THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

WESTPORTS

PROVEN. TRUSTED. FRIENDLY.

WESTPORTS HOLDINGS BERHAD

(Registration No. 199301008024 (262761-A))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PART A

PROPOSED ACQUISITION BY WESTPORTS MALAYSIA SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF WESTPORTS HOLDINGS BERHAD ("WHB"), OF A PARCEL OF LEASEHOLD LAND HELD UNDER PAJAKAN NEGERI (PN) 7374, LOT NO. 72778, MUKIM AND DISTRICT OF KLANG, STATE OF SELANGOR DARUL EHSAN MEASURING ABOUT 146.4 HECTARES (361.762 ACRES) FROM PEMBINAAN REDZAI SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM393,958,900 ("PROPOSED ACQUISITION")

PART B

INDEPENDENT ADVICE LETTER FROM HONG LEONG INVESTMENT BANK BERHAD IN RELATION TO THE PROPOSED ACQUISITION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

CIMB

CIMB Investment Bank Berhad
(Registration No. 197401001266 (18417-M))

Independent Adviser for Part B

HongLeong Investment Bank

Hong Leong Investment Bank Berhad
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

Date and time of the Extraordinary General Meeting ("**EGM**")	:	Tuesday, 5 May 2020 at 3.00 p.m. or immediately following the conclusion of the Twenty-Seventh Annual General Meeting of WHB to be conducted at the same venue at 2.00 p.m. on the same day or at any adjournment thereof, whichever is later
Venue of the EGM	:	3rd Floor, Tower Block, Jalan Pelabuhan Barat, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan, Malaysia
Last date and time for lodging the Form of Proxy	:	Sunday, 3 May 2020 at 3.00 p.m.

This Circular is dated 20 April 2020

For the purpose of this Circular, except where the context otherwise requires, the following words and abbreviations have the following meanings:

Acquired PKNS Land	:	A piece of land below the sea in Pulau Indah held under No. H.S.(D) 71881 PT 73171, Mukim Klang, Daerah Klang, Negeri Selangor measuring about 154.2 hectares (381 acres) acquired from Perbadanan Kemajuan Negeri Selangor on 28 November 2018
Act	:	Companies Act, 2016
Board	:	Board of Directors
Bursa Securities	:	Bursa Malaysia Securities Berhad
CIMB	:	CIMB Investment Bank Berhad
Conditional Period	:	A period of 12 months from the date of the SPA with an automatic extension for a further period of 6 months or such further extended period as may be agreed in writing between WMSB and PRSB, for the fulfilment of the Conditions Precedent
Conditions Precedent	:	The conditions which are to be fulfilled or waived in accordance with the terms of the SPA, as set out in Section 2.8.2 of Part A of this Circular
CT	:	Container terminal
Datuk Ruben	:	Datuk Ruben Emir Gnanalingam bin Abdullah
DGIR	:	Director General of Inland Revenue, Malaysia
Drewry	:	Drewry Maritime Research
EGM	:	Extraordinary general meeting
EPS	:	Earnings per share
FYE	:	Financial year ended
GOM or Government	:	Government of Malaysia
Group	:	Collectively, WHB and our subsidiary
Independent Adviser or HLIB	:	Hong Leong Investment Bank Berhad
Interested Directors	:	Collectively, Tan Sri Datuk Gnanalingam, Datuk Ruben and Chan Chu Wei
Land	:	A parcel of leasehold land held under Pajakan Negeri (PN) 7374, Lot No. 72778, Mukim and District of Klang, State of Selangor Darul Ehsan measuring about 146.4 hectares (361.762 acres)
Land Acquisition Act	:	Land Acquisition Act, 1960
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 March 2020, being the latest practicable date prior to the printing of this Circular

MEA	:	Ministry of Economic Affairs *(formerly known as the Economic Planning Unit within the Prime Minister's Department)*
NA	:	Net assets
PKA	:	Port Klang Authority
PPC International	:	PPC International Sdn Bhd, being the independent valuer appointed by our Company for the valuation of the Land
Proposed Acquisition	:	Proposed acquisition by WMSB of the Land from PRSB for a total cash consideration of RM393,958,900
Proposed Expansion	:	Proposed expansion of our Group's CT facilities by developing an additional 8 berths comprising CT 10 to CT 17
PRSB or Vendor	:	Pembinaan Redzai Sdn Bhd
PRSB Shares	:	Ordinary shares in PRSB
psf	:	Per square foot
Purchase Price	:	Total cash consideration of RM393,958,900 for the Proposed Acquisition
SPA	:	Conditional sale and purchase agreement dated 7 February 2020 entered into between WMSB and PRSB in relation to the Proposed Acquisition
Tan Sri Datuk Gnanalingam	:	Tan Sri Datuk Gnanalingam A/L Gunanath Lingam
TEUs	:	Twenty-foot Equivalent Units
Transfer	:	The memorandum of transfer (in Form 14A) in respect of the Land in favour of the Purchaser
WHB or Company	:	Westports Holdings Berhad
WHB Shares	:	Ordinary shares in our Company
WMSB or Purchaser	:	Westports Malaysia Sdn Bhd, our wholly-owned subsidiary
Valuation Report	:	Valuation report issued by PPC International dated 3 December 2019 in relation to the Land

CURRENCY

RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia

All references to "our Company" in this Circular are to WHB and all references to "our Group" are to our Company and subsidiary collectively. All references to "we", "us", "our" and "ourselves" are to our Company, and where the context requires otherwise, shall include our subsidiary.

All references to "you" and "your" in this Circular are to the shareholders of our Company.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to any enactment in this Circular is a reference to that enactment as amended or re-enacted from time to time.

Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

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PART A

LETTER TO OUR SHAREHOLDERS

PROVEN. TRUSTED. FRIENDLY.

WESTPORTS HOLDINGS BERHAD

(Registration No. 199301008024 (262761-A))
(Incorporated in Malaysia)

Registered office:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

20 April 2020

Board of Directors

Tan Sri Datuk Gnanalingam A/L Gunanath Lingam *(Executive Chairman)*
Datuk Ruben Emir Gnanalingam bin Abdullah *(Group Managing Director)*
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil *(Senior Independent Non-Executive Director)*
Tan Sri Ismail bin Adam *(Independent Non-Executive Director)*
Ip Sing Chi *(Non-Independent Non-Executive Director)*
Ruth Sin Ling Tsim *(Non-Independent Non-Executive Director)*
Dato' Yusli bin Mohamed Yusoff *(Independent Non-Executive Director)*
Chan Soo Chee *(Independent Non-Executive Director)*
Chan Chu Wei *(Non-Independent Non-Executive Director)*
Kim, Young So *(Independent Non-Executive Director)*
Shanthi Kandiah *(Independent Non-Executive Director)*
John Stephen Ashworth *(Alternate Director to Ip Sing Chi)*
Andy Wing Kit Tsoi *(Alternate Director to Ruth Sin Ling Tsim)*

To: Our shareholders

Dear Sir/Madam,

PROPOSED ACQUISITION

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1. INTRODUCTION

On 7 February 2020, we announced through CIMB that WMSB, our wholly-owned subsidiary, had entered into the SPA with PRSB in relation to the Proposed Acquisition.

In view of the interests of our directors and major shareholder in the Proposed Acquisition as disclosed in Section 8 of Part A of this Circular, the Proposed Acquisition is a related party transaction under Paragraph 10.08 of the Listing Requirements. Accordingly, we have appointed HLIB to act as the Independent Adviser for the Proposed Acquisition. The Independent Advice Letter is set out in Part B of this Circular.

The purpose of this Circular is to provide you with the details of the Proposed Acquisition and to seek your approval for the Proposed Acquisition as set out in the resolution to be tabled at our forthcoming EGM. We enclose the Notice of EGM and Form of Proxy in this Circular.

WE ADVISE YOU TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE INDEPENDENT ADVICE LETTER BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Proposed Acquisition

The Proposed Acquisition involves the acquisition by WMSB of the Land from PRSB on an “as is where is” basis, free from all encumbrances, for a total cash consideration of RM393,958,900, subject to the terms and conditions of the SPA.

The Land is located to the south-west of Pulau Indah, Selangor Darul Ehsan. It is situated approximately 34 kilometres and 67 kilometres to the south-west of the Klang town centre and south-west of the Kuala Lumpur city centre respectively.

The present approach to the Land from the Klang town centre is by way of Persiaran Raja Muda Musa, Jalan Sungai Keladi, Lebuh Raja Lumu, Jalan Kem, Lebuhraya Pulau Indah, Persiaran Pulau Lumut, Jalan Star Finder and then onto an unnamed laterite road approximately 2 kilometres to where the Land is located.

The locality also comprises industrial vacant lands of which some are being developed with large factories. Generally, the locality is also known as a regional distribution hub for trade and logistics services. Notable industrial premises located nearby include the premises of SM International Wholesale (China) Sdn Bhd, Dbuaya Warehouse, OAG group of companies, DRB-Hicom Auto Solutions Sdn Bhd, Hextar Chemicals Sdn Bhd and Gold Coin Specialities Sdn Bhd.

A prominent landmark nearby is the Angler’s Resort and Port Klang Free Zone, both of which are situated less than one kilometre to the south and north-east of the Land respectively.

A summary of the details of the Land is set out below:

Postal address	:	Lot No. 72778, off Jalan Star Finder, 42920 Pulau Indah, Selangor Darul Ehsan (situated adjacent to the south-western side of Westports Free Zone)
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)[1]
Tenure	:	99 years leasehold interest with an unexpired term of about 76 years, expiring on 24 March 2096
Registered proprietor	:	PRSB
Category of land use	:	Building
Express condition	:	Residential
Approximate age of building	:	Not applicable[2]
Gross floor area	:	Not applicable[2]
Net lettable area	:	Not applicable[2]

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[(3)]
Restrictions in interest	:	This alienated land shall not be transferred, leased or charged without the consent of the State authority
Encumbrances	:	Nil

Notes:

[(1)] *The management of our Company estimates that about 20% of the Land on the north and south-western boundary is under water. The percentage was arrived at based on the average highest to lowest tide in Port Klang for the day and will be subject to movements depending on the tidal range in Port Klang during a particular day. The management of our Company also estimates that about 34.1 acres of the Land, representing about 9.4% of the total land area is always submerged under water.*

[(2)] *Such information is not applicable as the Land is vacant.*

[(3)] *Subject to the relevant approvals and/or consents being obtained.*

The audited net book value of the Land is RM37,354,299 based on the Vendor's latest audited consolidated financial statements for the FYE 31 December 2018.

2.2 Basis and justification in arriving at the Purchase Price

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

(i) 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;

(ii) 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

(iii) 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.

PPC International had adopted the comparison method of valuation in arriving the market value of the Land, by comparing the Land with comparable properties which had been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market condition, size, shape and terrain of land, tenurial interest and restriction (if any), availability of infrastructure and vacant possession, development potential, zoning, approvals (if any) and other relevant characteristics. The comparison method is the only method of valuation used as the Land is a vacant parcel of residential land with potential for industrial and transportation use without the benefit of any approval or submission for development approval.

Note:

* *PPC International has taken into consideration that about 20% of the Land representing about 3,219,994 square feet, is submerged under water. As such, PPC International has adopted RM21 per square foot in respect of this portion of the Land. For the portion of the Land not under water, i.e. about 80% of the Land representing about 12,538,370 square feet, PPC International has adopted RM26 per square foot.*

2.3 Source of funding

Our Group intends to fund the Purchase Price through internally generated funds and/or bank borrowings.

In view of the proposed use of the Land as described in Section 2.1 of Part A of this Circular, the total development cost for the entire proposed expansion of our CT facilities comprising CT 10 to CT 17, is expected to be at least RM10 billion to be incurred over a period of around 30 years (instead of 25 years as set out in the announcement on 7 February 2020). The development period for the Proposed Expansion was revised after taking into consideration the near-term impact of coronavirus disease (COVID-19), which has resulted in current uncertainties in the global economy. Our Group expects to fund the development cost through internally generated funds, bank borrowings and/or proceeds to be raised from fund-raising exercises.

The breakdown of the source of funding to fund the Purchase Price and the Proposed Expansion will only be determined later and will depend on, among others, our Group's cash reserves and future funding requirements.

Save for the Purchase Price and the development cost for the Proposed Expansion, there are no additional financial commitment required for the Land.

2.4 Assumption of liabilities

Our Group will not be assuming any liabilities, including contingent liabilities and guarantees, pursuant to the Proposed Acquisition.

2.5 Material litigation

As at the LPD, the Vendor is not aware and does not have any knowledge of any material litigation, claims or legal proceedings involving the Land.

2.6 Original date and cost of investment

The original cost of investment by the Vendor in the Land is RM45,600,520 and the date of investment by the Vendor in the Land is 25 July 2002.

2.7 Information on the Vendor

PRSB was incorporated in Malaysia on 10 August 1985 as a private limited company. The principal activity of PRSB is investment holding. As at the LPD, the issued share capital of PRSB is RM50,000,000 comprising 50,000,000 PRSB Shares.

As at the LPD, the directors of PRSB are Tan Sri Datuk Gnanalingam, Datuk Ruben, Chan Chu Wei and Ahmayuddin bin Ahmad. Save for Tan Sri Datuk Gnanalingam's interest as disclosed below, none of the directors of PRSB has direct or indirect interest over any PRSB Shares as the LPD.

As at the LPD, the substantial shareholders of PRSB and their respective shareholdings in PRSB are as follows:

	Direct		Indirect	
	No. of PRSB Shares	**%**	**No. of PRSB Shares**	**%**
Gryss Limited	50,000,000	100.0	-	-
Gryss (L) Foundation	-	-	50,000,000[(1)]	100.0
Tan Sri Datuk Gnanalingam	-	-	50,000,000[(2)]	100.0

Notes:

(1) *Deemed interested in the PRSB Shares held by Gryss Limited pursuant to Section 8(4) of the Act.*

(2) *Deemed interested in the PRSB Shares held by Gryss Limited by virtue of his direct interest in Gryss (L) Foundation as a sole shareholder of Gryss Limited, pursuant to Section 8(4) of the Act.*

2.8 Salient terms of the SPA

The salient terms and conditions of the SPA are set out below.

2.8.1 Purchase Price

The Purchase Price shall be paid by the Purchaser to the Vendor in the following manner:

(i) a sum of RM39,395,890 equivalent to 10% of the Purchase Price being the deposit ("**Deposit**") shall be paid upon the execution of the SPA in the following manner:

(a) the sum of RM11,818,767 which is equivalent to 3% of the Purchase Price ("**Retention Sum**") to be paid to the Purchaser's solicitors as stakeholders. The Purchaser's solicitors are authorised by WMSB and PRSB (collectively referred to "**Parties**") to deal with the Retention Sum in an interest bearing account upon receipt of the same by the Purchaser's solicitors and to pay the Retention Sum to the DGIR within 7 business days from the date of receipt of a copy of the written approval of the State authority pursuant to Section 2.8.2(iii) below. Upon the SPA becoming unconditional and if the Retention Sum has already been remitted to the DGIR, any interest accrued on the Retention Sum prior to the remission of the Retention Sum to the DGIR, shall be released by the Purchaser's solicitors to the Vendor.

(b) the sum of RM27,577,123 which is equivalent to 7% of the Purchase Price ("**Part-Deposit**") to be paid to the Vendor's solicitors as stakeholders. The Vendor's solicitors are authorised by the Parties to (i) place the Part-Deposit in an interest bearing account and (ii) shall release to the Vendor the Part-Deposit together with all the accrued interest within 5 business days from the date of which the last Condition Precedent is fulfilled or waived in accordance with the SPA.

(ii) the sum of RM354,563,010 equivalent to 90% of the Purchase Price being the balance of the Purchase Price ("**Balance Sum**") shall be paid to the Vendor's solicitors as stakeholders within 3 months from the date the last of the Conditions Precedent shall have been fulfilled or, as the case may be, waived by the Purchaser to the extent permitted by law (in which event the Condition Precedent that is so waived shall be deemed fulfilled) ("**Completion Period**").

The Vendor's solicitors are authorised by the Parties to release to the Vendor the Balance Sum together with the interest, if any, upon expiry of 14 days from the date of presentation of the Transfer for registration at the relevant land registry or 21 days from the date of receipt of the original issue document of title to the Land by the Purchaser's solicitors or the financier's solicitors, as the case may be, whichever is the earlier and provided always that vacant possession of the Land has been delivered by the Vendor to the Purchaser.

In the event that the Purchaser fails to pay the Balance Sum within the Completion Period, the Vendor shall grant to the Purchaser an automatic extension of 1 month from the expiry of the Completion Period to pay the Balance Sum or any outstanding of the Balance Sum subject to the Purchaser paying to the Vendor interest on such part of the Balance Sum as remains unpaid at the rate of 8% calculated from the day immediately after the expiry of the Completion Period to the date of payment of such part of the Balance Sum as remains unpaid, based on a 365-day year on the actual number of days elapsed and shall accrue from day-to-day.

In the event the difference between the area of the Land in the issue document of title to the Land as at the date of the SPA and the area stated in the final title to the Land issued subsequent to the Conversion Approval (as defined in Section 2.8.2(i) below) is more than 2%, the Purchase Price shall be adjusted at the rate of RM25 per square foot. Any payment resulting from the adjustment and required to be paid by the Vendor or the Purchaser, as the case may be, shall be so paid within 5 business days from the date of receipt of a copy of the final title. This clause shall survive after the completion of the Proposed Acquisition.

2.8.2 Conditions Precedent

The SPA is conditional upon fulfilment of the following Conditions Precedent during the Conditional Period:

(i) the receipt by the Vendor of the approval of the relevant authorities for the following:

(a) conversion of the category of land use of the Land from "*Bangunan* (Building)" to "*Industri* (Industrial)"; and

(b) deletion of the express condition "*Perumahan* (Housing)";

(collectively, "**Conversion Approval**"). In respect of this Condition Precedent, the Vendor agrees to grant a power of attorney to the Purchaser to, among others, prepare and submit the application for the Conversion Approval and deal with the relevant authorities for all matters relating to the Conversion Approval. All costs relating to the Conversion Approval shall be borne by the Purchaser including the premium payable for the conversion of category of land use;

(ii) the receipt by the Vendor of the original issue document of title in respect of the Land issued subsequent to the Conversion Approval for industrial use and without any express conditions, and free from all encumbrances;

(iii) the receipt by the Vendor of the written approval of the State authority for the sale and transfer of the Land to the Purchaser pursuant to the restriction in interest;

(iv) the receipt by the Purchaser of:

(a) the written approval of the MEA for the purchase of the Land on terms acceptable to the Purchaser; or

(b) the written confirmation of the MEA that MEA's approval is not required for the purchase of the Land,

as the case may be (collectively "**MEA's Approval/Confirmation**");

(v) the signing of the concession agreement by the Purchaser and the GOM for the expansion of CT facilities; and

(vi) the approval of our shareholders, in an EGM to be convened.

