

- 3 General Cargo Wharfs
- 3 LNG Jetties
- 2 Container Terminals
- 2 Edible Oil Terminals
- 5 Multipurpose Terminals
- More than 135,000 sq m of storage space
- 25 vessels for ship handling and patrolling
- 18 cranes to handle containers with combined safe working load of more than 120 tonnes
- 85 storage tanks with a total capacity of 154,600 metric tonnes
- 13 units of export pipelines
- Assets worth approximately RM4,586.13 million (at cost)

HUMAN CAPITAL

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

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

INTELLECTUAL CAPITAL

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

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

SOCIAL AND RELATIONSHIP CAPITAL

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

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

NATURAL CAPITAL

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

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

KEY INITIATIVES

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

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

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

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

- Robust procurement practices that are aimed at securing the best value for money. Our procurement practices are also geared towards supporting Sarawak-based companies, especially those in Bintulu.
- As a good corporate citizen, we contributed financial aid, medical equipment and personal protective equipment to support our frontliners and communities impacted by the pandemic. We also provide welfare assistance to our employees and their families, in addition to providing contributions towards the educational needs of children in Bintulu.
- The Group also primarily hires Sarawakians, providing a boost to the local economy and its communities.
- Providing incentives for container shipping lines and offering many other facilities to our customers to ease their burden during the pandemic.

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

OUTCOMES

FINANCIAL CAPITAL

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

MANUFACTURED CAPITAL

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

HUMAN CAPITAL

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

INTELLECTUAL CAPITAL

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

SOCIAL AND RELATIONSHIP CAPITAL

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

NATURAL CAPITAL

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

BALANCING OUR CAPITALS TRADE-OFFS

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

CUSTOMER CENTRICITY

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

BRAND DEVELOPMENT

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

FINANCIAL MANAGEMENT

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

PEOPLE, CAPACITY AND CAPABILITY

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

REGULATORY ENVIRONMENT

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

NATURAL

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

OPERATIONAL REVIEW

We measure our strategic progress against our Corporate Strategic Thrusts.

OUR COMPETITIVE ADVANTAGES

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

BINTULU PORT SDN BHD

OPERATIONAL & FINANCIAL PERFORMANCE

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

Bintulu International Container Terminal (BICT)

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

KEY INITIATIVES IN 2020

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

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

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

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

KEY CHALLENGES IN 2020

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

OUTLOOK & PROSPECTS

Short-Term

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

Mid-Term

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

Long-Term

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

OPERATIONAL REVIEW

OUR COMPETITIVE ADVANTAGES

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

BIPORT BULKERS SDN BHD (BBSB)

OPERATIONAL & FINANCIAL PERFORMANCE

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

Bulking installations and pipelines at BBSB

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

KEY INITIATIVES AND STRATEGIC PROGRESS

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

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

KEY CHALLENGES IN 2020

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

OUTLOOK & PROSPECTS

Short-Term

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

Mid-Term

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

Long-Term

- Diversifying into business relating to palm oil

OPERATIONAL REVIEW

OUR COMPETITIVE ADVANTAGES

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

SAMALAJU INDUSTRIAL PORT SDN BHD (SIPSB)

OPERATIONAL & FINANCIAL PERFORMANCE

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

Handysize and Barge Berth Wharves at SIPSB

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

KEY INITIATIVES IN 2020

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

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

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

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

KEY CHALLENGES IN 2020

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

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

OUTLOOK & PROSPECTS

Short-Term

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

Mid-Term

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

Long-Term

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

COMMITMENT TO OUR PEOPLE

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

DEVELOPING OUR PEOPLE

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

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

COMMITMENT TO OUR PEOPLE

TOTAL NEW HIRES

HSE TRAINING INVESTMENT (RM)

Total amount spent on training

RM1.66 million

for 82 training programmes

Total training hours

16,775 hours

EMPLOYEE WELFARE

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

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

The Group's financial aid programme for primary school-age children started in 2010. Employees who earn a base salary of RM3,500 and below can qualify for assistance under this programme for their children attending kindergarten up to Primary 6. The base amount allocated for each child is RM350 and differs according to a scale that is set against the employee's salary.

Welfare during the pandemic

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

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

COMMITMENT TO OUR PEOPLE

GRIEVANCE PROCEDURE

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

Kesatuan Sekerja Kakitangan Bintulu Port Sdn Bhd (the workers' union) uses the same grievance channel, except it raises its complaints directly to the Management. Employees can also express their dissatisfaction through another channel, the Crew Articleship Agreement between Management and crew representatives.

The agreement covers areas such as grade and salary structure, allowances, on-board complaint procedures, leave and other benefits agreed by both parties. BPSB also conducts daily berthing meetings as part of our efforts in resolving any concerns or issues regarding safe berthing and cargo operations of ships at the port with the shipping agent. These meetings are chaired by the Manager of the Logistics Department, Cargo Handling Services Division.

HEALTH AND SAFETY

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

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

Managing the Impact of the Pandemic

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

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

- **Manage events and ensure appropriate mitigation actions relating to potential risks were carried out**
- **Focus on identification and early detection of areas that were vulnerable in the Group**
- **Prepare crisis management plans suited to different scenarios**

COMMITMENT TO OUR PEOPLE

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

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

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

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

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

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

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

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

FACE MASK AND HAND SANITISER DISTRIBUTION

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

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

TOTAL NUMBER OF TEMPERATURE SCANS

Total Number of Temperature Scans		Screening Procedures
MCO (18 March - 12 May 2020)	109,899	(i) Mandatory temperature screening at all entry points • Body temperature check, health declaration form, travel advisory
CMCO (13 May - 9 June 2020)	67,795	(i) Installation of thermal scanner & thermal camera
RMCO (10 June - 31 December 2020)	524,752	(ii) MySejahtera QR code scanning at entry point • Mandatory check-in and scanning of MySejahtera QR code
TOTAL	**702,446**	

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

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

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

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

COMMITMENT TO OUR PEOPLE

ENHANCING HEALTH AND SAFETY REPORTING

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

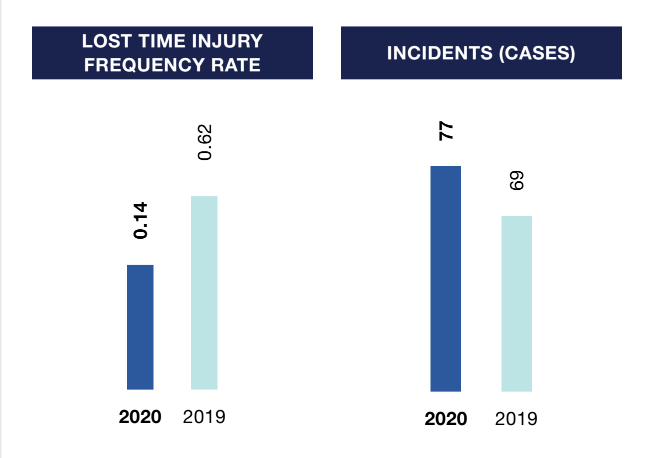
Our approach to health and safety reporting is designed to drive transparency, accountability and continuous improvement at all levels of the organisation, and with the HSE index in place, the safety behaviour of our staff and port users was further enhanced. We also have various reporting processes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

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

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

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

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



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

Embedding Safety in Our Operations

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

Unsafe Acts and Unsafe Conditions Inspection

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

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

SAFEGUARDING THE ENVIRONMENT

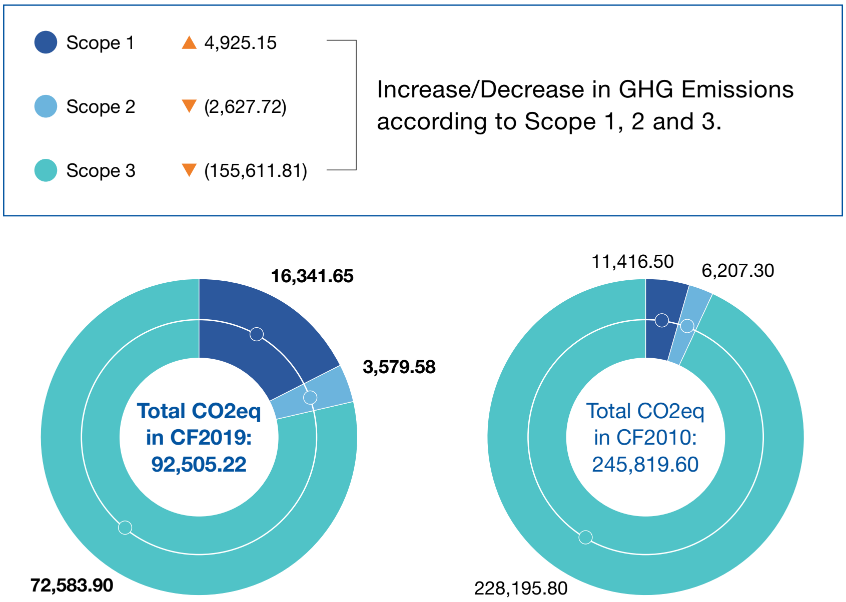
As a major port services provider, we acknowledge that our operations can negatively impact our surroundings and the environment around us. As such, we have taken incremental steps over the years to manage and reduce our environmental impacts, which include managing our carbon and ecological footprints.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

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

RE-ESTABLISHING OUR CARBON FOOTPRINT BASELINE

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

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



SCOPE 1 (PORT DIRECT EMISSIONS)

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

SCOPE 2 (PORT INDIRECT SOURCES)

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

SCOPE 3 (OTHER INDIRECT SOURCES)

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

Some of our mitigation initiatives following the 2010 study included:

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

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

SAFEGUARDING THE ENVIRONMENT

MAINTAINING OUR OPERATING ENVIRONMENT

Workshop Housekeeping Campaign

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

The following workshops were inspected:

i) Workshop Technical Services Division - BPSB
ii) Workshop Port Operation Equipment Division (General Cargo Operation) - BPSB
iii) Workshop Port Operation Equipment Division (Heavy Handling Equipment) - BPSB
iv) Workshop Port Operation Equipment Division (Yard Support Equipment) - BPSB
v) Workshop Marine Services Division – BPSB
vi) Workshop Technical Department – BBSB
vii) Workshop Port Operation Equipment Division– SIPSB.

Management Walkabout

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

LNG & EOT Vessel Inspection

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

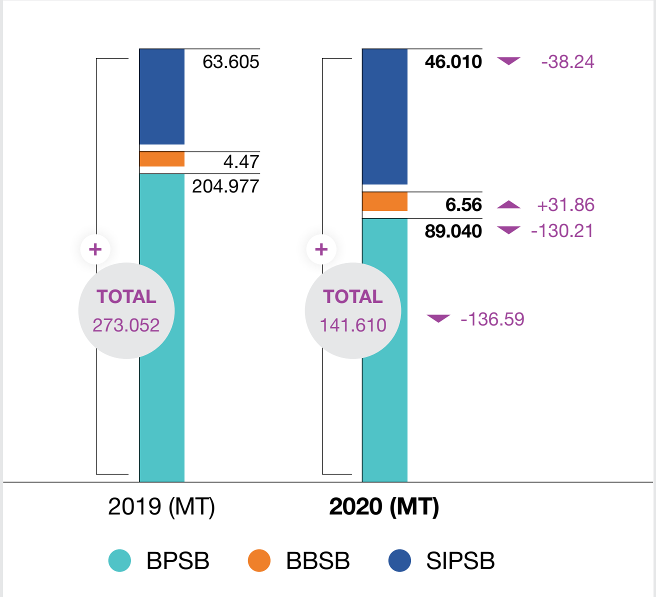
WASTE MANAGEMENT

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

Scheduled Waste Storage Management and Performance

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

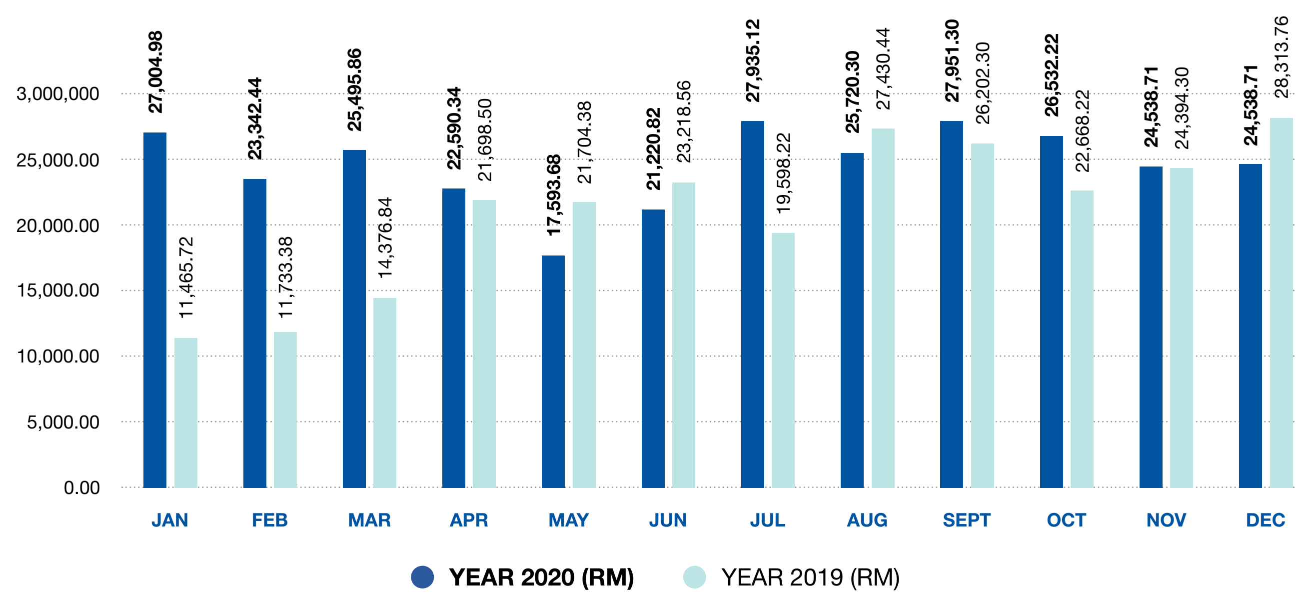
To ensure we adhere to these requirements, a scheduled waste storage inspection is carried out at the end of each month which also monitors the quantity of scheduled waste in storage. This helps us to ensure more effective disposal planning. In 2020, scheduled waste was lower due to recycling and reduction initiatives, as well as the impact of the pandemic leading to lower vessel calls and operational requirements.



SAFEGUARDING THE ENVIRONMENT

DOMESTIC WASTE MANAGEMENT PERFORMANCE

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



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

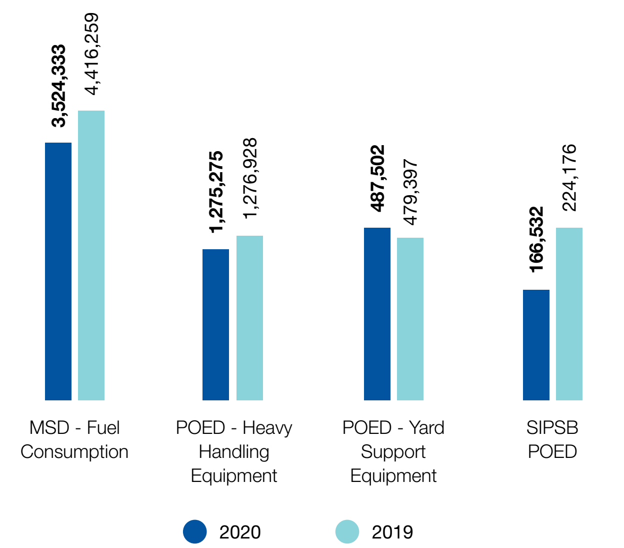
ELECTRICITY, FUEL AND WATER CONSUMPTION

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

Fuel Consumption

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

Fuel Consumption (Litre)



SAFEGUARDING THE ENVIRONMENT

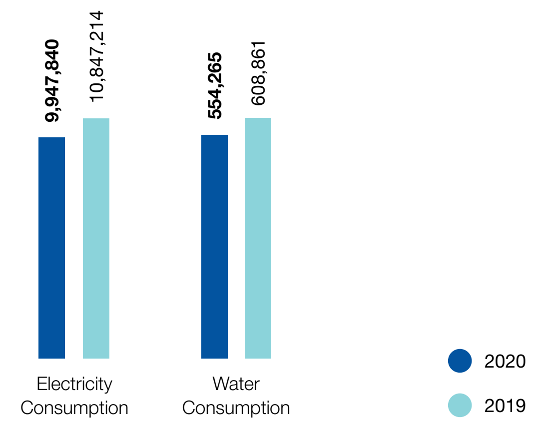
Electricity and Water Consumption

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

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

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

Electricity & Water Consumption (kWh & Litre)



REDUCING OUR IMPACT ON BIODIVERSITY

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

Environmental Monitoring Programme

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

1. Marine Water Quality
2. Sediment Water Quality
3. Aquatic Microbiological Status
4. Ambient Air Quality
5. Noise Level

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

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

SAFEGUARDING THE ENVIRONMENT

ENVIRONMENTAL CONSERVATION ACTIVITIES CARRIED OUT IN 2020

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

EMPOWERING COMMUNITIES

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

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

PILLAR 1: SERVING THE COMMUNITY

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

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

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

Program Jalinan Kasih BPHB Bersama Komuniti Kg. Jepak'

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

PILLAR 2: EDUCATION

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

Back to School Programme 2021

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

Bintulu Port Prihatin Programme

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

Relief for Fire Victims at SK Sebauh

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

EMPOWERING COMMUNITIES

PILLAR 3: COMMUNITY HEALTH

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

Donation of Medical Equipment to Sarawak Hospitals

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

Donation of Medical Equipment to Bintulu Hospital

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

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

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

PILLAR 4: ENVIRONMENT

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

Tree-Planting Programme – Bintulu Golf Club

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

Tree-Planting Programme - SIPSB Anjung Hijau 2.0

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

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

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

WHO GOVERNS US

The Group's ability to deliver on its purpose, mission and strategic objectives is underpinned by the quality and expertise of its leadership. The Board of Directors provides sound, ethical leadership and strategic guidance and ensures that the principles of good corporate governance are the foundation of all that we do.

STANDING (LEFT TO RIGHT)

- **Zakiah binti Jaafar**
  Non-Independent Non-Executive Director
- **Datuk Nozirah binti Bahari**
  Independent Non-Executive Director
- **Dato' Sri Mohamed Khalid bin Yusuf @ Yusup**
  Independent Non-Executive Director
- **Dzafri Sham bin Ahmad**
  Non-Independent Non-Executive Director

SITTING (LEFT TO RIGHT)

- **Dato Sri Fong Joo Chung**
  Non-Independent Non-Executive Director
- **Dato Mohammad Medan Bin Abdullah**
  Group Chief Executive Officer

COMMITTEE MEMBERSHIP KEY:

ARC	Chairman of Audit and Risk Committee (ARC)	NRC	Chairman of Nomination and Remuneration Committee (NRC)	FIC	Chairman of Finance and Investment Committee (FIC)
ARC	Member of Audit and Risk Committee (ARC)	NRC	Member of Nomination and Remuneration Committee (NRC)	FIC	Member of Finance and Investment Committee (FIC)

General Dato' Seri Diraja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R)
Non-Independent Non-Executive Director

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

Salihin bin Abang
Independent Non-Executive Director

Datuk Yasmin binti Mahmood
Independent Non-Executive Director

Tan Sri Dr. Ismail bin Hj. Bakar
Chairman

Tan Sri Datuk Amar Mohamad Morshidi bin Abdul Ghani
Non-Independent Non-Executive Director

** The picture was taken separately in observation of the SOP.*

WHO GOVERNS US

Tan Sri Dr. Ismail bin Hj. Bakar

61
Age

Committee Membership:

None

Non-Independent Non-Executive Chairman
Bintulu Port Holdings Berhad

Tan Sri Dr. Ismail bin Hj. Bakar was appointed as Non-Independent Non-Executive Chairman and Director of Bintulu Port Holdings Berhad on 1 September 2019.

QUALIFICATIONS

- Bachelor of Economics, B. Econs (Hons) in Applied Economics, University of Malaya, Malaysia, 1983
- Diploma in Public Administration (DPA), National Institute of Public Administration (INTAN), Malaysia, 1985
- Masters in Business Administration (MBA), University of Hull, United Kingdom, 1995
- Ph.D in Fiscal Federalism, University of Hull, United Kingdom, 2004

CAREER EXPERIENCE

- **2018-2020:** Chief Secretary, the Government of Malaysia
- **2014-2018:** Director of National Budget, National Budget Office, Treasury, Ministry of Finance and Secretary- General, Ministry of Transport, Secretary-General, Ministry of Agriculture and Agrofood Industry and Secretary-General, Ministry of Finance
- **2008-2014:** Senior Advisor to the Executive Director-General (Policy), Ministry of Defence and Director in the National Strategic Unit, Ministry of Finance
- **1990-2008:** Senior positions in various divisions, Ministry of Finance
- **1983-1990:** Assistant Secretary, Contract and Supply Division, Ministry of Finance; then Director in the Anti-Narcotics Task Force, Malaysia

OTHER DIRECTORSHIPS

Public companies:

- Bank Islam Malaysia Berhad

Tan Sri Datuk Amar Mohamad Morshidi bin Abdul Ghani

65
Age

Committee Membership:

None

Non-Independent Non-Executive Director

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

Tan Sri Datuk Amar Mohamad Morshidi bin Abdul Ghani was appointed as a Non-Independent Non-Executive Director on 22 December 2014.

QUALIFICATIONS

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

CAREER EXPERIENCE

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

OTHER DIRECTORSHIPS

Public companies:

- Sarawak Energy Berhad

Zakiah binti Jaafar

54 Age

Committee Membership:

FIC

Non-Independent Non-Executive Director

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

Puan Zakiah binti Jaafar was appointed as a Non-Independent Non-Executive Director on 1 March 2020.

QUALIFICATIONS

- Bachelor of Science (Hons) in Economics, University of Warwick, United Kingdom, 1990
- Master of Social Science (Economics), University of Birmingham, United Kingdom, 1991
- Postgraduate Diploma in Public Administration, National Institute of Public Administration (INTAN), Malaysia, 1994
- Advanced Management and Leadership Programme, Oxford University, United Kingdom, 2014
- Advanced Management and Leadership Programme for JUSA Officers, National Institute of Public Administration (INTAN), Malaysia, 2015
- Premier Executive Development Programme, Razak School of Government, Canberra, Australia, 2017

CAREER EXPERIENCE

- **June 2020 - Present:** Deputy Secretary General (Policy), Ministry of Finance
- **Nov 2019 - June 2020**: Deputy Secretary General (Investment), Ministry of Finance
- **Jan - Nov 2019**: Deputy Secretary General (Macro), Ministry of Economic Affairs (MEA)
- **2014-2018:** Director (Macroeconomics Section), EPU
- **2012-2014:** Deputy Director III, Social Services Section; then Deputy Director I, Macroeconomics Section, EPU
- **2006-2012:** Principal Assistant Director, Macroeconomics Section and Malaysia Development Institute, EPU
- **2005-2006:** Research Assistant to H.E. Tun Dr. Mahathir bin Mohamad, Islamic Development Bank
- **2003-2005:** Principal Assistant Director, K-Economy Section, EPU
- **1991-2003:** Assistant Director, Macroeconomics Section, EPU

OTHER DIRECTORSHIPS

Public companies:

- Petroliam Nasional Berhad (PETRONAS)
- Pengurusan Aset Air Berhad (PAAB)

General Dato' Seri Diraja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R)

72 Age

Committee Membership:

FIC

Non-Independent Non-Executive Director

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

General Dato' Seri Diraja Tan Sri (Dr.) Mohd Zahidi (R) was appointed as a Non-Independent Non-Executive Director on 16 March 2006.

QUALIFICATIONS

- Masters of Science Degree in Defence and Strategic Studies, Quaid-I-Azam University, Islamabad, Pakistan, 2002
- Senior Executive Programme, Harvard University, USA, 2002
- Fellow, Malaysian Institute of Management (MIM)

CAREER EXPERIENCE

- **2006-Present:** Member, Dewan Negara Perak and Trustee, Yayasan Sultan Azlan Shah; then Orang Kaya Bendahara Seri Maharaja Perak
- **1999-2005:** Chief of Defence Forces
- **1968-1998:** Key appointments at field and ministerial level, Malaysian Armed Forces
- **1966-1968:** Officer Cadet, Royal Military College, Sungai Besi; then Second Lieutenant, Royal Malay Regiment, Malaysian Armed Forces

OTHER DIRECTORSHIPS

Listed entities:

- Affin Holdings Berhad
- Genting Malaysia Berhad
- Genting Plantations Berhad
- Only World Group Holdings Berhad

WHO GOVERNS US

Dato Sri Fong Joo Chung

71 Age

Committee Membership:

NRC

Non-Independent Non-Executive Director

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

Dato Sri Fong Joo Chung was appointed as a Non-Independent Non-Executive Director on 16 September 2004.

QUALIFICATIONS

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

CAREER EXPERIENCE

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

OTHER DIRECTORSHIPS

Listed entities:

- Sarawak Cable Berhad

Public companies:

- Sarawak Energy Berhad

Datuk Nasarudin bin Md Idris

65 Age

Committee Membership:

FIC

Non-Independent Non-Executive Director

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

Datuk Nasarudin bin Md Idris was appointed as a Non-Independent Non-Executive Director on 26 August 2010.

