



Westports Holdings Berhad

(Registration No. 199301008024 (262761-A))

EXTRAORDINARY GENERAL MEETING

5th May 2020

Table of contents

Section 1: Details of the Proposed Acquisition

Section 2: Basis and Justification of Arriving at the Purchase Price

Section 3: Rationale for and Benefits of the Proposed Acquisition

Section 4: Effects of the Proposed Acquisition

Section 5: Approvals Required & Indicative Timeline





Section 1: Details of the Proposed Acquisition

Details of the Proposed Acquisition

- On 7 February 2020, we announced through CIMB Investment Bank that Westports Malaysia Sdn Bhd, our wholly-owned subsidiary, had entered into a sale and purchase agreement with Pembinaan Redzai Sdn Bhd, to acquire the 361.762 acre Land for a total cash consideration of RM393,958,900
- In view of the interests of our directors and major shareholder, the Proposed Acquisition is a related party transaction under Paragraph 10.08 of the Listing Requirements
- Accordingly, we have appointed Hong Leong Investment Bank to act as the Independent Adviser for the Proposed Acquisition
- Further, we have also appointed PPC as the independent valuer for the valuation of the Land

Note: Unless otherwise stated, the defined terms used in this presentation shall carry the same meaning as defined in the Circular to you dated 20 April 2020 in relation to the Proposed Acquisition

Summary Details of the Land

Land title particulars	Pajakan Negeri (PN) 7374, Lot No. 72778, Mukim and District of Klang, State of Selangor Darul Ehsan
Land area	146.4 hectares (361.762 acres). About 20% of the Land is under water
Tenure	99 years leasehold interest with an unexpired term of about 76 years, expiring on 24 March 2096
Category of land use	Building
Express condition	Residential
Existing use	Vacant
Proposed use	Proposed to be used for the development of CT facilities which will form part of our Group's proposed expansion plans involving the development of 8 additional berths comprising CT 10 to CT 17
Restrictions in interest	This alienated land shall not be transferred, leased or charged without the consent of the State authority
Encumbrances	Nil

Details of the Proposed Acquisition (cont'd)



Aerial overview of the Land





Section 2: Basis and Justification of Arriving at the Purchase Consideration

Basis and Justification of Arriving at the Purchase Consideration

The Purchase Price was arrived at on a willing-buyer willing-seller basis and after taking into consideration:

- 1** the market value of the Land of RM394.0 million (about RM25 per square foot) as appraised by PPC International as at 2 December 2019;
- 2** the strategic location of the Land which is situated next to the existing CT facilities of our Group and the development potential of additional CT facilities to facilitate our Group's expansion plans; and
- 3** the prospects of the Proposed Acquisition which would allow our Group to grow its total handling capacity over the medium to long-term, to cater for the expected long-term growth in the demand for port services



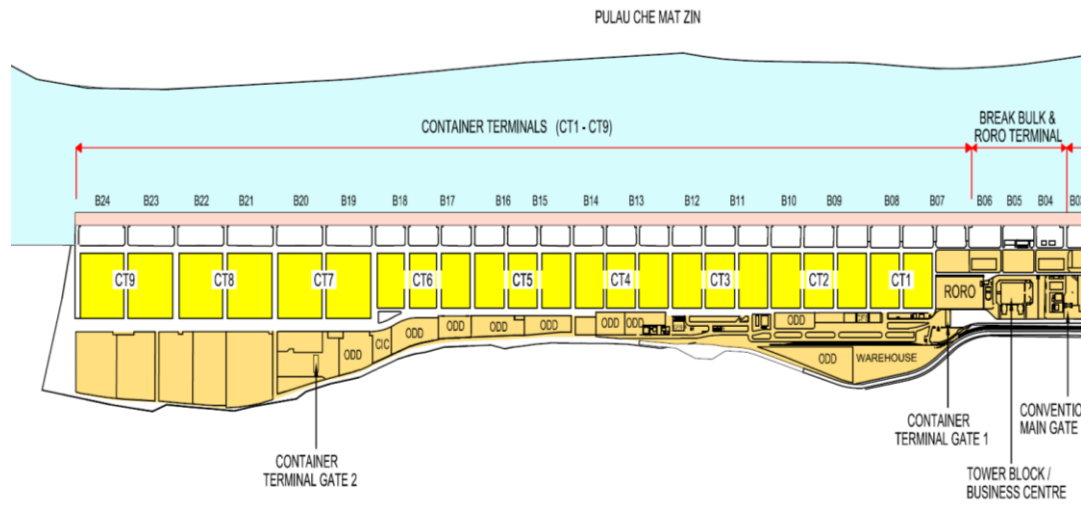
Section 3: Rationale for and Benefits of the Proposed Acquisition