In the event that any of the Conditions Precedent is not fulfilled by the expiry of the Conditional Period and such non-fulfilment is not due to the default, fault, omission, neglect or wilful act of the party responsible for the fulfilment of the Conditions Precedent and unless such Conditions Precedent is/are waived by the Purchaser, to the extent permitted by law, the SPA shall lapse and terminate immediately after which the Vendor shall refund or cause to be refunded to the Purchaser all monies paid by the Purchaser to the Vendor including the Deposit pursuant to the SPA together with the accrued interest earned.

2.8.3 Termination by the Vendor

In the event that:

(i) the Purchaser fails to pay the Balance Sum or any part of the Balance Sum within the time stipulated for payment in the SPA; or

(ii) the Transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Purchaser and such failure or breach or reason for non-acceptance or rejection or non-registration is not remedied by the Purchaser within 14 days after the Vendor shall have given written notice to the Purchaser to remedy the same,

the Vendor shall be entitled to terminate the SPA and forfeit a sum equivalent to 10% of the Purchase Price by notice in writing to the Purchaser. The Vendor shall be the party to claim the refund of the Retention Sum from the DGIR, upon the termination of the SPA. In the event the SPA is terminated by the reasons stated in:

(1) Section 2.8.3(i) above, the Retention Sum which forms part of the Deposit that is equivalent to the 10% of the Purchase Price, will be forfeited to the Vendor; or

(2) Section 2.8.3(ii) above, all monies paid by the Purchaser including the Retention Sum (after deducting the sum equivalent to 10% of the Purchase Price) will be refunded to the Purchaser and/or the licensed bank or financial institution which the Purchaser may have obtained a loan or credit facility to complete the purchase of the Land ("**Financier**") within 3 business days. Upon receipt by the Purchaser of the said refund of monies, the Purchaser shall forthwith:

 (a) redeliver possession of the Land to the Vendor (in the event that possession has been delivered to the Purchaser) on such state and condition then is. For the avoidance of doubt, the Parties agree that the Purchaser is not required to reinstate the Land to the condition it was in when vacant possession of the same was delivered to the Purchaser;

 (b) withdraw the caveat lodged by the Purchaser; and

 (c) redeliver or cause to be redelivered to the Vendor the original title (in the event that the same shall have been delivered to the Purchaser, the Purchaser's solicitors, the Financier and/or the Financier's solicitors) with the Vendor's title to and interest in the Land remaining intact.

Thereafter, neither Parties shall have any claims whatsoever against the other under the SPA save and except for antecedent breaches under the SPA and the Vendor shall be entitled to dispose of the Land in such manner as the Vendor may in the Vendor's absolute discretion deem fit without further reference to the Purchaser. The Vendor shall further be entitled to claim from the Purchaser all costs and expense (including legal fees on a solicitor-client basis) incurred by the Vendor in enforcing the terms and conditions of the SPA.

2.8.4 Termination by the Purchaser

In the event that:

(i) the Vendor fails to complete the sale and purchase hereunder in accordance with the terms and conditions of the SPA or in breach of any of its covenants, representations, warranties, undertakings and/or obligations under the SPA; or

(ii) the Transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Vendor and such failure or breach or reason for non-acceptance or rejection or non-registration is not remedied by the Vendor within 14 days after the Purchaser shall have given written notice to the Vendor to remedy the same,

the Purchaser shall be entitled to either of the following:

(a) to pursue an action for specific performance of the SPA together with all other reliefs flowing from the SPA; or

(b) to terminate the SPA by notice in writing to the Vendor after which the Vendor shall refund or cause to be refunded to the Purchaser and/or the Financier all monies paid by the Purchaser and/or the Financier towards the account of the Purchase Price under the SPA including the Deposit and further pay to the Purchaser a sum equivalent to 10% of the Purchase Price as agreed liquidated damages, and upon the receipt by the Purchaser of the said refund of monies and the payment of the liquidated damages from the Vendor, the Purchaser shall forthwith:

(aa) redeliver possession of the Land to the Vendor (in the event that possession has been delivered to the Purchaser) on such state and condition then is. For the avoidance of doubt, the Parties agree that the Purchaser is not required to reinstate the Land to the condition it was in when vacant possession of the same was delivered to the Purchaser;

(bb) withdraw the caveat lodged by the Purchaser; and

(cc) redeliver to the Vendor the original title (in the event that the same shall have been delivered to the Purchaser, the Purchaser's solicitors, the Financier and/or the Financier's solicitors) with the Vendor's title to and interest in the Land remaining intact.

Thereafter, neither Parties shall then have any claims whatsoever against the other under the SPA save and except for antecedent breaches under the SPA and the Vendor shall be entitled to dispose of the Land in such manner as the Vendor may in the Vendor's absolute discretion deem fit without further reference to the Purchaser. The Purchaser shall be entitled to claim from the Vendor all costs and expenses (including legal fees on a solicitor-client basis) incurred by the Purchaser in enforcing the terms and conditions of the SPA.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

Our Group handled 10.86 million TEUs of containers in 2019. The increased throughput of 14% over the previous corresponding period was contributed by transhipment containers, which improved to 7.23 million TEUs, while gateway containers expanded to 3.63 million TEUs.

Our Group, being one of the main transhipment hubs in South East Asia for international container shipping companies, has played a part in transforming Port Klang into the 12th busiest port globally in the year 2018 and 9th best-connected container port in the world as of third quarter of the year 2019. According to the Statistics of Maritime Transport for the fourth quarter of 2019 published by the Ministry of Transport, Port Klang, being the port in which our Group operates at, is the port with the highest total container throughputs with about 13.58 million TEUs in Malaysia for the year 2019.

Our Group's current CT facilities, comprising CT 1 to CT 9, was operating at a utilisation rate of approximately 72% of its total terminal handling capacity as at the LPD. We expect our current CT facilities to reach near full utilisation within the next few years. 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.

We will be investing in the deployment of additional terminal handling equipment at CT 9, which will consist of 12 rubber tyre gantry cranes to stack inbound and outbound containers ("**Additional RTGs**") and 5 quay cranes to load/discharge containers on to/from the vessels ("**Additional QCs**"), at our port. Our Group expects to incur about RM60.5 million and about RM180 million for the acquisitions of the Additional RTGs and Additional QCs respectively. We intend to fund the said acquisitions through internally generated funds and/or bank borrowings. The breakdown of the source of funding will only be determined later and will depend on, among others, our Group's cash reserves and future funding requirements. It is the intention of our Group to have the Additional RTGs to be fully operational by the first quarter of 2021 whilst the decision on the timing of the acquisition of the Additional QCs will be made at a later date.

Beyond CT 9, our Group is also planning for the Proposed Expansion, to support the expected long-term growth in the coming decades. The PKA had, through its letter dated 8 January 2020, informed WMSB that it is satisfied with the feasibility studies report submitted by WMSB in relation to the Proposed Expansion. The PKA had requested WMSB to proceed with a detailed environmental impact assessment ("**DEIA**"), where the report must be submitted to the PKA before its consideration for the final approval for the Proposed Expansion.

Subject to the fulfilment of all Conditions Precedent and the approval of the Department of Environment of Malaysia ("**DOE**") of the DEIA report, which we anticipate will complete and be submitted to the DOE in the second quarter of 2020, the Proposed Expansion is further subject to the following being obtained:

(i) the approvals required pursuant to the National Development Planning Framework as follows:

    (a) the National Physical Planning Council;

(b) the State Planning Committee; and

(c) the PKA for the planning consent; and

(ii) the approval of the Klang Municipal Council for the development order and building plan in relation to the Proposed Expansion.

The formal applications in relation to the above are expected to be made after DOE's approval for the DEIA report has been obtained.

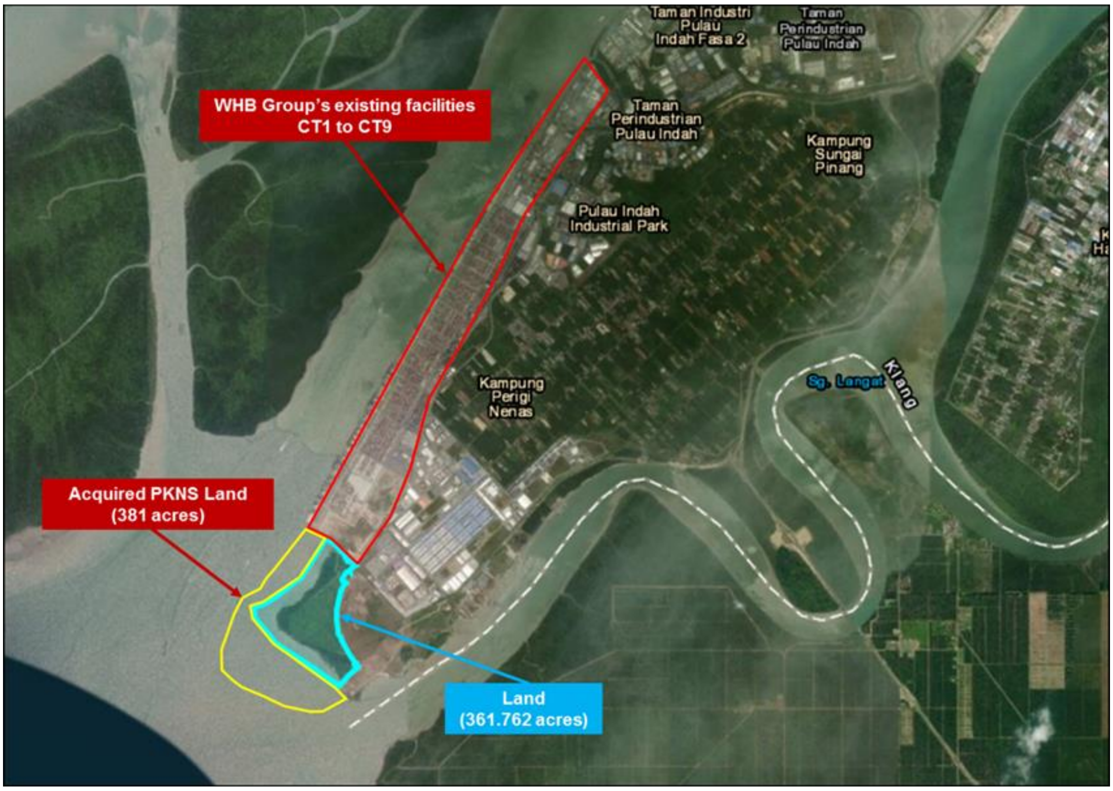
Subject to the above being obtained, the land reclamation is expected to commence in the fourth quarter of 2020 with the development of the additional CTs under the Proposed Expansion expected to commence in 2022. The development is envisaged to be undertaken over a period of around 30 years with completion expected by end of 2050. The total development cost for the entire Proposed Expansion is expected to be at least RM10 billion to be incurred over the said period. As part of the Proposed Expansion, we expect to invest in new terminal handling equipment required for the commissioning of CT 10 to CT 17. We expect to spend about RM3 billion on these new equipment. In addition, we expect to further incur about RM0.3 billion over a period of around 30 years to refurbish and replace the terminal handling equipment as and when necessary. We intend to fund the said investments through internally generated funds and/or bank borrowings. The breakdown of the source of funding will only be determined later and will depend on, among others, our Group's cash reserves and future funding requirements.

With the strategic plan of developing CT 10 to CT 17, WMSB has applied and received an approval-in-principle from the GOM vide a letter dated 23 August 2017 in relation to the proposed expansion of our CT facilities. The approval-in-principle from the GOM is subject the following conditions:

No.	Conditions imposed	Status of compliance
1.	WMSB will build and operate the additional CTs based on a concession period which will be negotiated later;	We are in the midst of negotiating the terms and conditions with the PKA.
2.	WMSB is to bear all development costs for the Proposed Expansion;	We are in the midst of negotiating the terms and conditions with the PKA.
3.	WMSB is to bear all costs and fees for the take-over of land required for the Proposed Expansion;	To be complied.
4.	The GOM will not bear any cost or spending incurred by WMSB arising from whatsoever actions taken by WMSB following the GOM's agreement; and	We are in the midst of negotiating the terms and conditions with the PKA.
5.	The GOM also reserves the right to discontinue or delay the implementation of the Proposed Expansion or amend the scope and project cost. The GOM is not liable to bear any cost or expenses incurred by WMSB if the Proposed Expansion is discontinued, delayed or the implementation of the Proposed Expansion is amended or delayed due to the GOM. WMSB will not be able to make any compensation claims from the GOM.	We are in the midst of negotiating the terms and conditions with the PKA.

As at the LPD, WMSB and the GOM are in the midst of negotiating the terms and conditions of the Proposed Expansion which include, among others, the lease payments to the PKA and concession period. The existing lease payments to the PKA are for the lease of the existing land and infrastructure from the PKA to operate our port ("**Lease**"). On 26 June 2014, the concession period was extended from 1 September 2024 to 31 August 2054. The tenure of the Lease is from 1 September 1994 to 31 August 2024. We have initiated negotiations with the PKA for an extension to the tenure of the Lease to 31 August 2054 to be in line with the expiry date of the concession.

In addition, on 28 November 2018, WMSB had completed the acquisition of the Acquired PKNS Land from Perbadanan Kemajuan Negeri Selangor to facilitate part of the Proposed Expansion as the CT facilities expansion design requires additional land acreage to accommodate new wharf and container yard space. However, part of this Proposed Expansion would only be possible after land reclamation has been carried out on the Acquired PKNS Land and part of the Land.



As observed from the map above, the Land is located adjacent to both the Acquired PKNS Land and our Group's existing facilities. Our Group plans to develop additional CT facilities on both the Land and the Acquired PKNS Land to create one of the longest linear ports in the region. Based on the current proposed design drawn up by our independent consultant and subject to the approval of Klang Municipal Council for the development order and building plan in relation to the Proposed Expansion being obtained, we expect the Land to be able to accommodate about 50% of container yard space for CT 10, about 75% of container yard space for CT 11 and CT 12, and about 300 metres of wharf for CT 12. The Land and the Acquired PKNS Land will enable our Group to fully develop CT 10 to CT 13, and part of CT 14. In order for our Group to complete the entire CT 14 and to undertake the development of CT 15 to CT17, our Group would have to acquire and/or lease additional land acreage below sea from the GOM and carry out land reclamation on such land in the future.

Our Group is expected to achieve significant cost savings and enhance operational efficiency by undertaking the Proposed Expansion on both the Land and the Acquired PKNS Land, instead of constructing new CTs at a different location as this will enable our Group to share facilities and resources from our existing CTs such as container gates, terminal operating systems and warehouses.

The Proposed Acquisition and the Proposed Expansion would also cater for the expected long-term growth in the demand for port services as it is expected to increase our Group's total handling capacity to 28 million TEUs per annum upon its completion. As at the LPD, our Group's total handling capacity stood at 14 million TEUs per annum. With the deployment of the Additional RTGs and Additional QCs, we expect our total handling capacity to increase to 15 million TEUs per annum.

4. RISK FACTORS

The risks associated with the Proposed Acquisition, the Land and the industry in which we operate in, which are not exhaustive, are as follows:

4.1 Non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is conditional upon all the Conditions Precedent as set out in Section 2.8.2 of Part A of this Circular being fulfilled and/or waived (as the case may be) during the Conditional Period.

In the event that any of the Conditions Precedent is not fulfilled, waived and/or extension of time is not agreed upon between WMSB and PRSB, the Proposed Acquisition will not be completed and the benefits expected to be realised from the Proposed Acquisition as discussed in Section 3 of Part A of this Circular will not materialise.

However, we will take proactive and reasonable steps to ensure the fulfilment of the Conditions Precedent, which are within our control to facilitate the completion of the Proposed Acquisition.

4.2 Funding and construction risks for the development of the Land

Subsequent to the Proposed Acquisition, our Group intends to undertake the Proposed Expansion which will be capital-intensive. This may require our Group to procure additional funding, whether through internally generated funds, bank borrowings and/or proceeds to be raised from fund-raising exercises from the financial markets. There can be no assurance that our Group will be able to generate sufficient funds internally or execute fund-raising exercises successfully. Additionally, there can be no assurance that the necessary borrowings will be available in amounts or on terms acceptable to our Group.

If our Group is unable to obtain sufficient funds or is restricted from incurring capital expenditure for the Proposed Expansion, we may not be able to fully complete the Proposed Expansion or if at all, on a timely basis. This may have a material adverse effect on our Group's financial condition, results of operations and growth prospects.

Our Group will seek to mitigate such risks through prudent cash flow management, active engagement with external stakeholders and the financial community to ensure that our financing requirements are in alignment with the financial market's expectations and investment horizons.

In addition, in the course of undertaking the Proposed Expansion, our Group is subject to a number of construction and other risks beyond our control, which include:

(i) shortages of materials, equipment and labour or escalation in construction cost;

(ii) adverse weather conditions and natural disasters;

(iii) labour disputes;

(iv) failure to complete construction according to specifications;

(v) inability to obtain project development permission or requisition governmental licences, permits or approvals; and

(vi) withdrawal or revocation of approval-in-principle from the GOM or unfavourable terms and conditions imposed by GOM in relation to the Proposed Expansion.

Delays in construction which may result in our Group being unable to complete the Proposed Expansion on schedule or within the estimated budget, may adversely affect the revenue and internal rates of return expected to be derived from Proposed Expansion.

Our Group will seek to mitigate construction risks by conducting an open tender process with the participation from both reputable local and foreign construction companies, which possess proven track record. This is to ensure cost-competitiveness, mitigation of risk of delays in construction and that we are able to procure an optimum suite of construction services.

In mitigating the other risks, we will take proactive steps in our negotiations with the GOM to ensure that the terms and conditions are reasonable such that the Proposed Expansion will be sustainable for our Group.

4.3 Compulsory acquisition of the Land

Pursuant to the Land Acquisition Act, the relevant state authority has the power to compulsorily acquire any land within the jurisdiction of such relevant state authority in accordance with the Land Acquisition Act. In the event of any compulsory acquisition of the Land or part of it, the amount of compensation to be awarded shall be computed on the basis prescribed in the First Schedule of the Land Acquisition Act. The compensation amount may be less than the Purchase Price. Under such circumstances, our Group may seek to minimise any potential losses from such compulsory acquisition by invoking the relevant provisions in relation to its rights to submit an objection in respect of the compensation under the Land Acquisition Act.

4.4 Competition risk from other regional port operators

Our Group faces significant competition from other port operators operating in the same region in terms of trade volume and throughput. Some of our Group's competitors have greater capacity, larger facilities and other capabilities, which may contribute towards fulfilling certain demands for those customers. There can be no assurance that we will be able to compete successfully in the future against our existing and potential competitors.

Nevertheless, we are able to capitalise on our proven track record and extensive experience, operational productivity and cost-effectiveness and are expected to be able to address these concerns to service our clients and grow accordingly.

4.5 Dependency on a small number of customers

A significant majority of our revenue is dependent on a small number of customers that are both regional and global shipping companies. There can be no assurance that if we were to lose all, or a significant portion of business from one or more of these major customers, we would be able to sufficiently replace any such lost revenue. We may also not be able to obtain businesses from other customers on commercially acceptable terms.