QUALIFICATIONS

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

CAREER EXPERIENCE

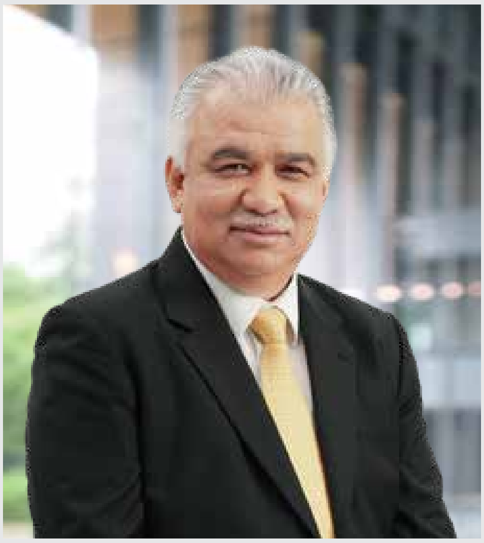
- **2010–2014:** President and Chief Executive Officer, MISC Berhad, a subsidiary of PETRONAS
- **1978–2010:** Various senior positions, PETRONAS Group

OTHER DIRECTORSHIPS

Listed entities:

- MISC Berhad
- Malaysian Marine and Heavy Engineering Holdings Berhad

Dzafri Sham bin Ahmad



56 Age

Committee Membership:

ARC

Non-Independent Non-Executive Director

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

Encik Dzafri Sham bin Ahmad was appointed as a Non-Independent Non-Executive Director on 1 September 2015.

QUALIFICATIONS

- Bachelor of Science in Mechanical Engineering, University of Miami, Florida, USA, 1987

CAREER EXPERIENCE

- **2016-Present:** Vice President of Group Health, Safety, Security and Environment, PETRONAS
- **2008-2016:** Various senior positions, PETRONAS Group
- **2003-2008:** Construction Manager and Asset Integrity Advisor, Egyptian LNG Project, Integrated Project Management Team, PETRONAS
- **1988-2003:** Gas Utilisation Engineer, PETRONAS Gas Berhad; then Mechanical Engineer, Senior Project Engineer and Engineering Manager, MLNG Dua and MLNG Tiga projects, PETRONAS

OTHER DIRECTORSHIPS

- Nil

Dato' Sri Mohamed Khalid bin Yusuf @ Yusup

68 Age

Committee Membership:

NRC

Independent Non-Executive Director

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

Dato' Sri Mohamed Khalid bin Yusuf @ Yusup was appointed as an Independent Non-Executive Director on 1 January 2015.

QUALIFICATIONS

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

CAREER EXPERIENCE

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

OTHER DIRECTORSHIPS

- Nil

WHO GOVERNS US

Datuk Yasmin binti Mahmood

58 Age

Committee Membership:

ARC

Independent Non-Executive Director

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

Datuk Yasmin binti Mahmood was appointed as an Independent Non-Executive Director on 1 January 2015.

QUALIFICATIONS

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

CAREER EXPERIENCE

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

OTHER DIRECTORSHIPS

Public companies:

- MIDF Berhad

Datuk Nozirah binti Bahari

65 Age

Committee Membership:

NRC

Independent Non-Executive Director

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

Datuk Nozirah binti Bahari was appointed as an Independent Non-Executive Director on 1 February 2016.

QUALIFICATIONS

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

CAREER EXPERIENCE

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

OTHER DIRECTORSHIPS

- Nil

Salihin bin Abang

48
Age

Committee Membership:

ARC

Independent Non-Executive Director

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

Appointed as an Independent Non-Executive Director on 1 February 2018.

QUALIFICATIONS

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

CAREER EXPERIENCE

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

OTHER MEMBERSHIPS

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

OTHER DIRECTORSHIPS

Public companies:

- G3 Global Berhad
- Boustead Heavy Industries Corporation Berhad

WHO LEADS US

OUR LEADERSHIP

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

DATO MOHAMMAD MEDAN BIN ABDULLAH
Group Chief Executive Officer

YUSOF BIN IBRAHIM
Chief Operating Officer, Bintulu Port Sdn Bhd

ABU BAKAR BIN HUSAINI
Chief Operating Officer, Biport Bulkers Sdn Bhd

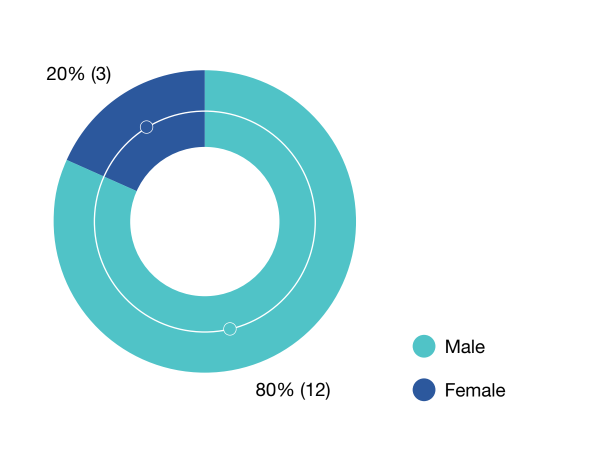
AZMEL KHAN BIN ASGHAR KHAN
General Manager, Group Human Resource Management

DAYANG FAIZAH BINTI AWANG BUJANG
General Manager, Group Legal Counsel

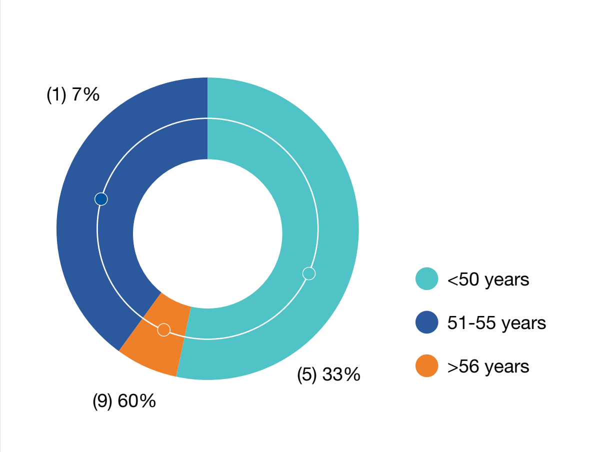
ABDUL MANAN BIN ILING
**Retired on 28 December 2020*
General Manager, Group Information Technology

RAMZI BIN SHAFIEE
Acting General Manager, Group Information Technology

Gender



Age



WHO LEADS US

MATSHALLEH BIN MOHAMAD ETLI
Chief Operating Officer, Samalaju Industrial Port Sdn Bhd

ROSLI BIN IDRIS
Company Secretary

DAIANA LUNA SUIP
General Manager, Group Finance

EIZAM BIN ISMAIL
General Manager, Group Corporate Planning & Development

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

MOHAMAD YACOP BIN MOHAMAD JUNIT
Senior Manager, Group Internal Audit

MASLIHAH BINTI HJ. TIOH
Senior Manager, Group Corporate Services

ELVIS TULU AYU
Senior Manager, Group Security

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

WHO LEADS US

DATO MOHAMMAD MEDAN BIN ABDULLAH

Group Chief Executive Officer

63 Age

Nationality: Malaysian

BPHB

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

Qualifications

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

Career Experience

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

Directorships in other public-listed/public companies

- Handal Resources Berhad
- Petroleum Sarawak Berhad (PETROS)

YUSOF BIN IBRAHIM

Chief Operating Officer

60 Age

Nationality: Malaysian

BPSB

Yusof bin Ibrahim assumed the position of Chief Operating Officer of Bintulu Port Sdn Bhd (BPSB) on 1 January 2020 and is responsible for the day-to-day operations of BPSB. He reports directly to the Group Chief Executive Officer.

Qualifications

- Bachelor of Literature (Hons) in Mass Communication, Universiti Sains Malaysia, 1986

Career Experience

- **2018-2019:** Chief Operating Officer, BBSB
- **2014-2018:** General Manager, Cargo Handling Services, BPSB
- **1992-2014:** Various positions in Cargo Handling Services and Human Resource Planning & Development Division, BPSB
- **1986-1992:** Various positions in Bintulu Port Authority (BPA)

ABU BAKAR BIN HUSAINI

Chief Operating Officer

60 Age

Nationality: Malaysian

BBSB

Abu Bakar bin Husaini was appointed as the Chief Operating Officer of Biport Bulkers Sdn Bhd (BBSB) on 1 January 2020 and manages the day-to-day operations of the company. He reports directly to the Group Chief Executive Officer.

Qualifications

- Bachelor of Science (Hons) in Finance & Accounting, University of Salford, United Kingdom, 1988
- Enterprise Risk Manager since 2010
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2011
- Licensed Company Secretary since 2 September 2015

Career Experience

- **2016-2019:** Company Secretary, BPHB
- **2014-2015:** Assistant Company Secretary
- **2010-2013:** Internal audit role
- **1996-2009:** Finance and internal audit roles at BPSB
- **1991-1996:** PETRONAS Carigali
- **1988-1991:** Audit Semi-Senior at Arthur Andersen & Hanafiah Raslan Mohamad

MATSHALLEH BIN MOHAMAD ETLI

Chief Operating Officer

54 Age

Nationality: Malaysian

SIPSB

Matshalleh bin Mohamad Etli assumed the position of Chief Operating Officer of Samalaju Industrial Port Sdn Bhd (SIPSB) on 1 June 2016. He is responsible for the implementation and management of the strategies on project planning, design, construction and infrastructure work by providing leadership and strategic and tactical direction for the successful completion of the port. He reports directly to the Group Chief Executive Officer.

Qualifications

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

Career Experience

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

ROSLI BIN IDRIS

Company Secretary

52 Age

Nationality: Malaysian

BPHB

Rosli bin Idris was appointed as Company Secretary of Bintulu Port Holdings Berhad (BPHB) on 1 January 2020.

Qualifications

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

Career Experience

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

DAIANA LUNA SUIP

General Manager, Group Finance

57 Age

Nationality: Malaysian

BPHB

Daiana Luna Suip assumed the position of General Manager, Group Finance of BPHB on 1 January 2014. She is responsible for all financial, accounting, investor relations and investment issues relating to the Group and also provides strategic and operational support to Management.

Qualifications

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

Career Experience

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

EIZAM BIN ISMAIL

General Manager, Group Corporate Planning & Development

48 Age

Nationality: Malaysian

BPHB

Eizam bin Ismail assumed the position of General Manager, Group Corporate Planning & Development on 24 May 2018. He is responsible for the implementation of Group-wide strategies and plans on corporate planning and business development and enterprise risk management and marketing, as well as for branding programmes and customer services functions.

Qualifications

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

Career Experience

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

AZMEL KHAN BIN ASGHAR KHAN
General Manager, Group Human Resource Management
59 Age
Nationality: Malaysian
BPHB

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

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

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

DAYANG FAIZAH BINTI AWANG BUJANG
General Manager, Group Legal Counsel
52 Age
Nationality: Malaysian
BPHB

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

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

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

ABDANI BIN ABDUL GAFOR
General Manager, Group Health, Safety & Environment
58 Age
Nationality: Malaysian
BPHB

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

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

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

ABDUL MANAN BIN ILING
***Retired on 28 December 2020**
General Manager, Group Information Technology
61 Age
Nationality: Malaysian
BPHB

Abdul Manan bin Iling assumed the position of General Manager, Group Information Technology of BPHB on 1 June 2015. He is responsible for the implementation of Group-wide IT strategies, as well as for providing advice and services relating to IT systems and support.

Qualifications:
- Bachelor of Science (Hons) in Computer Science, Universiti Sains Malaysia, 1987

Career Experience
- **2014-2015:** Assistant General Manager, Group Information Technology
- **2007-2014:** Acting Senior Manager, Information Technology; then Senior Manager, Information Technology, BPSB
- **1993-2007:** Assistant Manager, Systems Development; then Manager, Systems Development and Manager, Application Systems, BPSB
- **1988-1993:** Port Officer, BPA

RAMZI BIN SHAFIEE
Acting General Manager, Group Information Technology
55 Age
Nationality: Malaysian
BPHB

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

Qualifications:
- Bachelor of Applied Science (Hons) (Mathematical Calculation & Computer Aided Geometry Design - CAGD), Universiti Sains Malaysia, 1992

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

MOHAMAD YACOP BIN MOHAMAD JUNIT
Senior Manager, Group Internal Audit
56 Age
Nationality: Malaysian
BPHB

Mohamad Yacop bin Mohamad Junit assumed the position of Senior Manager, Group Internal Audit of BPHB on 1 March 2018.

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

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

MASLIHAH BINTI HJ. TIOH
Senior Manager, Group Corporate Services
55 Age
Nationality: Malaysian
BPHB

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

Qualifications
- Bachelor of Arts (Hons) in Mass Communication, Universiti Kebangsaan Malaysia, 1990
- Management Development Programme, Asian Institute of Management (AIM), Philippines, 2012

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

ELVIS TULU AYU
Senior Manager, Group Security
56 Age
Nationality: Malaysian
BPHB

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

High standards of corporate governance are integral to the delivery of our strategy

On behalf of the Board, I am pleased to present the Group's Corporate Governance Overview Statement.

The 2017 Malaysian Code on Corporate Governance (MCCG 2017) remains the standard against which we measure ourselves. We are also guided by Bursa's Main Market Listing Requirements and Corporate Governance Guidelines. Additionally, the Securities Industries Central Despositories Act (SICDA), the Companies Act 2016, Our Board Charter and Company Constitution contributed content to this overview. This overview is to be read in conjunction with our Corporate Governance Report 2020 which is available on our corporate website.

In this Statement, we explain our governance related processes and procedures, to ensure we comply with applicable laws and regulations. We are committed to upholding the highest standards of corporate governance and have always endeavoured to meet the requirements of new legislation ahead of their formal application. Additionally, we recognise the need to balance our financial performance with our obligations to all our stakeholders, so we can create value over the long term.

Tan Sri Dr. Ismail bin Hj. Bakar

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Your Board is collectively responsible for the long-term success of your Company. The Group Chief Executive Officer (GCEO) manages the business on a day-to-day basis whilst the Non-Executive Directors provide an appropriate level of scrutiny, constructive challenge and support to all proposals including those relating to strategy, performance, responsibility and accountability. This enables Board decisions to be well considered and justified. Appropriate Board processes are in place to ensure adequate oversight of the implementation of those decisions.

This section details:

- The structure and composition of the Board and its Committees;
- How responsibilities are divided among the Board, its Committees and individual Directors;
- The main activities of the Board in FY2020; and
- The recruitment and induction process for new Directors.

Your Board continuously reviews its composition to ensure it retains a balance of skills, experience, independence and knowledge which enables it to discharge its duties and responsibilities effectively. The Board undertakes an annual evaluation of its own effectiveness and that of its Committees as well as that of individual Directors.

This section details:

- The process and outcomes of the internal evaluation for FY2020; and
- The progress made on the actions arising from the internal evaluation for FY2020.

Your Board is mindful of the risk environment in which it operates when making any decisions. It maintains sound risk management and internal control systems and regularly reviews the principal risks impacting the business. The Board assesses the appropriate appetite for risk in striving to achieve the Company's strategic objectives.

This section details:

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

Your Board recognises the importance of maintaining open dialogue with its various stakeholders. A number of events and communications take place throughout the year to maintain regular contact with stakeholders and receive feedback on all areas of the business including (but not limited to) governance, operational processes and strategy.

This section details:

- How the Board and individual Directors engaged with stakeholders throughout FY2020; and
- How stakeholders can communicate with the Company.

This Statement is to be read in conjunction with our Corporate Governance Report, which can be scanned from the QR code provided or alternatively, can be found on our corporate website at http://www.bintuluport.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

OUR GOVERNANCE PRACTICES

OUR BOARD

During the year under review, nine (9) meetings were held and the details of the attendance of members are as follows:

Non-Independent Non-Executive Directors

Tan Sri Dr. Ismail bin Hj. Bakar	9/9
Tan Sri Datuk Amar Mohamad Morshidi bin Abdul Ghani	9/9
Gen Dato' Seri DiRaja Tan Sri (Dr.) Mohd. Zahidi bin Hj. Zainuddin (R)	9/9
Dato Sri Fong Joo Chung	9/9
Datuk Nasarudin bin Md Idris	9/9
Dzafri Sham bin Ahmad	9/9
Zakiah binti Jaafar *Appointed on 1 March 2020*	5/8

Audit and Risk Committee (ARC)

For the Audit and Risk Committee, five (5) meetings were held and the details of attendance of members are as follows:

Chairman of ARC

Salihin bin Abang (100%)
Independent Non-Executive Director
(5/5)

Members of ARC

Datuk Yasmin binti Mahmood (100%)
Independent
Non-Executive Director
(5/5)

Dzafri Sham bin Ahmad (100%)
Non-Independent
Non-Executive Director
(5/5)

Nomination and Remuneration Committee (NRC)

For the Nomination and Remuneration Committee, five (5) meetings were held and the details of attendance of members are as follows:

Chairman of NRC

Dato' Sri Mohamed Khalid bin Yusuf @ Yusup (100%)
Independent
Non-Executive Director
(5/5)

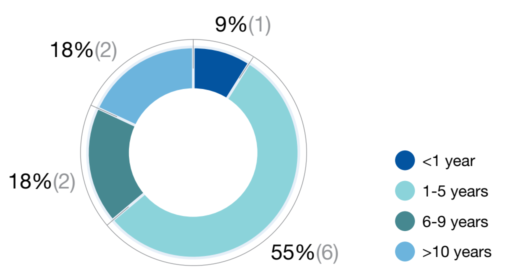
Members of NRC

Datuk Nozirah binti Bahari (100%)
Independent
Non-Executive Director
(5/5)

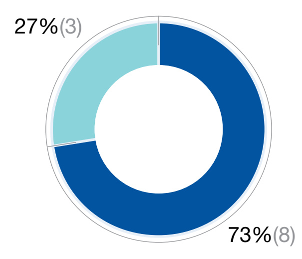
Dato Sri Fong Joo Chung (100%)
Non – Independent
Non – Executive Directors
(5/5)

65
Board Hours

Tenure



Diversity



AT A GLANCE

Independent Non-Executive Directors

9/9	Dato' Sri Mohamed Khalid bin Yusuf @ Yusup
8/9	Datuk Yasmin binti Mahmood
9/9	Datuk Nozirah binti Bahari
9/9	Salihin bin Abang

Finance and Investment Committee (FIC)

For the Finance and Investment Committee, one (1) meeting was held and the details of attendance of members are as follows:

Chairman of FIC

Datuk Nasarudin bin Md Idris (100%)
Non-Independent Non-Executive Director (1/1)

Members of FIC

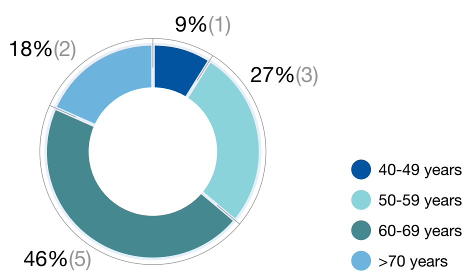
Gen Dato' Seri DiRaja Tan Sri (Dr.) Mohd. Zahidi bin Hj. Zainuddin (R) (100%)
Non-Independent Non-Executive Director (1/1)

Zakiah binti Jaafar (100%)
Non-Independent Non-Executive Director (Appointed on 1 March 2020) (1/1)

Male

Female

Age



Bintulu Port Sdn Bhd

Non-Independent Non-Executive Directors

Dato Sri Fong Joo Chung *Chairman of BPSB*	(6/6) 100%
Tan Sri Datuk Amar Hj. Mohamad Morshidi bin Abdul Ghani	(6/6) 100%
Dzafri Sham bin Ahmad	(6/6) 100%

Biport Bulkers Sdn Bhd

Independent Non-Executive Directors

Dato' Sri Mohamed Khalid bin Yusuf @ Yusup *Chairman of BBSB*	(3/3) 100%
Datuk Yasmin binti Mahmood	(3/3) 100%
Datuk Nozirah binti Bahari	(3/3) 100%

Samalaju Industrial Port Sdn Bhd

Non-Independent Non-Executive Directors

Datuk Nasarudin bin Md Idris *Chairman of SIPSB*	(8/8) 100%
Gen Dato' Seri DiRaja Tan Sri (Dr.) Mohd. Zahidi bin Hj. Zainuddin (R)	(7/8) 87%
Zakiah binti Jaafar *Appointed on 1 March 2020*	(5/6) 83%

Independent Non-Executive Director

Salihin bin Abang	(8/8) 100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A sound corporate governance structure commits the Company to high standards of business ethics.

A sound corporate governance structure commits the Company to high standards of business ethics. The structure guides the Board, as the guardian of responsible corporate governance, in the formulation and implementation of the Company's strategy to achieve targeted performance and create sustainable value for the benefit of all stakeholders. The structure comprises appropriate policies, procedures and power of execution to ensure that governance strategies are properly implemented, managed, reviewed and adjusted. This ensures responsible corporate citizenship through regulatory and best-practice adherence, effective and ethical leadership and sustainable value creation.

Our Board is of the opinion that the Company's corporate governance practices materially reflects the Malaysian Code on Corporate Goverance (MCCG) 2017, the Main Market Listing Requirements (MMLR) and the Companies Act 2016. Our Board regularly reviews and assesses the Company's governance structures and processes to ensure that they are consistent with best practice. The Board's Charter and the Board Committees' Terms of References are available on the Company's website: www.bintuluport.com.my.

Decisions, Matters Reserved for the Board and Delegated Authorities

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

The Board

The Chairman

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

Non-Executive Directors

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

The Company Secretary

- Ensuring that due and proper notice for all Board and Committee meetings are duly given
- Preparing meeting agendas and coordinating the preparation of Board papers
- Assisting the communication between the Board and Management;
- Ensuring that papers or documents submitted for scheduled meetings contain all relevant and material information to enable members of the Board and the Committees to make well-informed and correct decision

Board Composition

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

Board Independence

Our Board recognises the importance of its Non-Executive Directors remaining independent throughout their appointment, as it enables them to provide objective advice and guidance to the Group Chief Executive Officer (GCEO) and Senior Management. This independence allows the Non-Executive Directors to constructively challenge and scrutinise the performance of the GCEO and provide an independent perspective on business strategy, performance and the integrity of the financial information considered by the Board and disclosed to the Company's shareholders and other stakeholders. Their independence is of the utmost importance when considering the appointment or removal of the GCEO and in the determination of succession planning for Board positions and other Senior Management roles within the Group.

Audit and Risk Committee (ARC)

- A key role in the Group's governance structure.
- Positioned to rigorously challenge and ask probing questions on the company's financial reports, internal controls, risk management and governance.
- To ensure that the financial statements of the Group comply with the current applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of Companies Act 2016.
- Monitors the integrity of the Group's Financial Statements and its systems for internal control and risk management.
- Reviews risk management policies, guidelines and strategies of the Group.
- Reviews all business risks and ensures the implementation of appropriate systems and frameworks to manage these risks by risks owners.
- Oversee the overall risk exposure of the Group.

Nomination and Remuneration Committee (NRC)

- Establishing, reviewing and recommending to the Board remuneration packages for Directors, GCEO and key senior management.
- Recommending to the Board the payment of annual bonus, increment, performance merit and ex-gratia to GCEO, key senior management and all staff of the Group excluding staff who falls under the jurisdiction of Collective Agreement.
- Initiating the process of making appointments into the Board.
- Conducting induction programme and familiarization visits for new Directors.
- Assessing the Directors' annual performance through the Board Effectiveness Assessment (BEA).
- Reviewing required skills and core competencies of Non-Executive Directors annually.

Finance and Investment Committee (FIC)

- Reviewing and adopting strategic financial plan for the Company;
- Overseeing the conduct of the Company's business, and financial affairs of the Company;
- Reviewing the Company's annual budget and the variances of actual results against the approved budget and forecasted budget;
- Reviewing the capital expenditure for projects, business acquisitions and investment appraisal exceeding RM5 million to be undertaken by the Company;
- Review and recommend to the Board all Group financial policies; and
- Review the financial performance of the Group recommend to the Board measures to be undertaken to enhance its profitability.
- Recommending investment policies for consideration and adoption by the Board, including the ethical aspects of the various type of investments;
- Oversight the management of investments in accordance with Company's investment policies;
- Periodic reporting to the Board on the progress of the Company's investments; and
- Review and updates the Company's Investment Policies for consideration and adoption by the Board.

Group Chief Executive Officer

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

For further details on Director's profiles, please refer to pages 60 to 65 of this report.

- Facilitating due compliance by the Group of all regulations, directions and notices issued from time to time by all relevant regulatory authorities;
- Maintaining accurate records of all the proceedings and resolutions passed including preparing comprehensive minutes of meetings
- Providing full access and services to the Board and carrying out any other duties deemed appropriate by the Board from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MAIN ACTIVITIES UNDERTAKEN BY THE BOARD DURING THE YEAR UNDER REVIEW

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

1. **Governance, Risk, and Compliance, in particular, the Group's transformation programme named UTAP Transformation Journey ("UTAP"). The Group Internal Audit ("GIA") is responsible for helming the implementation of UTAP throughout the Company with assistance from our External Auditor.**

   UTAP is a Group-wide project to ensure that the Company achieve its potential sustainably by implementing holistic transformative approach towards the Company's processes.

2. **Deliberating and approving the Liability Management Exercise pertaining to revision in Finance Equity Ratio (FER) relating to Sukuk Murabahah Programme of up to RM950,000,000.00 in nominal value.**

3. **Deliberating on and approval of the Group's Annual Budget.**

4. **Deliberating and approving Quarterly and Annual Financial Performance of the Group including deliberation and approval for dividend proposal.**

5. **Deliberating and approving on the revision of Group's Financial Policy relating to investment of surplus fund.**

6. **Strategic thinking in navigating dynamic strategic risk landscape of the business of the Group based on the approved business plan.**

   This includes the Board's deliberation, guidance and endorsement on the Group's Business Plan, Business Response Plan and risk mitigation strategies.