Rationale for and Benefits of the Proposed Acquisition

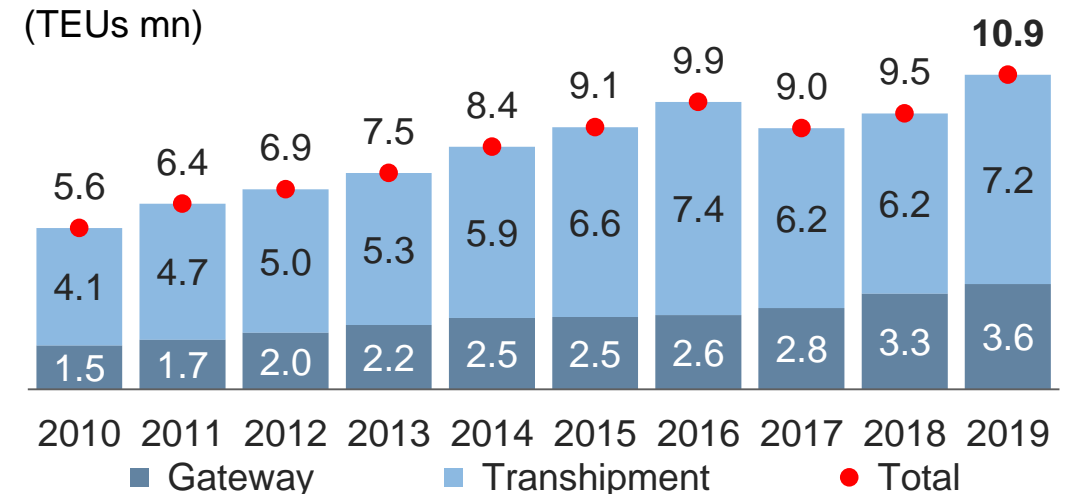
Increase CT capacity to remain competitive

- As part of our Group's **proactive management strategy**, we intend to undertake periodic increase in our CT capacity to meet the projected increase in throughput demand as well as to remain competitive in the industry
- Our Group's current CT facilities, comprising CT 1 to CT 9, are currently operating at a utilisation rate of approximately 72% of its total terminal handling capacity. We expect our **current CT facilities to reach near full utilisation within the next few years**