In the past, a sizeable percentage of our container volume was derived from a small number of customers and given the observed consolidation within the shipping industry, we expect that a significant portion of our revenue will continue to be attributable to a small number of customers in the foreseeable future. If any of these customers reduce their business with us, it may result in lower capacity utilisation of our resources, which could adversely affect our results of operations and profitability.

Our Group mitigates the above risk by continuously seeking new customers and capturing new business markets to diversify our customer base. We also ensure that we maintain customer satisfaction through regular engagement with and feedback from our customers on our operational performance and service levels.

In addition, our port is located in Port Klang, which has a captive market for the central region in Peninsular Malaysia and the surrounding areas, where it handled about 5.03 million TEUs of local cargoes in 2019 according to the Statistics of Maritime Transport for the fourth quarter of 2019 published by the Ministry of Transport. This volume has been on an increasing trend since 2009 and is expected to move in tandem with the Malaysian economy.

4.6 Tariff revisions and concession period

The tariffs we charge our customers are regulated by the PKA with a published list of maximum tariffs that can be charged. The PKA is a regulatory body established to facilitate and regulate Port Klang with regards to policy-making and investment planning and in cooperation with the GOM with sets maximum tariffs, is responsible for regulating the maximum tariff rates we may charge to our customers and prohibiting any changes in those tariffs.

The frequency and quantum of container tariff revision by the GOM are expected to have an impact on our projected revenue and internal rates of return expected from the Proposed Expansion. If we are unable to raise tariffs to cover increased expenses or to respond to changes in market conditions, our business, financial condition and results of operations may be adversely affected.

In addition, our business is also dependent on the other terms and conditions to be negotiated with the GOM in relation to the Proposed Expansion including but not limited to the right to develop and operate additional CT facilities and the concession period. The duration of the concession period for the operation of additional CT facilities under the Proposed Expansion may materially affect the projected amount and stream of future revenue that is expected to be generated from the Proposed Expansion.

As at the LPD, WMSB and the GOM are in the midst of negotiating the terms and conditions of the Proposed Expansion which include, among others, the lease payments to the PKA and concession period.

However, we will take proactive steps in our negotiations with the GOM to ensure that the terms and conditions are reasonable such that the Proposed Expansion will be sustainable for our Group.

4.7 Economic, financial and political uncertainties

Our Group’s results of operations are affected by the volume of our business, which in turn depends on worldwide trade volumes, and import and export trade volumes in the South East Asia region. These trade volumes and import and export trade volumes are significantly affected by changes in economic, financial and political conditions and the occurrence of unforeseen disruptive events regionally or globally that are beyond our Group’s control. These uncertainties include sanctions, trade disputes, acts of war, natural disasters and outbreak of infectious diseases such as the COVID-19.

For example, the spread of the COVID-19 has resulted in uncertainties in the global economy. The decline in economic conditions may cause a reduction in global trades, thus adversely impacting global shipments and resulting in a decrease in the utilisation level of the port facilities. As at the LPD, our Group has not experienced any material adverse operational and financial impact as a result of the COVID-19. However, if the COVID-19 outbreak continues over a prolonged period, it may materially affect our Group's anticipated growth in demand of the port terminal utilisation, which in turn could adversely affect our results of operations and profitability.

Our Group seeks to mitigate the above risks including the risk posed by the COVID-19 by adopting a proactive approach in keeping abreast of economic, financial and political developments regionally and globally, and monitoring the COVID-19 situation closely in order for us to take immediate appropriate measures in a timely manner. Such measures may include reviewing costs and expenses, active engagement with our customers and putting in place preventive and precautionary health and safety measures to ensure the well-being of our customers, employees and communities.

5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

5.1 Overview and outlook of the Malaysian and global economy

The global economy and global trade expanded by 2.9% and 1.0%, respectively in 2019 (2018: 3.6% and 3.7%, respectively), amid protracted and unresolved trade tensions which exacerbated the cyclical downturn in global manufacturing and investment activities. Heightened risk aversion in financial markets led to sustained demand for safe haven assets, exchange rate volatility as well as capital flow reversals from emerging market economies (EMEs). Amid this challenging global economic environment and domestic supply disruptions, the Malaysian economy expanded by 4.3% in 2019, supported by resilient private sector spending. Headline consumer price index inflation was lower at 0.7% (2018: 1.0%), while underlying inflation remained relatively stable (2019: 1.5%; 2018: 1.6%).

In 2019, domestic demand remained the key driver of growth in the Malaysian economy, mainly supported by an expansion in private sector spending amid weaker public sector expenditure. On the external front, net exports lent some support to growth, despite a decline in real exports and imports against a backdrop of subdued global trade performance.

Private consumption continued to record a strong growth of 7.6% in 2019, which was well above its long-term average (2011-2018: 7.0%). This was driven by supportive labour market conditions and selected Government measures amid a modest inflation environment. Households also continued to sustain spending, particularly on necessities.

Gross fixed capital formation (GFCF) registered a contraction of 2.1% in 2019, reflecting slower capital spending by the private sector and a decline in public investment. By type of asset, lower capital spending in both structures (2019: -0.6%; 2018: 1.9%) and machinery and equipment (2019: -5.4%; 2018: 0.7%) weighed on the overall growth performance.

Private investment expanded at a slower pace of 1.5%. The heightened uncertainty surrounding global trade tensions affected business sentiments of both domestic and export-oriented firms. Similarly, domestic policy uncertainty arising from the review of infrastructure projects also dampened overall sentiments. The continued weakness in the domestic residential and non-residential property market had also contributed towards the modest investment performance.

However, investment was supported by the implementation of new and ongoing projects in both the manufacturing and services sectors. In particular, capacity expansions in the manufacturing sector were evident in the resource-based and electrical and electronic industries, while in the services sector, investments benefitted from sustained capital spending in the transport and healthcare services subsectors. Investment intentions also remained positive as reflected by the encouraging investment approvals during the year.

Public investment declined by 10.8%, due mainly to the completion of large-scale projects by public corporations. The continued rationalisation efforts by the Government, as reflected by the ongoing review of several large-scale infrastructure projects had also contributed to lower spending by public corporations. Nevertheless, capital expenditure remained supported by Federal Government spending, particularly in the education and housing sectors.

Public consumption expanded at a moderate pace of 2.0%, as continued growth in emoluments was weighed down by lower Government spending on supplies and services. This is in line with the Government's commitment to optimise expenditure without affecting the delivery of public services.

The global economy is projected to register negative growth in 2020, due mainly to the significant economic repercussions arising from the unprecedented coronavirus disease (COVID-19) pandemic. The International Monetary Fund is expecting the global economy to undergo a recession in 2020 that is at least as bad as the global financial crisis, with a projected recovery in 2021. Growth prospects for advanced countries and EMEs will be weak, with advanced economies in particular expected to experience a contraction in growth.

Measures implemented to contain the rapid spread of COVID-19, including broad-based travel restrictions, enforced business closures and restrictions on social activities, will suppress private sector activity globally. Nonetheless, the unprecedented nature and scale of fiscal and monetary policy intervention across economies is expected to cushion the economic disruptions caused by COVID-19. These measures will support a gradual normalisation in economic activities upon the successful containment of the pandemic.

Risks to global growth are tilted to the downside, mainly reflecting the significant uncertainties surrounding the COVID-19 pandemic. The extent of the economic impact arising from this pandemic would be contingent on the severity and duration of the outbreak in various economies and the corresponding measures undertaken to contain this global health crisis. The weakness in the real economy could be further weighed down by a prolonged tightening of global financial conditions.

Against this highly challenging global economic outlook, Malaysia's gross domestic product growth is projected to be between -2.0 to 0.5% in 2020 (2019: 4.3%). The domestic economy will be impacted by the necessary global and domestic actions taken to contain the outbreak.

(Source: Bank Negara Malaysia Economic and Monetary Review 2019)

5.2 Industry outlook and prospects

The shift in manufacturing capacity from China to South East Asia has been taking place for several years as rising labour and factory development costs, plus rising supply chain expenses, have sapped China of some of its manufacturing competitiveness. The trade conflict between the United States and China accelerated this process in 2019.

Drewry expects the trend to continue, with Vietnam, Indonesia and Cambodia and their ports expected to reap the most significant benefits. The shifts are also resulting in strong growth in various corridors of the intra-Asia trade as raw, semi- and finished products are moved to/from this region and China, before being exported to the rest of the world.

South East Asia ports are also expected to handle more transhipment traffic, particularly with South Asia. While India and Bangladesh are building new and deeper-draught ports, many ocean carriers still use established hubs, such as Port Klang, Port of Tanjung Pelepas and Singapore, to move cargo originating from/ destined for these areas. Primarily, this is because efficiency levels and productivity rates in the ports are high and feeder costs are extremely competitive.

While South East Asia has not escaped the coronavirus, its effect has not been as severe as in other parts of Asia and container-handling activity has remained robust. Some ports have also benefitted from shipping lines diverting their services away from China and dropping off cargo because of congestion in that country's ports.

In February 2020, for instance, the number of containers handled at the port of Singapore rose 5.8% and its throughput for the first 2 months of 2020 was up 6% on the corresponding period of 2019. Drewry thinks that South East Asia port container volumes in the first quarter of 2020 will decline by a little over 1% and that growth, albeit a marginal 0.3%, will be maintained for the full year. It will be the only part of the Asia region to register a positive performance this year.

Much higher rates of growth are then projected over the 2021 to 2024 period, with ports in South East Asia seeing their share of Far East container-handling activity increase from 26.3% in 2019 to 26.9% in 2024.

Drewry has forecasted container activity to decrease from around 801 million TEUs in 2019 to about 797 million TEUs in 2020 and thereafter, to increase to about 921 million TEUs in 2024. Drewry believes that global container-handling activity will decline by 0.5% in 2020 and recover strongly in 2021 (+4.8%). It will then register annual rises of 3% to 3.5% up to 2025. For Asia which constitutes Greater China, South East Asia and North Asia alone, the volume is expected to decrease from about 435 million TEUs in 2019 to about 433 million TEUs in 2020 and thereafter, to increase to about 504 million TEUs in 2024. This still constitutes of around 54% to 55% of global port handling volume during the said period.

(Source: Container shipping overview report dated 30 March 2020 prepared by Drewry)

5.3 Prospects of our Group and the Land

Our Group's current CT facilities comprising CT 1 to CT 9 was operating at a utilisation rate of approximately 72% of its total terminal handling capacity as at the LPD. We expect our current CT facilities to reach near full utilisation within the next few years.

Taking into consideration the rationale set out above, the Proposed Acquisition would allow our Group to develop additional CT facilities as part of the Proposed Expansion to increase our total handling capacity and cater for the expected long-term growth in the demand for port services. This is also expected to contribute positively to our Group's future earnings and in turn, improve our shareholders' value in the long-term.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on our issued share capital and substantial shareholders' shareholdings as it does not involve any issuance of new WHB Shares.

6.2 NA, NA per share and gearing

For illustrative purposes, the pro forma effects of the Proposed Acquisition on the NA, NA per share and gearing of our Group assuming that the Proposed Acquisition had been completed on 31 December 2019, are as follows:

	Audited as at 31 December 2019	**After the Proposed Acquisition**
	RM'000	
Share capital	1,038,000	1,038,000
Reserves	1,522,295	1,516,004[(1)]
Shareholders' funds / NA attributable to owners of our Company	**2,560,295**	**2,554,004**
No. of WHB Shares in issue ('000)	3,410,000	3,410,000
NA per WHB Share (RM)	0.75	0.75
Total borrowings (RM'000)	1,400,000	1,600,000[(2)]
Cash and short-term investments (RM'000)	695,695	417,596[(3)]
Gearing[(4)] (times)	0.55	0.63
Net gearing[(5)] (times)	0.28	0.46

Notes:

(1) *Comprising the amortisation of the Purchase Price, estimated annual interest cost on the Additional Bank Borrowings (as defined below) based on an assumed interest rate of 4.2% per annum, and Transaction Costs (as defined below), over the remaining lease period of 76 years ("**Remaining Lease Period**"), which was derived as follows:*

	RM'000
Purchase Price	*393,959*
Estimated annual interest cost on the Additional Bank Borrowings	*8,400*
Transaction Costs	*75,740**
Total amortisation over the Remaining Lease Period	***478,099***
Amortisation per annum ("Annual Amortisation")	***6,291***

* *After deducting estimated transaction costs in relation to the Proposed Acquisition ("**Transaction Costs**") comprising the following:*

	RM'000
Stamp duty for the transfer of the Land and fees payable for the Conversion Approval	*75,000*
Professional fees and fees payable to the relevant authorities	*720*
Other fees such as printing, advertising and cost of convening the EGM	*20*
Total	***75,740***

(2) *The Purchase Price is expected to be funded through internally generated funds and/or borrowings, the breakdown of which will only be determined later. For illustrative purposes, it is assumed that an additional bank borrowings of RM200 million ("**Additional Bank Borrowings**") will be taken up by our Group to partly fund the Proposed Acquisition.*

(3) *After incorporating the remaining Purchase Price to be funded through internally generated funds, estimated annual interest cost on the Additional Bank Borrowings and Transaction Costs.*

(4) *Computed as total borrowings divided by shareholders' funds / NA attributable to owners of our Company.*

Notes (cont'd):

(5) *Computed as total borrowings minus cash and short-term investments divided by shareholders' funds / NA attributable to owners of our Company.*

6.3 Earnings and EPS

For illustrative purposes only, based on the audited financial statements of our Group for the FYE 31 December 2019 and assuming that the Proposed Acquisition was completed at the beginning of that financial year, the pro forma consolidated earnings and EPS would have been as follows:

	Pro forma consolidated earnings	**Pro forma consolidated EPS(1)**
	RM'000	**Sen**
Audited net profit for the FYE 31 December 2019	590,896	17.33
Less: Annual Amortisation	(6,291)	(0.18)
Pro forma net profit and EPS for the FYE 31 December 2019	**584,605**	**17.15**

Note:

(1) *Computed based on 3,410,000,000 WHB Shares in issue.*

Our Board believes that the Proposed Acquisition will contribute positively to our Group's future earnings and EPS in the long-term once the additional CT facilities pursuant to the Proposed Expansion are fully operational.

6.4 Convertible securities

As at the LPD, our Company does not have any convertible securities.

7. APPROVALS REQUIRED

The Proposed Acquisition is subject to the following being obtained:

(i) the Conversion Approval;

(ii) the approval of the State authority for the sale and transfer of the Land to WMSB;

(iii) the approval or confirmation of the MEA for the Proposed Acquisition;

(iv) the approval of our shareholders for the Proposed Acquisition at our forthcoming EGM.

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is 15.39% based on the latest audited consolidated financial statements of our Company for the FYE 31 December 2019; and

(v) the approvals, consents or waivers (as the case may be) of any other relevant agencies, authorities and/or parties, if required.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

Save as disclosed below, none of our directors and/or major shareholders as well as persons connected with them has any interests, direct or indirect, in the Proposed Acquisition.

(i) PRSB is the Vendor and is also our major shareholder having a direct interest of 42.42% in our Company as at the LPD.

(ii) Tan Sri Datuk Gnanalingam is our Executive Chairman and major shareholder. He is also a director of PRSB and is deemed interested in the PRSB Shares held by Gryss Limited by virtue of his direct interest in Gryss (L) Foundation as a sole shareholder of Gryss Limited, pursuant to Section 8(4) of the Act, as at the LPD.

(iii) Datuk Ruben is our Group Managing Director and the son of Tan Sri Datuk Gnanalingam. He is also a director of PRSB as at the LPD.

(iv) Chan Chu Wei is our Non-Independent Non-Executive Director. She is also a director of PRSB as at the LPD.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting on the resolution pertaining to the Proposed Acquisition at the relevant Board meetings of our Company. Our Interested Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at our forthcoming EGM.

As PRSB is the Vendor and also our major shareholder, it is deemed interested in the Proposed Acquisition. PRSB will abstain from voting in respect of its direct and/or indirect shareholding in our Company on the resolution pertaining to the Proposed Acquisition to be tabled at our forthcoming EGM.

Further, our Interested Directors and PRSB have also undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at our forthcoming EGM.

The shareholdings of PRSB and our Interested Directors in our Company as at the LPD are as follows:

	Direct		Indirect	
	No. of WHB Shares	**%**	**No. of WHB Shares**	**%**
PRSB	1,446,461,500	42.42	-	-
Tan Sri Datuk Gnanalingam	210,000	0.01	1,552,100,000(1)	45.52
Datuk Ruben	-	-	105,638,500(2)	3.10
Chan Chu Wei	920,000	0.03	-	-

Notes:

*(1) Deemed interested in the WHB Shares held by: (a) PRSB by virtue of his direct interest in Gryss (L) Foundation which has interest in Gryss Limited, which in turn holds PRSB Shares pursuant to Section 8(4) of the Act; and (b) Semakin Ajaib Sdn Bhd ("**SASB**") by virtue his spouse's direct interest in SASB pursuant to Section 8(4) of the Act.*

(2) Deemed interested in the WHB Shares held by SASB by virtue of his direct interest in SASB, pursuant to Section 8(4) of the Act.

9. DIRECTORS' RECOMMENDATION

Our Board, save for our Interested Directors who have abstained for the reasons set out in Section 8 of Part A of this Circular, having considered all aspects of the Proposed Acquisition including the rationale for and benefits of the Proposed Acquisition, the salient terms of the SPA, the basis and justification in arriving at the Purchase Price, the independent valuation by PPC International and the evaluation of the Independent Adviser, is of the opinion that the Proposed Acquisition is:

(i) in the best interest of our Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of our non-interested shareholders.

Accordingly, our Board (save for our Interested Directors), recommends that you vote in favour of the resolution pertaining to the Proposed Acquisition to be tabled at our forthcoming EGM.

10. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

Our Audit and Risk Management Committee, save for Chan Chu Wei who has abstained for the reasons set out in Section 8 of Part A of this Circular, having considered all aspects of the Proposed Acquisition including the rationale for and benefits of the Proposed Acquisition, the salient terms of the SPA, the basis and justification in arriving at the Purchase Price, the independent valuation by PPC International and the evaluation of the Independent Adviser, is of the opinion that the Proposed Acquisition is:

(i) in the best interest of our Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of our non-interested shareholders.

11. OTHER CORPORATE PROPOSALS

As at the LPD, save for the Proposed Acquisition, we do not have any outstanding corporate proposal that has been announced but pending implementation.

The Proposed Acquisition is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by us.

12. INDEPENDENT ADVISER

In view that the Proposed Acquisition is a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements, HLIB has been appointed as the Independent Adviser to advise our non-interested Directors and non-interested shareholders as to whether the Proposed Acquisition is fair and reasonable as far as our non-interested shareholders are concerned and whether the Proposed Acquisition is detrimental to our non-interested shareholders and to advise our non-interested shareholders on whether they should vote in favour of the Proposed Acquisition.