7. **Establishing policies, values and integrity for the Group as a whole, in particular, the proposal for the implementation of ISO 37001 throughout the Company.**

8. **Managing of the Group's talent and manpower in relation to the appointment of senior management posts, key performance indicators and deliverables of the office.**

9. **Deliberating on the performance assessment of the Board of Directors as an effort and avenue to improve efficiency of the Board of Directors as a whole.**

10. **Acknowledging the appointment and resignation of members of the Board of Directors.**

BOARD MEETINGS AND SUPPORT

The Chairman, with the assistance of the Company Secretary, ensures that the Board receives accurate, timely and clear information. Each Director is issued with an agenda, Board papers and comprehensive operating and financial management reports for the period under review, generally five working days before any Board meeting.

The Company Secretary attends all Board and Committee meetings and all Directors have access to the Company Secretary's advice and, if necessary, to independent professional advice at the Company's expense to assist with the discharge of their responsibilities as Directors.

All Directors are provided with a yearly schedule of proposed meeting dates. Any Director who is unable to attend a meeting is invited to provide their views to the Chairman ahead of that meeting, having reviewed the agenda, Board papers and management information. Reasons for non-attendance are recorded by the Company Secretary. Formal minutes of each Board meeting are prepared, circulated and submitted for confirmation at the next meeting.

INDUCTION

Upon joining the Company, each new Director participates in a full and formal induction process. The aim of the induction is to assist the Directors to familiarise themselves with the Group's business and its culture, in addition to the roles and responsibilities of the Board and each member of Senior Management. Each new Director is provided with an induction pack containing general and specific information relating to their role such as a schedule of meetings, copies of Board minutes, terms of reference of the Committees and other Committee-specific information, various policies and procedures and details of their duties and obligations as a Director of a listed company. In addition, new Board members are obliged to complete the Mandatory Accreditation Programme as required by Bursa Malaysia.

TRAINING

As part of the Board Effectiveness Assessment, the Chairman asks the Board as a whole and individual Directors for any training requirements they deem necessary or appropriate. He also agrees to the annual developmental needs of each individual director, which include training to keep them abreast with the latest regulatory and policy developments. For FY2020, appropriate training relevant to the Group's business and background of the Directors was conducted. Two (2) Directors are currently undergoing a certification programme to be a Qualified Risk Director with the Institute of Enterprise Risk Practitioners (IERP).

BOARD AND COMMITTEE EVALUATIONS

The Chairman of the Board leads the Board Effectiveness Assessment (BEA) process internally, supported by the Company Secretary. The BEA provides unbiased insights on the leadership style and performance of the Board from various perspectives such as Boardroom dynamics, business sustainability as well as the ethics and compliance culture of the Group as a whole.

The BEA seeks to find better ways in enhancing Board effectiveness through various measures such as engaging with the management on issues of strategic importance while having open and candid Boardroom interactions facilitated by the leadership of the chairperson.

BEA questionnaires are issued to the Board and Committee members. The questionnaire looks at a variety of areas including, among other matters, the contribution and performance of the Directors with regards to their competencies, time commitments, integrity and experience in meeting the needs of the Group and suggestions put forward to enhance Board effectiveness. The results are discussed between the Board and Committee members, respectively, at their virtual board meeting.

For FY2020, the results of the evaluation were positive overall and showed that the Board was running effectively. The Board continued to be seen as being cohesive and comprising of the appropriate balance of experience, skills and knowledge to implement the Group's strategy over the next few years. Board meetings operate in a spirit of openness, fostered by the Chairman, in which Directors are able to challenge and openly discuss ideas of importance to the Group and its strategy.

Areas of Improvement for the Board

	Chairman	Non-Executive Directors
FY2020 Outcomes	The Chairman discharged his duties efficiently and has succeeded in producing a positive ambience during meetings by allowing the members of the Board to participate deliberately, and giving them equal opportunities to contribute to the decision-making process. The Chairman promotes culture in the boardroom through encouraging Board members' participation in meetings by drawing on their skills, experience and knowledge. As part of his duties, a good working relationship with the GCEO was maintained by the Chairman and both sides understood their duties towards one another and the roles they played with regards to the Company. The BEA results further suggests that regular townhall sessions between the Chairman and the Board could be beneficial to the dynamics of the boardroom.	The dynamism of the Board was proven through its balance and composition, which had an effective blend of expertise and skills to assist the Company in achieving its strategic goals. The Board did remarkably well with regards to ethical leadership as well as its ability to fairly assess the Group's position and prospects. The Board was collectively satisfied with the integrity of the Group's financial and narrative statements. The Board acknowledged the importance of human capital and the essential role it played in the advancement of the Company. The assessment proposed the need for continuous life-long learning and knowledge management among the Board. For FY2020, the Board took reasonable steps to ensure the financial results were reported fairly and in accordance with generally accepted accounting principles. The Board recognised the impact of environmental and social issues on the Group's business or linking strategy to an international framework.
Actions for FY2021	The Chairman should ensure that the Board listens to the views of shareholders, employees, customers and other key stakeholders in the implementation of the Group's business strategy.	The Board thinks that there should be onboarding session for new directors and that training opportunities for Board must not only confined to Finance, Sustainability, Audit and Corporate Governance, but also include the maritime / port industry seminars and trainings. An effective Board succession plan should be maintained at all times. Further, the Board responds that there could be better scheme of service for the staff in order to motivate and keep their morale high. The Board should also set corporate culture by which executives shall behave. Most importantly, contingency plan on the Board level to address potential crisis situations is lacking and should be made available in future. Also based on the review, the Board should increase its efforts in promoting dialogue with shareholders and stakeholders while ensuring that the feedback obtained from such sessions is considered in the Board's decision-making. Workforce views and priorities should also be considered in developing approaches to invest in the human capital of the Group.

Areas of Improvement for the Committees

Based on the BEA results, the Board is satisfied with the performance of all three (3) committees, namely, the Audit and Risk Committee (ARC), Nomination and Remuneration Committee (NRC), and the Finance and Investment Committee (FIC).

	Audit and Risk Committee	Nomination and Remuneration Committee	Finance and Investment Committee
FY2020 Outcomes	In general, the ARC is able to discharge its duties in relation to its ability to monitor the integrity of the financial statements and related announcements of the Group as a whole, as well as its recommendations to the main Board on the adequacy and effectiveness of the Group's internal controls and risk management.	The NRC has discharged its responsibilities in exercising independent judgement and discretion when recommending to the Board remuneration packages, taking into account the Company's and individual's performance. The NRC also carried out its role in the process of appointments, ensuring plans were in place for orderly succession for both Board and Senior Management positions.	The Board is satisfied with the FIC's assistance in providing the Board with oversight, approval and recommendations concerning the Company's capital structure and capital allocation strategy, as well as other financial arrangements and transactions that could materially impact the financial position of the Company. The FIC assisted the Management in the development of budgets that incorporate strategic plan objectives and initiatives.

Actions for FY2021

The Board suggests a separate Risk Management Committee to ensure adequate and more in-depth monitoring of the Company's material risks. The performance of each committee should also be assessed annually against the set goals of the committees and in the first place, those annual set goals must be defined accordingly. It is suggested that the committees should review its mandate and performance regularly and enhance its reporting to the main Board to assist in decision-making at that particular level.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

OUR APPROACH TO REMUNERATION

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

AIMS OF OUR REMUNERATION POLICY

- To promote the long-term success of the Company and to be fully aligned with the performance and strategic objectives of the Group in order to enhance value creation.
- To attract, retain, motivate and competitively reward Directors and Senior Management with the requisite experience, skills and ability to support the achievement of the Group's key strategic objectives in any financial year.
- To take account of pay and employment conditions of employees across the Group while reflecting the interests and expectations of shareholders and other stakeholders.
- To reward the delivery of profit, the maintenance of an appropriate capital structure and the continued improvement of return on capital employed by the business while ensuring that Directors and Senior Management adopt a level of risk that is in line with the risk profile of the business as approved by the Board.

Some of the principles that the NRC takes into account in developing the policy

1. The performance, roles and responsibilities of each Director or member of Senior Management
2. Arrangements that apply across the wider workforce, including average base salary increases
3. Information and surveys from internal and independent sources
4. The economic environment and financial performance of the Group
5. The Company's business strategy, ensuring that targets support the achievement of business strategy and key KPIs

Details of the remuneration breakdown of individual directors (including fees, salary, bonus, benefits in-kind and other emoluments) during the financial year 2020 are as follow:-

	FEES (RM'000)		ALLOWANCES (RM'000)			BENEFITS-IN-KIND (RM'000)
NAME OF DIRECTORS	BPHB	SUBSIDIARY	BPHB	COMMITTEES	SUBSIDIARY	
Non-Independent Non-Executive Directors						
Tan Sri Dr. Ismail bin Hj. Bakar	144.0	Not Applicable	21.0	Not Applicable	Not Applicable	54.0
Zakiah binti Jaafar (Appointed on 1 March 2020)	85.0	42.0	6.0	1.5	4.5	-
Tan Sri Datuk Amar Mohamad Morshidi bin Abdul Ghani	102.0	50.4	14.0	Not Applicable	7.5	-
Gen Dato' Seri DiRaja Tan Sri (Dr.) Mohd. Zahidi bin Hj. Zainuddin	102.0	50.4	14.0	1.5	7.5	-
Dato Sri Fong Joo Chung	102.0	72.0	14.0	7.5	10.0	-
Datuk Nasarudin bin Md Idris	102.0	72.0	14.0	2.0	12.0	-
Dzafri Sham bin Ahmad	102.0	50.4	14.0	7.5	7.5	-
Independent Non-Executive Directors						
Dato' Sri Mohamed Khalid bin Yusuf @ Yusup	102.0	72.0	14.0	10.0	4.0	-
Datuk Yasmin binti Mahmood	102.0	50.4	12.0	7.5	3.0	-
Datuk Nozirah binti Bahari	102.0	50.4	14.0	7.5	3.0	-
Salihin bin Abang	102.0	50.4	14.0	10.0	9.0	-
Totals (RM'000)	**1,147.0**	**560.4**	**151.0**	**55.0**	**68.0**	**54.0**
		1,707.4			**274.0**	**54.0**

Details of the remuneration of the top 6 senior management (including salary, allowances and bonus) in each successive band of RM50,000 during the financial year 2020, are as follows:

Remuneration Band (RM)	Top Six Senior Management
350,001 – 400,000	Matshalleh bin Mohamad Etli *(COO, Samalaju Industrial Port Sdn. Bhd.)* Azmel Khan bin Asghar Khan *(GM, Group Human Resources Management)* Dayang Faizah binti Awang Bujang *(GM, Group Legal Counsel)*
400,001 – 500,000	Yusof bin Ibrahim *(COO, Bintulu Port Sdn. Bhd.)* Daiana Luna Suip *(GM, Group Finance)*
800,001 & above	Dato Mohammad Medan bin Abdullah *(GCEO, Bintulu Port Holdings Berhad Group)*

AUDIT, RISK AND INTERNAL CONTROLS

Our Board recognises that successful delivery of the Group's strategic and day-to-day objectives is underpinned by a comprehensive and consistent assessment of relevant risks. Effective, agile and universally applied risk management principles enable the Group to accurately examine its risk profile against its accepted attitude and appetite, limit its exposure to unacceptable risks and ensure long-term viability. Once key risks to delivering value to the Group and its stakeholders are identified, a decision is made to treat, tolerate, terminate or transfer potential exposure. For more information, refer to pages 85 to 93 for Statement on Risk Management and Internal Control. The Board is committed to meeting the relevant requirements of the MCCG 2017 and has applied the principles of the Code in establishing procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives.

Roles and responsibilities

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

The roles and responsibilities of the Board, the ARC and Senior Management are set out below.

Responsibilities	Actions Undertaken
Board - Responsible for the Group's systems of risk management and internal control. - Determines Group appetite for and attitude to risk in pursuit of its strategic objectives.	• Issues and reviews the Group's risk management policy. • Performs quarterly reviews of the effectiveness of the Group's risk management and internal control systems. • Reviews the Group's risk landscape, principal risks and risk responses.
ARC - Confirms the Group Internal Audit Plan - Reviews significant accounting policies and judgements - To evaluate the effectiveness of the Group's internal control and risk management - To review the risk strategy of the Group and define the risk management objectives - To oversee the establishment of the Group's ERM Framework based on an internationally recognised risk management framework - To recommend for the Board's approval the Group's ERM Framework and strategies - To oversee the annual review of the Group's ERM Framework - To evaluate the effectiveness of the risk management structure, process and support system - To oversee the Management's action in identification, management and reporting of risk under the Group's Risk Profile - To provide recommendations on risk matters to the Board for approval	• Receives regular reports on internal and external audit and other assurance activities. • Annually assesses the Group's risk management and internal control systems. • Performs quarterly assessment on the effectiveness of the principal risks and its mitigations strategies.
Senior Management - Demonstrates strategic leadership. - Responsible for reviewing and implementing the Group's risk management policy. - Ensures appropriate actions are taken to manage strategic risks and other key risks.	• Reviews the strategic plan and annual budget process. • Produces and tracks the Group Risk Register. • Reviews risk management and assurance activities and processes. • Carries out monthly/quarterly finance and performance reviews.

INTERNAL CONTROL

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

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

Principal risks

The principal risks that could adversely impact the Group's profitability and ability to achieve its strategic objectives are set out on pages 29 to 31, The Risks We Consider.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ANTI-BRIBERY AND CORRUPTION POLICY

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

THE WORK OF OUR BOARD COMMITTEES

There are three main Board Committees (Audit and Risk, Nomination and Remuneration, and Finance and Investment). Reports on meetings of the main Board Committees are provided at each full Board meeting by the relevant Committee chair. Each Committee reviews its own terms of reference annually and these are then reviewed by the full Board together with the matters reserved to the Board. Additional attendees are invited to attend Board Committee meetings at the discretion of the relevant chair.

A forward-looking agenda is established for the Board and each of the main Board Committees to ensure that items are scheduled at the appropriate time during the year. Sufficient time is given for the consideration of the agenda during the meetings. Regular deep dive presentations form part of the annual meeting cycle, focusing on particular business areas or major projects of strategic importance to the Group. The full terms of reference for all Board Committees and their roles and responsibilities are available on our website at www.bintuluport.com.my. Committee membership and attendance can be found on pages 72 and 73 of this Report. The focus areas of each Committee during the year under review are listed below.

Audit and Risk Committee (ARC)

COMMITTEE ACTIVITIES DURING THE YEAR

i. Deliberated on the Group's quarterly financial performance for Quarter 4 2019;
ii. Deliberated on the Group's quarterly financial performance for Quarter 1 to Quarter 3 2020;
iii. Deliberated on the Group's proposal for dividends;
iv. Deliberated on the Group's Financial Performance and Audited Financial Statements for the year ended 31 December 2019;
v. Reviewed the 2019 Audit Progress Report by the External Auditor;
vi. Reviewed the Audit Planning Memorandum by the External Auditor for the 2020;
vii. Reviewed and endorsed the Group's new Enterprise Risk Management (ERM) Framework and Risk Profiles;
viii. Reviewed and endorsed the ERM Manual which incorporated the eight (8) guiding principles under ISO 31000:2018 Risk Management;
ix. Reviewed and endorsed the establishment of the Group's Enterprise Risk Management (ERM) Department and its reporting structure;
x. Reviewed and deliberated on the Risk Assessment for the Group's projects development initiatives and proposal;
xi. Deliberated and gave guidance on the identified corporate risk profile and its mitigation strategies;
xii. Deliberated and gave guidance on the risks associated with the COVID-19 pandemic that may impact the Group's business objectives;
xiii. Deliberations on implementation of Section 17A of the MACC Act in the Company;
xiv. Deliberations on UTAP-related activities for the Governance, Risk and Compliance (GRC) transformation journey; and
xv. Had two (2) audit special sessions with the External Auditor.

Internal Audit

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

External Audit

- Reviewed the External Auditors terms of engagement, nature and scope of work for financial year 2020 and make recommendations for Board's approval;
- Reviewed the findings from External Auditor Report especially the audited financial statement and ensured appropriate action taken by the management on issues raised by the External Auditor;
- Reviewed and make recommendations to the Board for approval on the audit fees for the External Auditor; and
- Met the External Auditor without the presence of Management to obtain feedback from them and to discuss measures that may enhance the audit function of the Company.

Nomination and Remuneration Committee (NRC)

COMMITTEE ACTIVITIES DURING THE YEAR

i. Made proposals on the appointment, resignation and re-election of Directors/the Chairman pursuant to the 24th Annual General Meeting of Bintulu Port Holdings Berhad;
ii. Carried out the Annual Performance Assessment for the Board of Directors of Bintulu Port Holdings Berhad;
iii. Made proposals for promotion, confirmation and renewal of contracts in Senior Management positions in the Company;
iv. Made proposals for payment of performance bonuses and annual salary increments for Management and staff;
v. Made proposals on the key performance indicators of the Group Chief Executive Officer;
vi. Developed criteria for the talent pool and human resource development programme in relation to the Group's succession planning;
vii. Deliberated on the Human Resources' policies review; and
viii. Monitored on the progress of policies' review.

Finance and Investment Committee (FIC)

COMMITTEE ACTIVITIES DURING THE YEAR

i. Procurement of operational equipment for Bintulu Port Sdn. Bhd.;
ii. Deliberated and made recommendations on the 2021 Group's Budget and Business Plan 2021;
iii. Deliberated and made recommendations on the revision of Group's Financial Policy relating to investment of surplus fund; and
iv. Deliberation of proposed investment for LNG ISO Tank Operations at Bintulu Port.

Directors who are standing for re-election at the Twenty-Fifth (25th) Annual General Meeting of the Company

a) The Directors retiring by rotation pursuant to Clause 24.5 of the Company's Constitution and Para 7.26 of the Main Market Listing Requirements and who have offered themselves for re-election are:

- **Dato' Sri Mohamed Khalid bin Yusuf @ Yusup**
  (Independent Non-Executive Director)
- **Datuk Yasmin binti Mahmood**
  (Independent Non-Executive Director)
- **Dzafri Sham bin Ahmad**
  (Non-Independent Non-Executive Director)

The profiles of the above-named Directors who are standing for re-election as stated in the Notice of the 25th AGM are set out in the Who Governs Us on pages 60 to 65 of this Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Ensuring Effective Engagement with Our Stakeholders

The Board acknowledges the importance of effective communication channels between the Board, stakeholders, institutional investors and the investing public at large to provide a clear and complete picture of the Group's performance and position.

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

For further details on our Stakeholder Engagements, please refer to pages 32 to 35, to see how we engage with our universe of stakeholders.

The primary contacts of the Group are as follows:

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

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

SHAREHOLDERS

INVESTOR RELATIONS

The Company complies with the Corporate Disclosure Guide issued by Bursa Malaysia as well as the disclosure requirements of Bursa Malaysia's Main Market Listing Requirements. The Company also acknowledges the importance of timely and equal dissemination of material information to shareholders, investors and the public at large. The company holds briefing sessions each financial year for fund managers, investment analysts and the media in conjunction with the announcement of quarterly and yearly financial results to Bursa Malaysia.

Kindly refer to the list of interface and engagement sessions conducted by BPHB during FY2020 on page 84.

ANNUAL GENERAL MEETING

- The Group Chief Executive Officer updates shareholders on the Group's performance and activities during the year. Shareholders are also given the opportunity to meet Board members and air any issues or queries they may have about the business. The Chairman and each Board Committee Chair are also available throughout the AGM to answer shareholder questions.
- The Notice of AGM is circulated to all shareholders at least 21 days prior to the meeting and all resolutions are voted on by way of polling as required under the MCCG 2017.
- The Group shares how it responds to queries from all shareholders, including the Minority Shareholders Watch Group (MSWG).

RETAIL SHAREHOLDERS

- The Company Secretarial team, together with the Company's Registrars, regularly engages with our retail shareholders regarding their shareholdings and general enquiries.
- The Company Secretary informs the Chairman and the Group Chief Executive Officer of any areas of concern or importance raised by the retail shareholders to ensure that they are kept aware of the views of our retail shareholder base.

The Board is therefore, fully committed to maintaining high standards in the dissemination of relevant and material information on the development of the Group in view of its commitment to effective, comprehensive, timely and continuous disclosures.

GOVERNMENT & REGULATORS

The Group remains steadfast in its efforts to work with regulators to ensure that the Group complies with all relevant rules and regulations set by the Government and other regulatory agencies.

For FY2020, the Group complied with the rules set under Bursa Malaysia's Main Market Listing Requirements in terms of timely announcements as well as material disclosures relevant to the Group's business.

Further, the Group also complied with Companies Commission of Malaysia requirements in ensuring financial statements and narratives of the Group were prepared according to applicable accounting standards and frameworks.

CUSTOMERS

CUSTOMER CHARTER AND GROUP VISION

The Group strives to provide quality port services with continuous improvement based on customer feedback and the Customer Charter.

The Group is committed to ensuring the following standards prescribed by the Customer Charter are always met:

1. **FAST TURNAROUND TIME**
   We will provide on-time marine services, ensure availability of berth, and constantly improve our operational efficiencies.

2. **QUALITY PERFORMANCE DELIVERY**
   We will be responsive towards our customers' feedback, deliver transparent work procedures, and provide practical and innovative solutions through dynamic process improvements and technology.

3. **SAFETY AND SECURITY**
   We will handle our customers' cargoes, containers and vessels safely and securely while in our custody and within the port water limits.

In meeting their needs and expectations, the Group undertakes regular engagement and interface sessions with customers. To assess customers' level of satisfaction in relation to our commitment stipulated under the Customer Charter, a Customer Satisfaction Survey is conducted annually.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

LIST OF INTERFACE AND ENGAGEMENT SESSIONS

No.	Date	Summary of Interface/Engagement Sessions	Venue
1.	10 February 2020	Kenanga Investment Bank	BPHB
2.	19 February 2020	Kumpulan Wang Persaraan (KWAP)	Virtual Meeting
3.	21 February 2020	RAM Rating Services Berhad	Virtual Meeting
4.	16 March 2020	Public Investment Bank Berhad	Virtual Meeting
5.	16 March 2020	Permodalan Nasional Berhad	Virtual Meeting
6.	27 November 2020	Kumpulan Wang Simpanan Pekerja (KWSP), Permodalan Nasional Berhad, Eastspring Investment Berhad, KAF Equities Sdn Bhd	Virtual Meeting
7.	27 November 2020	Kumpulan Wang Persaraan (KWAP)	Virtual Meeting

ADDITIONAL COMPLIANCE INFORMATION

i. Recurrent Related Party Transactions (RRPT) of a Revenue Nature

As required by the MMLR, RRPT of a revenue nature must be disclosed in the Annual Report. For the year 2020, there were no new related parties involved with the Group other than the existing ones, which comprised the Sarawak State Financial Secretary (SFS) and Petroliam Nasional Berhad (PETRONAS). The transactions involved were in the ordinary course of business and were in terms not more favourable to the related party than those generally available to the public. The services rendered or goods purchased were based on a non-negotiable fixed price which was published or publicly quoted and all material terms including the prices or charges were applied consistently to all customers or classes of customers.

ii. Non-Audit Fees

The requirement to disclose the Non-Audit Fees is provided for under Chapter 9, Item (18) of Appendix 9C of the MMLR. Hence, the Non-Audit Fees paid to the External Auditors by the Group for reviewing the Directors' Statement on Risk Management and Internal Control for the year ended 31 December 2020 were in the sum of RM9,000.00 only.

iii. Material Contract

The Board confirms that there was no material contract entered into by the Group involving the Directors' and major shareholders' subsisting interest at the end of 2020.

iv. Imposition of Sanctions/Penalties

There were no sanctions/penalties on the Group, Board of Directors and Management for the financial year ended 31 December 2020.

v. Details of Attendance at Meetings Held in the Financial Year Ended 31 December 2020

For attendance, please refer to pages 72 and 73 of this Statement.

vi. Statement by the Board on Compliance

Throughout the financial year ended 31 December 2020, the Group complied with and observed the substantive provisions of the MCCG, the relevant Chapters of the Main Market Listing Requirements and the Companies Commission of Malaysia's requirements.

Statement made in accordance with the Board's Resolution dated 25 February 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Effective Risk Management

Our Approach to Risk Management

BPHB has remained clear on the benefits of risk management and committed to delivering these benefits throughout 2020. Overall responsibility for managing risk rests with the Board but the required policies, procedures and culture are evidenced at each BPHB location as part of an agile, intuitive and holistic framework. A dedicated risk management function ensures the Group adheres to both regulatory requirements and adopts industry good practice in its approach to identifying, assessing, responding to and monitoring risk.

The capture and assessment of risk and opportunity is at the heart of decision making at BPHB. With the initiation of a Governance, Risk and Compliance (GRC) transformation journey (UTAP Transformation Journey), the three levels of defences take credence and ensures that the Board and other governing bodies are given reasonable assurances that work under the GRC is effective. Under the UTAP Transformation Journey, the Enterprise Risk Management (ERM) function is incorporated into the core areas of review and enhancement.