Current CTs expanded and built all the way to CT9



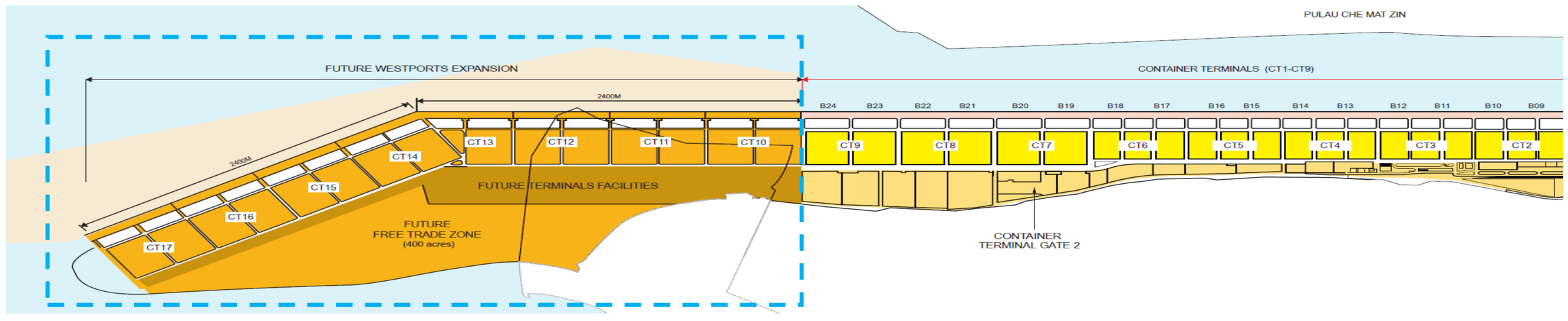
Achieved a record of 10.9 mn TEUs in FY2019



Rationale for and Benefits of the Proposed Acquisition (cont'd)

Group's total handling capacity to increase to 28 million TEUs per annum by 2050

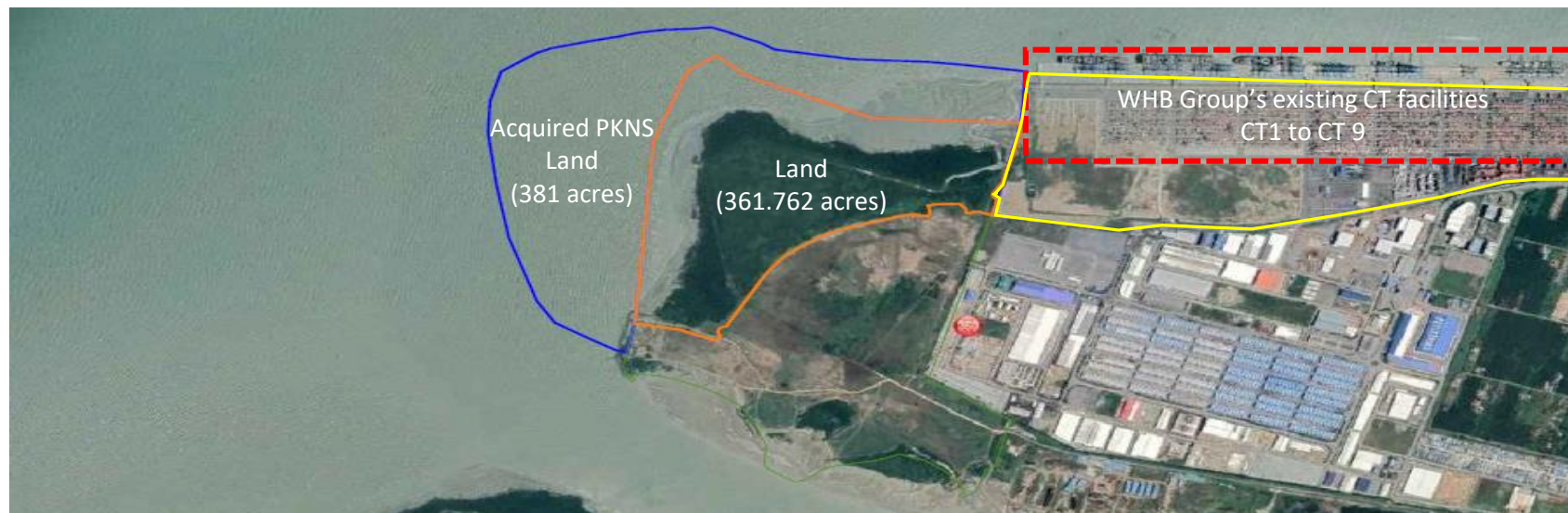
- Land reclamation expected to commence in the fourth quarter of 2020 with the development of the additional CTs **expected to commence in 2022**. Our Group expects to spend at least RM10 billion over the 30-year period for the Proposed Expansion
- Development expected to be **undertaken over around 30 years** with completion expected by end of 2050, in tandem with projected demand for port services and subject to, among others, our Group's future funding capacity and outlook of the global shipping industry
- The Proposed Acquisition and the Proposed Expansion would **cater for the expected long term growth in the demand for port services in South East Asia**