The Independent Advice Letter is set out in Part B of this Circular. We advise our shareholders to read and carefully consider the contents of this Circular including the Independent Advice Letter before voting on the resolution pertaining to the Proposed Acquisition at our forthcoming EGM.

13. RELATED PARTY TRANSACTIONS FOR THE PAST 12 MONTHS

The total amount transacted between our Group with the same related party or persons connected for the 12 months preceding the LPD, is about RM7.1 million, the details of which are as follows:

No.	Related party transactions	Nature of relationship	Value RM'000
1.	Administrative expenses paid to PRSB	PRSB is the Vendor and our major shareholder.	12
2.	Rental of office space from Gryss Holdings Sdn Bhd ("**Gryss Holdings**")	Tan Sri Datuk Gnanalingam, Datuk Ruben, Puan Sri Datin Ng Siew Yong ("**Puan Sri Datin Ng**"), the spouse of Tan Sri Datuk Gnanalingam, and Shaline Gnanalingam ("**Shaline**"), the daughter of Tan Sri Datuk Gnanalingam, are the shareholders of Gryss Holdings. Puan Sri Datin Ng, Shaline and Surindra Gnanalingam, the son of Tan Sri Datuk Gnanalingam and Puan Sri Datin Ng, are directors of Gryss Holdings.	326
3.	Contribution to Westports Foundation for financial support to the community	Tan Sri Datuk Gnanalingam and Datuk Ruben are the directors of Westports Foundation.	1,000
4.	Sponsorship for basketball team of KL Dragons Sdn Bhd ("**KL Dragons**")	Datuk Ruben is a shareholder and director of KL Dragons.	2,000
5.	Port and storage income received from PKT Logistics (M) Sdn Bhd ("**PKT**")	Chan Chu Wei is a director of PKT Logistics Group Sdn Bhd, which wholly-owns PKT.	3,763
	Total		**7,101**

14. ESTIMATED TIMEFRAME FOR COMPLETION

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	Tentative timeline
EGM	5 May 2020
Fulfilment of all Conditions Precedent	By the fourth quarter 2020
Completion of the Proposed Acquisition	By the fourth quarter 2020

15. EGM

We will hold an EGM, the notice of which is enclosed in this Circular, at 3rd Floor, Tower Block, Jalan Pelabuhan Barat, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan, Malaysia on Tuesday, 5 May 2020 at 3.00 p.m. or immediately following the conclusion of our Twenty-Seventh Annual General Meeting to be conducted at the same venue at 2.00 p.m. on the same day or at any adjournment thereof, whichever is later for the purpose of considering and if thought fit, passing with or without modifications, the resolution set out in the Notice of EGM.

If you are unable to participate and vote in person at the EGM, please complete and return the enclosed Form of Proxy for the EGM to our Share Registrar's office, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not later than 48 hours before the time set for holding the EGM or at any adjournment thereof. Alternatively, the Form of Proxy can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my/ before the proxy form lodgement cut-off time as mentioned above. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The completion and the return of the Form of Proxy will not preclude you from participating and voting in person at the EGM should you subsequently wish to do so.

16. FURTHER INFORMATION

We request that you refer to the enclosed appendices for further information.

Yours faithfully
For and on behalf of the Board of
Westports Holdings Berhad

Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil
Senior Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM HLIB

All capitalised terms used in this Executive Summary have the same meaning as those provided in the "Definitions" section and Part A of the Circular, except where the context otherwise requires or where otherwise defined in this IAL.

This Executive Summary is intended to be a brief summary of the key salient points of this IAL which has been prepared by HLIB as the Independent Adviser to provide you with an independent evaluation of the Proposed Acquisition and to express our recommendation on the Proposed Acquisition.

You are advised to read and fully understand both the IAL and Part A of the Circular together with the accompanying appendices and carefully consider our recommendation contained in this IAL before voting on the resolution in relation to the Proposed Acquisition to be tabled at the forthcoming EGM.

1. INTRODUCTION

On 7 February 2020, CIMB had on behalf of the Board, announced that WMSB, a wholly-owned subsidiary of the Company had entered into the SPA with PRSB in relation to the Proposed Acquisition.

In view of the interests of the Interested Directors and the interested major shareholder as set out in Section 8 of Part A of the Circular, the Proposed Acquisition is deemed to be a related party transaction under Paragraph 10.08 of the Listing Requirements. As such, the Board had on 9 December 2019 appointed HLIB as the Independent Adviser to advise the non-interested directors and non-interested shareholders of WHB in respect of the Proposed Acquisition.

The purpose of this IAL is to:

(i) provide our opinion on whether the Proposed Acquisition is fair and reasonable in so far as the non-interested shareholders of WHB are concerned;

(ii) advise on whether the Proposed Acquisition is detrimental to the non-interested shareholders of WHB; and

(iii) provide our recommendation on whether the non-interested shareholders of WHB should vote in favour or against the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

2. EVALUATION OF THE PROPOSED ACQUISITION

In evaluating the Proposed Acquisition, we have assessed and considered the following factors:

No.	Factors (Section in the IAL)	Assessment
1.	**Rationale of the Proposed Acquisition**	In respect of the rationale for the Proposed Acquisition as set out in Section 3 of Part A of the Circular, we are of the view that the rationale of the Proposed Acquisition is reasonable and not detrimental to the non-interested shareholders of WHB as: (i) the Group's current CT facilities, comprising CT1 to CT9, is operating at a utilisation rate of approximately 72% of its total terminal handling capacity as at the LPD and is expected to reach near full utilisation within the next few years. In view of this, the Management is taking a proactive strategy to increase its CT capacity to meet the projected increase in throughput demand as well as to remain competitive in the industry; (ii) the Proposed Acquisition together with the Acquired PKNS Land would allow the Group to expand its CT facilities which will facilitate the full development of CT10 to CT13 and part of CT14. The Proposed Expansion is expected to increase the Group's total handling capacity to 28 million TEUs per annum after the completion of CT10 to CT17; By undertaking the Proposed Expansion on the Land and the Acquired PKNS Land located right beside the existing CT facilities, the Group will be able to achieve significant cost savings and enhance operational efficiency as this will enable the Group to share facilities and resources from the existing CTs such as container gates, terminal operating systems and warehouses; and (iii) WMSB has received an approval-in-principle from the GOM vide a letter dated 23 August 2017 for the proposed expansion of the Group's CT facilities.
2.	**Evaluation of the Purchase Price**	The Purchase Price represents a slight discount of about 0.01% to the market value of the Land as appraised by PPC International ("**Valuer**"). The Purchase Price for the Proposed Acquisition was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of RM394.0 million for the Land (approximately RM25 psf) as appraised by the Valuer, the strategic location of the Land and the prospects of the Proposed Acquisition. The Valuer had adopted the Comparison Approach and no other alternative method of valuation was considered such as residual method or investment method as these alternative methods are not appropriate given that the said Land is a vacant parcel of residential land with potential for industrial and transportation use without any approval or submission for development approval.

No.	Factors (Section in the IAL)	Assessment
		The comparable transactions are then adjusted for factors which affect value such as location and accessibility, market condition, size, shape and terrain of land, tenurial interest and restriction (if any), availability of infrastructure and vacant possession, development potential, zoning, approvals (if any) and other relevant characteristics. We noted that the Valuer has derived a market value for the Land of approximately RM25 psf, which falls within the range of the lowest and highest adjusted value psf of its comparable properties, i.e. between RM25 to RM35 psf. Further, the market value of approximately RM25 psf is also lower than the average adjusted value of the comparable properties of RM29 psf. As such, we are of the view that the market value for the Land is reasonable based on the following: (i) it is valued closely to the adjusted price of Comparable 1, which is the most recent transaction and one of the larger tract of land in comparison; (ii) the Valuer has based their valuation closest to Comparable 1, which has the least adjustment made on factors such as the location, tenure, terrain, size and other relevant characteristics. As illustrated in their Valuation Report and as set out in the table on Section 6.2.1 of the IAL, the deviation from Land for Comparable 1 is 47.5% which has the least adjustments made as compared to the other comparables which ranges from 65.0% to 75.0%; and (iii) the valuation of the Land falls within the 'adjusted price' range of the comparable transactions. Premised on the above, we are of the view that the Purchase Price is fair and reasonable and not detrimental to the non-interested shareholders of WHB.
3.	**Salient terms of the SPA**	We wish to highlight that the Proposed Acquisition is conditional upon, among others, the signing of the concession agreement by WMSB with the GOM. We also note that the Purchase Price shall be adjusted at the rate of RM25 psf if the Land area in the final title differs by more than 2%. Based on our review of the salient terms of the SPA, we find that the overall terms and conditions of the SPA are generally reasonable taken as a whole and are not detrimental to the non-interested shareholders of WHB.

No.	Factors (Section in the IAL)	Assessment
4.	**Effects of the Proposed Acquisition**	The Proposed Acquisition will not have any effect on the share capital and the substantial shareholders' shareholdings of WHB as the Purchase Price is to be satisfied entirely by cash and does not involve any issuance of shares in WHB. The Proposed Acquisition will not have a significant impact on the consolidated NA of WHB other than a slight decrease due to the amortisation of the Purchase Price, estimated annual interest cost on the Additional Bank Borrowings and Transaction Costs in relation to the Proposed Acquisition. The Proposed Acquisition is not expected to have a significant impact on the earnings and EPS of WHB. Moreover, it is envisaged that the Proposed Acquisition will contribute positively to the Group's future earnings and EPS in the long-term once the additional CT facilities are fully operational.
5.	**Risk factors of the Proposed Acquisition**	We note the following: (i) There is no assurance that all the Conditions Precedent as set out in Section 6.3.2 of this IAL will be fulfilled/waived in order for the completion of the Proposed Acquisition; (ii) The Proposed Expansion plan requires a significant amount of capital expenditure estimated to be at least RM10 billion which includes the acquisition of the Land, the Acquired PKNS Land as well as for reclamation and dredging of the Land and other construction related activities. As such, the Group may be unable to obtain sufficient fund or is restricted from incurring capital expenditure for the Proposed Expansion; (iii) The state authority has the power to compulsorily acquire the Land pursuant to the Land Acquisition Act, in which there is a risk that the compensation amount offered may be less than the Purchase Price; (iv) There is no assurance that the Group under the Proposed Expansion will be able to compete successfully in the future against its existing and potential competitors in Malaysia and South East Asia region; and (v) The Group is dependent on and subject to changes from external factors such as national and global economic conditions, as well as to other business risks such as the dependency on a small number of customers and change in government policies such as tariff revisions by the GOM which may have an impact on the revenue projections under the Proposed Expansion.

No.	Factors (Section in the IAL)	Assessment
		We note that the Group is subject to further risks such as delay in construction and other risks which are beyond their control. We also note that the Proposed Acquisition is for the Proposed Expansion and not a diversification into a new business which carries new risks. Although measures are taken by the Group to limit the risks in relation to the Proposed Acquisition as set out in Section 4 of Part A of the Circular, there is no assurance that any of the risk factors will not crystallise which may give rise to material and adverse effects to the financial performance of the Group.
6.	**Industry overview, outlook and prospects**	The global economy is projected to register negative growth in 2020 mainly due to the economic repercussions of the COVID-19 pandemic and is expected to undergo a recession in 2020 with a projected recovery in 2021. The extent of the economic impact arising from this pandemic would be dependent on the severity and duration of the outbreak in various economies and the corresponding measures undertaken to contain this global health crisis. Against this highly challenging global economic outlook, Malaysia's gross domestic product growth is projected to be between -2.0 to 0.5% in 2020 (2019: 4.3%). The domestic economy will be impacted by the necessary global and domestic actions taken to contain the outbreak. The outlook of the industry remains positive in the long run as container throughput in Asia is expected to increase to about 504 million TEUs in 2024 which represents around 54% to 55% of global port handling volume during the said period. Hence, despite the consolidation within the shipping industry, it is expected that there will be sustained growth in the Asia container volume. As such, it is noted that regional ports such as those in Singapore and Indonesia have been investing in additional container handling capacity. Therefore, the Group will need to expand its container handling capacity given the current competitive environment and the prospect for developing the Land appear favourable as the Land is strategically located next to the Group's existing CT1 to CT9 and the Proposed Acquisition is in line with the Group's plan for the Proposed Expansion.

3. CONCLUSION AND RECOMMENDATION

Based on our overall assessment and evaluation as summarised above and detailed in the IAL, we are of the opinion that the Proposed Acquisition is **FAIR** and **REASONABLE** and is **NOT DETRIMENTAL** to the interests of the non-interested shareholders of WHB.

As such, we recommend that the non-interested shareholders of WHB **VOTE IN FAVOUR** of the resolution in relation to the Proposed Acquisition to be tabled at the forthcoming EGM.

20 April 2020

To: The non-interested shareholders of Westports Holdings Berhad

Dear Sir/Madam,

WESTPORTS HOLDINGS BERHAD ("WHB" OR "COMPANY")

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF WHB IN RELATION TO THE PROPOSED ACQUISITION ("IAL")

This IAL is prepared for inclusion in the circular to shareholders of WHB dated 20 April 2020 ("**Circular**") and should be read in conjunction with the same. All capitalised terms used in this IAL shall have the same meaning as those provided in the "Definitions" section and Part A of the Circular, except where the context otherwise requires or where otherwise as defined in this IAL. All reference to "you" are references to the non-interested shareholders of the Company, whilst references to "we", "us" or "our" in this IAL are references to HLIB, being the independent adviser for the Proposed Acquisition.

1. INTRODUCTION

On 7 February 2020, CIMB had on behalf of the Board, announced that WMSB, a wholly-owned subsidiary of the Company had entered into the SPA with PRSB to acquire the Land described as Pajakan Negeri (PN) 7374, Lot No. 72778, Mukim and District of Klang, State of Selangor Darul Ehsan with an approximate total land area of 146.4 hectares / 361.762 acres for a Purchase Price of RM393,958,900.

In view of the interests of the Interested Directors and PRSB being the Vendor and a major shareholder of WHB as set out in Section 8 of Part A of the Circular, the Proposed Acquisition is deemed to be a related party transaction under Paragraph 10.08 of the Listing Requirements. As such, the Board had on 9 December 2019 appointed HLIB as the Independent Adviser to advise the non-interested directors and non-interested shareholders of WHB in respect of the Proposed Acquisition.

The purpose of this IAL is to:

(i) provide you with our opinion on whether the Proposed Acquisition is fair and reasonable so far as the non-interested shareholders of WHB are concerned;

(ii) advise on whether the Proposed Acquisition is detrimental to the non-interested shareholders of WHB; and

(iii) provide you with our recommendation on whether the non-interested shareholders of WHB should vote in favour or against the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM,

subject to the scope and limitations of our role and evaluation as set out in **Section 4** of this IAL.

Nonetheless, the non-interested shareholders of WHB should rely on their own evaluation of the merits of the Proposed Acquisition before making a decision onto the course of action to be taken at WHB's forthcoming EGM.

This IAL is prepared solely for the use of the non-interested shareholders of WHB for the purpose of considering the merits of the Proposed Acquisition and should not be used or relied upon by any other party for any other purposes.

Hong Leong Investment Bank Berhad (10209-W)
Investment Banking Division, Equity Markets
Level 28, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia.
Telephone: +603-2083 1800 Facsimile: +603-2083 1761 (CF)/+603-2083 1760 (ECM) www.hlebroking.com

YOU ARE ADVISED TO READ AND FULLY UNDERSTAND BOTH THE IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER OUR RECOMMENDATION AS CONTAINED IN THIS IAL BEFORE VOTING ON THE RESOLUTION IN RELATION TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE PROPOSED ACQUISITION

WMSB had entered into a SPA with PRSB on 7 February 2020 to acquire a parcel of leasehold residential land, described as Pajakan Negeri (PN) 7374, Lot No. 72778, Mukim and District of Klang, State of Selangor Darul Ehsan with an approximate total land area of 146.4 hectares / 361.762 acres for a cash consideration of RM393,958,900.

Please refer to Section 2 of Part A of the Circular for further details of the Proposed Acquisition.

3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The details of the Interested Directors and interested major shareholder are set out in Section 8 of Part A of the Circular.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting on the resolution in relation to the Proposed Acquisition at the relevant Board meetings of the Company.

In addition, the Interested Directors and interested major shareholder, being PRSB will abstain from voting and have further ensure that persons connected with them respectively will abstain from voting in respect of their direct and/or indirect shareholdings, if any, in the Company on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

4. SCOPE AND LIMITATIONS OF OUR EVALUATION

HLIB was not involved in any formulation or any deliberation and negotiation on the terms and conditions of the Proposed Acquisition nor have we participated in the Board's deliberation of the Proposed Acquisition. The terms of reference of our appointment as the Independent Adviser to the non-interested directors and non-interested shareholders of WHB in relation to the Proposed Acquisition are in accordance with the requirements set out in Paragraph 10.08(2) and (3) of the Listing Requirements and the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities.

HLIB's scope as the Independent Adviser is limited to expressing an independent opinion on the fairness and reasonableness of the terms and conditions of the Proposed Acquisition as far as the non-interested directors and non-interested shareholders of WHB are concerned, based on the information and documents made available to us by the Company, for which the Board and other advisers of WHB are solely responsible, including but not limited to the following:

(i) the SPA;

(ii) the valuation certificate and Valuation Report prepared by the Valuer;

(iii) information contained in Part A of the Circular together with the accompanying appendices;

(iv) information, documents, confirmations and/or representations provided by the Board and management of the Company, or obtained in or derived from discussions with the management of the Company ("**Management**"); and

(v) other publicly available information that we deem to be relevant.

We have relied on the Board and Management to exercise due care to ensure that all the information, documents, confirmations and representations provided to us by them to facilitate our evaluation of the Proposed Acquisition are accurate, complete and free from material omission. We have also made due enquiries and discussions with the Valuer to facilitate our evaluations of the Proposed Acquisition. We have relied on the accuracy of the information and documents furnished to us by the Board and the Management, and have not independently verified such information and documents for their validity, reliability, accuracy and/or completeness.

The Board has, individually and collectively, accepted full responsibility for the accuracy of the information provided and given herein and has confirmed in writing that after making all reasonable enquiries and to the best of their knowledge and belief, all relevant facts and information necessary for our evaluations have been disclosed to us and there is no omission of any fact that would make any statement in this IAL incomplete, misleading or inaccurate as at the LPD. We have taken reasonable steps and have made due enquiries, and to the best of our knowledge and belief, we are satisfied that the information provided to us is reasonable, accurate, complete and free from material omission as at the LPD.

The responsibility of the Board in respect of the information relating to PRSB is limited to ensuring that such information is accurately reproduced in this IAL.