Phase II of the UTAP Transformation Journey has resulted in the following outcomes:

ELEMENT	OUTCOME
ERM Framework	Encapsulate Risk Governance, Risk Culture & Risk Appetite with 8 Guiding Principles and Risk Management Process based on ISO 31000:2018 Risk Management.
ERM Manual	Improvement on three (3) key areas: ERM Principles, ERM Structure and ERM Process.
ERM Governance and Reporting Structure	More streamlined and holistic.
ERM Roles and Responsibilities	More defined roles and responsibilities.
ERM Process	Updated to reflect the key processes under ISO 31000:2018 Risk Management.
ERM Reporting	More defined and detailed process flow for Risk Identification and Reporting.
ERM Risk Parameters – Likelihood and Impact	Likelihood and Impact Score is expanded from four (4) to five (5) respectively.
ERM Risk Ratings	Reviewed from 4x4 Matrix to 5x5 Matrix. However, Risk Mitigation Strategy remains unchanged.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ROLES AND RESPONSIBILITIES

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

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

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

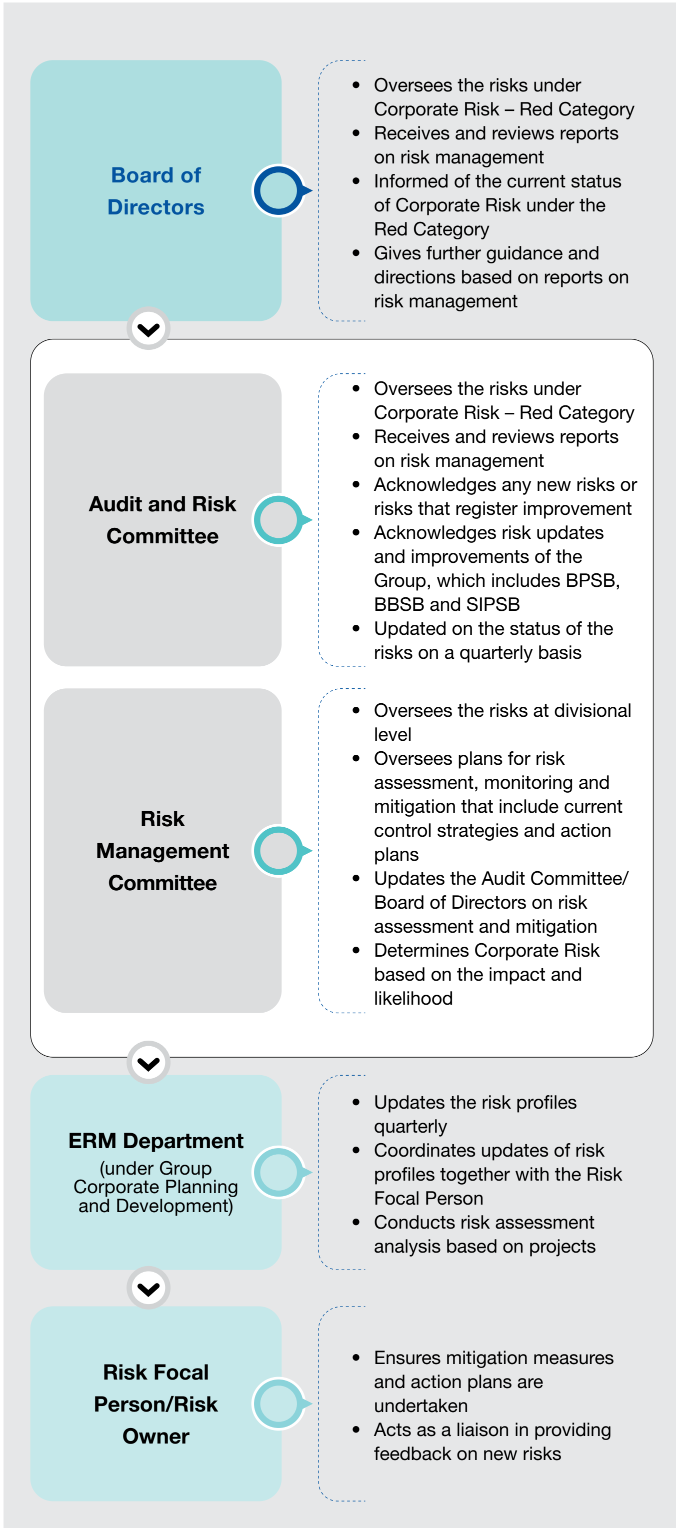
The review of the risk management and internal control environment and processes is delegated by the Board to the Audit and Risk Committee (ARC).

For Enterprise Risk Management, the ARC provides oversight on risk management matters relating to the activities of the Group, and reviews, appraises and assesses the efficacy of controls and progress of action plans taken to mitigate, monitor and manage the overall risk exposure of the Group.

For Internal Control, the ARC reviews the adequacy and effectiveness of internal controls in relation to the audits conducted by Group Internal Audit (GIA) during the year.

Audit issues and actions taken by Management to address the findings tabled by GIA are deliberated on during the ARC meetings.

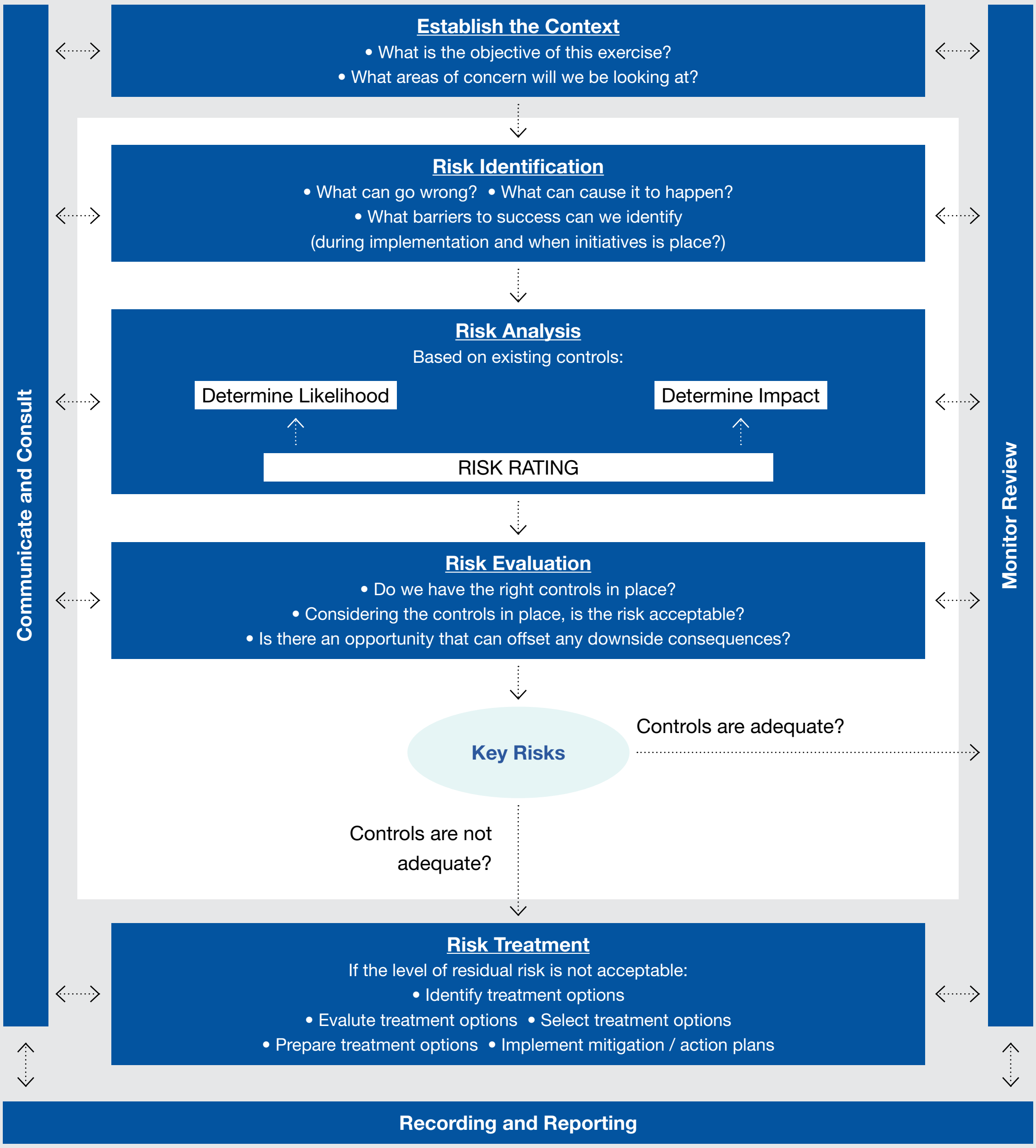
In summary, Internal Control and risk-related matters that warrant the attention of the Board are recommended by the ARC to the Board for its further deliberation and approval, while matters or decisions made within the ARC's purview are escalated to the Board for its acknowledgment.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

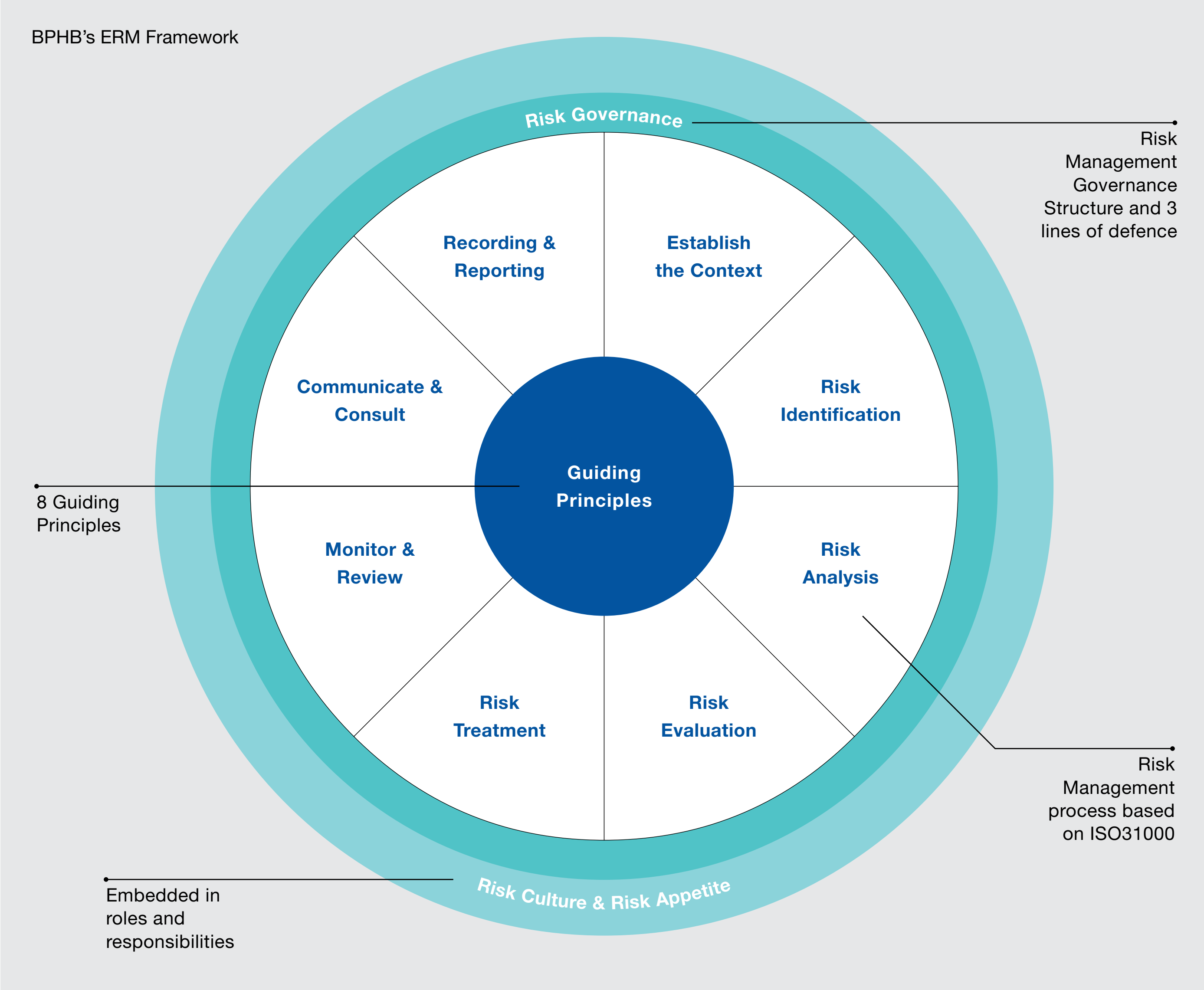
ERM Process

The ERM Process involves the systematic and iterative application of policies and processes which is illustrated as follows:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ERM Framework



ERM Manual updated to incorporate eight (8) guiding principles under ISO 31000:2018 Risk Management:

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

Our Enterprise Risk Management and Internal Control Structure

ENTERPRISE RISK MANAGEMENT (ERM)

ERM Environment
Creates and establishes clear functional responsibilities and accountabilities that cover Governance, Framework and Process

Materiality Assessment
Assessment made according to the recommendations of Bursa Malaysia's Sustainability Reporting Guide

Risk Management Committee
Internal Risk Management Committee established to monitor Principal Risks of the Group as a whole

Risk Management Function
The establishment of an ERM Department for the coordination of risk management for the Group

Risk Management Awareness Programme
Group-wide inculcation of a robust risk governance and compliance culture, supported by training programmes

Group Principal Risk Profile
Provides oversight for the Audit and Risk Committee during meetings

ERM Manual
sets out the policies for identifying, assessing, monitoring, managing and reporting risk for BPHB Group, aligned will the guidelines of ISO 31000:2018 Risk Management.

Insurance
Involves information relating to the protection of the Group's assets

INTERNAL CONTROL

Authority Responsibility
Encompasses Board TOR, all structures of the organisation and the internal control and compliance environment, as well as responsibility levels

Planning, Monitoring and Reporting
Covers budgeting and forecasting exercises, continuous performance review and appropriate application of finance functions

Policies & Procedures
Contain information on how the Group operates through SOPs, Code of Conduct and its Customer Charter

Audit
Covers internal and external audit functions of the Group as well as audit by certification bodies

Compliance
Contains information on the role played by Group Legal Counsel

Performance Measurement
Contains information on how the performance of employees is measured

Employees' Competencies
Contains information on how employees' competencies are continuously enhanced

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ENTERPRISE RISK MANAGEMENT (ERM)

The Group's Enterprise Risk Management (ERM) segments comprise the following key elements:

SEGMENT	KEY ELEMENT
ERM Environment	One of the key features of the risk management environment is the implementation of established and clear functional responsibilities and accountabilities for the management of risk. The ERM Environment consists of a framework, process and governance and is illustrated on pages 85 to 88 of this Statement.
ERM Manual	The purpose of this Manual is to: • Provide guidance on BPHB Group's risk management principles and reporting structure for the effective management of risks that the respective divisions and subsidiaries assume in their activities. • Define risk management roles and responsibilities within BPHB Group. • Define an ongoing and consistent process for identifying, assessing, monitoring, managing and reporting the significant risks faced by BPHB Group. • Define a reporting framework to ensure communication of necessary risk management information to senior management and personnel engaged in risk management activities.
Materiality Assessment	Pursuant to the recommendations of Bursa Malaysia's Sustainability Reporting Guide, an organisation should reconsider its material sustainability risks and opportunities (i.e. sustainability matters) at least once a year. This is to ensure that the sustainability matters being managed and reported remain significantly important to its business and are aligned to stakeholders' needs. The Group undertook a materiality assessment in 2018, comprising a series of focus group sessions and interviews with various key internal stakeholders.
Risk Management Committee	A Risk Management Committee has been established, comprising the following members: • Group Chief Executive Officer (GCEO) • Chief Operation Officers (COOs) • General Manager, Group Legal Counsel • General Manager, Group Finance • General Manager, Group Health & Safety Environment • General Manager, Group Corporate Planning & Development • General Manager, Group Information Technology • Senior Manager, Group Corporate Services • Senior Manager, Group Security In 2020, the Management has been updating the Board on a quarterly basis (February, May, August & November).
Risk Management Function	The risks are viewed from a Group-wide perspective and managed on a Group-wide basis and are driven by a designated ERM Department under Group Corporate Planning & Development (GCPD). The ERM Department is responsible for the overall coordination of risk management for the Group and works closely with Risk Focal Persons who undertake the monitoring and assessing of risk controls in their respective divisions and departments. The ERM Department reports directly to the GCEO.
Risk Management Awareness Programme	The main objective of the programme is to inculcate a robust risk governance and compliance culture among all staff, ranging from operational to Senior Management. The programme is conducted on an annual basis.
Group Principal Risk Profile	The Group Principal Risk Register & Profile is a permanent agenda item of ARC meetings, which deliberate on the following principal risks: • Strategic Risk • Financial Risk • Compliance Risk • Operational Risk
Insurance	Sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss.

INTERNAL CONTROL

The Group's internal control segments comprise the following key elements:

SEGMENT	KEY ELEMENT
Authority & Responsibility	**TERMS OF REFERENCE** The Board has delegated certain responsibilities to Board Committees, as follows, through clearly defined and approved Terms of Reference (TOR) which shall be reviewed as and when necessary: • Audit and Risk Committee • Nomination and Remuneration Committee • Finance and Investment Committee The above TOR are accessible on the Group's website. In addition, there are a number of committees established by the Management with specific TOR, such as the Major Tender Committee, Minor Tender Committee and Quotation Committee. **ORGANISATIONAL STRUCTURE** The Group has an organisational structure with formal lines of authority and accountability that sets out clear segregation of powers to guarantee effective control at various levels of the Group. The Management is responsible for the implementation of the Group's strategies and day-to-day business based on the established structure and limits of authority. The organisational structure is reviewed from time to time to address changes in the business environment, as well as to keep abreast of current and future trends in new technologies, products and services. **RESPONSIBILITY LEVELS** The Group has established levels of authority, which have been approved by the Board and which are subject to review from time to time to reflect the limits of authority of the Management in all aspects of the Group's major businesses, operations and functions. **COMPLIANCE ENVIRONMENT** Each division and business unit within the Group has established an adequate compliance environment by instituting specific and dedicated functions to oversee compliance matters with respect to business and operations. **INTERNAL CONTROL POLICY** The policy was established and was approved by the Board of Directors and it is subject to review from time to time, in order to reflect changes in the internal control environment that may affect the Group's business and operations.
Planning, Monitoring & Reporting	**BUDGET** The Group performs comprehensive budgeting and forecasting exercises. An annual planning and budgetary exercise is undertaken requiring all divisions to prepare business plans and budgets for the forthcoming year. These are deliberated on and approved by the Board prior to implementation by the Management. **PERFORMANCE REVIEW** The Group's business plans for the year are reviewed and deliberated on by the Board on an annual basis. The actual performance against budget and financial performance variances are analysed and reported on a quarterly basis to the Board and timely corrective actions are then taken. **FINANCE FUNCTION** The Group Finance Division is required to provide assurance to the ARC that appropriate accounting policies have been adopted and applied consistently, that the going concern basis as applied in the Annual Financial Statements and Condensed Consolidated Financial Statements of the Group is appropriate and that prudent judgments and reasonable estimates have been made in accordance with the requirements set out in established and applicable Financial Reporting Standards.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

SEGMENT	KEY ELEMENT
Policies & Procedures	**STANDARD OPERATING PROCEDURES** Clear, formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. Information relating to Financial, Procurement & Contract Management, Human Resources and Information Technology are documented and accessible through the Group's intranet and manuals. In addition, the Group has obtained accreditation from local and international bodies to standardise relevant processes such as ISO9001 and ISO14000. **ANTI-BRIBERY AND CORRUPTION (ABC)** It is also important for the Group to comply with, uphold and conduct its business in accordance with applicable laws in relation to anti-bribery and corruption. The details of ABC policy are on page 80. **CODE OF CONDUCT** The Code of Conduct is given to all newly recruited staff upon joining the Group. They are required to strictly adhere to the Code of Conduct in order to ensure a high level of discipline and integrity while carrying out their duties. It is the responsibility of all staff to maintain and practise the Code of Conduct as part of their accountability towards achieving the Group's overall objectives. **CUSTOMER CHARTER** The Customer Charter is a benchmark set by the Group for evaluating operational efficiency and performance in meeting service delivery standards and customer satisfaction. The Management is committed to ensuring strict adherence to the Customer Charter at all levels of operation. For any failure to meet the Customer Charter, the Management carries out service recovery initiatives. **WHISTLEBLOWER POLICY** The policy was approved by the Board to provide an avenue for employees or any external party to report any breach or suspected breach of any law or regulation, including breaches of the Code of Conduct and of the Group's policies, in a secure and confidential manner.
Audit	**INTERNAL AUDIT** The internal control practices are audited in-house by GIA to assess the adequacy and effectiveness aspects of governance, risk and controls. Any irregularity or significant finding by GIA is reported to the ARC together with recommendations for corrective measures on a timely basis. The Management is responsible for ensuring that corrective actions are carried out within a determined timeframe. **EXTERNAL AUDIT** The External Auditors' Annual Plan, which comprises planned audit services (inclusive of other assurance related services), recurring non-audit services and non-recurring non-audit services, is tabled to the ARC for deliberation and approval. Other than the financial statutory audit, there are audits on operational statutory compliance conducted by the relevant authorities, such as the DOE Compliance Audit and BOMBA (Malaysia) Fire Certificate Inspection Audit, to ensure fulfilment of licence conditions. **CERTIFICATION AUDIT** The audit is conducted by certification bodies, on a scheduled-basis, such as ISO 9001: 2015, and ISO 14001: 2015, to ensure continuous certification is obtained from local and international bodies including renewals of certification.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

SEGMENT	KEY ELEMENT
Compliance	The role of Group Legal Counsel is to advise the Board and Management on all legal matters and manage any litigation. It also plays a pivotal role in ensuring that interests of the Group are legally preserved and safeguarded. The Board is updated through reports as and when there is an introduction of new legislation, new terms of business or changes in existing laws relevant to the Group.
Performance Measurement	Key performance indicators (KPIs), which are based on the Corporate and Divisional Balanced Scorecards and Behavioural Competencies, are used to track and measure employees' performance. In addition, annual employee engagements and customer satisfaction surveys are conducted to gain feedback on the effectiveness and efficiency of stakeholder engagements for continuous improvement.
Employees' Competencies	Training and development programmes are identified and scheduled for the staff to acquire the necessary knowledge, skills and core competencies to enhance their professionalism. This is to ensure that the Group can assign staff with specific and specialised training, thereby minimising unnecessary errors or non-compliance with the established policies.

REVIEW OF THIS STATEMENT

As required by Para 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3") issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2020, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects; has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely for, and directed solely to the Board in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

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

CONCLUSION

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

The Board has received assurance from the GCEO that the Group's internal control and risk management system is operating adequately and effectively in all material aspects, based on the framework adopted by the Group.

Statement made in accordance with the Board's Resolution dated 25 February 2021.

Tan Sri Dr. Ismail bin Hj. Bakar
Chairman

Datuk Yasmin binti Mahmood
Independent Non-Executive Director

AUDITED FINANCIAL STATEMENTS

DIRECTORS

Tan Sri Dr. Ismail bin Hj. Bakar
Zakiah binti Jaafar
Tan Sri Datuk Amar Hj. Mohamad Morshidi bin Abdul Ghani
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R)
Dato Sri Fong Joo Chung
Datuk Nasarudin bin Md Idris
Dzafri Sham bin Ahmad
Dato' Sri Mohamed Khalid bin Yusuf @ Yusup
Datuk Yasmin binti Mahmood
Datuk Nozirah binti Bahari
Salihin bin Abang

REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

Lot 15, Block 20, Kemena Land District
12th Mile, Tanjung Kidurong Road
97000 Bintulu, Sarawak

AUDITORS

Ernst & Young PLT

PRINCIPAL BANKER

CIMB Bank Berhad

AUDITED FINANCIAL STATEMENTS

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	93,301	118,186
Profit attributable to:		
Equity holders of the parent	93,301	118,186

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 2019 were as follows:

In respect of the financial year ended 31 December 2019 as reported in the Directors' report of that year:

	RM'000
Fourth interim single tier dividend of 2.00 sen per share on 460,000,000 ordinary shares, paid on 16 April 2020	9,200

DIRECTORS' REPORT

DIVIDENDS (CONTINUED)

In respect of the financial year ended 31 December 2020:

	RM'000
First interim single tier dividend of 2.00 sen per share on 460,000,000 ordinary shares, paid on 10 August 2020	9,200
Second interim single tier dividend of 2.00 sen per share on 460,000,000 ordinary shares, paid on 8 October 2020	9,200
Third interim single tier dividend of 4.00 sen per share on 460,000,000 ordinary shares, paid on 29 December 2020	18,400
	46,000

The Directors have authorised on 25 February 2021 the payment of a fourth interim single tier dividend of 2.0 sen per share on 460,000,000 ordinary shares, amounting to RM9,200,000, which will be paid on 15 April 2021 to shareholders registered on the Company's Register of Members at the close of business on 26 March 2021. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

DIRECTORS

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

Tan Sri Dr. Ismail bin Hj. Bakar
Tan Sri Datuk Amar Hj. Mohamad Morshidi bin Abdul Ghani
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R)
Dato Sri Fong Joo Chung
Datuk Nasarudin bin Md Idris
Dzafri Sham bin Ahmad
Dato' Sri Mohamed Khalid bin Yusuf @ Yusup
Datuk Yasmin binti Mahmood
Datuk Nozirah binti Bahari
Salihin bin Abang
Zakiah binti Jaafar (Appointed on 1.3.2020)

DIRECTORS' BENEFITS

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

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

INDEMNITIES TO DIRECTORS AND OFFICERS

During the financial year, the Group maintained a Directors' and Officers' Liability Insurance in accordance with Section 289 of the Companies Act 2016. The total insured limit for the Directors' and Officers' Liability Insurance is RM50 million per occurrence or in the aggregate. The annual insurance premium paid is RM60,000.