Rationale for and Benefits of the Proposed Acquisition (*cont'd*)

Potential significant cost savings and enhanced operational efficiency

- The Land is located adjacent to both the Acquired PKNS Land and our Group's existing facilities. The Proposed Expansion on both the Land and the Acquired PKNS Land to **create one of the longest linear ports in the region**
- Our Group expects to **achieve significant cost savings and enhance operational efficiency** as this will enable our Group to share facilities and resources from our existing CTs such as container gates, terminal operating systems and warehouses





Section 4: Effects of the Proposed Acquisition

Effects of the Proposed Acquisition

Share capital	No effect	
Substantial shareholders' shareholdings	No effect	
	FYE 31 Dec 2019 (Audited)	After the Proposed Acquisition
NA attributable to owners of our Company	RM2,560.295 million	RM2,554.004 million*
NA per WHB Share	RM0.75	RM0.75
Gearing	0.55 times	0.63 times
Net gearing	0.28 times	0.46 times
Net profit	RM590.896 million	RM584.605 million*
Earnings per share	17.33 sen	17.15 sen

Effects of the Proposed Acquisition (cont'd)

- * The decrease is attributable to the amortisation of the Purchase Price, estimated annual interest cost on the Additional Bank Borrowings based on an assumed interest rate of 4.2% per annum, and Transaction Costs, over the remaining lease period of 76 years, which was derived as follows:

Purchase Price	RM393.959 million
Estimated annual interest cost on the Additional Borrowings	RM8.400 million
Transaction Costs	RM75.740 million
Total amortisation over the Remaining Lease Period	RM478.099 million
Annual Amortisation	RM6.291 million



Section 5: Approvals Required & Indicative Timeline

Approvals Required & Indicative Timeline

Subject to the fulfilment of all Conditions Precedent including the required approvals being obtained, the Proposed Acquisition is expected to be completed by the fourth quarter of 2020:

The tentative timetable in relation to the Proposed Acquisition is as follows:

Event	Indicative Timeline
Fulfillment of all Conditions Precedents: <ul style="list-style-type: none">i. Your approval at this EGMii. Conversion of the category of land use to “Industrial”iii. Receipt of original issue document of titleiv. Approval of the State authorityv. Ministry of Economic Affairs’ approval or confirmationvi. The signing of a concession agreement with the GOM for the expansion of the CT facilities	By the fourth quarter 2020
Completion of the Proposed Acquisition	

Respond to MSWG

Question 1:

Part of the Proposed Expansion would only be possible after land reclamation has been carried out on the Acquired PKNS Land and part of the Land (the said Land under the Proposed Acquisition) (page 11 of the Circular).

- a) What is the total estimated cost of land reclamation to be carried out on the Acquired PKNS Land and part of the land?
- b) How long will it take to complete the land reclamation and ready for use?

Respond to MSWG

Management's respond:

- a) There are 2 phases of dredging and reclamation works for the expansion. Under the Phase 1, both the PKNS land and the said land will be reclaimed and dredged, to enable the constructions of future phase 1 wharves and yards of CT10 – CT13. The estimated total cost, based on current assessments, for Phase 1 is approximately RM1.6billion (RM1.1bil for reclamation + RM0.6bil for dredging)
- b) Phase 1 is scheduled to be completed in stages between year 2021 – 2027 under the current planning, with the 1st portion expected to be completed by year 2023 to allow the start of construction of CT10.

Thank You

Westports Holdings Berhad
<http://westportsholdings.com/>