In forming our opinion, we have considered factors which we believe would be of relevance and general importance to the non-interested shareholders of WHB as a whole for the assessment of the Proposed Acquisition. As such:

(i) our responsibility regarding our evaluation and recommendation contained in this IAL is confined to the assessment of the fairness and reasonableness and other implications of the Proposed Acquisition only. Comments or points of consideration which may be commercially oriented are included for our overall evaluation as we deem it necessary for disclosure purposes to enable you to consider and form your views on the Proposed Acquisition. We do not express any opinion on legal, accounting and taxation issues relating to the Proposed Acquisition;

(ii) our views and recommendation as contained in this IAL only cater to the non-interested shareholders at large and not to any individual non-interested shareholder. Hence, in carrying out our evaluation, we have not considered your specific investment objectives, risk profiles, financial and tax situations and particular needs or any specific group of non-interested shareholders; and

(iii) we recommend that any individual non-interested shareholder or group of non-interested shareholders who is in doubt as to the action to be taken or require advice in relation to the Proposed Acquisition in the context of their individual objectives, risk profiles, financial and tax situations or particular needs to consult their respective stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

Our evaluation and recommendation expressed in this IAL are based on prevailing economic, market and other conditions, as well as the information and documents made available to us, as at the LPD. Such conditions may change over a short period of time. Accordingly, our evaluation and recommendation expressed in this IAL does not take into consideration information, events and conditions arising after the LPD.

We will notify the non-interested shareholders of WHB if, after the despatch of this IAL, in the event we become aware that the information or document previously circulated or provided:

(a) contains a material statement which is false or misleading;

(b) contains a statement from which there is a material omission; or

(c) does not contain a statement relating to a material development.

If circumstances require, a supplementary IAL will be sent to the non-interested shareholders of WHB.

5. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

HLIB, its subsidiaries and associated companies as well as its penultimate holding company, namely Hong Leong Financial Group Berhad, and the subsidiaries and associated companies of Hong Leong Financial Group Berhad (collectively, "**Hong Leong Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses.

The Hong Leong Group has engaged, and may in the future engage, in transactions with and perform services for the Group and/or its affiliates in addition to our role as the Independent Adviser in connection to the Proposed Acquisition. In addition, in the ordinary course of business, any member of the Hong Leong Group may at any time offer or provide its services to or engages in any transaction with the Group. This is a result of the businesses of the Hong Leong Group generally acting independently of each other, and accordingly there may be situations where parts of the Hong Leong Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of the Group and/or the affiliates. Nonetheless, the Hong Leong Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, amongst others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

Notwithstanding the above, we confirm that there is no situation of conflict of interest that exists or is likely to exist in relation to our role as the Independent Adviser in connection to the Proposed Acquisition.

Save for the Proposed Acquisition which is the subject matter of the Circular, we do not have any other professional relationship with WHB within the past 2 years before the LPD.

We are an approved corporate finance adviser within the meaning of the Principal Adviser Guidelines issued by the Securities Commission Malaysia. Our credentials and experience as an independent adviser include the following:

(i) disposal by Chemical Company of Malaysia Berhad of 806,450 common shares in Pangen Biotech Inc., to CCM Duopharma Biotech Berhad for a cash consideration of RM59,156,546.56 via our independent advice letter dated 16 May 2018;

(ii) acquisition by MMC Port Holdings Sdn Bhd (previously known as MMC Ventures Sdn Bhd) of a total of about 53.42% equity interest in NCB Holdings Berhad from Permodalan Nasional Berhad and Amanahraya Trustees Berhad, as trustee for Amanah Saham Bumiputera, Amanah Saham Wawasan 2020 and Amanah Saham Didik, for a total cash consideration of RM1,105,260,521.20 or RM4.40 for each ordinary share in NCB Holdings Berhad via our independent advice letter dated 9 November 2015;

(iii) privatisation of IJM Land Berhad by IJM Corporation Berhad undertaken by way of a members' scheme of arrangement pursuant to the Section 176 of the Companies Act 1965 via our independent advice letter dated 19 January 2015;

(iv) disposal by KEB Builders Sdn Bhd, a wholly owned subsidiary of KEB Plantations Holdings Sdn Bhd, which in turn is a wholly owned subsidiary of Kumpulan Europlus Berhad, of its 10% equity interest held in Radiant Pillar Sdn Bhd to IJM Properties Sdn Bhd, for a total cash consideration of RM52,500,000 via our independent advice letter dated 5 December 2013; and

(v) conversion of Al-Hadharah Boustead REIT to a private property trust by way of amendments to the trust deed, selective unit redemption by Al-Hadharah Boustead REIT of all units held by the unitholders (save for the units held by Boustead Plantations Berhad) at a redemption price of RM1.94 for each unit redeemed and special dividend of RM0.16 for each unit held by all unitholders (including Boustead Plantations Berhad) via our independent advice circular to unitholders dated 20 November 2013.

Premised on the foregoing, we are capable and competent in carrying out our role and responsibilities as the Independent Adviser to advise you and your non-interested directors in relation to the Proposed Acquisition.

6. EVALUATIONS OF THE PROPOSED ACQUISITION

In evaluating the Proposed Acquisition, and taking into consideration the reliance and limitation set out in **Section 4 of this IAL**, we have considered the following factors:

(i)	Rationale of the Proposed Acquisition	Section 6.1
(ii)	Evaluation of the Purchase Price	Section 6.2
(iii)	Salient terms of the SPA	Section 6.3
(iv)	Effects of the Proposed Acquisition	Section 6.4
(v)	Risk factors of the Proposed Acquisition	Section 6.5
(vi)	Industry overview, outlook and prospects	Section 6.6

6.1 Rationale of the Proposed Acquisition

We take note of the rationale for the Proposed Acquisition as set out in Section 3 of Part A of the Circular.

Our evaluation of the rationale for the Proposed Acquisition is as follows:

(i) Forecasted growth in demand for port services

As set out in Section 3 of Part A of the Circular, the Group has handled a throughput of 10.86 million TEUs of containers in 2019, representing an increase in throughput of approximately 14% over the previous year. The increase in container throughput was mainly attributed by transhipment containers, which improved from 6.22 million to 7.23 million TEUs, while gateway containers expanded from 3.30 million to 3.63 million TEUs.

The Group's current CT facilities, comprising CT1 to CT9, is operating at a utilisation rate of approximately 72% of its total terminal handling capacity as at the LPD. We note that the Group is already investing in the deployment of Additional RTGs at CT9 to increase the Group's CT capacity. Nonetheless, according to the Management, the current CT facilities are expected to reach near full utilisation within the next few years. Further, we understand that it is anticipated that the demand for its container handling services would outpace the Group's handling capacity and the Management believes that the current facility will not be able to cope with the expected long-term growth in the coming decades. In view of the above and as part of the Group's proactive management strategy, the Group intends to undertake periodic increases in its CT capacity to meet the projected increase in throughput demand as well as to remain competitive in the industry.

We set out below the historical operating performance of the Group for the past 3 years:

	< -------------------------- Actual ------------------------------ >		
	2017	**2018**	**2019**
Volume (**million TEUs**)	9.03	9.52	10.86
Capacity (**million TEUs**)	13.0	14.0	14.0
Utilisation (**%**)	69	68	78
CT in operation	1 - 8	1 - 9^	1 - 9^

Note:

^ The construction of CT9 was completed end of 2017 and has since commenced operation in 2018. However, CT9 is yet to be equipped with the Additional RTGs and Additional QCs for it to reach its full capacity. It is the intention of the Group to have the Additional RTGs to be fully operational by the first quarter of 2021 whilst the decision on the timing of the acquisition of the Additional QCs will be made at a later date. The full commissioning of CT9 is expected to increase the Group's handling capacity with an additional 1.0 mil TEU per annum, resulting in a total handling capacity of 15 million TEUs per annum.

As illustrated in the above table, the Group has been increasing its container throughput from 9.03 million to 10.86 million TEUs over the past 3 years with its utilisation rate reaching 78% in 2019. We note that the Proposed Acquisition is expected to increase the Group's total handling capacity to 28.0 million TEUs per annum after the completion of the Proposed Expansion.

Besides, the expansion plan to develop additional CT facilities on both the Land and the Acquired PKNS Land located right beside the existing CT facilities will enable the Group to develop the area into one of the longest linear ports in the region. We note that the Land is expected to accommodate about 50% of container yard space for CT10, about 75% of container yard space for CT11 and CT12, and about 300 metres of wharf for CT12. Together with the Acquired PKNS Land, the Group will be able to fully develop CT10 to CT13 and part of CT14. Expanding at the Land would allow the Group to achieve significant cost savings and enhance operational efficiency, as compared to constructing new CTs at a different location as this will enable the Group to share facilities and resources from the existing CTs such as container gates, terminal operating systems and warehouses.

This should facilitate the continuing growth of the Group's core business in container terminal operations by increasing its container handling facilities through the expansion plan of the Land.

We understand that the Group expects to incur about RM60.5 million and about RM180 million for the Additional RTGs and Additional QCs respectively for CT9 and the total development cost for the entire Proposed Expansion comprising CT10 to CT17 is expected to be at least RM10 billion to be incurred over a period of 30 years. Out of the RM10 billion, the Group expects to incur about RM3 billion of new terminal handling equipment required for the commissioning of CT10 to CT17 over the said period. Further, we note that the Group expects to further incur an additional of about RM0.3 billion to refurbish and replace the terminal handling equipment as and when necessary over a period of 30 years. It is reasonable to expect that the Group would fund the total development cost for the Proposed Expansion through internally generated funds, bank borrowings and/or proceeds to be raised from fund-raising exercises. For information purposes, the Purchase Price forms part of the total development cost in which the source of funding for the Purchase Price is further discussed under Section 6.2.2 of this IAL.

We note that CT10 to CT17 is envisaged to be developed over a period of 30 years and the port expansion is expected to be rolled out in stages. Upon completion of each CT, the Group will be able to meet the projected increase in throughput demand which in turn generates operational revenue to the Group. These internally generated funds should be able to fund the development cost of the next CT under the Proposed Expansion.

(ii) Approval-in-principle granted by the Government of Malaysia

WMSB has received an approval-in-principle from the GOM vide a letter dated 23 August 2017 in relation to the expansion of its CT facilities. As set out in Section 3 of Part A of the Circular, we note that the Proposed Expansion is further subject to several conditions made which, amongst others, include WMSB to submit a DEIA report to PKA before its consideration for the final approval. Nonetheless, we note of the conditions imposed by the GOM on the approval-in-principle granted which will be addressed under other risks as set out in Section 6.5.2 of this IAL.

In summary, we note that the Proposed Acquisition together with the Acquired PKNS Land will allow the Group to expand its business by the expansion of CT10 to CT17 in which WMSB has received approval-in-principle from the GOM. The current preliminary port design for CT10 to CT17 requires additional land acreage to accommodate new wharf and container yard space in order to facilitate the expansion of operations for the new container terminals. Furthermore, the Land is located adjacent to its existing CT1 to CT9 facilities which makes economic sense to expand its CT facilities to cater for the expected increase in demand for port services in the future.

Premised on the above, we are of the view that the rationale for the Proposed Acquisition is in the long-term interest of the Group and it is reasonable and not detrimental to the non-interested shareholders of WHB.

6.2 Evaluation of the Purchase Price

6.2.1 Basis and justification in arriving at the Purchase Price

As set out in Section 2.2 of Part A of the Circular, the Purchase Price for the Proposed Acquisition was arrived at on a willing buyer-willing seller basis at a slight discount of about 0.01% to the market value of the Land of RM394.0 million (approximately RM25 psf) as appraised by the Valuer.

In arriving at the market value of the Land, the Valuer had adopted the Comparison Approach, which seeks to determine the value of the Land by comparing transactions of comparable lands in the locality and making adjustments for factors which affect value such as location and accessibility, market condition, size, shape and terrain of land, tenurial interest and restriction (if any), availability of infrastructure and vacant possession, development potential, zoning, approvals (if any) and other relevant characteristics.

We note that the market value of approximately RM25 psf takes into consideration among other factors for adjustments, as well as based on the adoption of RM21 psf for about 20% of the Land (about 3,219,994 square feet) which is submerged under water and RM26 psf for about 80% of the Land (about 12,538,370 square feet) which is not under water.

We understand that the adjustments rely on, to a certain degree, professional judgments by the Valuers.

In arriving at the market value of the Land, the Valuer has adopted only the Comparison Approach. No other alternative method of valuation was considered such as residual method or investment method as these alternative methods are not appropriate in determining the market value of the Land given that the said Land is a vacant parcel of residential land with potential of transportation and industrial use without any approval or submission for development approval.

Premised on the above, we are of the view that the adoption of Comparison Approach as the only method of valuation is fair and reasonable given that:

(i) the Land is a vacant parcel of land;

(ii) the Land is currently without the benefit of any approval or submission for development approval;

(iii) Comparison Approach provides a snapshot of market demand and supply conditions for similar types of properties which have been transacted; and

(iv) while no exact comparable exists, the Valuer had adjusted to the market values of the comparable properties and selected what it considered the most appropriate.

We note that the Valuer had taken into consideration the following past transactions:

Reference	Address / Location	Land Tenure	Transacted Date	Land area sq. ft. / acres	Sales Price Transacted (RM)	Price Transacted per square feet (psf) (RM/psf)	Note	Adjusted Price (RM psf)	Deviation from Land* (%)
Comparable 1	Lot 169438, Lebuhraya Pulau Indah, Pulau Indah, Selangor	Expiring on 24 February 2097	20 December 2018	1,438,057 / 33.01	(i)23,000,000	48	(i)	25	47.5
Comparable 2	Lot 158189, off Lebuhraya Pulau Indah, Telok Gong, Selangor	Expiring on 3 March 2093	29 June 2018	108,898 / 2.50	5,988,916	55	(ii)	25	65.0
Comparable 3	Lot 87955, Jalan Perigi Nenas 8/11, Pulau Indah Industrial Park, Selangor	Expiring on 30 March 2097	21 November 2017	141,135 / 3.24	9,600,000	68	(iii)	27	70.0
Comparable 4	Lot 9048 & 9049, Jalan Telok Gong, Telok Gong, Selangor	Expiring on 8 June 2068 & 9 February 2068	17 October 2017	186,678 / 4.29	12,000,000	64	(iv)	35	75.0
Comparable 5	Lot 142452 & 142453, off Lebuhraya Pulau Indah, Telok Gong, Selangor	Expiring on 20 April 2093	24 July 2017	435,507 / 10.00	26,130,469	60	(v)	33	65.0
						Range (Comparable 1 to Comparable 5)		**25 to 35**	
Land	Lot 72778, off Jalan Star Finder, Pulau Indah, Selangor	Expiring on 24 March 2096	-	15,758,364 / 361.762	393,958,900	25	-	-	-

Notes:

* Represents the total upward and downward adjustments made. All comparable properties as set out above represent a net downward adjustments.

Notes *(cont'd)*:

The justifications on the adjustments are as follow:

(i) Downward adjustments were made due to the Land compared to the Comparable 1 being less strategic in terms of location and accessibility, Comparable 1 being smaller in size, Comparable 1 being not submerged while about 20% of the Land being under the sea, the sale of Comparable 1 being only 1/3 share and Comparable 1 being an industrial land to factor in the conversion premium.

(ii) Upward adjustment was made due to the Land location compared to Comparable 2 having better accessibility and being more strategic. Downward adjustments were made due to Comparable 2 being smaller in size, Comparable 2 being not submerged while about 20% of the Land being under the sea and Comparable 2 being an industrial land to factor in the conversion premium.

(iii) Upward adjustment was made due to the timing of the sale of Comparable 3 which was transacted in 2017. Downward adjustments were made due to the Land compared to Comparable 3 being less strategic in terms of location and accessibility, Comparable 3 being smaller in size, Comparable 3 being not submerged while about 20% of the Land being under the sea and Comparable 3 being an industrial land to factor in the conversion premium.

(iv) Upward adjustments were made due to the Land location and accessibility compared to Comparable 4 being more strategic, Comparable 4 having a shorter unexpired term of about 49 years and due to the timing of the sale of Comparable 4 which was transacted in 2017. Downward adjustments were made due to Comparable 4 being smaller in size, Comparable 4 being not submerged while about 20% of the Land being under the sea and Comparable 4 being an industrial land to factor in the conversion premium.

(v) Upward adjustments were made due to the Land location and accessibility compared to Comparable 5 being more strategic and due to the timing of the sale of Comparable 5 which was transacted in 2017. Downward adjustments were made due to Comparable 5 being smaller in size, Comparable 5 being not submerged while about 20% of the Land being under the sea and Comparable 5 being an industrial land to factor in the conversion premium.

We have further analysed and reviewed the contents of the valuation certificate and the Valuation Report and are satisfied with the basis and assumptions adopted by the Valuer, as set out below:

Basis and assumptions adopted by the Valuer		HLIB's comments
(a)	The Valuer has considered the Land as a parcel of residential land with potential for industrial and transportation use.	Although the title deed of the Land indicates that the Land is designated for residential (housing) use, the Planning Department, Majlis Perbandaran Klang has revealed to the Valuer that the Land is currently zoned for transportation and industrial use and any residential development may not be in line with the current zoning and surrounding development. Moreover, the Valuer has made the relevant adjustments on all the comparable properties which are of an industrial land to factor in the conversion premium.

Basis and assumptions adopted by the Valuer	HLIB's comments
(b) The valuation of the Land is on the basis that vacant possession is available and the Land is free from all encumbrances. Pertaining to the restriction-in-interest, the valuation of the Land is on the basis that permission to transfer, lease and mortgage the Land from the State Authority will not be unreasonably withheld.	Based on the title particulars extracted from the Valuation Report, the restriction-in-interest of the Land states that "Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri." Nonetheless, we note that the Proposed Acquisition of the Land is to facilitate the Proposed Expansion in which WMSB has received approval-in-principle from the GOM.

Premised on the above, we are of the view that the basis and assumption adopted by the Valuer in arriving at the market value is reasonable.

We note that the Valuer has derived a market value of approximately RM25 psf, which falls within the range of the lowest and highest adjusted value psf of its comparable properties, i.e. between RM25 to RM35 psf. It is also lower than the average adjusted value psf of its comparable properties, i.e. RM29 psf. At approximately RM25 psf, it would bring a total market value for the Land to RM394.0 million based on the total land area of approximately 15,758,364 square feet. As such, we are of the view that the market value for the Land is reasonable based on the following:

(i) it is valued closely to the adjusted price of Comparable 1, which is the most recent transaction and one of the larger tract of land with a land area that is closer to the size of the Land in comparison to the other 4 comparable properties which are significantly smaller in size;

(ii) the Valuer has based their valuation closest to Comparable 1, which has the least adjustment made on factors such as the location, tenure, terrain, size and other relevant characteristics. As illustrated in their Valuation Report and as set out in the above table in this section, the deviation from Land for Comparable 1 is 47.5% which has the least adjustments made as compared to the other comparables which ranges from 65.0% to 75.0%; and

(iii) the valuation of the Land falls within the 'adjusted price' range of the comparable transactions.

Please refer to the valuation certificate as set out in Appendix I of the Circular and the Valuation Report prepared by the Valuer which sets out their analysis of past comparable transactions in arriving at the market value of the Land.