DIRECTORS' INTERESTS

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

ISSUE OF SHARES

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

OTHER STATUTORY INFORMATION

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

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

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

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

  (i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of these financial statements of the Group and of 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.

(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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTINUED)

(f) In the opinion of the Directors:

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

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

AUDITORS

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

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

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 16 March 2021.

Tan Sri Dr. Ismail Bin Hj Bakar **Dato Sri Fong Joo Chung**

STATEMENT BY DIRECTORS

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

We, **Tan Sri Dr. Ismail Bin Hj Bakar** and **Dato Sri Fong Joo Chung**, being two of the Directors of **Bintulu Port Holdings Berhad**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 100 to 173 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 16 March 2021.

Tan Sri Dr. Ismail Bin Hj Bakar

Dato Sri Fong Joo Chung

STATUTORY DECLARATION

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

I, **Daiana Luna Suip (CA 16050)**, being the Officer primarily responsible for the financial management of **Bintulu Port Holdings Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 100 to 173 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
16 March 2021

Daiana Luna Suip

Before me,

Magdalene Lucas
Q 082
Commissioner For Oaths

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from port services rendered	4	**645,339**	650,730	**-**	-
Revenue from construction services for concession infrastructure	4	**8,392**	8,683	**-**	-
Revenue from bulking services	4	**40,615**	43,935	**-**	-
Dividend income from subsidiaries	4	**-**	-	**125,200**	122,200
Management fee charged to subsidiaries	4	**-**	-	**43,416**	43,764
Rental income	4	**21,358**	21,756	**-**	-
		715,704	725,104	**168,616**	165,964
Other income	5	**13,288**	11,631	**2,198**	2,395
Cost of construction services	6	**(8,392)**	(8,683)	**-**	-
Employee benefit expenses	7	**(128,869)**	(116,604)	**(36,459)**	(33,884)
Depreciation of property, plant and equipment	13	**(33,860)**	(31,076)	**(716)**	(515)
Depreciation of right-of-use assets	14	**(29,977)**	(11,986)	**-**	-
Amortisation of intangible assets	16	**(152,988)**	(151,571)	**(342)**	(281)
Charter hire of vessels		**(8,310)**	(6,492)	**-**	-
Maintenance dredging costs	25	**(36,399)**	(22,233)	**-**	-
Fuel, electricity and utilities		**(19,415)**	(26,971)	**(47)**	(68)
Insurance expenses		**(3,467)**	(3,024)	**(84)**	(85)
Repair and maintenance		**(40,941)**	(41,349)	**(454)**	(644)
Replacement obligations	25	**(5,006)**	(6,075)	**-**	-
Service contracts		**(40,973)**	(42,197)	**-**	-
Other expenses	8	**(37,752)**	(37,744)	**(15,825)**	(17,437)
Total expenses		**(546,349)**	(506,005)	**(53,927)**	(52,914)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020 (Continued)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Operating profit		**182,643**	230,730	**116,887**	115,445
Finance costs	9	**(75,176)**	(76,459)	**-**	-
Finance income	5	**19,199**	24,761	**1,299**	2,981
Profit before tax		**126,666**	179,032	**118,186**	118,426
Income tax expense	11	**(33,365)**	(49,733)	**-**	-
Profit net of tax, representing total comprehensive income for the year		**93,301**	129,299	**118,186**	118,426
Other comprehensive income					
Other comprehensive income that will be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		**54**	-	**-**	-
Other comprehensive income for the year		**54**	-	**-**	-
Total comprehensive income for the year		**93,355**	129,299	**118,186**	118,426
Profit attributable to:					
Equity holders of the parent		**93,301**	129,299	**118,186**	118,426
Earnings per share					
Basic (sen)	12	**20.28**	28.11		

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	**273,352**	296,890	**4,183**	4,095
Right-of-use assets	14	**92,336**	73,476	**-**	-
Investment in subsidiaries	15	**-**	-	**1,051,900**	1,051,900
Intangible assets	16	**1,532,213**	1,675,702	**1,512**	1,854
Deferred tax assets	17	**58,857**	58,035	**-**	-
Trade and other receivables	18	**10,269**	-	**-**	-
		1,967,027	2,104,103	**1,057,595**	1,057,849
Current assets					
Inventories		**3,705**	4,002	**-**	-
Tax recoverable		**2,794**	1,734	**-**	-
Trade and other receivables	18	**82,404**	98,624	**2,337**	11,676
Investment in securities	19	**229,902**	124,852	**22,220**	-
Cash and bank balances	20	**667,304**	694,704	**84,007**	26,066
		986,109	923,916	**108,564**	37,742
Total assets		**2,953,136**	3,028,019	**1,166,159**	1,095,591

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2020 (Continued)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	21	**890,818**	890,818	**890,818**	890,818
Foreign currency translation reserve		**54**	-	**-**	-
Retained earnings	36	**486,583**	439,282	**254,337**	182,151
Total equity		**1,377,455**	1,330,100	**1,145,155**	1,072,969
Non-current liabilities					
Other payables	22	**59,906**	51,547	**16,123**	17,305
Loans and borrowings	23	**940,338**	938,827	**-**	-
Lease liabilities	24	**325,860**	452,780	**-**	-
Provisions	25	**17,622**	12,151	**-**	-
		1,343,726	1,455,305	**16,123**	17,305
Current liabilities					
Other payables	22	**38,513**	52,637	**4,881**	5,317
Lease liabilities	24	**170,627**	138,861	**-**	-
Provisions	25	**19,453**	39,476	**-**	-
Income tax payable		**3,362**	11,640	**-**	-
		231,955	242,614	**4,881**	5,317
Total liabilities		**1,575,681**	1,697,919	**21,004**	22,622
Total equity and liabilities		**2,953,136**	3,028,019	**1,166,159**	1,095,591

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 2020

	Note	Share Capital RM'000	Foreign Translation Reserve RM'000	Retained Earnings RM'000	Equity Total RM'000
Group					
2020					
At 1 January 2020		**890,818**	**-**	**439,282**	**1,330,100**
Total comprehensive income		**-**	**54**	**93,301**	**93,355**
Transactions with owners					
Dividends on ordinary shares	**26**	**-**	**-**	**(46,000)**	**(46,000)**
At 31 December 2020		**890,818**	**54**	**486,583**	**1,377,455**
2019					
At 1 January 2019		890,818	-	401,090	1,291,908
Less: MFRS 16 adjustment		-	-	(8,307)	(8,307)
Total comprehensive income		-	-	129,299	129,299
Transactions with owners					
Dividends on ordinary shares	26	-	-	(82,800)	(82,800)
At 31 December 2019		890,818	-	439,282	1,330,100

	Note	Share Capital RM'000	Retained Earnings RM'000	Equity Total RM'000
Company				
2020				
At 1 January 2020		**890,818**	**182,151**	**1,072,969**
Total comprehensive income		**-**	**118,186**	**118,186**
Transactions with owners				
Dividends on ordinary shares	**26**	**-**	**(46,000)**	**(46,000)**
At 31 December 2020		**890,818**	**254,337**	**1,145,155**
2019				
At 1 January 2019		890,818	146,525	1,037,343
Total comprehensive income		-	118,426	118,426
Transactions with owners				
Dividends on ordinary shares	26	-	(82,800)	(82,800)
At 31 December 2019		890,818	182,151	1,072,969

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 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Operating activities					
Profit before tax		**126,666**	179,032	**118,186**	118,426
Adjustments for:					
Amortisation of intangible assets	16	**152,988**	151,571	**342**	281
Depreciation of property, plant and equipment	13	**33,860**	31,076	**716**	515
Depreciation of right-of-use assets	14	**29,977**	11,986	**-**	-
Finance costs	9	**75,176**	76,459	**-**	-
Bad debts written off	8	**-**	28	**-**	-
Inventories written off	8	**170**	-	**-**	-
Net (gain)/loss on disposal of property, plant and equipment	5,8	**(315)**	(118)	**13**	-
Dividend income from subsidiaries	4	**-**	-	**(125,200)**	(122,200)
Dividend income from unit trust	5	**(9,989)**	(6,707)	**(843)**	(786)
Interest income	5	**(19,199)**	(24,761)	**(1,299)**	(2,981)
Guarantee fee income	5	**-**	-	**(1,339)**	(1,276)
Gain in derecognition of right-of-use asset	5	**(650)**	-	**-**	-
Fair value (gain)/loss on investments in securities	5,8	**(1,240)**	(2,527)	**570**	(333)
Staff gratuities	22	**1,001**	1,194	**-**	-
Provision for maintenance dredging costs	25	**36,399**	22,233	**-**	-
Provision for replacement obligations	25	**5,006**	6,075	**-**	-
Unrealised gain in foreign exchange	5	**(10)**	-	**-**	-
Directors' gratuities	22	**229**	263	**229**	263
Reversal of impairment on trade receivables	5	**-**	(49)	**-**	-
Total adjustments		**303,403**	266,723	**(126,811)**	(126,517)

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2020 (Continued)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Operating cash flows before working capital		**430,069**	445,755	**(8,625)**	(8,091)
Changes in working capital					
Decrease in inventories		**127**	116	**-**	-
Decrease/(Increase) in trade and other receivables		**7,947**	(1,438)	**71**	435
Decrease/(increase) in other current assets		**7,327**	12,921	**113**	(232)
(Decrease)/increase in other payables		**(12,969)**	(2,042)	**(529)**	2,694
Net change in subsidiaries balances		**-**	-	**9,551**	(6,219)
Payment of maintenance dredging	25	**(56,991)**	(16,794)	**-**	-
Total changes in working capital		**(54,559)**	(7,237)	**9,206**	(3,322)
Cash flows generated from/(used in) operations		**375,510**	438,518	**581**	(11,413)
Directors' gratuities paid	22	**(332)**	(182)	**(332)**	(182)
Income tax paid, net refunded		**(43,520)**	(57,333)	**-**	-
Staff gratuities paid	22	**(5,170)**	(6,062)	**-**	-
Net cash flows generated from/(used in) operating activities		**326,488**	374,941	**249**	(11,595)

STATEMENTS OF CASH FLOWS
For the year ended 31 December 2020 (Continued)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Investing activities					
Interest received		**20,056**	23,346	**1,256**	3,145
Acquisition of property, plant and equipment	13	**(10,476)**	(43,371)	**(818)**	(1,199)
Increase in intangible assets	16	**(9,390)**	(12,628)	**-**	(2,008)
Investment in a subsidiary		**-**	-	**-**	(90,000)
Proceeds from disposal of property, plant and equipment		**358**	845	**1**	-
Purchase of investment in securities		**(93,821)**	(36,913)	**(21,947)**	-
Proceeds from investment in securities		**-**	11,903	**-**	11,903
Net dividends received		**-**	-	**125,200**	122,200
Net movement in fixed deposits with maturity more than 3 months		**(5)**	5,500	**-**	-
Net cash flows (used in)/generated from investing activities		**(93,278)**	(51,318)	**103,692**	44,041
Financing activities					
Dividends paid	26	**(46,000)**	(82,800)	**(46,000)**	(82,800)
Profit expense paid on Sukuk	23	**(37,527)**	(37,836)	**-**	-
Interest paid on lease liabilities	24(i),(ii)	**(23,619)**	(25,808)	**-**	-
Payment of principal portion of lease liabilities		**(153,487)**	(121,334)	**-**	-
Net cash flows used in financing activities		**(260,633)**	(267,778)	**(46,000)**	(82,800)
Net (decrease)/increase in cash and cash equivalents		**(27,423)**	55,845	**57,941**	(50,354)
Effects of exchange rate changes		**18**	-	**-**	-
Cash and cash equivalents at beginning of the year		**675,944**	620,099	**26,066**	76,420
Cash and cash equivalents at end of the year	20	**648,539**	675,944	**84,007**	26,066

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2020 (Continued)

Changes in liabilities arising from financing activities

	1 January RM'000	MFRS 16 Adjustment RM'000	New leases RM'000	Cashflows RM'000	Reclassification RM'000	Exchanges Differences RM'000	31 December RM'000
Group							
For year ended 31 December 2020							
Current lease liabilities	**138,861**	**-**	**17,769**	**(153,487)**	**167,449**	**35**	**170,627**
Non-current lease liabilities	**452,780**	**-**	**40,529**	**-**	**(167,449)**	**-**	**325,860**
Non-current interest-bearing borrowings (excluding lease liabilities)	**938,827**	**-**	**-**	**1,511**	**-**	**-**	**940,338**
	1,530,468	**-**	**58,298**	**(151,976)**	**-**	**35**	**1,436,825**
For year ended 31 December 2019							
Current lease liabilities	115,393	6,262	-	(121,334)	138,540	-	138,861
Non-current lease liabilities	501,189	90,131	-	-	(138,540)	-	452,780
Non-current interest-bearing borrowings (excluding lease liabilities)	937,316	-	-	1,511	-	-	938,827
	1,553,898	96,393	-	(119,823)	-	-	1,530,468

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

1. CORPORATE INFORMATION

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

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

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

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

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

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

2.4 Basis of consolidation

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

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

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

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

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

2.4 Basis of consolidation (Continued)

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.

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

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

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

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

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

2.5 Subsidiaries

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

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

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

(iii) The ability to use its power over investee to affect its returns. In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Service concession arrangements

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.6 Service concession arrangements (Continued)

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

2.7 Intangible assets

(a) Concession intangible assets

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

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

(b) Goodwill on acquisition of a subsidiary

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.7 Intangible assets (Continued)

(c) Software

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

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

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

2.8 Property, plant and equipment

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

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

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

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

Building and bulking facilities	9 - 25 years
Machinery and equipment	5 - 14 years
Motor vehicles	7 - 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.9 Inventories

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

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

2.10 Foreign currency

a) Functional and presentation currency

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

b) Foreign currency transactions

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

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

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

c) Foreign operations

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

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

2.11 Impairment of non-financial assets

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

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

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

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

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

2.12 Financial Instruments

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

i) Financial assets

Initial recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.12 Financial Instruments (Continued)

i) Financial assets (Continued)

Initial recognition and measurement (Continued)

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at fair value through profit or loss

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

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

2.12 Financial Instruments (Continued)

i) Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

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

Derecognition

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.12 Financial Instruments (Continued)

i) Financial assets (Continued)

Impairment of financial assets (Continued)

The Group and the Company consider a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of those measured subsequently at amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

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

2.12 Financial Instruments (Continued)

ii) Financial liabilities (Continued)

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

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

iii) Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13 Revenue

(a) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as it transfers control over a service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

An entity transfers control of service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i. the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; or

ii. the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

iii. the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time in accordance with the above criteria, an entity satisfies the performance obligation and recognises revenue at a point in time.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.13 Revenue (Continued)

b) Revenue from other sources

Revenue from other sources are recognised as follows:

(i) Management fees

Management fees are recognised as services are rendered.

(ii) Dividend income

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

2.14 Income taxes

(a) Current tax

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

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

(b) Deferred tax

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

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.

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

2.14 Income taxes (Continued)

(b) Deferred tax (Continued)

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

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

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

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

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

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

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

2.15 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plan

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.15 Employee benefits (Continued)

(c) Defined benefit plan

Bintulu Port Sdn. Bhd., a subsidiary of the Group operated an unfunded, defined Retirement Benefit Scheme for its employees. Effective 1 January 2014, the subsidiary offered new benefit terms to eligible employees under its existing Retirement Benefit Scheme. The link of past service benefit to the last drawn salary is broken and instead is linked to EPF dividend rate declared annually.

Based on the standard, the expected future payments take into consideration an estimate of expected future salary increases (taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market). However, as the new scheme freeze the salary factor in the expected future payment, the subsidiary would not need to estimate the expected future salary increase, the probability that the employee may leave the entity at an earlier or later date, disability and early retirement, mortality.

The subsidiary would need to determine the appropriate discount rate to present value the expected future payments. The rate used to discount post-employment benefit obligations should reflect the time value of money and normally determined by reference to market yields at the balance sheet date on high quality corporate bonds.

2.16 Provisions

A provision is recognised if, as a result of a past event, the Group or the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future net cash flows at a pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the accretion in the provision due to the passage of time is recognised as finance cost.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group and of the Company, are not recognised in the financial statements but are disclosed as contingent liabilities unless the possibility of an outflow of economic resources is considered remote.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, short term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.18 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

2.19 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group and Company as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold land 30 years
- Vessels 2 - 10 years

If ownership of the leased asset transfers to the Group or the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group or the Company and payments of penalties for terminating the lease, if the lease term reflects the Group or the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.19 Leases (Continued)

Group and Company as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group and the Company also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group and Company as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Group has also entered into a sub-lease arrangement, which has been classified as a finance lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

2.20 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers' report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 Share capital

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

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

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

2.22 Fair value measurements

The Group and the Company measure financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities; or

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

2.23 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

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

2.23 Current versus non-current classification (Continued)

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Company's accounting policies which may have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

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

(a) Impairment assessment of (i) Impairment of concession intangible assets and (ii) investment in a subsidiary, Samalaju Industrial Port Sdn. Bhd. ("SIPSB")

(i) Impairment of concession intangible assets for SIPSB

The Group assesses concession intangible assets at the end of each reporting period when there is an indication that an asset may be impaired by comparing its carrying amount with its recoverable amount. This requires an estimation of the recoverable amount by estimating the value-in-use of the cash-generating unit ("CGU"). Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 16.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(a) Impairment assessment of (i) Impairment of concession intangible assets and (ii) investment in a subsidiary, Samalaju Industrial Port Sdn. Bhd. ("SIPSB") (Continued)

(ii) Investment in a subsidiary, SIPSB

When Note 3.2 (a)(i) identified impairment assessment is required then it indicates the carrying amount of investment in SIPSB may also be impaired. Considering SIPSB's underlying assets comprise the concession intangible assets as stated in (i), the management estimated the recoverable amount of the investment by using the same VIU. Further details are disclosed in Note 16.

(b) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future profits together with future planning strategies.

The carrying amount of the Group's deferred tax assets at the reporting date is disclosed in Note 17.

(c) Provision for maintenance dredging

In accordance with IC Interpretation 12 Service Concession Agreements (IC 12), where the operator has an obligation to maintain the infrastructure to a specified level of serviceability, the contractual obligations should be measured in accordance with MFRS137.

To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the Group takes into consideration factors such as past historical experience and other available information.

(d) Provision for replacement cost

In order to carry out the port services, the Company has the obligation to replace the moveable assets during the concession period. Therefore, a provision for replacement cost shall be recognised and measured in accordance with MFRS 137.

To determine whether it is probable that an outflow of resources will be required to replace the moveable assets and the reliable amount of estimates can be made, the Company takes into consideration factors such as the expected timing of the replacement, past historical experience and other available information.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

4. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contracts with customers				
- Revenue from port services rendered	**645,339**	650,730	**-**	-
- Revenue from construction services for concession infrastructure	**8,392**	8,683	**-**	-
- Revenue from bulking services	**40,615**	43,935	**-**	-
	694,346	703,348	**-**	-
Revenue from other source:				
- Management fee charged to subsidiaries	**-**	-	**43,416**	43,764
- Dividend income from subsidiaries	**-**	-	**125,200**	122,200
- Rental income	**21,358**	21,756	**-**	-
	21,358	21,756	**168,616**	165,964
	715,704	725,104	**168,616**	165,964

Revenue from port services and bulking services is accounted for in accordance with MFRS 15: Revenue from contracts with customers.

Revenue from rental income is accounted for in accordance with MFRS 16: Leases.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Timing of revenue recognition:				
- Over time	**694,346**	703,348	**-**	-

The information regarding trade receivables and contract balances is disclosed in Note 18.

Nature of goods and services
Provision of port services and bulking services.

Timing of recognition or method used to recognise revenue
Revenue from port and bulking operations is recognised on an accrual basis when the services are performed.

Significant payment terms
Credit period from 15 to 45 days from the invoice date.

4. REVENUE (CONTINUED)

Provision of port services

a) Bintulu Port Sdn. Bhd. ("BPSB")
The variable element in consideration is contingent upon or affected by certain customers achieving the cargoes volume as stated in the contracts.

b) Samalaju Industrial Port Sdn. Bhd. ("SIPSB")
There are no variable elements in consideration.

There are no obligation for returns or refunds nor warranty in the provision of port services.

Provision of bulking services

The variable element in consideration is contingent upon or affected by certain customers achieving the minimum throughput as stated in the contracts.

Transaction price allocated to the performance obligations

Transaction price is based on published tariff rate provided by Bintulu Port Authority ("BPA") and Samalaju Port Authority ("SPA") for provision of port services. The transaction price for bulking services is based on contract rate signed between customers and the Company.

Revenue from construction services is recognised as required under IC Interpretation 12: Service Concession Arrangements and in accordance with MFRS 15: Revenue from contracts with customers in respect of the upgrading of port facilities works undertaken during the year. There is no mark-up recognised on these activities as the Group outsourced the construction services to third parties.

5. OTHER INCOME

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Finance income:				
Interest income from:				
- Current account	**28**	40	**-**	-
- Short term deposits	**18,447**	24,670	**1,299**	2,981
- Staff loans	**47**	51	**-**	-
- Sublease	**677**	-	**-**	-
	19,199	24,761	**1,299**	2,981

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

5. OTHER INCOME (CONTINUED)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other income:				
Reversal of impairment of trade receivables (Note 18)	**-**	49	**-**	-
Dividend income from investment in securities	**9,989**	6,707	**843**	786
Rental income	**10**	30	**-**	-
Gain on disposal of property, plant and equipment	**315**	118	**-**	-
Gain in derecognition of right-of-use asset	**650**	-	**-**	-
Fair value gain on investment in securities	**1,240**	2,527	**-**	333
Guarantee fee income	**-**	-	**1,339**	1,276
Others	**1,074**	2,200	**16**	-
Unrealised gain in foreign exchange	**10**	-	**-**	-
	13,288	11,631	**2,198**	2,395
	32,487	36,392	**3,497**	5,376

6. COST OF CONSTRUCTION SERVICES

	Group	
	2020 RM'000	2019 RM'000
Cost of construction services for concession infrastructure	**8,392**	8,683

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

7. EMPLOYEE BENEFIT EXPENSES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages, salaries, allowance and bonus	**102,825**	89,275	**28,318**	25,186
Defined contribution plan (Employees Provident Fund)	**13,753**	11,885	**4,211**	3,663
Staff gratuities (Note 22)	**1,001**	1,194	**-**	-
Other employee benefits	**11,290**	14,250	**3,930**	5,035
	128,869	116,604	**36,459**	33,884

8. OTHER EXPENSES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
The following items have been included in arriving at other expenses:				
Auditors' remuneration	**357**	313	**100**	100
Non-Executive Directors (Note 10)				
- Fees	**1,712**	1,799	**1,151**	1,179
- Other emoluments	**666**	922	**576**	809
Loss on disposal of property, plant and equipment	**-**	-	**13**	-
Fair value loss on investment in securities	**-**	-	**570**	-
Realised loss on foreign exchange	**616**	-	**-**	-
Rental of equipment	**520**	1,989	**39**	68
Rental of premises	**89**	47	**3,600**	3,600
Bad debts written off (Note 18)	**-**	28	**-**	-
Inventories written off	**170**	-	**-**	-

9. FINANCE COSTS

	Group	
	2020 RM'000	2019 RM'000
Unwinding of discount		
- Contractual obligation for lease payment (Note 24)	**18,035**	21,681
- Maintenance dredging (Note 25)	**569**	-
- Lease liabilities (Note 24)	**5,584**	4,127
- Replacement obligations (Note 25)	**465**	262
Profit expense on Sukuk Murabahah (Note 23)	**50,523**	50,389
	75,176	76,459

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

10. DIRECTORS' REMUNERATION

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-Executive Directors:				
- Fees	**1,712**	1,799	**1,151**	1,179
- Meeting and other allowances	**437**	568	**347**	455
	2,149	2,367	**1,498**	1,634
- Provision for Directors' Gratuities	**229**	354	**229**	354
	2,378	2,721	**1,727**	1,988

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

	2020	2019
Non-Executive Directors:		
RM50,001 - RM100,000	**1**	2
RM100,001 - RM150,000	**9**	8
RM150,001 - RM200,000	**-**	2
RM200,001 - RM250,000	**1**	1

11. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 December 2020 and 2019 are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Statement of profit or loss:				
Current income tax:				
- Malaysian income tax	**33,144**	56,182	**-**	-
- Foreign tax	**1,097**	-	**-**	-
(Over)/Underprovision in previous years				
- Malaysian income tax	**(54)**	2,493	**-**	-
	34,187	58,675	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

11. INCOME TAX EXPENSE (CONTINUED)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deferred income tax (Note 17):				
Reversal of temporary differences	**(2,081)**	(7,213)	**-**	-
Under/(Over)provision in previous years	**1,259**	(1,729)	**-**	-
	(822)	(8,942)	**-**	-
Income tax expense recognised in profit or loss	**33,365**	49,733	**-**	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the financial year.

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax	**126,666**	179,032	**118,186**	118,426
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	**30,400**	42,968	**28,365**	28,422
Adjustments:				
Effect of different tax rate in other country	**(415)**	-	**-**	-
Non-deductible expenses	**5,221**	5,193	**680**	897
Income not subject to tax	**(2,864)**	(2,187)	**(30,250)**	(29,596)
(Over)/Underprovision of tax expenses in previous years	**(54)**	2,493	**-**	-
Under/(Over)provision of deferred tax in previous years	**1,259**	(1,729)	**-**	-
Utilisation of previously unrecognised deferred tax assets	**(182)**	-	**-**	-
Deferred tax assets not recognised during the year	**-**	2,995	**1,205**	277
Income tax expense recognised in profit or loss	**33,365**	49,733	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

12. EARNINGS PER SHARE

(a) Basic

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

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

	Group	
	2020 RM'000	2019 RM'000
Profit net of tax	**93,301**	129,299

	Group	
	2020 '000	2019 '000
Number of ordinary shares for basic earnings per share computation	**460,000**	460,000

	Group	
	2020	2019
Basic earnings per share for profit for the year (sen)	**20.28**	28.11

(b) Diluted

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

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures RM'000	Bulking facilities RM'000	Machinery and equipment RM'000	Motor vehicles RM'000	Office furniture, fittings and equipment RM'000	Vessels RM'000	Capital work-in-progress RM'000	Total RM'000
Group								
Cost:								
At 1 January 2019	46,159	166,880	263,318	10,497	23,826	114,812	8,166	633,658
Additions	191	40	1,549	1,598	2,728	920	36,345	43,371
Disposals	-	-	(5,149)	(677)	-	-	-	(5,826)
Written off/ Expensed off	-	-	-	-	(51)	-	-	(51)
Reclassification from/ (to) intangible assets	756	-	-	-	2,102	-	(2,658)	200
Transfers	3,769	729	14,087	-	162	17,480	(36,227)	-
At 31 December 2019 and 1 January 2020	**50,875**	**167,649**	**273,805**	**11,418**	**28,767**	**133,212**	**5,626**	**671,352**
Additions	**952**	**-**	**172**	**222**	**1,881**	**-**	**7,249**	**10,476**
Disposals	**(648)**	**-**	**(73)**	**(265)**	**(651)**	**(6,239)**	**-**	**(7,876)**
Reclassification from/ (to) intangible assets	**-**	**-**	**-**	**-**	**(109)**	**-**	**-**	**(109)**
Transfers	**2,146**	**-**	**2,713**	**-**	**-**	**5,053**	**(9,912)**	**-**
Exchange differences	**-**	**-**	**-**	**-**	**(1)**	**-**	**-**	**(1)**
At 31 December 2020	**53,325**	**167,649**	**276,617**	**11,375**	**29,887**	**132,026**	**2,963**	**673,842**

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings and structures RM'000	Bulking facilities RM'000	Machinery and equipment RM'000	Motor vehicles RM'000	Office furniture, fittings and equipment RM'000	Vessels RM'000	Capital work-in-progress RM'000	Total RM'000
Group (Continued)								
Accumulated depreciation:								
At 1 January 2019	22,390	60,614	181,752	6,601	16,297	60,177	-	347,831
Charge for the year	3,393	6,565	13,062	886	1,906	5,264	-	31,076
Disposals	-	-	(4,460)	(639)	-	-	-	(5,099)
Reclassification from intangible assets	510	-	-	-	195	-	-	705
Written off	-	-	-	-	(51)	-	-	(51)
At 31 December 2019 and 1 January 2020	**26,293**	**67,179**	**190,354**	**6,848**	**18,347**	**65,441**	**-**	**374,462**
Charge for the year	**3,443**	**6,706**	**14,278**	**867**	**2,196**	**6,370**	**-**	**33,860**
Disposals	**(648)**	**-**	**(73)**	**(239)**	**(634)**	**(6,239)**	**-**	**(7,833)**
Exchange differences	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**1**
At 31 December 2020	**29,088**	**73,885**	**204,559**	**7,476**	**19,910**	**65,572**	**-**	**400,490**
Net carrying amount:								
31 December 2019	24,582	100,470	83,451	4,570	10,420	67,771	5,626	296,890
31 December 2020	**24,237**	**93,764**	**72,058**	**3,899**	**9,977**	**66,454**	**2,963**	**273,352**

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor Vehicles RM'000	Office Furniture, Fittings and Equipment RM'000	Capital Work-in-progress RM'000	Total RM'000
Company				
Cost:				
At 1 January 2019	1,803	1,695	-	3,498
Additions	271	928	-	1,199
Reclassification from intangible assets	-	1,013	-	1,013
Written off/ Disposal	-	(51)	-	(51)
At 31 December 2019 and 1 January 2020	**2,074**	**3,585**	**-**	**5,659**
Additions	**-**	**677**	**141**	**818**
Disposals	**-**	**(27)**	**-**	**(27)**
At 31 December 2020	**2,074**	**4,235**	**141**	**6,450**
Accumulated depreciation:				
At 1 January 2019	617	483	-	1,100
Charge during the year	232	283	-	515
Written off/ Disposal	-	(51)	-	(51)
At 31 December 2019 and 1 January 2020	**849**	**715**	**-**	**1,564**
Charge during the year	**254**	**462**	**-**	**716**
Disposals	**-**	**(13)**	**-**	**(13)**
At 31 December 2020	**1,103**	**1,164**	**-**	**2,267**
Net carrying amount:				
At 31 December 2019	1,225	2,870	-	4,095
At 31 December 2020	**971**	**3,071**	**141**	**4,183**

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

14. RIGHT-OF-USE ASSETS

	Vessels RM'000	Leasehold land RM'000	Total RM'000
Group			
Cost:			
At 1 January 2019 and 31 December 2019	108,012	26,617	134,629
Additions	49,060	-	49,060
Exchange differences	(304)	-	(304)
At 31 December 2020	156,768	26,617	183,385
Accumulated depreciation:			
At 1 January 2019	42,956	6,211	49,167
Charge for the year	11,099	887	11,986
At 31 December 2019 and 1 January 2020	54,055	7,098	61,153
Charge for the year	29,090	887	29,977
Exchange differences	(81)	-	(81)
At 31 December 2020	83,064	7,985	91,049
Net carrying amount:			
At 31 December 2019	53,957	19,519	73,476
At 31 December 2020	**73,704**	**18,632**	**92,336**

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
Unquoted shares in Malaysia, at cost	**1,030,000**	1,030,000
Financial guarantee granted	**21,900**	21,900
	1,051,900	1,051,900

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Country of Incorporation	Principal activities	Proportion of Ownership Interest 2020 %	Proportion of Ownership Interest 2019 %
Held by the Company:				
Bintulu Port Sdn. Bhd.	Malaysia	Provision of port services at Bintulu Port, Sarawak	100	100
Biport Bulkers Sdn. Bhd.	Malaysia	Provision of bulking installation facilities for palm oil, edible oils,vegetables oils, fats and its by-products	100	100
Samalaju Industrial Port Sdn. Bhd.	Malaysia	Development and provision of port services at Samalaju Port, Sarawak	100	100

All subsidiaries are audited by Ernst & Young PLT, Malaysia. Brunei branch of Bintulu Port Sdn. Bhd. is audited by Ernst & Young, Brunei.

16. INTANGIBLE ASSETS

	Leased land and infrastructure assets RM'000	Acquired and constructed infrastructure intangible assets RM'000	Right to operate concession rights RM'000	Software RM'000	Capital work-in-progress RM'000	Others RM'000	Total RM'000
Group							
Cost:							
At 1 January 2019	1,851,913	1,806,590	24,531	18,984	4,947	15	3,706,980
Additions	-	702	-	718	11,208	-	12,628
Transfer (to)/from property, plant and equipment	-	(1,679)	-	553	926	-	(200)
Transfers	-	9,600	-	4,978	(14,578)	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

16. INTANGIBLE ASSETS (CONTINUED)

	Leased land and infrastructure assets RM'000	Acquired and constructed infrastructure intangible assets RM'000	Right to operate concession rights RM'000	Software RM'000	Capital work-in-progress RM'000	Others RM'000	Total RM'000
Group (Continued)							
At 31 December 2019 and 1 January 2020	**1,851,913**	**1,815,213**	**24,531**	**25,233**	**2,503**	**15**	**3,719,408**
Additions	**-**	**1,487**	**-**	**851**	**7,052**	**-**	**9,390**
Transfer (to)/from property, plant and equipment	**-**	**-**	**-**	**109**	**-**	**-**	**109**
Transfers	**-**	**3,638**	**-**	**145**	**(3,783)**	**-**	**-**
At 31 December 2020	**1,851,913**	**1,820,338**	**24,531**	**26,338**	**5,772**	**15**	**3,728,907**
Accumulated amortisation:							
At 1 January 2019	1,424,807	434,893	19,735	13,405	-	-	1,892,840
Charge for the year	83,242	65,984	1,199	1,146	-	-	151,571
Reclassification to property, plant and equipment	-	(705)	-	-	-	-	(705)
At 31 December 2019 and 1 January 2020	**1,508,049**	**500,172**	**20,934**	**14,551**	**-**	**-**	**2,043,706**
Charge for the year	**83,243**	**66,904**	**1,199**	**1,642**	**-**	**-**	**152,988**
At 31 December 2020	**1,591,292**	**567,076**	**22,133**	**16,193**	**-**	**-**	**2,196,694**
Net carrying amount:							
At 31 December 2019	343,864	1,315,041	3,597	10,682	2,503	15	1,675,702
At 31 December 2020	**260,621**	**1,253,262**	**2,398**	**10,145**	**5,772**	**15**	**1,532,213**

16. INTANGIBLE ASSETS (CONTINUED)

	Capital Work-in-progress RM'000	Software RM'000	Total RM'000
Company			
Cost:			
At 1 January 2019	**142**	**1,465**	**1,607**
Additions	**1,424**	**584**	**2,008**
Transfers	**(553)**	**553**	**-**
Transfer to property, plant and equipment	**(1,013)**	**-**	**(1,013)**
At 31 December 2019, 1 January 2020 and 31 December 2020	**-**	**2,602**	**2,602**
Accumulated amortisation:			
At 1 January 2019	**-**	**467**	**467**
Charge for the year	**-**	**281**	**281**
At 31 December 2019 and 1 January 2020	**-**	**748**	**748**
Charge for the year	**-**	**342**	**342**
At 31 December 2020	**-**	**1,090**	**1,090**
Net carrying amount:			
At 31 December 2019	-	1,854	1,854
At 31 December 2020	**-**	**1,512**	**1,512**

Key assumptions used in value-in-use calculations of SIPSB impairment assessment ("CGU")

The Group assesses concession intangible assets at the end of each reporting period when there is an indication that an asset may be impaired by comparing its carrying amount with its recoverable amount.

The continued loss reported by SIPSB indicates that the carrying amount of concession intangible assets in SIPSB may also be impaired.

The recoverable amounts of the CGU have been determined based on value-in-use calculations using cash flow projections covering a 37-year period which is the remaining length of the concession period.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

16. INTANGIBLE ASSETS (CONTINUED)

Key assumptions used in value-in-use calculations of SIPSB impairment assessment ("CGU") (Continued)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing on the concession intangible assets:

(a) Discount rate

Value-in-use was determined by discounting the future cash flows generated by applying the discount rate of 8.0% (2019: 8.0%).

The rate used to discount future cash flows is subject to change in economic conditions and is reviewed annually.

(b) Revenue

Revenue growth is based on projected cargo volume by port users for 7 years at published tariff rates issued by Samalaju Port Authority, except for discounts given to certain port users for handling charges up to 2024. Projected cargo volume is assumed to be constant after 7 years.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use, management believes that reasonably possible changes in any of the above key assumptions would not cause the carrying values to materially exceed their recoverable amounts.

17. DEFERRED TAX

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

	Deferred Tax Liabilities	Deferred Tax Assets						
	Property, Plant and Equipment RM'000	Right-of-use Assets RM'000	Contractual Obligation on Lease Payment RM'000	Gratuity Payable RM'000	Unabsorbed Capital Allowances RM'000	Provision for Maintenance Dredging RM'000	Others RM'000	Total RM'000
Group								
At 1 January 2019	73,257	(2,624)	(44,023)	(6,265)	(61,893)	(6,960)	(585)	(49,093)
Recognised in profit or loss (Note 11)	96	(611)	7,298	1,168	(14,896)	(1,728)	(269)	(8,942)
At 31 December 2019 and 1 January 2020	**73,353**	**(3,235)**	**(36,725)**	**(5,097)**	**(76,789)**	**(8,688)**	**(854)**	**(58,035)**
Recognised in profit or loss (Note 11)	**(936)**	**184**	**11,212**	**1,001**	**(14,046)**	**4,019**	**(2,256)**	**(822)**
At 31 December 2020	**72,417**	**(3,051)**	**(25,513)**	**(4,096)**	**(90,835)**	**(4,669)**	**(3,110)**	**(58,857)**

17. DEFERRED TAX (CONTINUED)

	Deferred tax liabilities	Deferred tax assets	
	Property plant and equipment RM'000	Unabsorbed capital allowance RM'000	Total RM'000
Company			
At 1 January 2019	369	(369)	-
Recognised in profit or loss (Note 11)	222	(222)	-
At 31 December 2019 and 1 January 2020	**591**	**(591)**	**-**
Recognised in profit or loss (Note 11)	**(57)**	**57**	**-**
At 31 December 2020	**534**	**(534)**	**-**

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unutilised tax losses	**64,421**	59,359	**12,803**	8,872
Unabsorbed capital allowances	**3,956**	2,864	**3,956**	2,864
Others	**17,622**	24,533	**-**	-
	85,999	86,756	**16,759**	11,736

Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised tax losses can only be carried forward as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unutilised tax losses to be carried forward until:				
- Year of assessment 2025	**55,935**	55,935	**8,493**	8,493
- Year of assessment 2026	**3,424**	3,424	**379**	379
- Year of assessment 2027	**5,062**	-	**3,931**	-
	64,421	59,359	**12,803**	8,872

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current				
Trade receivables				
External parties	**35,629**	42,959	**-**	-
Other receivables				
Amounts due from subsidiaries	**-**	-	**1,122**	10,320
Interest receivable	**1,212**	2,746	**66**	23
Staff loans	**1,741**	1,926	**628**	697
Sundry receivables	**3,574**	3,418	**23**	25
	6,527	8,090	**1,839**	11,065
	42,156	51,049	**1,839**	11,065
Other current assets				
GST receivables	**1,353**	9,256	**-**	-
Prepaid operating expenses	**23,002**	22,909	**498**	611
Contract assets	**15,893**	15,410	**-**	-
	40,248	47,575	**498**	611
	82,404	98,624	**2,337**	11,676
Non-current				
Other receivables				
Lease receivable	**10,269**	-	**-**	-
	92,673	98,624	**2,337**	11,676

(a) Trade receivables

Trade receivables are non-interest bearing and are generally from 15 to 45 days (2019: 15 to 30 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent fair values on initial recognition.

Trade receivables include amounts due from Malaysia LNG Sdn. Bhd. and other subsidiaries of a substantial shareholders, Petroliam Nasional Berhad, with the amount of RM3,619,338 (2019: RM7,460,388) and RM1,141,840 (2019: RM1,938,389) respectively.

Information about the credit exposures are disclosed in Note 32(b).

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, non-interest bearing and receivable on demand.

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Other current assets

Included in prepaid operating expenses is prepaid lease rental for the first quarter of the following year of RM20,379,694 (2019: RM20,234,597) paid to Bintulu Port Authority ("BPA").

(d) Lease receivable

The Company has entered into lease agreement with a third party on land which is leased from Bintulu Port Authority. This lease has a term of 30 years.

Future minimum rental receivables under finance leases as at the reporting date were as follows:

	2020 RM'000	2019 RM'000
Receivable more than 5 years	**10,269**	-
The lease receivables are presented as follows:		
Non-current	**10,269**	-

The movement of finance lease receivables during the financial year is as follows:

	2020 RM'000	2019 RM'000
At 1 January	**-**	-
Additions	**10,192**	-
Accretion of interest	**677**	-
Receipt of lease	**(600)**	-
At 31 December	**10,269**	-

The movement of allowance for impairment losses of trade receivables during the year are as follows:

	2020 RM'000	2019 RM'000
At 1 January	**-**	49
Charge for the year (Note 8)	**-**	28
Reversal on impairment loss (Note 5)	**-**	(49)
Bad debts written off	**-**	(28)
At 31 December	**-**	-

19. INVESTMENT IN SECURITIES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fair value through profit or loss				
Non-equity exposure unit trust fund	**229,902**	124,852	**22,220**	-

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

20. CASH AND BANK BALANCES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash at banks and on hand	**8,939**	8,244	**507**	1,466
Deposits with licensed financial institutions:				
Short term deposits with licensed banks	**591,465**	609,040	**70,600**	12,100
Money market instruments purchased under repurchase agreements	**66,900**	77,420	**12,900**	12,500
	658,365	686,460	**83,500**	24,600
Cash and bank balances	**667,304**	694,704	**84,007**	26,066

The effective interest rates and the maturities of deposits as at the reporting date were as follows:

	Interest rate		Maturity	
	2020 %	2019 %	2020 Days	2019 Days
Group				
Deposits with licensed banks	**1.90 - 2.05**	3.00- 3.60	**31 -180**	31 - 180
Money market instruments purchased under repurchase agreements	**1.25 - 1.50**	2.60- 2.80	**4 - 21**	3 - 25

	Interest rate		Maturity	
	2020 %	2019 %	2020 Days	2019 Days
Company				
Deposits with licensed banks	**1.95**	3.45- 3.50	**31 - 33**	31 - 92
Money market instruments purchased under repurchase agreements	**1.40- 1.50**	2.70- 2.80	**6 - 20**	6 - 21

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	**667,304**	694,704	**84,007**	26,066
Less: Deposits with maturity period of more than 3 months	**(18,765)**	(18,760)	**-**	-
Cash and cash equivalents	**648,539**	675,944	**84,007**	26,066

21. SHARE CAPITAL

	No. of shares		Amount		
	Share Capital (Issued And Fully Paid) '000	One Special Rights Redeemable Preference Shares '000	Share Capital (Issued and Fully Paid) RM'000	One Special Rights Redeemable Preference Shares RM'000	Total Share Capital RM'000
Group/Company					
At 1 January 2019 and 31 December 2019	460,000	*	890,818	*	890,818
At 1 January 2020 and 31 December 2020	**460,000**	*****	**890,818**	*****	**890,818**

* The Special Share amounted to RM1.

The Special Share

The Special Share, which may only be held by or transferred to the Minister of Finance (Incorporation) or its successors or any Minister, representative or any person acting on behalf of the Government of Malaysia, carries certain rights as provided by Clauses 9, 24.2 and 44.1 of the Company's Constitution.

These special rights include:

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

(ii) the right to repayment of the capital paid up on the Special Share in priority to any other member in the event of winding-up of the Company; and

(iii) the right to require the Company to redeem the Special Share at its issued price at any time.

Certain matters, in particular, the alteration of specified Clauses, any substantial disposal of assets, amalgamation, merger and takeover, require prior approval of the holder of the Special Share.

The Special Share does not carry any right to vote at General Meetings but the holder is entitled to attend and speak at such meetings.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

22. OTHER PAYABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current:				
Due to subsidiaries	**-**	-	**365**	12
Directors' gratuities	**-**	332	**-**	332
Accrued operating expenses	**7,328**	10,683	**1,850**	1,045
Sundry payables	**21,494**	26,945	**1,255**	2,589
Deposit received	**3,716**	5,411	**-**	-
Retention money	**1,803**	4,308	**-**	-
Staff gratuities	**3,778**	4,798	**-**	-
Financial guarantee contract	**-**	-	**1,411**	1,339
Others	**394**	160	**-**	-
	38,513	52,637	**4,881**	5,317
Non-current:				
SUKUK profit distribution	**45,269**	33,990	**-**	-
Directors' gratuities	**1,348**	1,119	**1,348**	1,119
Staff gratuities	**13,289**	16,438	**-**	-
Financial guarantee contract	**-**	-	**14,775**	16,186
	59,906	51,547	**16,123**	17,305
Total other payables	**98,419**	104,184	**21,004**	22,622

(a) Other payables

Sundry payables include amount due to Petroleum Sarawak Berhad (PETROS) and Petronas Dagangan Berhad, with the amount of RM122,737 (2019: Nil) and RM96,720 (2019: RM213,440) respectively. In 2019, there was an amount due to PETRONAS Gas Berhad of RM140,837. These amounts are non-interest bearing.

(b) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, non-interest bearing and payable on demand.

22. OTHER PAYABLES (CONTINUED)

(c) Staff gratuities

	Group	
	2020 RM'000	2019 RM'000
At 1 January	**21,236**	26,104
Arose during the year (Note 7)	**1,001**	1,194
Payment during the year	**(5,170)**	(6,062)
At 31 December	**17,067**	21,236
Current:	**3,778**	4,798
Non-current:		
Later than 1 year but not later than 2 years	**2,369**	3,531
Later than 2 years but not later than 5 years	**3,291**	5,169
Later than 5 years	**7,629**	7,738
	13,289	16,438
	17,067	21,236

(d) Directors' gratuities

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	**1,451**	1,370	**1,451**	1,370
Arose during the year	**229**	263	**229**	263
Payment during the year	**(332)**	(182)	**(332)**	(182)
At 31 December	**1,348**	1,451	**1,348**	1,451
Current	**-**	332	**-**	332
Non-current	**1,348**	1,119	**1,348**	1,119
	1,348	1,451	**1,348**	1,451

(e) Financial guarantee contract

Financial guarantee contracts relate to the differential rate on the financing facilities taken by a subsidiary which resulted from a corporate guarantee provided by the Group and the Company.

The Group has measured the fair value of the financial guarantee liability in respect of borrowings of a subsidiary. As a result, an income of RM1.3 million (2019: RM1.2 million) was recognised during the year.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

23. LOANS AND BORROWINGS

	Group	
	2020 RM'000	2019 RM'000
Non-current		
Unsecured:		
Sukuk Murabahah	**940,338**	938,827
Total loans and borrowings	**940,338**	938,827

Sukuk Murabahah

The Sukuk Programme obtained by the Company, has a tenure of 20 years from the date of first issuance and has a limit of RM950 million in nominal value. It is based on the Shariah principle of Murabahah (via a tawarruq arrangement) involving selected Shariah-compliant commodities ("Sukuk Murabahah"). The Sukuk Programme is unsecured. It is backed by an irrevocable and unconditional guarantee by Bintulu Port Holdings Berhad as the guarantor. The proceeds from the issuance under the Sukuk Murabahah shall be utilised by the Company for the payment of fees and expenses relating to the Sukuk Programme, funding of the initial Financial Service Reserve Account Minimum Required Balance, capital expenditure, payments of Periodic Distributions to beneficial holders during construction and working capital requirements all of which shall be in relation to the Project.

On 28 December 2015, the Company raised a total amount of RM700 million from the first issuance of the Sukuk Murabahah, which has tenure of up to 14 years from the date of issuance.

On 23 December 2016, the subsidiary raised a total amount of RM250 million from the second issuance of the Sukuk Murabahah, which has tenure of up to 20 years from the date of issuance.

Summary of the Sukuk Murabahah is tabulated below:

As at 31 December 2020/2019

Year of Issuance	Nominal amount RM' million	Periodic distribution rates % p.a.	Yield-to-maturity rates % p.a.	Tenure Years	Redemption dates Years
2015	700	5.05- 5.65	5.30- 6.00	8 - 14	2023 - 2029
2016	250	4.50	3.48- 3.49	17 - 20	2033 - 2036

23. LOANS AND BORROWINGS (CONTINUED)

The Sukuk Murabahah is redeemable as follows:

	Group	
	2020 RM'000	2019 RM'000
Later than 2 years but not later than 5 years	**260,000**	160,000
Later than 5 years	**680,338**	778,827
	940,338	938,827

	Group	
	2020 RM'000	2019 RM'000
At 1 January	**938,827**	937,316
Payment during the year	**(37,527)**	(37,836)
Profit expense on Sukuk Murabahah (Note 9)	**50,523**	50,389
Accrued interest	**(11,485)**	(11,042)
	1,511	1,511
At 31 December	**940,338**	938,827

24. LEASE LIABILITIES

	Group	
	2020 RM'000	2019 RM'000
Current:		
Contractual payments to grantors in Service Concession Agreements	**131,444**	127,227
Other lease liabilities	**39,183**	11,634
	170,627	138,861
Non-current:		
Contractual payments to grantors in Service Concession Agreements	**247,652**	378,761
Other lease liabilities	**78,208**	74,019
	325,860	452,780
	496,487	591,641

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

24. LEASE LIABILITIES (CONTINUED)

(i) Contractual payments to grantors in Service Concession Agreements

	Group	
	2020 RM'000	2019 RM'000
At 1 January	**505,988**	616,582
Unwinding of discount (Note 9)	**18,035**	21,681
Payments	**(144,927)**	(132,275)
At 31 December	**379,096**	505,988
Current:	**131,444**	127,227
Non-current:		
Later than 1 year but not later than 2 years	**135,871**	131,444
Later than 2 years but not later than 5 years	**-**	135,871
Later than 5 years	**111,781**	111,446
	247,652	378,761
	379,096	505,988

In accordance with IC Interpretation 12: Service Concession Arrangements, a provision for the contractual obligations for the lease of land and facilities is accrued at the inception of the arrangement and subsequently as additional land and facilities are leased, at the present value of the future expenditure expected to be required to settle the obligation.