Premised on the above, we are of the view that the Comparison Approach is the most appropriate and primary valuation methodology to be applied to the Land and the valuation of the Land of approximately RM25 psf is lower than the average adjusted value psf and also within the range of the adjusted value psf of the comparable transactions. Therefore, the Purchase Price is fair and reasonable and is not detrimental to the non-interested shareholders of WHB.

6.2.2 Source of funding

We note that the Purchase Price is to be satisfied entirely in cash which may be financed through internally generated funds and/or bank borrowings. Further, we understand that the Group will not be assuming any liabilities, including contingent liabilities and guarantees pursuant to the Proposed Acquisition as set out in Section 2.4 of Part A of the Circular. Save for the Purchase Price and the development cost for the Proposed Expansion, there are no additional financial commitment required for the Land. The breakdown of the source of funding for the Proposed Acquisition will only be determined by the Company at a later stage after taking into consideration, among others, the Group's cash reserves and future funding requirements.

In our analysis on the fairness and reasonableness of the mode of satisfaction of the Purchase Price for the Proposed Acquisition, we have reviewed the latest audited consolidated financial statements for the FYE 31 December 2019, the Group has cash and short-term investments of RM696 million, of which is sufficient to finance the Purchase Price. However, it may not be viable for the Company to fully finance the Purchase Price using its cash and short-term investments having to take into consideration the Group's working capital requirements for its day to day operations.

Presently, the Company has a gearing ratio of 0.55 times based on the latest audited consolidated financial statement as at 31 December 2019. Gearing is a measurement of a company's financial leverage and the gearing ratio is one method of evaluating a company's financial fitness. Given that the Company's gearing ratio remains relatively low which is below 1.0 time against the shareholder's equity, the Company may rely on bank borrowings to fund the Proposed Acquisition which will increase the gearing ratio accordingly. Assuming RM200 million of Additional Bank Borrowings is obtained to part finance the Proposed Acquisition, an estimated interest cost of approximately RM8.40 million per annum is expected to be incurred. The gearing ratio of the Group is expected to increase to 0.63 times as illustrated in Section 6.2 of Part A of the Circular, which is still relatively low.

We are of the view that the Additional Bank Borrowings of RM200 million to part finance the Proposed Acquisition is reasonable as the estimated interest cost is approximately RM8.40 million per annum, which work out to be approximately 4.20% per annum which falls within the range of the Company's Sukuk Musharakah Medium Term Note's ("**SMTN**") profit rates previously drawn down by the Company ranging from 4.15% to 5.38% per annum.

We also note that as at the LPD, the Company has available outstanding SMTN programme of RM600 million which the Company may drawdown to partially fund the Proposed Acquisition.

Taking into consideration of the following:

(i) the Purchase Price is at a slight discount of 0.01% to the market value of the Land as appraised by the Valuer; and

(ii) the Company should be able to fund the Proposed Acquisition by a combination of cash and/or bank borrowings or drawdown of SMTN,

we are of the view that the Purchase Price and its mode of satisfaction are fair and reasonable and are not detrimental to the non-interested shareholders of WHB.

6.3 Salient terms of the SPA

The Proposed Acquisition is subject to the terms and conditions of the SPA as set out in Section 2.8 of Part A of the Circular.

Salient terms of the SPA | **HLIB's comments**

6.3.1 Purchase Price

Salient terms of the SPA

(1) The Purchase Price shall be paid by WMSB to PRSB in the following manner:

	Milestone	%	Amount (RM'000)
1.	Upon execution of the SPA		
	- Retention Sum paid to WMSB's solicitors as stakeholders	3	11,819
	- Part-Deposit paid to PRSB's solicitors as stakeholders	7	27,577
		10	**39,396**
2.	Balance Sum paid to PRSB's solicitors within 3 months from the date the last of the Conditions Precedent shall have been fulfilled / waived	90	354,563
	Total	**100**	**393,959**

HLIB's comments

The payment of the Purchase Price, is reasonable as it is a common practice in the transactions of this nature, in view of the following:

(a) A Deposit of 10% of the Purchase Price upon signing of the SPA is a normal commercial term;

(b) Retention Sum of 3% of the Purchase Price, is inclusive of real property gains tax, if any, which is borne by PRSB. As such, the 3% is retained for this purpose;

(c) Part-Deposit of 7% of the Purchase Price which is placed in an interest-bearing account and released, together with the accrued interest, to PRSB within 5 business days from the date of which the last Condition Precedent is fulfilled or waived; and

(d) The Balance Sum shall be paid to PRSB's solicitors within 3 months from the date the last of the Conditions Precedent shall have been fulfilled or as the case may be, waived by WMSB to the extent permitted by law.

Salient terms of the SPA

(2) PRSB's solicitors are authorised by the Parties to release to PRSB the Balance Sum together with the interest, if any, upon expiry of 14 days from the date of presentation of the Transfer for registration at the relevant land registry or 21 days from the date of receipt of the original issue document of title to the Land by WMSB's solicitors or the financier's solicitors, as the case may be, whichever is the earlier and provided always that vacant possession of the Land has been delivered by PRSB to WMSB.

HLIB's comments

The term serves to protect WMSB as the Balance Sum will only be released from PRSB's solicitors to PRSB provided that the Land has been delivered to WMSB.

Salient terms of the SPA	HLIB's comments
(3) In the event that WMSB fails to pay the Balance Sum within the Completion Period, PRSB shall grant to WMSB an automatic extension of 1 month from the expiry of the Completion Period to pay the Balance Sum or any outstanding of the Balance Sum subject to WMSB paying to PRSB interest on such part of the Balance Sum as remains unpaid at the rate of 8% calculated from the day immediately after the expiry of the Completion Period to the date of payment of such part of the Balance Sum as remains unpaid, based on a 365-day year on the actual number of days elapsed and shall accrue from day-to-day.	The Extended Completion Period will give more time to WMSB to make payment of the Balance Sum. However, WMSB will be subjected to an interest of 8% per annum which is higher than the estimated interest cost of approximately RM8.40 million per annum, which work out to be approximately 4.20% assuming that the Additional Bank Borrowings of RM200 million is obtained to partly fund the Proposed Acquisition. However, we are of the opinion that this term is reasonable and not detrimental to your interest as it is a normal commercial arrangement for any property transaction and an interest of 8% per annum on the outstanding Balance Sum is common compensation terms in line with other similar transactions.
(4) In the event the difference between the area of the Land in the issue document of title to the Land as at the date of the SPA and the area stated in the final title to the Land issued subsequent to the Conversion Approval is more than 2%, the Purchase Price shall be adjusted at the rate of RM25 psf. Any payment resulting from the adjustment and required to be paid by PRSB or WMSB, as the case may be, shall be so paid within 5 business days from the date of receipt of a copy of the final title. This clause shall survive after the completion of the Proposed Acquisition.	We are of the opinion that this term is reasonable and not detrimental to your interest as the adjustment to the Purchase Price is at the rate of RM25 psf, which is at the same market value as appraised by the Valuer on the Land, and the adjustment will only take place if the differences in the size of the Land is more than 2%.

6.3.2 Conditions Precedent

(1) The SPA is conditional upon fulfilment of the following Conditions Precedent during the Conditional Period: (a) the receipt by PRSB of the approval of the relevant authorities for the following Conversion Approval: (i) conversion of the category of land use of the Land from "Bangunan (Building)" to "Industri (Industrial)"; and (ii) deletion of the express condition "Perumahan (Housing)";	These terms serve to protect the interest of WMSB by ensuring the Land is free from any express conditions, restriction-in-interest and encumbrances.

Salient terms of the SPA	HLIB's comments
In respect of this Condition Precedent, PRSB agrees to grant a power of attorney to WMSB to, among others, prepare and submit the application for the Conversion Approval and deal with the relevant authorities for all matters relating to the Conversion Approval. All costs relating to the Conversion Approval shall be borne by WMSB including the premium payable for the conversion of category of land use; (b) the receipt by PRSB of the original issue document of title in respect of the Land issued subsequent to the Conversion Approval for industrial use and without any express conditions, and free from all encumbrances; (c) the receipt by PRSB of the written approval of the State authority for the sale and transfer of the Land to WMSB pursuant to the restriction in interest;	We note that the costs relating to the Conversion Approval shall be borne by WMSB. Nonetheless, the conversion premium has already been taken into consideration when arriving at the market value of the Land. As such, we are of the opinion that this term is reasonable and not detrimental to your interest.
(d) the receipt by WMSB of: (i) the written approval of the MEA for the purchase of the Land on terms acceptable to WMSB; or (ii) the written confirmation of the MEA that MEA's approval is not required for the purchase of the Land, as the case may be; (e) the signing of the concession agreement by WMSB and the GOM for the expansion of CT facilities; and (f) the approval of the shareholders of the Company in an EGM to be convened.	These terms are reasonable as they relate to the relevant approvals required for the implementation of the Proposed Acquisition and that the Land acquired will be able to be utilised for the Proposed Expansion. We further note that the SPA is subject to signing of the concession agreement by WMSB and the GOM for the Proposed Expansion and obtaining shareholders' approval by WHB.
(2) In the event that any of the Conditions Precedent is not fulfilled by the expiry of the Conditional Period and such non-fulfilment is not due to the default, fault, omission, neglect or wilful act of the party responsible for the fulfilment of the Conditions Precedent and unless such Conditions Precedent is/are waived by WMSB, to the extent permitted by law, the SPA shall lapse and terminate immediately after which PRSB shall refund or cause to be refunded to WMSB all monies paid by WMSB to PRSB including the Deposit pursuant to the SPA together with the accrued interest earned.	These terms are reasonable as they entitle either party to terminate the SPA should any of the Conditions Precedent cannot be met within the conditional period. In such event, PRSB shall refund all monies paid (including interest accrued) by WMSB and the parties shall have no further rights in respect of the SPA (save as expressly provided).

Salient terms of the SPA	HLIB's comments
6.3.3 Termination by PRSB	
(1) In the event that: (i) WMSB fails to pay the Balance Sum or any part of the Balance Sum within the time stipulated for payment in the SPA; or	The term is reasonable as it entitles PRSB to terminate the SPA in the event WMSB fails to pay the Purchase Price within the time stipulated for payment in the SPA.
(ii) the Transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of WMSB and such failure or breach or reason for non-acceptance or rejection or non-registration is not remedied by WMSB within 14 days after PRSB shall have given written notice to WMSB to remedy the same,	The term is reasonable as it entitles PRSB to terminate the SPA in the event that Transfer is rejected due to failure on the part of WMSB.
(2) PRSB shall be entitled to terminate the SPA and forfeit a sum equivalent to 10% of the Purchase Price by notice in writing to WMSB. PRSB shall be the party to claim the refund of the Retention Sum from the DGIR, upon the termination of the SPA. In the event the SPA is terminated by the reasons stated in: (a) paragraph (i) above, the Retention Sum which forms part of the Deposit that is equivalent to the 10% of the Purchase Price, will be forfeited to PRSB; or (b) paragraph (ii) above, all monies paid by WMSB including the Retention Sum (after deducting the sum equivalent to 10% of the Purchase Price) will be refunded to WMSB and/or the Financier within 3 business days. Upon receipt by WMSB of the said refund of monies, WMSB shall forthwith:	These terms are reasonable as they set out obligation to be fulfilled from both Parties and claim in which PRSB is entitled to upon termination of the SPA by PRSB due to failure on the part of WMSB. Upon termination, PRSB shall forfeit a sum equivalent to 10% of the Purchase Price, which is equivalent to the Deposit paid upon signing of the SPA. This term is reasonable and not detrimental to your interest as the forfeiture of 10% of the Purchase Price is in line with common forfeiture terms in other similar transactions. Further, we note that in the event of paragraph (i) above, the Retention Sum will be forfeited to PRSB. Nonetheless, in the event of paragraph (ii) above, all monies paid by WMSB including the Retention Sum (after deducting the sum equivalent to 10% of the Purchase Price) received by PRSB as part of the Purchase Price will be refunded to WMSB in order to safeguard its position.

Salient terms of the SPA	HLIB's comments
(i) redeliver possession of the Land to PRSB (in the event that possession has been delivered to WMSB) on such state and condition then is. For the avoidance of doubt, the Parties agree that WMSB is not required to reinstate the Land to the condition it was in when vacant possession of the same was delivered to WMSB; (ii) withdraw the caveat lodged by WMSB; and (iii) redeliver or cause to be redelivered to PRSB the original title (in the event that the same shall have been delivered to WMSB, WMSB's solicitors, the Financier and/or the Financier's solicitors) with PRSB's title to and interest in the Land remaining intact.	These terms are reasonable as it sets the remedies available and the obligations of WMSB to redeliver possession of the Land and the related documents to PRSB only occurs after receipt of the said refund of monies by WMSB.
(3) Thereafter, neither Parties shall have any claims whatsoever against the other under the SPA save and except for antecedent breaches under the SPA and PRSB shall be entitled to dispose of the Land in such manner as PRSB may in PRSB's absolute discretion deem fit without further reference to WMSB. PRSB shall further be entitled to claim from WMSB all costs and expense (including legal fees on a solicitor-client basis) incurred by PRSB in enforcing the terms and conditions of the SPA.	This term is reasonable as WMSB is only obliged to pay for claims in relation to the costs and expense incurred by PRSB in enforcing the terms and conditions of the SPA if WMSB has defaulted on its part.
6.3.4 Termination by WMSB	
(1) In the event that: (a) PRSB fails to complete the sale and purchase hereunder in accordance with the terms and conditions of the SPA or in breach of any of its covenants, representations, warranties, undertakings and/or obligations under the SPA; or	These terms are reasonable as they entitle WMSB to terminate the SPA upon occurrence of (a) and (b) as set out in this clause.

Salient terms of the SPA	HLIB's comments
(b) the Transfer is not accepted or is rejected for registration or is not registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of PRSB and such failure or breach or reason for non-acceptance or rejection or non-registration is not remedied by PRSB within 14 days after WMSB shall have given written notice to PRSB to remedy the same,	
(2) WMSB shall be entitled to either of the following: (i) to pursue an action for specific performance of the SPA together with all other reliefs flowing from the SPA; or (ii) to terminate the SPA by notice in writing to PRSB after which PRSB shall refund or cause to be refunded to WMSB and/or the Financier all monies paid by WMSB and/or the Financier towards the account of the Purchase Price under the SPA including the Deposit and further pay to WMSB a sum equivalent to 10% of the Purchase Price as agreed liquidated damages, and upon the receipt by WMSB of the said refund of monies and the payment of the liquidated damages from PRSB, WMSB shall forthwith: (aa) redeliver possession of the Land to PRSB (in the event that possession has been delivered to WMSB) on such state and condition then is. For the avoidance of doubt, the Parties agree that WMSB is not required to reinstate the Land to the condition it was in when vacant possession of the same was delivered to WMSB; (bb) withdraw the caveat lodged by WMSB; and (cc) redeliver to PRSB the original title (in the event that the same shall have been delivered to WMSB, WMSB's solicitors, the Financier and/or the Financier's solicitors) with PRSB's title to and interest in the Land remaining intact.	These terms are reasonable as they provide WMSB the flexibility to either: (i) seek the remedy of specific performance of the SPA from PRSB; or (ii) give a termination notice to PRSB in which PRSB shall refund all monies paid by WMSB as part of the Purchase Price including the Deposit and a further 10% of the Purchase Price as agreed liquidated damages is in line with other similar transactions. In such event, WMSB shall redeliver possession of the Land and the related documents to PRSB. For the benefit of WMSB, WMSB shall be entitled to claim from PRSB all costs and expenses incurred by WMSB in enforcing the terms and conditions the SPA. These terms are reasonable as they are common terms for transactions of such nature and WMSB is entitled to terminate the SPA or entitled to apply for the remedy of specific performance.

Salient terms of the SPA	HLIB's comments
Thereafter neither Parties shall then have any claims whatsoever against the other under the SPA save and except for antecedent breaches under the SPA and PRSB shall be entitled to dispose of the Land in such manner as PRSB may in PRSB's absolute discretion deem fit without further reference to WMSB. WMSB shall be entitled to claim from PRSB all costs and expenses (including legal fees on a solicitor-client basis) incurred by WMSB in enforcing the terms and conditions of the SPA.	

Premised on our comments as set out above, we are of the view that as a whole, the salient terms and conditions precedent of the SPA are generally reasonable and are not detrimental to the non-interested shareholders of WHB. However, our opinion does not take into consideration the legal aspects of the SPA, which is advised by the legal advisers appointed by WHB who would have been consulted by the Board prior to the execution of the SPA.

6.4 Effects of the Proposed Acquisition

The pro forma effects of the Proposed Acquisition on WHB's share capital, substantial shareholders' shareholdings, consolidated NA, gearing and consolidated earnings and our commentaries are summarised as follows:

Effects	Proposed Acquisition
Share capital and substantial shareholders' shareholdings	The Proposed Acquisition will not have any effect on the share capital and substantial shareholders' shareholdings of the Company as the Proposed Acquisition will not involve the issuance of new ordinary shares in WHB.
NA, NA per share and gearing	▪ The Proposed Acquisition is not expected to have a significant impact on the consolidated NA of WHB and NA per share of WHB. ▪ However, the consolidated NA of WHB is expected to decrease slightly from RM2.56 billion to RM2.55 billion due to the amortisation of the Purchase Price, estimated annual interest cost on the Additional Bank Borrowings and Transaction Costs. ▪ The gearing of the Group is expected to increase slightly from 0.55 times to 0.63 times while the net gearing will increase from 0.28 times to 0.46 times based on the assumption that RM200 million of bank borrowings is obtained to finance the Proposed Acquisition. Nonetheless, we are of the view that the Company's gearing ratio is still relatively low, which is below 1.0 time against the shareholder's equity, even with the partial funding of the Purchase Price with the Additional Bank Borrowings. Moreover, we are of the view that the Proposed Acquisition is expected to contribute positively to the NA per Share in the future upon recognition of the developments of the container terminals on the Land as concession assets to WHB. The development will be recognised as concession assets upon completion of construction for each CT, which will increase the non-current assets of the Group.

Effects	Proposed Acquisition
Earnings and earnings per Share	The Proposed Acquisition is not expected to have a significant impact on the earnings and earnings per share of WHB as illustrated in Section 6.3 of Part A of the Circular. The Proposed Acquisition is expected to reduce the EPS from 17.33 sen to 17.15 sen due to the annual amortisation cost. We are of the view that the Proposed Acquisition is not expected to have any detrimental impact on the financial performance of WHB due to the minimal effects on the earnings resulting from the annual amortisation of the Purchase Price, estimated annual interest cost on the Additional Bank Borrowings and Transaction Costs. Nevertheless, the future earnings and earnings per Share of WHB should improve as and when the construction of the CT facilities are completed and come into full operations that will take advantage of the future growth opportunities.

Premised on the above, we are of the view that the financial effects arising from the Proposed Acquisition are reasonable and are not detrimental to the non-interested shareholders of WHB.