(ii) Other lease liabilities

	Maturity	2020 RM'000	2019 RM'000
Group			
Non-current	2022 - 2049	**78,208**	74,019
Current	2021	**39,183**	11,634
		117,391	85,653
Maturity of lease liabilities			
Within one year		**39,183**	11,634
Later than 1 year and not later than 2 years		**13,674**	12,198
Later than 2 years and not later than 5 years		**21,716**	24,079
Later than 5 years		**42,818**	37,742
		117,391	85,653

24. LEASE LIABILITIES (CONTINUED)

(ii) Other lease liabilities (Continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2020 RM'000	2019 RM'000
Group		
At 1 January	**85,653**	96,393
Addition	**58,298**	-
Unwinding of discount (Note 9)	**5,584**	4,127
Payments	**(32,179)**	(14,867)
Exchange differences	**35**	-
At 31 December	**117,391**	85,653

The following are the amounts recognised in profit or loss:

	2020 RM'000	2019 RM'000
Depreciation expense of right-of-use assets	**29,977**	11,986
Unwinding of discount on lease liabilities	**5,584**	4,127
Expenses relating to short-term lease	**805**	3,150
Total amount recognised in profit or loss	**36,366**	19,263

The Group had total cash outflows for other leases of RM32,964,877 (2019: RM18,017,198).

Other lease liabilities relate to leases of land and vessels accounted for in accordance with MFRS 16: Leases. The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

25. PROVISIONS

	Maintenance dredging RM'000	Replacement obligations RM'000	Total RM'000
Group			
At 1 January 2020	**39,476**	**12,151**	**51,627**
Arose during the year	**36,399**	**5,006**	**41,405**
Unwinding of discount (Note 9)	**569**	**465**	**1,034**
Payments	**(56,991)**	**-**	**(56,991)**
At 31 December 2020	**19,453**	**17,622**	**37,075**
Current	**19,453**	**-**	**19,453**
Non-current	**-**	**17,622**	**17,622**
	19,453	**17,622**	**37,075**
At 1 January 2019	34,037	5,814	39,851
Arose during the year	22,233	6,075	28,308
Unwinding of discount (Note 9)	-	262	262
Payments	(16,794)	-	(16,794)
At 31 December 2019	39,476	12,151	51,627
Current	39,476	-	39,476
Non-current	-	12,151	12,151
	39,476	12,151	51,627

26. DIVIDENDS

	Dividends in respect of the year		Dividends recognised in year	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interim single tier dividend for 2018				
- 6.00 sen per share	**-**	-	**-**	27,600
Interim single tier dividend for 2019				
- 4.00 sen per share	**-**	18,400	**-**	18,400
- 4.00 sen per share	**-**	18,400	**-**	18,400
- 4.00 sen per share	**-**	18,400	**-**	18,400
- 2.00 sen per share	**-**	9,200	**9,200**	-
Interim single tier dividend for 2020				
- 2.00 sen per share	**9,200**	-	**9,200**	-
- 2.00 sen per share	**9,200**	-	**9,200**	-
- 4.00 sen per share	**18,400**	-	**18,400**	-
	36,800	64,400	**46,000**	82,800

26. DIVIDENDS (CONTINUED)

The Directors have authorised on 25 February 2021 the payment of a fourth interim single tier dividend of 2.0 sen per share on 460,000,000 ordinary shares, amounting to RM9,200,000, which will be paid on 15 April 2021 to shareholders registered on the Company's Register of Members at the close of business on 26 March 2021. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

27. COMMITMENTS

Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Capital expenditure				
Approved and contracted for:				
Property, plant and equipment and concession intangible assets	**8,501**	12,872	**361**	-
Approved but not contracted for:				
Property, plant and equipment and concession intangible assets	**497**	4,505	**-**	-
	8,998	17,377	**361**	-

28. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Significant transactions with subsidiaries				
Dividend income	**-**	-	**125,200**	122,200
Management fee received from subsidiaries	**-**	-	**43,416**	43,764
Rental expense charged by BPSB	**-**	-	**(3,600)**	(3,600)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services (Continued)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad:				
Rendering of services:				
- Malaysia LNG Sdn. Bhd.	**177,210**	208,476	**-**	-
- Vestigo Petroleum Sdn. Bhd.	**523**	392	**-**	-
- PETRONAS Carigali Sdn. Bhd.	**9,404**	10,142	**-**	-
- PETRONAS Dagangan Berhad	**1,412**	1,753	**-**	-
- PETRONAS Floating LNG 1 (L) Ltd	**709**	2,159	**-**	-
- PETRONAS Chemical Marketing (L) Ltd	**845**	780	**-**	-
Purchase of fuel and lubricants:				
- PETRONAS Dagangan Berhad	**(9,515)**	(14,619)	**-**	-
Purchase of gas:				
- PETRONAS Gas Berhad	**-**	(3,037)	**-**	-
Transactions with a subsidiary of a substantial shareholder, State Financial Secretary (Sarawak State Government):				
Purchase of gas:				
- Petroleum Sarawak Berhad (PETROS)	**(2,457)**	-	**-**	-

Information regarding outstanding balances arising from related party transactions as at 31 December 2020 are disclosed in Notes 18 and 22.

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Directors of that entity.

The remuneration and benefits of Directors and other member of key management of the Group and of the Company during the year are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Remuneration and benefits	**3,919**	4,011	**2,966**	3,122
Post-employment benefits:				
Defined contribution plan	**259**	231	**259**	231
	4,178	4,242	**3,225**	3,353

29. SERVICE CONCESSION ARRANGEMENTS

(a) BPSB

In a privatisation exercise by the Malaysian Government on 31 December 1992, BPA sold the business of port operations at Bintulu Port to BPSB. According to the Privatisation Agreement, the subsidiary is granted a licence to provide port services at Bintulu Port for a period of 30 years, with an option to extend for another 30 years.

In consideration for a right to charge users of the port, the subsidiary pays a scheduled annual lease rental for the existing infrastructure and the land. Since the inception of the agreement, the subsidiary has also constructed additional infrastructure. These assets will be returned to BPA upon termination of the privatisation agreement at nominal value.

The charges to the users are according to a tariff set by BPA at the inception of the privatisation agreement and have not been varied.

	Intangible assets	
	Gross value RM'000	Net carrying amount RM'000
• Description arrangement: Financing, building and operating of Bintulu Port	2,283,445 (2019: 2,281,398)	237,438 (2019: 351,583)

- Period of concession: 1993 - 2022, with the option to extend for thirty years
- Remuneration: Services for port facilities
- Investment grant from concession grantor: No
- Infrastructure return to grantor at end of concession
- Investment and renewal obligations: Nil
- Re-pricing dates: Nil

(b) SIPSB

On 9 July 2013, a subsidiary, SIPSB and Bintulu Port Holdings Berhad signed a service agreement ("Principal Agreement") with the State Government of Sarawak for building, operating and transfer of Samalaju Port.

The estimated cost of developing the port is RM1.9 billion of which approximately RM500 million is in respect of capital dredging and reclamation which were funded by a grant from the government of Malaysia. In addition, SIPSB is required to pay a scheduled annual lease rental for the land effective from the date of completion of the port facilities.

In consideration for the construction of the port, the subsidiary is given the right to charge port users for the services rendered in accordance with port tariffs approved by the State Government of Sarawak. The operation under the service concession agreement is for a period of forty years effective from the date of completion of Phase 1 of the port facilities in June 2017, with an option to extend for twenty years.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

29. SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

(b) SIPSB (Continued)

The main features of the concession arrangements are summarized as follows:

	Intangible assets	
	Gross value RM'000	Net carrying amount RM'000
• Description arrangement: Financing, building and operating of Samalaju Port	1,419,108 (2019: 1,412,760)	1,284,615 (2019: 1,313,421)

- Period of concession: 2017 - 2056, with an option to extend for twenty years
- Remuneration: Services for port facilities
- Investment grant from concession grantor: Yes
- Infrastructure return to grantor at end of concession
- Investment and renewal obligations: Nil
- Re-pricing dates: Nil

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair values of financial instruments not carried at fair value

Set out below, is a comparison of the carrying amounts and fair values of the Group's financial instruments, by class, other than those with carrying amounts which are reasonable approximations of fair values:

	Carrying amount		Fair value	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Group				
Financial liabilities:				
Interest-bearing loans and borrowings – Non-current				
- SUKUK Murabahah	**940,338**	938,827	**918,401**	917,950

30. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	18
Other payables	22
Lease liabilities	24

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature except for the non-current lease liabilities.

Lease liabilities

The fair values of lease liabilities are estimated by discounting expected future cashflows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

31. FAIR VALUE MEASUREMENT

Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities; or

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; or

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

31. FAIR VALUE MEASUREMENT (CONTINUED)

Fair value hierarchy (Continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2020				
Current assets at fair value (Note 19)				
Investment in securities	**-**	**229,902**	**-**	**229,902**
Liabilities for which fair values are disclosed				
Loans and borrowings				
- SUKUK Murabahah	**-**	**918,401**	**-**	**918,401**
2019				
Current assets at fair value (Note 19)				
Investment in securities	-	124,852	-	124,852
Liabilities for which fair values are disclosed				
Loans and borrowings				
- SUKUK Murabahah	-	917,950	-	917,950
Company				
2020				
Current assets at fair value (Note 19)				
Investment in securities	**-**	**22,220**	**-**	**22,220**
2019				
Current assets at fair value (Note 19)				
Investment in securities	-	-	-	-

There have been no transfers between Levels during the financial year.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The Group's financial risk management strategy seeks to minimise potential adverse effects of financial performance of the Group. The key financial risks include interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's exposures to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to the interest rate risk relate to fixed deposits, money market investments and repurchasing agreement ("REPO") with financial institutions.

Since all the Group's and the Company's financial assets and liabilities are fixed rate instruments measured at amortised cost, a change in interest rate is not expected to have material impact on the Group's and the Company's profit or loss.

(b) Credit risk

Risk management objectives, policies and processes for managing the risk

The Group and the Company minimise credit risk by ensuring that all potential third party counterparties are assessed prior to registration and entering into new contracts. Existing third party counterparties are also subject to regular reviews, including reappraisal and approval of granted limits. The creditworthiness of counterparties is assessed based on an analysis of all available quantitative and qualitative data regarding business risks and financial standing, together with the review of any relevant third party and market information.

The Group and the Company use ageing analysis and credit term review to monitor the credit quality of the receivables. Any customers including related companies exceeding their credit limit are monitored closely.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

Exposure to credit risk, credit quality and collateral (Continued)

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the customer;
- a breach of contract such as a default; or
- it is probable that the customer will enter bankruptcy or other financial reorganisation.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company manage its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Company perform credit rating assessment of all its counterparties in order to measure expected credit loss ("ECL") of trade receivables for all segments. This credit rating assessment considers quantitative assessment using the counterparties' financial statements or a qualitative assessment of the counterparties, which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

In determining the ECL, the probability of default assigned to each counterparty is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Group's and the Company's historical experience.

No expected credit loss was provided for during the financial year as the impact to the Group and the Company were deemed immaterial.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

Recognition and measurement of impairment loss (Continued)

The following table provides information about exposure to credit risk and expected credit loss for trade receivables of the Group and of the Company as at 31 December 2020 and 31 December 2019:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
31 December 2020			
Trade receivables – LNG*:			
Current (not past due)	3,441	-	3,441
More than 90 days past due	263	-	263
	3,704	-	3,704
Trade receivables - Non LNG:			
Current (not past due)	15,098	-	15,098
1 to 30 days past due	1,502	-	1,502
More than 90 days past due	4,895	-	4,895
	21,495	-	21,495
	25,199	-	25,199

* - This relates to customers with vessels that carry liquefied natural gas.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Trade receivables - bulking services:			
Current (not past due)	3,012	-	3,012
1 to 30 days past due	120	-	120
31 to 60 days past due	31	-	31
61 to 90 days past due	34	-	34
	3,197	-	3,197
Trade receivables - port services at Samalaju:			
Current (not past due)	7,233	-	7,233
	35,629	-	35,629

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

Recognition and measurement of impairment loss (Continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group (Continued)			
31 December 2019			
Trade receivables – LNG*:			
Current (not past due)	8,125	-	8,125
1 to 15 days past due	871	-	871
More than 90 days past due	307	-	307
	9,303	-	9,303
Trade receivables - Non LNG:			
Current (not past due)	8,387	-	8,387
1 to 30 days past due	3,519	-	3,519
More than 90 days past due	6,672	-	6,672
	18,578	-	18,578
	27,881	-	27,881

* - This relates to customers with vessels that carry liquefied natural gas.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Trade receivables - bulking services:			
Current (not past due)	3,143	-	3,143
1 to 30 days past due	141	-	141
	3,284	-	3,284
Trade receivables - port services at Samalaju:			
Current (not past due)	11,794	-	11,794
	42,959	-	42,959

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from their ability to meet the obligations on their activities in the construction of concession infrastructure. The Group will fund these activities through equity, funding from the Government and credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations.

	Carrying amount RM'000	Contractual cash flows RM'000	Within one year RM'000	Two to five years RM'000	More than five years RM'000
Group					
At 31 December 2020					
Financial liabilities:					
Other payables (Note 22)	**98,419**	**98,419**	**38,513**	**7,008**	**52,898**
Loans and borrowings (Note 23)	**940,338**	**1,351,678**	**37,630**	**399,428**	**914,620**
Lease liabilities (Note 24)	**496,487**	**681,798**	**188,706**	**206,220**	**286,872**
Total undiscounted financial liabilities	**1,535,244**	**2,131,895**	**264,849**	**612,656**	**1,254,390**
At 31 December 2019					
Financial liabilities:					
Other payables (Note 22)	104,184	104,184	52,637	9,819	41,728
Loans and borrowings (Note 23)	938,827	1,400,484	37,527	292,805	1,070,152
Lease liabilities (Note 24)	591,641	787,747	160,182	346,492	281,073
Total undiscounted financial liabilities	1,634,652	2,292,415	250,346	649,116	1,392,953

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Carrying amount RM'000	Contractual cash flows RM'000	Within one year RM'000	Two to five years RM'000	More than five years RM'000
Company					
At 31 December 2020					
Financial liabilities:					
Other payables (Note 22)	**4,818**	**4,818**	**3,470**	**1,348**	**-**
Financial guarantee contract (Note 22)	**16,186**	**16,186**	**1,411**	**5,974**	**8,801**
Total undiscounted financial liabilities	**21,004**	**21,004**	**4,881**	**7,322**	**8,801**
At 31 December 2019					
Financial liabilities:					
Other payables (Note 22)	5,097	5,097	3,978	1,119	-
Financial guarantee contract (Note 22)	17,525	17,525	1,339	6,015	10,171
Total undiscounted financial liabilities	22,622	22,622	5,317	7,134	10,171

33. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

i) Amortised cost ("AC")
ii) Fair value through profit or loss ("FVTPL")

	Note	FVTPL RM'000	AC RM'000	Total carrying amount RM'000
2020				
Group				
Financial assets				
Trade and other receivables	18	**-**	**52,425**	**52,425**
Cash and bank balances	20	**-**	**667,304**	**667,304**
Investment in securities	19	**229,902**	**-**	**229,902**
		229,902	**719,729**	**949,631**
Financial liabilities				
Other payables	22	**-**	**98,419**	**98,419**
Loans and borrowings	23	**-**	**940,338**	**940,338**
Lease liabilities	24	**-**	**496,487**	**496,487**
		-	**1,535,244**	**1,535,244**
2019				
Group				
Financial assets				
Trade and other receivables	18	-	51,049	51,049
Cash and bank balances	20	-	694,704	694,704
Investment in securities	19	124,852	-	124,852
		124,852	745,753	870,605
Financial liabilities				
Other payables	22	-	104,184	104,184
Loans and borrowings	23	-	938,827	938,827
Lease liabilities	24	-	591,641	591,641
		-	1,634,652	1,634,652

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

33. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Note	FVTPL RM'000	AC RM'000	Total carrying amount RM'000
2020				
Company				
Financial assets				
Trade and other receivables	18	-	1,839	1,839
Cash and bank balances	20	-	84,007	84,007
Investment in securities	19	22,220	-	22,220
		22,220	85,846	108,066
Financial liabilities				
Other payables	22	-	21,004	21,004
2019				
Company				
Financial assets				
Trade and other receivables	18	-	11,065	11,065
Cash and bank balances	20	-	26,066	26,066
		-	37,131	37,131
Financial liabilities				
Other payables	22	-	22,622	22,622

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, other payables, lease liabilities less cash and bank balances. Capital includes equity attributable to the owners of the parent.

34. CAPITAL MANAGEMENT (CONTINUED)

	Note	Group	
		2020 RM'000	2019 RM'000
Loans and borrowings	23	**940,338**	938,827
Other payables	22	**98,419**	104,184
Lease liabilities	24	**496,487**	591,641
Less: Cash and bank balances	20	**(667,304)**	(694,704)
Net debt		**867,940**	939,948
Equity attributable to the owners of the parent		**1,377,455**	1,330,100
Total equity		**1,377,455**	1,330,100
Capital and net debt		**2,245,395**	2,270,048
Gearing ratio		**38.65%**	41.41%

35. SEGMENT INFORMATION

The Group reporting is organised and managed into two major business segments based on the nature of services provided, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Port operations - the provision of port services and construction services which include construction of port facilities, handling of cargo for liquefied natural gas, petroleum products, liquefied petroleum gas, general cargo, container, dry bulk cargo and other ancillary services; and

(ii) Bulking services - the provision of bulking installation facilities for palm oil, edible oils, vegetable oils, fats and its by-products.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects, may be measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

35. SEGMENT INFORMATION (CONTINUED)

	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000	Note	Per Consolidated Financial Statements RM'000
31 December 2020						
Revenue:						
External customers (Note 4)	669,285	46,419	-	-		715,704
Inter-segment	10,263	6,332	168,616	(185,211)		-
Total revenue	679,548	52,751	168,616	(185,211)		715,704
Results:						
Interest income	17,225	675	1,299	-		19,199
Guarantee fee income	-	-	1,339	(1,339)		-
Depreciation and amortisation	206,703	9,064	1,058	-		216,825
Other non-cash expenses	66,044	1,185	229	-	A	67,458
Segment profit	112,699	22,320	118,186	(126,539)	B	126,666
Assets:						
Additions to non-current assets	18,225	823	818	-	C	19,866
Segment assets	2,665,773	176,011	1,166,159	(1,054,807)	D	2,953,136
Segment liabilities	1,544,164	29,621	21,004	(19,108)	E	1,575,681

35. SEGMENT INFORMATION (CONTINUED)

	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000	Note	Per Consolidated Financial Statements RM'000
31 December 2019						
Revenue:						
External customers (Note 4)	675,444	49,660	-	-		725,104
Inter-segment	-	6,924	165,964	(172,888)		-
Total revenue	675,444	56,584	165,964	(172,888)		725,104
Results:						
Interest income	20,951	829	2,981	-		24,761
Guarantee fee income	-	-	1,276	(1,276)		-
Depreciation and amortisation	184,737	9,100	796	-		194,633
Other non-cash expenses	54,379	1,193	263	-	A	55,835
Segment profit	157,490	26,592	118,426	(123,476)	B	179,032
Assets:						
Additions to non-current assets	47,133	5,659	3,207	-	C	55,999
Segment assets	2,821,805	176,314	1,095,591	(1,065,691)	D	3,028,019
Segment liabilities	1,675,761	30,866	22,622	(31,330)	E	1,697,919

A Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Group	
	2020 RM'000	2019 RM'000
Staff gratuities	**1,001**	1,194
Maintenance dredging costs	**36,399**	22,233
Replacement costs	**5,006**	6,075
Directors' gratuities	**229**	263
Unwinding of discount	**24,653**	26,070
Inventories written off	**170**	-
	67,458	55,835

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020 (Continued)

35. SEGMENT INFORMATION (CONTINUED)

B The following items are deducted from segment profit to arrive at "Profit before tax from continuing operations" presented in the consolidated statement of profit or loss:

	Group	
	2020 RM'000	2019 RM'000
Dividend income	**(125,200)**	(122,200)
Guarantee fee income	**(1,339)**	(1,276)
	(126,539)	(123,476)

C Additions to non-current assets consist of:

Property, plant and equipment	**10,476**	43,371
Intangible assets	**9,390**	12,628
	19,866	55,999

D The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2020 RM'000	2019 RM'000
Investment in subsidiaries	**(1,051,900)**	(1,051,900)
Inter-segment assets	**(2,907)**	(13,791)
	(1,054,807)	(1,065,691)

E The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2020 RM'000	2019 RM'000
Inter-segment liabilities	**(19,108)**	(31,330)

F Revenue from one (2019: one) major customer amounted to RM177 million (2019: RM208 million) representing 25% (2019: 30%) of the total Group's revenue.

35. SEGMENT INFORMATION (CONTINUED)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Malaysia	**682,467**	725,104	**1,872,562**	2,046,068
Brunei	**33,237**	-	**25,339**	-
	715,704	725,104	**1,897,901**	2,046,068

Non-current assets information presented above consist of the following items as presented in the Group's statements of financial position:

	2020 RM'000	2019 RM'000
Property, plant and equipment	**273,352**	296,890
Right-of-use assets	**92,336**	73,476
Intangible assets	**1,532,213**	1,675,702
	1,897,901	2,046,068

36. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 31 December 2020 under the single tier system.

37. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with current year's presentation:

	Group	
	As restated RM'000	As previously stated RM'000
Trade and other receivables	98,624	102,626
Inventories	4,002	-

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 16 March 2021.

INDEPENDENT AUDITORS' REPORT

to the members of Bintulu Port Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Bintulu Port Holdings Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 100 to 173.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT
to the members of Bintulu Port Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Impairment assessment of (a) concession intangible assets and (b) investment in a subsidiary
(Refer to Note 2.11, Note 3.2(a), Note 15 and Note 16 to the financial statements)

(a) Concession intangible assets

The Group is required to perform impairment test of cash-generating units ("CGU") whenever there is indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount. The continued loss reported by a subsidiary, Samalaju Industrial Port Sdn. Bhd. ("SIPSB"), was identified by the management as an indication that the carrying amount of the related concession intangible assets of RM1,285 million (represents 44% of the Group's total assets) may be impaired. Accordingly, the Group estimated the recoverable amount of the concession intangible assets of SIPSB using value in use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the CGU, and discounting them at an appropriate rate.

(b) Investment in a subsidiary

The continued loss reported by SIPSB as mentioned above indicates that the carrying amount of investment in SIPSB may also be impaired. The carrying amount of investment in SIPSB was RM690 million, representing 59% of the Company's total assets. Considering SIPSB's underlying assets comprise the concession intangible assets as stated in (a), the management estimated the recoverable amount of the investment using the same VIU.

We focus on the impairment reviews above due to their significance to the Group and the Company and significant judgements and estimates were involved in the assessment of possible variations in the amount and timing of cash flows and the determination of an appropriate discount rate for SIPSB.

To address the key audit matters, our audit procedures included, among others evaluating the assumptions and methodologies used by the Group and the Company, in particular the assumptions to which the recoverable amount of the CGUs is most sensitive such as the cargo volume projections and discount rate by performing the following:

(a) evaluated the reasonableness of projected cargo volume by comparing to past actual outcomes and corroborating the expected volume of the port users with available public information and customer survey data, where applicable;

(b) together with EY valuation specialists, evaluated the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset;

(c) assessed the sensitivity of the cash flows to changes in the discount rate and projected cargo volume; and

(d) evaluated the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT
to the members of Bintulu Port Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Group's 2020 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
to the members of Bintulu Port Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Najihah Binti Khalid
No. 03249/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
16 March 2021

SHAREHOLDINGS STATISTICS

As at 28 February 2021

1. ANALYSIS OF HOLDINGS

Size of Shareholdings Share	No. of Holders		No. of Shares		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1-99	65	3	540	148	0.000	0.000
100-1,000	594	16	495,231	10,396	0.107	0.002
1,001-10,000	650	8	2,623,000	36,500	0.570	0.007
10,001-100,000	123	8	3,203,900	168,200	0.696	0.036
100,001-22,999,999	22	4	71,865,985	1,282,200	15.623	0.278
23,000,000 and above	5	0	380,313,900	0	82.676	0.000
Total	**1,460**	**39**	**458,502,556**	**1,497,444**	**99.672**	**0.323**

2. LIST OF TOP THIRTY (30) HOLDERS

No.	Name of Holders	Shareholdings	%
1.	CIMB Group Nominees (Tempatan) Sdn Bhd Exempt an for Petroliam Nasional Berhad	131,171,000	28.515
2.	State Financial Secretary Sarawak	122,701,000	26.674
3.	Equisar Assets Sdn. Bhd.	60,000,000	13.043
4.	Kumpulan Wang Persaraan (Diperbadankan)	42,190,500	9.171
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	24,251,400	5.272
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. Urusharta Jamaah Sdn. Bhd.	17,000,000	3.695
7.	MISC Berhad	10,619,000	2.308
8.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	8,980,485	1.952
9.	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 – Wawasan	8,400,200	1.826
10.	Amanahraya Trustees Berhad Amanah Saham Malaysia	5,500,000	1.195
11.	Amanahraya Trustees (Tempatan) Sdn. Bhd. Public Islamic Select Treasures Fund	3,974,800	0.864
12.	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	3,428,500	0.745
13	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 – Didik	3,000,000	0.652
14.	Amanahraya Trustees Berhad Public Islamic Dividend Fund	2,896,500	0.629
15.	Wong Lok Jee @ Ong Lok Jee	2,883,000	0.626
16.	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	1,001,200	0.217

SHAREHOLDINGS STATISTICS
As at 28 February 2021

No.	Name of Holders	Shareholdings	%
17.	Neoh Choo Ee & Company Sdn. Bhd.	988,500	0.214
18.	Shoptra Jaya (M) Sdn. Bhd.	742,200	0.161
19.	Loh Kah Wai	702,000	0.152
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Mtrustee Berhad for Tabung Baitulmal Sarawak (Majlis Islam Sarawak)(FM-ASSAR-TBS)	588,000	0.127
21.	Koperasi Jayadiri Malaysia Berhad	500,000	0.108
22.	RHB Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Loh Kah Wai	300,000	0.065
23.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Family Takaful Berhad (Family PRF)	281,400	0.061
24.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Nik Abd Rahman Bin Nik Ismail(Bph 1)	224,100	0.048
25.	Seumas Tan Nyap Tek	219,300	0.047
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Life Insurance Berhad (Life Par)	216,800	0.047
27.	Ahmat Bin Narawi	205,000	0.044
28.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for UBS AG Singapore (Foreign)	156,000	0.033
29.	Public Invest Nominees (Asing) Sdn Bhd Pledged Securities Account For Muhamad Aloysius Heng (M)	124,200	0.027
30.	Yong Ai Ting	115,000	0.025

3. SUBSTANTIAL SHAREHOLDERS

No.	Name of Holders	Shareholdings	%
1	CIMB Group Nominees (Tempatan) Sdn Bhd Exempt An For Petroliam Nasional Berhad	131,171,000	28.515
2	State Financial Secretary Sarawak	122,701,000	26.674
3	Equisar Assets Sdn. Bhd.	60,000,000	13.043
4	Kumpulan Wang Persaraan (Diperbadankan)	42,190,500	9.171
5	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	24,251,400	5.272
	Total	380,313,900	82.676

SUMMARY OF EQUIPMENT & FACILITIES

As at 28 February 2021

Description		Total Capacity/Area		
Type Of Berth	No. of Berth / Jetty	Length (meter)	Depth (meter)	Max Vessel Size (dwt)
Bintulu Port Sdn. Bhd.				
General Cargo Wharf	3	514.5	10.5	25,000
Bulk Cargo Wharf	1	270	13.5	60,000
LNG Jetty	3	-	15.0	80,000
LPG Jetty (Decommisioned until further notice)	1	289	11.0	51,000
Petrochemical Terminal	2	380	11.0	30,000
Shell MDS Jetty	1	200	13.0	40,000
Container Terminal	2	450	14.0	55,000
Edible Oils Terminal	2	220	14.0	50,000
	1 (Barge Berth)	120	9.0	10,000
Single Buoy Mooring	2	-	19.5	320,000
Oil Barge Berth	1	65	7.0	2,000
Coastal Terminal	1	120	4.5	1,000
Multipurpose Terminal	5	950	14.0	55,000
Bunkering Berth (MPT 10)	1	45	4.5	8,000
Samalaju Industrial Port Sdn. Bhd.				
Barge Berth	2	320	7	8,000
Ro Ro Ramp	1	20	7	8,000

Type Of Storage	Units	Area (m^2)
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 m^2)
- Open Storage Area	16 Block (each bay length: 127.60 m) (each bay width : 18.25 m)	71,900
- Ringger Warehouse	1	2,376
Multipuprose Teminal		
- Timber Shed	2	7,800 m^2 each
- Hazardous Godown	1	1,200 m^2
- Open Yard	6 Block A/B (each bay length: 55.22 m) (each bay width: 15.86 m)	17,160 m^2

SUMMARY OF EQUIPMENT & FACILITIES
As at 28 February 2021

Type Of Storage	Units	Area (m^2)
Container Terminal		
- RTG Block	26	2,496 Ground Slots*
- RSD Block	8	640 Ground Slots*
- Customs Examination Area	1	12 Ground Slots*
- Dangerous Goods Storage	1	84 Ground Slots*
- Reefer Points	1	84 Ground Slots*
- On-Dock Depot (ODD)	5	442 Ground Slots* *(Twenty Footer)

Type Of Vessels	Units	Capacity
Mooring Boat	3	-
Mooring Boat (Charter)	1	-
Shiphandling Tug 45 Tons	3	45 tonnes bollard pull
Shiphandling Tug 45 Tons (Charter)	5	45 tonnes bollard pull
Shiphandling Tug 25 Tons	3	25 tonnes bollard pull
Shiphandling Tug 25 Tons (Charter)	2	25 tonnes bollard pull
Pilot Boat	2	-
Pilot Boat (Charter)	3	-
Patrol Boat	3	-
Patrol Dinghy	1	-
Fiberglass Patrol Boat	1	-

Cargo Handling & Mechanical Equipment	No. of Units	Capacity (Tonnes) *Safe Working Load (SWL) / Safe Loading Capacity / Towing Capacity
Container Handling Equipment		
Quay Crane (i) Post-Panamax (ii) Panamax	 2 2	40.6 (Under Spreader), 50 (Cargo Beam)
Rubber Tyred Gantry Crane (i) 4+1 high with 6+1 row (ii) 6+1 high with 6+1 row	 4 10	40.6 (Under Spreader)
Reach Stacker	8	45
Terminal Tractor	41	60
Container Trailer	49	40
Heavy Forklift	4	8
LPG Forklift	2	3

SUMMARY OF EQUIPMENT & FACILITIES
As at 28 February 2021

Container Handling Equipment		
Battery Powered Forklift	2	3
Empty Reach Stacker	2	10
Cargo Handling Equipment		
Heavy Forklift (Diesel)	6	8
Forklift (Diesel)	44	4
Extra Heavy Forklift (Diesel)	1	25
LPG Forklift	1	3
Battery Powered Forklift	1	3
Battery Powered Reach Truck	1	1.5
Battery Powered Side Tracker	1	1.5
Terminal Tractor	27	60
Platform Trailer	32	40
Mobile Truck Crane	1	50
Bulking Machinery & Equipments		
Oil Fired Package Boilers	4	6,000kg/hr (Steam Generation)
Pumpsets (Pump House A) Road Tanker Pump – 7 Export Pump – 8	15	250-350 mt/hr (for Export pump) 115mt/hr (for Road Tanker Pump)
Pumpsets (Pump House B) Road Tanker Pump – 6 Export Pump – 6	12	250-350 mt/hr (for Export Pump) 115mt/hr (for Road Tanker Pump)
Tonnes Toyota Forklift	1	2.5 tonnes
Tonnes RY Forklift	2	3.0 tonnes
Ingersoll-Rand Air Compressor Comp-Air Air Compressor	4 2	(427 CFM) (420 CFM)
Diesel Standby Generator Set	1	500kVA
Pressure Vessel	3	30 m^3
Samalaju Industrial Port Handling Equipment		
Quay Equipment Portable Hoppers	6	Hopper Bin Volume : 30 m^3, 40 m^3 and 55 m^3
Level Luffing Cranes	3	Under Grab : 25T SWL Under Hook : 40T SWL
Mobile Harbour Cranes	2	Under Grab : 52T Under Hook : 84T SWL Under Spreader : 41T SWL
Remote Control Grabs	4	Grab Volume : 5 – 10 m^3

SUMMARY OF EQUIPMENT & FACILITIES

As at 28 February 2021

Cargo Handling & Mechanical Equipment	No. of Units	Capacity (Tonnes) *Safe Working Load (SWL) / Safe Loading Capacity / Towing Capacity
Samalaju Industrial Port Handling Equipment		
Yard Equipment		
Material Handlers	5	Under Grab : 8T SWL Under Hook : 20T SWL Under Spreader : 9T SWL
Reach Stackers	2	45T
Dump Trucks	8	35T
Terminal Tractors	8	Towing Capacity : 70T
Container Trailers	4	40T SWL
Platform Trailers	4	40T SWL
Extra Heavy Forklifts	1	25T
Heavy Forklifts	2	8T
High Mast Forklift	10	4T
Low Mast Forklifts	2	4T
Excavator	7	Operating weight : 13.5T & 22.5T Bucket volume : 0.54 m³ & 1.2 m³
Wheel Loaders	2	Operating Weight : 17.2T Bucket volume : 3.6 m³ Lifting Capacity : 5T
Skid Steer Loaders	4	Operating Weight : 3.3T Bucket volume : 0.4 m³ Lifting capacity : 1.7T
Conveyor System Facilities		
Conveyor Belt Line–A	1	600 TPH (max.)
Conveyor Belt Line–B	2	1,200 TPH (max.)
Conveyor Belt Line–C	3	1,200 TPH (max.)
Conveyor Belt Line–D	2	1,200 TPH (max.)
Stacker 1 (Stockpile 1)	1	3,000 TPH (max.)
Stacker 2 (Stockpile 2)	1	1,200 TPH (max.)
Stacker 3 (Stockpile 3)	1	1,200 TPH (max.)

Bulking Facilities	No. of Units/ Facilities	Capacity (Metric Tonnes)
2,600 MT Tank	19	49,400
2,000 MT Tank	42	84,000
1,000 MT Tank	16	16,000
650 MT Tank	8	5,200
Export Pipelines	13	-
Bulking Pipelines	16	-

LIST OF PROPERTIES
As at 28 February 2021

Location	Description	Tenure (Years)	Area sq. Ft.
Land:			
Part of Lot 15 & 37 (Alienated Land), Tanjung Kidurong, Kemena Land District, Bintulu, Sarawak.	The surveyed land area identified in the Agreement to sub-Lease (Alienated Land) dated 31.12.1992	Leasehold (Expiring in 2022)	4,415,170
Part of Lot 15 & 37 (BICT Land) Tanjung Kidurong, Kemena Land District, Bintulu, Sarawak.	The surveyed land area which covers the BICT	Leasehold (Expiring in 2022)	2,693,040

Location	Age of Building (Years)	Area sq. Ft.	Net Carrying Value (RM'000)
Building, structures & improvements:			
Built on Alienated Land			
Single Storey Office Building	26	6,935	163
Built on BICT Land			
Receipt & Delivery Building	23	12,110	198
Gate House	23	5,015	65
Crane Service Station	23	9,300	83
Crane Service Workshop (Extension)	13	3,488	133
Custom Examination Shed	4	2,583	40
Canteen Building	23	11,959	7
Marine Operation Building	23	16,534	783
Marine Maintenance Building	23	9,300	337
Wisma Kontena Building	23	69,727	126
Access Road (including 2 bridges)	21	-	1,100
Container Stacking Yard	23	1,937,229	1,019
Empty Container Stacking Yard	23	282,143	6,058
New Storage Yard	12	-	586
Container Stacking Yard (BICT Extension)	25	618,279	71
Upgrading Work to Open Storage Yard at BICT	11	1,216,935	9,681
Main Intake Substation	10	2,174	859
Quay Crane Substation	25	1,485	111
CFS Substation Marine	23	904	64
Marine Operation Substation	23	1,098	35
Wharves 4 & 5	23	168,053	11
Small Craft Harbour	23	-	5,363
Coastal Terminal / Gravel Jetty	23	9,085	823
Bulk Fertiliser Warehouse	23	21,700	71
Container Freight Station	16	65,390	1,570
CFS Pit Type Weighbridge	10	-	1,153
Mooring Service Building	10	-	6

LIST OF PROPERTIES
As at 28 February 2021

Location	Age of Building (Years)	Area sq. Ft.	Net Carrying Value (RM'000)
Building, structures & improvements: (Continued)			
Built on BICT Land (Continued)			
Lub Oil Storage Shed	7	-	186
Schedule Waste Storage	7	-	30
Empty Container Stacking Yard (extension)	7	-	29
Asphaltic Concrete Pavement near Coastal Terminal	7	-	934
Built on Multi Purpose Terminal Land (950 Meter Wharf)			
MPT Open Storage Yard	11	859,815	3,938
500m Ex-BPP Wharf at MPT	11	46,177	3,602
Transit Shed 1	11	95,723	2,315
Transit Shed 3	10	95,723	1,613
Plant Maintenance Workshop	10	23,182	916
Hazardous Goods Godown	10	17,823	922
Operator's Resthouse	10	2,809	145
M&E Plant Room	10	3,263	380
MPT Operational Gate	10	1,791	242
MPT Weighbridge	10	32,258	60
New Stone Base (Gravel) Area	9	22,604	35
Workers Resting Area at MPT	9	2,190	19
Temporary Bunkering Facility at MPT10	6	5,301	96
Built on 2nd Inner Harbour Land			
Edible Oil Terminal	15	44,215	7,724
Bulking Building : Built on 2nd Inner Harbour Land			
Buildings			
Administrative Building	16	6,272	437
M&E Block A Building	16	3,833	188
M&E Block B Building	16	3,005	165
Pump House A	16	14,592	372
Pump House B	10	13,612	1,324
Operator Rest House	8	784	135
One Stop Sampling Store	7	-	66
Samalaju Industrial Port Building and Structures			
Interim Port Facility			
Access Road	7	437,875.88	10,936
Breakwater & Revetment	7	552m (length)	30,745
Wharf	7	146,819.74	59,450
Fender system	7	74 (nos)	
Navigation Lighting System	7	-	
Check Point Building	7	513.44	1,700
Weigh Bridges	7	-	1,311

LIST OF PROPERTIES
As at 28 February 2021

Location	Age of Building (Years)	Area sq. Ft.	Net Carrying Value (RM'000)
Samalaju Industrial Port Building and Structures (Continued)			
Operation Buildings			
Office Block A	7	7,407.17	736
Office Block B	7	7,407.17	676
Worker Rest Shed	7	4,347.01	434
Canteen	7	4,639.19	442
Maintenance Shed	7	8,815.64	797
Guard House	7	383.63	76
Miscellaneous Building	7	-	1,765
Administration Building and Control Tower			
Administration Building and Control Tower	4	20,700	19,888
Central Utilities Building Admin	4	3198	759,910
Guard House	4	135	56,050
Access Road	4	-	4,660
On-Shore Facilities			
Warehouse Type 1 (Enclosed)	4	38,750	6,779
Warehouse Type 2 (Open)	4	31,000	4,823
Central Utilities Building 1	4	2,906	502
Central Utilities Building 2	4	2,906	969
Central Utilities Building 3	4	2,906	
Central Utilities Building 4	4	3,982	796
Access Roads and Platforming (Stockpile)	4	3,181,811	74,315
Electrical Works			3,655
Weigh Bridge (2 no.)			195
Security Fencing			2,293
Wharves Facilities			
Handymax Wharf No.1 (including 2 nos. of Link bridges)	4	136,739	155,771
Handymax Wharf No.2	4	96,972	
Handymax Wharf No.3	4	91,660	
Handymax Wharf No.4	4	84,154	41,606
Handysize Wharf (including 2 nos. Of Link Bridges)	4	128,042	64,291
Tug Boat Jetty	4	3,789	3,929
Berth Amenity Shed	4	2,309	483
CUB Crane	4	4,361	755
2 nos. Beacon Light Tower	4	264	3,054
Breakwater			
Southern Breakwater	4	1.6 km (length)	157,885
Northern Breakwater	4	1.9 km (length)	152,335

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting (AGM) of Bintulu Port Holdings Berhad ("the Company") will be conducted entirely through live streaming from the Broadcast Venue at Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 28 April 2021 at 5.00 p.m. for the following purposes:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2020 together with the Reports of the Directors and the Auditors thereon.

   (Please refer to Explanatory Note A)

2. To approve the payment of Directors' fees of up to RM1,877,200.00 for the period from April 2021 to the next AGM of the Company in 2022 to the Non-Executive Directors of Bintulu Port Holdings Berhad Group of Companies. **(Resolution 1)**

   (Please refer to Explanatory Note B)

3. To approve the payment of Directors' benefits payable of up to RM746,000.00 for the period from April 2021 to the next AGM of the Company in 2022 to the Non-Executive Directors of Bintulu Port Holdings Berhad Group of Companies. **(Resolution 2)**

   (Please refer to Explanatory Note C)

6. To re-elect the following Directors who retire pursuant to Clause 24.5 of the Company's Constitution and, being eligible, have offered themselves for re-election: -

   i. **Dato' Sri Mohamed Khalid bin Yusuf @ Yusup** **(Resolution 3)**

   ii. **Datuk Yasmin binti Mahmood** **(Resolution 4)**

   iii. **Dzafri Sham bin Ahmad** **(Resolution 5)**

   (Please refer to Explanatory Note D)

7. To re-appoint Messrs. Ernst & Young PLT, the retiring Auditors, as the Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration. **(Resolution 6)**

   (Please refer to Explanatory Note E)

8. To transact any other business for which due notice has been given in accordance to Section 340 (1) (d) of the Companies Act 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a Member who shall be entitled to attend, speak and vote at this 25th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. (Bursa Depository) in accordance with Clause 22.16 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA) to issue a General Meeting Record of Depositors (ROD) as at 19 April 2021. Only a depositor whose name appears on the ROD as at 19 April 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

By Order of the Board,

ROSLI BIN IDRIS
(MIA15730) (SSM Practising Certificate No.: 201908003924)

SHARIFAH RAFIDAH BINTI WAN MANSOR
(LS0009456) (SSM Practising Certificate No.: 201908003039)

Company Secretaries
Bintulu, Sarawak
7 April 2021

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTICE

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

   Shareholders will not be allowed to attend this 25th Annual General Meeting ("AGM") in person at the Broadcast Venue on the day of the meeting.

   Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online.

   Please read these Notes carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at **19 April 2021**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

3. A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to attend and vote at an Annual General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the Annual General Meeting.

5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of Bursa Malaysia.

6. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

8. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A (1) of the Central Depositories Act.

9. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

10. A member who has appointed a proxy or attorney or authorised representative to participate at AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Guide for the AGM.

NOTICE OF ANNUAL GENERAL MEETING

11. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:-

    In hard copy form –

    In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

    By electronic means –

    The Form of Proxy can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online.

12. Please ensure ALL the particulars as required in this Form of Proxy are completed, signed and dated accordingly.

13. Last date and time for lodging this Form of Proxy is on **Monday, 26 April 2021 at 5.00 p.m.**.

14. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.

15. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

16. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:-

    (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

    (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

    (a) at least two (2) authorised officers, of whom one shall be a director; or

    (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

EXPLANATORY NOTES TO THE NOTICE OF AGM

Explanatory Note A

17. The Audited Financial Statements is laid in accordance with Section 340(1) (a) of the Companies Act 2016 and meant for discussion only as the Audited Financial Statements do not require shareholders' approval under the provision of Section 251(1) of the Companies Act 2016. As such, this Agenda item is not to be put forward for voting.

Explanatory Note B for Resolution 1

18. **Section 230(1)** of the Companies Act 2016 provides amongst others, that "the fees" of the directors, and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

19. During the previous 24th AGM of the Company held on 29 June 2020, approval was given by the Shareholders for the payment of Directors' fees and benefits payable starting from 1 July 2020 until the next AGM of the Company in 2021.

20. **Resolution 1:** To approve the payment of Directors' fees of up to RM1,877,200.00 for the period from April 2021 to the next AGM of the Company in 2022 to the Non-Executive Directors of Bintulu Port Holdings Berhad Group of Companies.

    The estimated amount of up to **RM1,877,200.00** for the payment of Directors' fees to the Non-Executive Directors of the Company is based on the following:-

Company	Designation	Director's Fees per Month (RM)
BPHB	Chairman	12,000.00
	Non-Executive Directors (Members)	8,500.00
BPSB / BBSB / SIPSB (Subsidiaries)	Chairman	6,000.00
	Non-Executive Directors (Members)	4,200.00

Explanatory Note C for Resolution 2

21. **Resolution 2:** To approve the payment of Directors' benefits payable of up to **RM746,000.00** for the period from April 2021 to the next AGM of the Company in 2022 to the Non-Executive Directors of Bintulu Port Holdings Berhad Group of Companies.

    The estimated amount of up to RM746,000.00 for the Directors' benefits payable to the Non-Executive Directors of the Company is based on the following:-

Allowances and Benefits	Chairman	Members
Meeting Allowance (Per Meeting)	**(RM)**	**(RM)**
Bintulu Port Holdings Berhad Board	3,000.00	2,000.00
Audit and Risk Committee	2,000.00	1,500.00
Nomination and Remuneration Committee	2,000.00	1,500.00
Finance and Investment Committee	2,000.00	1,500.00
Bintulu Port Sdn. Bhd. Board	2,000.00	1,500.00
Biport Bulkers Sdn. Bhd. Board	2,000.00	1,500.00
Samalaju Industrial Port Sdn. Bhd. Board	2,000.00	1,500.00
Monthly Fixed Allowance	4,500.00 per month	Not Applicable
Other Benefits	Medical coverage, travel and other claimable benefits	

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note D for Resolutions 3, 4, and 5

22. Clause 24.5 of the Company's Constitution expressly states that an election of Directors shall take place each year. At every 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 three (3) or a multiple of three (3), the number nearest to one-third shall retire from office, and if there is only one (1) Director who is subject to retirement by rotation, he shall retire PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years.

23. Pursuant to Clause 24.5, the following Directors are standing for re-election at the 25th AGM:-

i.	Dato' Sri Mohamed Khalid bin Yusuf @ Yusup	**(Resolution 3)**
ii.	Datuk Yasmin binti Mahmood	**(Resolution 4)**
iii.	Dzafri Sham bin Ahmad	**(Resolution 5)**

24. The profiles of the Directors standing for re-elections are provided on pages 63 and 64 of the Board of Directors' Profile in the 2020 Integrated Annual Report.

Explanatory Note E for Resolution 6

25. Pursuant to Section 271(3)(b) of the Companies Act 2016, shareholders shall appoint Auditors who shall hold office until the conclusion of the next AGM in 2022. 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.

26. The Audit and Risk Committee and the Board of Directors of Bintulu Port Holdings Berhad have considered the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company and collectively agreed that Messrs. Ernst & Young PLT has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

CORPORATE INFORMATION

COMPANY SECRETARY

ROSLI BIN IDRIS (MIA 15730)
Tel: +60 86 291257
Fax: +60 86 254062
Email: rosli@bintuluport.com.my

AUDITOR

ERNST & YOUNG PLT
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332

REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
59200 Kuala Lumpur, Malaysia

Email: is.enquiry@my.tricorglobal.com

PRINCIPAL BANKER

CIMB BANK BERHAD

STOCK EXCHANGE LISTING

MAIN MARKET
Bursa Malaysia Securities Berhad
(Listed since 16 April 2001)

REGISTERED OFFICE

Lot 15, Block 20, Kemena Land District
12th Mile, Tanjung Kidurong Road
97000 Bintulu, Sarawak, Malaysia

Tel: +60 86 291001 (30 Lines)
Fax: +60 86 254062 / 253597
Email: customerservice@bintuluport.com.my
Website: http://www.bintuluport.com.my

SUBSIDIARIES

BINTULU PORT SDN BHD
[Company No. 199201022892 (254396-V)]
BIPORT BULKERS SDN BHD
[Company No. 200301032726 (635147-V)]
SAMALAJU INDUSTRIAL PORT SDN BHD
[Company No. 199601033993 (406345-H)]

GLOSSARY

3Ps	Profits, People, Planet
BBSB	Bintulu Bulkers Sdn Bhd
BICT	Bintulu International Container Terminal
BNM	Bank Negara Malaysia
BPA	Bintulu Port Authority
BPHB	Bintulu Port Holdings Berhad
BPSB	Bintulu Port Sdn Bhd
BRP	Business Response Plan
CAPEX	Capital Expenditure
CCMP	Close Contact Management Plan
CMCO	Conditional Movement Control Order
COMMIT	Cost Management Initiative
CSI	External Customer Satisfaction Index
CUP PIG	Pipeline Intervention Gadget
DOE	Department of Environment
DWT	Deadweight Tonnage
ESS	Employee Satisfaction Survey
FLR	Forest Landscape Restoration
GRC	Governance, Risk and Compliance
HSE	Health, Safety and Environment
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
LNG	Liquefied Natural Gas
LNG ISO Tank	An ISO container is an international intermodal container that is manufactured according to the specifications outlined by the International Organization for Standardization
LTIF	Lost Time Injury Frequency
MARSEC	Marine Security
MCCG 2017	Malaysian Code on Corporate Governance 2017
MCO	Movement Control Order
MFRS	Malaysian Financial Reporting Standards
MMLR	Main Market Listing Requirements
OEPD	Operational Excellence Performance Delivery
PENJANA	Short-term Economic Recovery Plan
PPE	Personal Protective Equipment
Project Diamond	A programme to remove bottleneck issues through improvements in three key result areas, namely Vessel Operations & Productivity, Yard & Gate Operations and Berth Window Management.
Project Grab and Go (SIPSB)	Ongoing effort to optimise the capabilities of level luffing crane and conveyor facility operation at Samalaju Industrial Port.
Project Pyramid	Reviewing the Limit of Authority of subsidiaries
Project Vroom	An initiative to give priority to vessels that request for more than five pipelines in order to improve turnaround time.
QR code	Quick Response code
RMCO	Recovery Movement Control Order
SCORE	Sarawak Corridor of Renewable Energy
SDGP	Smart Digital Green Port
SIP	Samalaju Industrial Park
SIPSB	Samalaju Industrial Port Sdn Bhd
SOPs	Standard Operating Procedures
TIIP	Teamwork, Integrity, Innovation, Professionalism
UAUC	Unsafe Acts and Unsafe Conditions
UTAP Transformation Programme	a programme to implement the three lines of defence mechanism that will help the Group mitigate all forms of significant risks
ZEFA	Zero Fatality and Accidents

BINTULU PORT HOLDINGS BERHAD [Company No. 199601008454 (380802-T)]
Lot 15, Block 20, Kemena Land District,
12th Mile Tanjung Kidurong Road,
P.O Box 996, 97008 Bintulu,
Sarawak, Malaysia

Tel : +6086 291001
Fax : +6086 253597
Email : customerservice@bintuluport.com.my
Web : www.bintuluport.com.my