6.5 Risk factors of the Proposed Acquisition

In evaluating the Proposed Acquisition, the non-interested shareholders of WHB should carefully consider the potential risks of the Proposed Acquisition as set out in Section 4 of Part A of the Circular and as summarised below:

6.5.1 Non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is conditional upon the fulfilment and/or waiver of all Conditions Precedent as set out in Section 6.3.2 of this IAL.

In the event that any of the Conditions Precedent is not fulfilled, waived and/or extension of time is not agreed upon between the Parties, the Proposed Acquisition will not be completed and the benefits expected to be realised from the Proposed Acquisition as discussed in Section 6.1 of this IAL will not be materialised. In addition, we wish to emphasise that Part A of the Circular has highlighted the risk relating to the signing of the concession agreement which is crucial to for the Group to undertake the Proposed Expansion to expand provision of port facilities and services and to operate the container handling business beyond the Group's current CT1 to CT9.

However, there can be no assurance that the relevant approvals will be obtained and Conditions Precedent will be fulfilled. While such risk is common for transactions of this nature, the Group will take reasonable steps to ensure the fulfilment of the Conditions Precedent in the SPA to facilitate the completion of the Proposed Acquisition.

Nonetheless, we are of the view that the probability of such an event occurring is remote given that WMSB has already obtained approval-in-principle from the GOM for Proposed Expansion on the Land and is expected to sign a concession agreement with the GOM which is also a condition precedent under the SPA pursuant to the Proposed Acquisition.

6.5.2 Funding and construction risks for the development of the Land

As mentioned in Section 4.2 of Part A of the Circular, the Group will need to procure additional funding for the Proposed Expansion which will be capital intensive and according to the Management, the expansion of CT10 to CT17 would require at least RM10 billion. This amount includes the acquisition of the Acquired PKNS Land, the Land under this Proposed Acquisition as well as for construction activities such as reclamation and dredging, construction and purchase of equipment.

There can be no assurance that the Group will be able to generate sufficient funds internally, execute fund-raising exercises successfully, or obtain the necessary borrowings or on terms acceptable to the Group. If the Group is unable to obtain sufficient funds or is restricted from incurring capital expenditure for the Proposed Expansion, completion of the Proposed Expansion may be delayed or may not be completed at all. This may have a material adverse effect on the Group's financial condition, results of operations and growth prospects of the Group.

We note that the Group will seek to mitigate such risks through prudent cash flow management, active engagement with external stakeholders and the financial community to ensure that the Group's financing requirements are in alignment with the financial market's expectations and investment horizons. Moreover, the total development cost of RM10 billion is expected to be incurred over a period of 30 years where the Group would have sufficient time to determine and structure its source of funding.

In addition, in the course of undertaking the Proposed Expansion, the Group is subject to a number of construction and other risks as set out in Section 4.2 of Part A of the Circular, which are beyond their control. We note that any withdrawal or revocation of approval-in-principle from the GOM or unfavourable terms and conditions by the GOM or any inability to obtain project development permission or required government licences, permits or approval will have a significant impact to the Group in carrying out its Proposed Expansion. These may cause delays in construction which may result in the Group being unable to complete the Proposed Expansion on schedule or within the estimated budget, which may adversely affect the revenue and internal rates of return expected to be derived from Proposed Expansion.

Nevertheless, we note that the Group would seek to mitigate construction risks by conducting an open tender process and inviting both reputable local and foreign construction companies with proven track record to develop their Proposed Expansion. Given that the Group has in the past carried out expansion plans of its CT facilities over the years, we are of the view that the Management would have the necessary experience in overseeing and managing the Proposed Expansion while ensuring cost-competitiveness, mitigating delays in construction and procuring an optimum construction services for the Group.

We further note that the Group has been operating Port Klang for over 26 years under the concession granted by the GOM. Having dealt with the GOM over the years, the Group has the expertise and experience in dealing with GOM to ensure the terms and conditions are reasonable such that the Proposed Expansion will be sustainable for the Group.

6.5.3 Compulsory acquisition of the Land

We note that as mentioned in Section 4.3 of Part A of the Circular, the state authority has the power to compulsorily acquire the Land pursuant to the Land Acquisition Act.

In the event of such a case, the Group will be entitled to compensation computed on the basis prescribed in the First Schedule of the Land Acquisition Act. However, the compensation amount may be less than the Purchase Price. However, we are of the view that the probability of such an event occurring is remote given that WMSB has already obtained approval-in-principle from the GOM for Proposed Expansion on the Land and is expected to sign a concession agreement with the GOM which is also a condition precedent under the SPA pursuant to the Proposed Acquisition.

6.5.4 Competition risk from other regional port operators

As mentioned in Section 4.4 of Part A of the Circular, the Group faces a competitive landscape in the ports industry. The competition faced by the Group is not only from the ports in Malaysia, but also from the South East Asia region.

According to the Management, we note that regional port operators particularly in Singapore has bigger capacity than the Group and Singapore and Indonesia are currently in the process of expanding their capacity. We note that Singapore is expected to build a megaport at Tuas to raise its port's capacity from about 45 million TEUs to 65 million TEUs in order to cater for the consolidation of their terminals in Singapore base at the megaport. It is estimated to start operations in phases starting from 2021 until 2040. We also note that Indonesia has 2 main container ports located in the straits of Malacca, being Belawan Port and Kuala Tanjung Port. Belawan Port has a handling capacity of approximately 1.2 million TEUs per annum, while Kuala Tanjung Port which will be starting operations in phases, is expected to have a handling capacity of 60 million TEUs per annum upon completion.

Although we note that the Group has proven track record of growth in terms of its container throughput in the past 3 years, as set out in Section 6.5.7 of this IAL, the Proposed Expansion should be undertaken in order for the Group to remain competitive among other ports players in Malaysia and in the South East Asia region.

6.5.5 Dependency on a small number of customers

The main customers of the Group are shipping liners. As mentioned in Section 4.5 of Part A of the Circular, the shipping industry has undergone a consolidation phase. We understand that shipping liners have also formed new alliances. This consolidation activity resulted in greater market concentration, with a handful of shipping liners dominating the market. With the consolidation of shipping liners, the Group is currently dependent on a small number of shipping liners. Nonetheless, we note that the new alliances have adopt a dual-hub strategy with hubs in both Singapore and Port Klang. This will give Malaysian ports an opportunity to pull additional transshipment traffic through the trade route.

Notwithstanding the consolidation activity, we understand that the Group's port is strategically located in Port Klang, which has a captive market for the central region in Peninsular Malaysia and the surrounding areas. According to the Statistics of Maritime Transport for the fourth quarter of 2019 published by the Ministry of Transport, the volume of local cargoes in Port Klang has increased from about 3.0 million TEUs in 2009 to about 5.03 million TEUs in 2019.

With the strategic location of Port Klang and the strong growth in container volume between countries in intra-Asia which constitutes more than half of the Group's total volume, customer concentration risk has reduced as some of the companies involved in this trade lane are relatively niche and smaller regional container shipping lines.

In view of the above, the Management is taking a proactive strategy to increase its CT capacity to meet the expected increase in cargo volume. We also note that the Group continuously seeks new customers and capturing new business markets through niche and smaller regional container shipping lines to diversify its customer base.

6.5.6 Tariff revisions and concession period

Revenue of the Group's port operations is recognised based on the throughput handled and the applicable tariffs which are set by PKA. The frequency and quantum of container tariff revision by the GOM are expected to have an impact on the Group's projected revenue and internal rates of return expected from the Proposed Expansion. We note that the last hike of port tariff which was approved by the GOM which came into effect in 2 phases, which was in November 2015 and March 2019 with an average tariff increase of 15% for each stage. Prior to that, the previous container tariff hike was in 2001. In view of the tariff hike being quite recent, the anticipated increase in container handling arising from the Proposed Expansion plan would enable the Group to benefit from the new tariff rate.

6.5.7 Economic, financial and political uncertainties

The operations and business of the Group is to a certain degree dependent on external factors such as national and global economic conditions, change in government policies or world volume and import and export trade volume in the South East Asia region. As mentioned in Section 4.7 of Part A of the Circular, such trade volume and import and export trade volumes are significantly affected by the changes in the economic, financial and political conditions regionally or globally that are beyond the Group's control. These include sanctions, trade disputes, acts of war and natural disasters.

We note that the recent event of the COVID-19 outbreak in Wuhan, China and many other parts of the world cannot be quantified at this stage in time in view of the uncertainty and impact to the world economy and trade volume in the South East Asia region. Nevertheless. we understand that the impact of COVID-19 outbreak on South East Asia has not been as severe as in other parts of Asia and container-handling activity has remained robust. Some ports have also benefitted from shipping lines diverting their services away from China and dropping off cargo because of congestion in that country's ports. However, this benefit may not sustain and according to Drewry which highlighted that South East Asia port container volumes in the first quarter of 2020 will decline by a little over 1% and although it registered a growth of 0.3%, it will be the only part of the Asia region to register a positive performance this year. Therefore, the COVID-19 outbreak and decline in economic conditions may cause further reduction in global container shipping trade and reducing calls to ports.

We note that the Group has stated that they did not experience any material adverse operational and financial impact arising from the COVID-19 outbreak. Nevertheless, the Group intends to mitigate the above risks include the risk posed by the COVID-19 outbreak by adopting a proactive approach in keeping abreast of economic, financial and political developments and monitoring the COVID-19 outbreak situation closely locally, regionally and globally in order for the Group to take immediate appropriate measures in a timely manner. Such measures may include reviewing costs and expenses and active engagement with its customers.

In view that more than half of the Group's container throughput is contributed by transhipment containers, a decline in economic conditions may cause a reduction in global trades, thus having a negative impact on the global shipments, which leads to lower number of ship calls at the Group's port for transhipment before reaching their final destination, hence resulting in a decrease in the utilisation level of the port facilities. This may materially affect the Group's anticipated growth in demand of the port terminal utilisation.

Transhipment involves the process of transferring containers from one vessel to another without exiting the container gate in order for containers to reach their final destination, while gateway involves importing and exporting of containers into and out of Malaysia. Based on the total container throughput handled by the Group for 2019, approximately 67% of the total container throughput was contributed by transhipment containers while 33% was contributed by gateway containers.

We set out below breakdown of the container throughput of the Group for the last 3 years:

	2017		2018		2019	
	(million TEUs)	%	(million TEUs)	%	(million TEUs)	%
Transhipment	6.22	69	6.22	65	7.23	67
Gateway	2.81	31	3.30	35	3.63	33
Total	**9.03**	100	**9.52**	100	**10.86**	100

As illustrated in the table above, the Group is more dependent on transhipment containers in view that container throughput is mainly derived from transhipment in the past 3 years.

However, the abovementioned risk is associated with business risks relating to transport and logistics industry, in which the Group is already subjected to as their core business is in container terminal operations. Moreover, this risk arising from external factors are beyond the control of the Group.

We note that although measures may be taken by the Board in an attempt to limit the risks mentioned above, no assurance can be given that one or a combination of such risk factors will not crystallise and give rise to adverse impact on the prospects of the Group.

6.6 Industry overview, outlook and prospects

6.6.1 Overview and outlook of the Malaysian and global economy

Based on the overview and outlook of the Malaysian and global economy as mentioned in Section 5.1 of Part A of the Circular, we observe that in general the global economy and global trade expanded at a slower pace for the year 2019 as compared to the previous year, while the Malaysian economy expanded by 4.3% in 2019. In Malaysia, private consumption continued to record a strong growth of 7.6% and public consumption expanded at a moderate pace of 2.0% in 2019. On the other hand, the private investment expanded at a slower pace of 1.5% and public investment declined by 10.8% in 2019.

As set out in Section 5.1 of Part A of the Circular, we have summarised below the global economy is projected to register negative growth in 2020 mainly due to the economic repercussions of the COVID-19 pandemic and is expected to undergo a recession in 2020 with a projected recovery in 2021. Growth prospects for advanced countries and EMEs will be weak, with advanced economies in particular expected to experience a contraction in growth.

Although measures implemented to contain the rapid spread of COVID-19 will suppress private sector activity globally, the unprecedented nature and scale of fiscal and monetary policy intervention across economies is expected to cushion the economic disruptions caused by COVID-19. These measures will support a gradual normalisation in economic activities upon the successful containment of the pandemic.

Risks to global growth are tilted to the downside, mainly reflecting the significant uncertainties surrounding the COVID-19 pandemic. The extent of the economic impact arising from this pandemic would be dependent on the severity and duration of the outbreak in various economies and the corresponding measures undertaken to contain this global health crisis. The weakness in the real economy could be further weighed down by a prolonged tightening of global financial conditions.

Against this highly challenging global economic outlook, Malaysia’s gross domestic product growth is projected to be between -2.0 to 0.5% in 2020 (2019: 4.3%). The domestic economy will be impacted by the necessary global and domestic actions taken to contain the outbreak.

6.6.2 Industry outlook and prospects

We take note of the industry outlook and prospects as mentioned in Section 5.2 of Part A of the Circular. We are of the view that container activity in Asia is expected to increase in the long run as projected by Drewry which is extracted below:

"Much higher rates of growth are then projected over the 2021 to 2024 period, with ports in South East Asia seeing their share of Far East container-handling activity increase from 26.3% in 2019 to 26.9% in 2024.

Drewry has forecasted container activity to decrease from around 801 million TEUs in 2019 to about 797 million TEUs in 2020 and thereafter, to increase to about 921 million TEUs in 2024. Drewry believes that global container-handling activity will decline by 0.5% in 2020 and recover strongly in 2021 (+4.8%). It will then register annual rises of 3% to 3.5% up to 2025. For Asia which constitutes Greater China, South East Asia and North Asia alone, the volume is expected to decrease from about 435 million TEUs in 2019 to about 433 million TEUs in 2020 and thereafter, to increase to about 504 million TEUs in 2024. This still constitutes of around 54% to 55% of global port handling volume during the said period."

Moreover, the shift in manufacturing capacity from China to South East Asia are also resulting in growth in various corridors of the intra-Asia trade which would potentially benefit the Group due to its strategic location in Port Klang. While India and Bangladesh are building new and deeper-draught ports, many ocean carriers still use established hubs, such as Port Klang, Port of Tanjung Pelepas and Singapore, to move cargo originating from / destined for these areas. Primarily, this is because efficiency levels and productivity rates in the ports are high and feeder costs are extremely competitive.

With this, despite the consolidation and mergers of the shipping operators as mentioned earlier in Section 6.5.5 of the IAL, it is expected that there will be sustained growth in the Asia container volume. Regional ports have been investing in additional container handling capacity such as Singapore and Indonesia as mentioned earlier in Section 6.5.4 of the IAL and the Group would need to do the same in order to meet the projected increase in container throughput as well as to remain competitive. Furthermore, we understand from the Management that they expect to be reaching near full utilisation capacity within the next few years.

Nonetheless, we wish to highlight that the future plan and strategies to be undertaken by the Board are subject to uncertainties which are not within the Board's control such as changes in government policies and changes in global economic conditions. For instance, the COVID-19 outbreak has caused countries to implement measures including broad-based travel restrictions, enforced business closures and restrictions on social activities which is expected to result in economic disruptions. The impact of this is currently still uncertain but it is expected to dampen global and regional trade which may affect the Group's operations in terms of reducing its container throughput, which in turn will result in a decrease in the utilisation level of the Group's container terminal capacity.

6.6.3 Prospects of the Group and the Land

Premised on the prospects of the Group and the Land as mentioned in Section 5.3 of Part A of the Circular, we are of the view that the prospect for developing the Land is favourable. The Proposed Expansion is in line with the Group's proactive management strategy to undertake periodic increase in its CT capacity to meet the projected increase in throughput demand as well as to remain competitive in the industry. Upon completion of CT10 to CT17, the Group is expected to have a total handling capacity of 28 million TEUs per annum. In light of the stiff competition locally and regionally, it is crucial that the Group continues to seek to expand and invest its container handling capacity.

We set out below the statistics of TEUs handled by the ports in Malaysia and Singapore located in the Straits of Malacca for the year 2019:

Port	TEUs handled (million)	Market share (%)
Port of Singapore	**37.20**	**60**
WHB	**10.86**	**17**
Port of Tanjung Pelepas	**9.08**	**15**
Northport	**2.72**	**4**
Penang Port	**1.49**	**2**
Johor Port	**1.04**	**2**
Total	**62.39**	**100**

(Source: Respective TEU statistics from the Management, Statistic of Maritime Transport for the fourth quarter of 2019, Ministry of Transport Malaysia and Maritime and Port Authority of Singapore)

As illustrated in the table above, WHB remains the largest port in Malaysia with a container throughput of 10.86 million TEUs in 2019. We note that the other container ports in Malaysia are relatively smaller in comparison to WHB, save for Port of Tanjung Pelepas which recorded a container throughput of 9.08 million TEUs in 2019. However, we also note that MMC Corporation Berhad is the owner/operator of Port of Tanjung Pelepas, Northport, Penang Port and Johor Port, which on aggregate, giving it a total container throughput of 14.33 million TEUs handled in 2019.

Further, as mentioned in Section 6.5.4 of this IAL, we note of the expansion in Singapore to build a megaport at Tuas to raise its port's capacity from about 45 million TEUs to 65 million TEUs in order to cater for the consolidation of the terminals in Singapore base at the megaport by 2040. Similarly, the Kuala Tanjung Port is also undergoing construction to increase in its handling capacity.

Therefore, the Group will need to expand its container handling capacity given the current competitive environment. We note that the Land is strategically located next to its existing CT1 to CT9. It is therefore imperative that the Group continues to expand its ports and CT in order to remain the pre-eminent port for the nation's gateway trade and also reinforcing the terminal as one of the main transhipment hubs in the South East Asian region. We believe that with the completion of the Proposed Expansion coupled with the growing demand for its port services, the Land is expected to contribute positively to the financial performance of the Group in the medium to long term going forward.

Premised on the outlook of the industry which remains encouraging and with a gradual growth in port services, we are cognisant that there are risks associated with the development of the Land which requires significant capital expenditure and funding required and may not become profitable in the immediate term. Given the above factors, we are of the view that the Proposed Acquisition taken as a whole is reasonable to the interest of the non-interested shareholders.

7. CONCLUSION AND RECOMMENDATION

In arriving at our recommendation, we have assessed and evaluated the Proposed Acquisition after taking into consideration the various factors discussed in Section 6 of this IAL.

We summarise below our evaluation of the Proposed Acquisition:

No.	Factors (Section in the IAL)	Assessment
1.	**Rationale of the Proposed Acquisition**	In respect of the rationale for the Proposed Acquisition as set out in Section 3 of Part A of the Circular, we are of the view that the rationale of the Proposed Acquisition is reasonable and not detrimental to the non-interested shareholders of WHB as: (i) the Group's current CT facilities, comprising CT1 to CT9, is operating at a utilisation rate of approximately 72% of its total terminal handling capacity as at the LPD and is expected to reach near full utilisation within the next few years. In view of this, the Management is taking a proactive strategy to increase its CT capacity to meet the projected increase in throughput demand as well as to remain competitive in the industry; (ii) the Proposed Acquisition together with the Acquired PKNS Land would allow the Group to expand its CT facilities which will facilitate the full development of CT10 to CT13 and part of CT14. The Proposed Expansion is expected to increase the Group's total handling capacity to 28 million TEUs per annum after the completion of CT10 to CT17; By undertaking the Proposed Expansion on the Land and the Acquired PKNS Land located right beside the existing CT facilities, the Group will be able to achieve significant cost savings and enhance operational efficiency as this will enable the Group to share facilities and resources from the existing CTs such as container gates, terminal operating systems and warehouses; and (iii) WMSB has received an approval-in-principle from the GOM vide a letter dated 23 August 2017 for the proposed expansion of the Group's CT facilities.

No.	Factors (Section in the IAL)	Assessment
2.	**Evaluation of the Purchase Price**	The Purchase Price represents a slight discount of about 0.01% to the market value of the Land as appraised by the Valuer. The Purchase Price for the Proposed Acquisition was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of RM394.0 million for the Land (approximately RM25 psf) as appraised by the Valuer, the strategic location of the Land and the prospects of the Proposed Acquisition. The Valuer had adopted the Comparison Approach and no other alternative method of valuation was considered such as residual method or investment method as these alternative methods are not appropriate given that the said Land is a vacant parcel of residential land with potential for industrial and transportation use without any approval or submission for development approval. The comparable transactions are then adjusted for factors which affect value such as location and accessibility, market condition, size, shape and terrain of land, tenurial interest and restriction (if any), availability of infrastructure and vacant possession, development potential, zoning, approvals (if any) and other relevant characteristics. We noted that the Valuer has derived a market value for the Land of approximately RM25 psf, which falls within the range of the lowest and highest adjusted value psf of its comparable properties, i.e. between RM25 to RM35 psf. Further, the market value of approximately RM25 psf is also lower than the average adjusted value of the comparable properties of RM29 psf. As such, we are of the view that the market value for the Land is reasonable based on the following: (i) it is valued closely to the adjusted price of Comparable 1, which is the most recent transaction and one of the larger tract of land in comparison; (ii) the Valuer has based their valuation closest to Comparable 1, which has the least adjustment made on factors such as the location, tenure, terrain, size and other relevant characteristics. As illustrated in their Valuation Report and as set out in the table on Section 6.2.1 of the IAL, the deviation from Land for Comparable 1 is 47.5% which has the least adjustments made as compared to the other comparables which ranges from 65.0% to 75.0%; and (iii) the valuation of the Land falls within the 'adjusted price' range of the comparable transactions. Premised on the above, we are of the view that the Purchase Price is fair and reasonable and not detrimental to the non-interested shareholders of WHB.

No.	Factors (Section in the IAL)	Assessment
3.	**Salient terms of the SPA**	We wish to highlight that the Proposed Acquisition is conditional upon, among others, the signing of the concession agreement by WMSB with the GOM. We also note that the Purchase Price shall be adjusted at the rate of RM25 psf if the Land area in the final title differs by more than 2%. Based on our review of the salient terms of the SPA, we find that the overall terms and conditions of the SPA are generally reasonable taken as a whole and are not detrimental to the non-interested shareholders of WHB.
4.	**Effects of the Proposed Acquisition**	The Proposed Acquisition will not have any effect on the share capital and the substantial shareholders' shareholdings of WHB as the Purchase Price is to be satisfied entirely by cash and does not involve any issuance of shares in WHB. The Proposed Acquisition will not have a significant impact on the consolidated NA of WHB other than a slight decrease due to the amortisation of the Purchase Price, estimated annual interest cost on the Additional Bank Borrowings and Transaction Costs in relation to the Proposed Acquisition. The Proposed Acquisition is not expected to have a significant impact on the earnings and EPS of WHB. Moreover, it is envisaged that the Proposed Acquisition will contribute positively to the Group's future earnings and EPS in the long-term once the additional CT facilities are fully operational.
5.	**Risk factors of the Proposed Acquisition**	We note the following: (i) There is no assurance that all the Conditions Precedent as set out in Section 6.3.2 of this IAL will be fulfilled/waived in order for the completion of the Proposed Acquisition; (ii) The Proposed Expansion plan requires a significant amount of capital expenditure estimated to be at least RM10 billion which includes the acquisition of the Land, the Acquired PKNS Land as well as for reclamation and dredging of the Land and other construction related activities. As such, the Group may be unable to obtain sufficient fund or is restricted from incurring capital expenditure for the Proposed Expansion; (iii) The state authority has the power to compulsorily acquire the Land pursuant to the Land Acquisition Act, in which there is a risk that the compensation amount offered may be less than the Purchase Price;

No.	Factors (Section in the IAL)	Assessment
		(iv) There is no assurance that the Group under the Proposed Expansion will be able to compete successfully in the future against its existing and potential competitors in Malaysia and South East Asia region; and (v) The Group is dependent on and subject to changes from external factors such as national and global economic conditions, as well as to other business risks such as the dependency on a small number of customers and change in government policies such as tariff revisions by the GOM which may have an impact on the revenue projections under the Proposed Expansion. We note that the Group is subject to further risks such as delay in construction and other risks which are beyond their control. We also note that the Proposed Acquisition is for the Proposed Expansion and not a diversification into a new business which carries new risks. Although measures are taken by the Group to limit the risks in relation to the Proposed Acquisition as set out in Section 4 of Part A of the Circular, there is no assurance that any of the risk factors will not crystallise which may give rise to material and adverse effects to the financial performance of the Group.
6.	**Industry overview, outlook and prospects**	The global economy is projected to register negative growth in 2020 mainly due to the economic repercussions of the COVID-19 pandemic and is expected to undergo a recession in 2020 with a projected recovery in 2021. The extent of the economic impact arising from this pandemic would be dependent on the severity and duration of the outbreak in various economies and the corresponding measures undertaken to contain this global health crisis. Against this highly challenging global economic outlook, Malaysia's gross domestic product growth is projected to be between -2.0 to 0.5% in 2020 (2019: 4.3%). The domestic economy will be impacted by the necessary global and domestic actions taken to contain the outbreak. The outlook of the industry remains positive in the long run as container throughput in Asia is expected to increase to about 504 million TEUs in 2024 which represents around 54% to 55% of global port handling volume during the said period. Hence, despite the consolidation within the shipping industry, it is expected that there will be sustained growth in the Asia container volume. As such, it is noted that regional ports such as those in Singapore and Indonesia have been investing in additional container handling capacity. Therefore, the Group will need to expand its container handling capacity given the current competitive environment and the prospect for developing the Land appear favourable as the Land is strategically located next to the Group's existing CT1 to CT9 and the Proposed Acquisition is in line with the Group's plan for the Proposed Expansion.

After taking into consideration the abovementioned factors and on an overall basis, we are of the opinion that the Proposed Acquisition is FAIR AND REASONABLE and are not detrimental to the interests of the non-interested shareholders of WHB.

Accordingly, we recommend that the non-interested shareholders of WHB VOTE IN FAVOUR of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

Yours faithfully,
For and on behalf of
HONG LEONG INVESTMENT BANK BERHAD

PHANG SIEW LOONG	**SHIM CHOON LIM**
Head, Equity Markets	Co-Head, Corporate Finance
Investment Banking	Investment Banking

VALUATION CERTIFICATE IN RELATION TO THE VALUATION OF THE LAND

PPC INTERNATIONAL SDN BHD (405011-U)

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B. Sc. (Hons) (Est Mgt) U.K., Dip (Hons) (Rural Est Mgt),
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Associate Directors / Registered Valuers

Sr NORAKMAL MOHD SALLEH @ ELIAS
B. Sc. (Hons) in Prop Mgt & Valuation, MRISM

VALUATION CERTIFICATE

Our Ref : PPC/19/V1338

3 December 2019

Board of Directors
Westports Holdings Berhad
Level 10, Westports Tower
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Malaysia

Dear Sirs/Madam,

REPORT AND VALUATION OF
PAJAKAN NEGERI (PN) 7374, LOT NO. 72778, MUKIM AND DISTRICT OF KLANG, STATE OF SELANGOR DARUL EHSAN
(A PARCEL OF LEASEHOLD RESIDENTIAL LAND WITH POTENTIAL FOR INDUSTRIAL AND TRANSPORTATION USE IDENTIFIED AS LOT NO. 72778 SITUATED ADJACENT TO THE SOUTH-WESTERN SIDE OF WESTPORTS FREE ZONE, OFF JALAN STAR FINDER, 42920 PULAU INDAH, SELANGOR DARUL EHSAN)

This valuation certificate has been prepared for submission to Bursa Malaysia Securities Berhad.

We refer to your instructions to carry out a valuation of the unexpired term in the 99-year leasehold interest in the abovementioned property to ascertain the market value for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the proposed acquisition by Westports Malaysia Sdn Bhd ("WMSB"), a wholly-owned subsidiary of Westports Holdings Berhad ("WHB"), of the abovementioned property from Pembinaan Redzai Sdn Bhd.

In accordance with your instruction to value the above mentioned property, we have inspected the above mentioned property on 2 December 2019 which is also taken as the material date of valuation. We have also extracted a legal description of the property from our search at the Registered Document of Title at the Selangor Registry of Land Titles in Shah Alam on 28 November 2019.

The Basis of Valuation adopted by us is the **"Market Value"** which is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

The valuation was carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

VALUATION CERTIFICATE *(Cont'd)*

IDENTIFICATION OF PROPERTY

Legal Description	:	Pajakan Negeri (PN) 7374, Lot No. 72778, Mukim and District of Klang, State of Selangor Darul Ehsan, shall be referred to as **"the Property"**
Location	:	Lot No. 72778, off Jalan Star Finder, 42920 Pulau Indah, Selangor Darul Ehsan (situated adjacent to the south-western side of Westports Free Zone)
Property Type	:	A 361.762-acre parcel of residential land with potential for industrial and transportation use
Tenure	:	99-year leasehold interest expiring on 24 March 2096 (unexpired term of 77 years as at 2019 i.e. the year of valuation)
Category of Land Use	:	"Bangunan"
Encumbrance	:	Nil
Registered Proprietor	:	Pembinaan Redzai Sdn Bhd
Express Condition	:	"Perumahan"

TERMS OF REFERENCE

As indicated on the title deed, the Property is designated for residential (housing) use. However, our inquiries at the Planning Department, Majlis Perbandaran Klang revealed that the Property is currently zoned for transportation and industrial use. We were further informed that although the category of land use is building (residential), any residential development may not be in line with the current zoning and surrounding development.

For the purposes of this valuation, we have rightly considered the Property as a parcel of residential land with potential for industrial and transportation use. Further, we have valued it on the basis consistent with the Sale and Purchase Agreement whereby the vendor had granted the purchaser a power of attorney to, among others, submit the application for the conversion of land use from building to industrial and deletion of the express condition of housing as the purchaser intends to use the land for industrial and transportation purposes. This attracts a conversion premium and all costs relating to the above are to be borne solely by the purchaser.

Our valuation is further on the basis that vacant possession is available and the Property is free from all encumbrances.

GENERAL DESCRIPTION

The Property is located to the south-west of Pulau Indah, Selangor Darul Ehsan. It is situated approximately 34 kilometres and 67 kilometres to the south-west of the Klang town centre and south-west of the Kuala Lumpur city centre respectively. The Property is situated adjacent to the south-western side of Westports Free Zone which is located along the Straits of Malacca in Pulau Indah, Port Klang, Malaysia. Westports Free Zone is a multi-cargo port which handles all types of cargoes in containers, break bulk, dry bulk, liquid bulk, vehicles and other conventional cargoes.

PROPERTY DESCRIPTION

The site is irregular in shape with a land area of 146.4 hectares (361.762 acres). It is generally flat in terrain and lies about same level with the surrounding land. During the course of inspection, we noted that the land is overgrown with shrubs and bushes. There is a stream that traverses across the Property in a north-western direction leading to the Straits of Malacca. Further, from our inspection and taking note of the site plan from the Sistem Maklumat Perancangan Negeri Selangor (SISMAPS v2) published by Jabatan Perancang Bandar

VALUATION CERTIFICATE IN RELATION TO THE VALUATION OF THE LAND *(cont'd)*

VALUATION CERTIFICATE *(Cont'd)*

dan Desa, Negeri Selangor, we understand that about 20% of the land amounting about 3,219,994 square feet on the north and south - western boundary is under water. This 20% of the land is subject to tidal movement from the Straits of Malacca whereby approximately 45% of it is permanently under water whilst the balance of 55% is only submerged under water during high tide.

In our valuation, we have taken into consideration the fact that about 20% of the land amounting about 3,219,994 square feet is submerged under water and have made the appropriate adjustment to arrive at the Market Value.

For the purposes of the valuation, if the entire land was not submerged under water, we would have estimated the value of the land to be RM26 per square foot over the total area. However, since the 20% of the land representing about 3,219,994 square feet which is submerged under water, we have adopted RM21 per square foot for this portion. Thus, the area of the land not under water, i.e. about 80% representing about 12,538,370 square feet, we have adopted RM26 per square foot. The resulting difference of about RM5 per square foot which represents a decrease in value of RM16,100,000 is to reflect the cost of reclamation and filling which is accounted for in the valuation.

In addition the decrease in value of RM16,100,000 represents about 4% of the market value i.e. RM394,000,000. However, we have rounded up to 5% in our analysis of the comparable for the adjustment of terrain which is essentially for the land submerged under water.

PLANNING DETAILS

As indicated in the title deed, the Property is designated for residential (housing) use. However, our inquiries at the Planning Department, Majlis Perbandaran Klang revealed that the Property is currently zoned for transportation and industrial use. We were further informed that although the category of land use is building (residential), any residential development may not be in line with the current zoning and surrounding development.

METHOD OF VALUATION

We have adopted the **Comparison Approach** in this valuation and have not considered other approaches simply because the land is a vacant parcel of residential land with potential for industrial and transportation use currently without the benefit of any approval or submission for development approval. Other valuation approaches as a check method will not be appropriate if development assumptions are made.

The **Comparison Approach** - Comparison Method entails comparing the Property with comparable Properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market condition, size, shape and terrain of land, tenurial interest and restriction (if any), availability of infrastructure and vacant possession, development potential, zoning, approvals (if any) and other relevant characteristics.

Sales Evidences

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Photo					
Property	PN 106522, Lot No. 169438, Mukim and District Klang, State of Selangor Darul Ehsan	HSD 136686, Lot PT No. 129890, Mukim and District of Klang, State of Selangor Darul Ehsan	HSD 128980, Lot PT No. 64410, Mukim and District of Klang, State of Selangor Darul Ehsan	PM 643 and HSM 1557, Lot No. 9048 and PT No. 9049, Mukim and District of Klang, State of Selangor Darul Ehsan	PN 104210 and 111641, Lot Nos. 142452 and 142453, Mukim and District of Klang, State of Selangor Darul Ehsan

VALUATION CERTIFICATE IN RELATION TO THE VALUATION OF THE LAND *(cont'd)*

VALUATION CERTIFICATE *(Cont'd)*

(Cont'd)

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address/Location	Lot No. 169438, Lebuhraya Pulau Indah, Pulau Indah, Selangor Darul Ehsan	PT 129890 (Lot 158189), off Lebuhraya Pulau Indah, Telok Gong, Selangor Darul Ehsan	PT 64410 (Lot No. 87955), Jalan Perigi Nenas 8/11, Pulau Indah Industrial Park, Selangor Darul Ehsan	Lot Nos. 9048 & 9049, Jalan Telok Gong, Telok Gong, Selangor Darul Ehsan	Lot Nos. 142452 and 142453, off Lebuhraya Pulau Indah, Telok Gong, Selangor Darul Ehsan
Property Type	A parcel of vacant industrial land	A parcel of vacant industrial land	A parcel of vacant industrial land	2 parcels of vacant industrial land	2 parcels of vacant industrial land
Land Area (Sq. M.)	133,599.87	10,116.96	13,111.78	17,342.95	40,459.93
Land Area (Sq. Ft.)	1,438,057	108,898	141,135	186,678	435,507
Tenure	99-year leasehold expiring on 24 February 2097	99-year leasehold expiring on 3 March 2093	99-year leasehold expiring on 30 March 2097	99-year leasehold expiring on 8 June 2068 and 9 February 2068	99-year leasehold expiring on 20 April 2093
Date of Transaction	20 December 2018	29 June 2018	21 November 2017	17 October 2017	24 July 2017
Sales Price (RM)	**RM23,000,000.00**	**RM5,988,916.00**	**RM9,600,000.00**	**RM12,000,000.00**	**RM26,130,469.00**
Analysed Land Value (PSF)	**RM48**	**RM55**	**RM68**	**RM64**	**RM60**
Vendor	Inspirasi Delima Sdn Bhd	PIO Hardwoods (M) Sdn Bhd	Sin Yuan Enterprise Sdn Bhd	Lim Kim Chuan & Sons Holdings Sdn Bhd	Sin Yeap Holdings (M) Sdn Bhd
Purchaser	KS Galah Sdn Bhd	Rainbow Paper Supplies Sdn Bhd	Tanjong Express Logistic (M) Sdn Bhd	CH Rebar Sdn Bhd	TSWW Logistics Hub Sdn Bhd
Source	Jabatan Penilaian Dan Perkhidmatan Harta	Jabatan Penilaian Dan Perkhidmatan Harta	Jabatan Penilaian Dan Perkhidmatan Harta	Jabatan Penilaian Dan Perkhidmatan Harta	Jabatan Penilaian Dan Perkhidmatan Harta
Share	1/3 share	1/1 share	1/1 share	1/1 share	1/1 share
Remarks	-	-	-	-	-
Adjustments	Downward adjustments made on location, size, terrain, share transfer and conversion premium for industrial	Downward adjustments made on size, terrain and conversion premium for industrial, upward adjustment made on location	Downward adjustments made on location, size, terrain and conversion premium for industrial, upward adjustment made on time	Downward adjustments made on size, terrain and conversion premium for industrial, upward adjustments made on location, tenure and time	Downward adjustments made on size, terrain and conversion premium for industrial, upward adjustments made on location and time
Adjusted Unit Rate	**RM25** per square foot	**RM25** per square foot	**RM27** per square foot	**RM35** per square foot	**RM33** per square foot
Deviation Rate	47.5%	65%	70%	75%	65%

A publication by Edge Weekly dated 27 May 2019 indicated the adjoining lot comprising 318 acres has been placed in the market by 1Malaysia Development Berhad for sale. The site is a residential land zoned for industrial land use. During the course of inspection, we noted that the site has been cleared and currently vacant. The expected sale price is above RM30.00 per square foot.

Reconciliation of Value

We have based our opinion of value on Comparison Approach whereby the analysis of comparable sales evidences indicates the value of the Property to range from RM25.00 to RM35.00 per square foot after allowing for the adjustments made to the comparables as shown above.

Based on the analysis, we note that Comparable 1 is the best comparable to be adopted as it indicates the lowest adjustments in relation to its deviation from the Property. Therefore, we are of the opinion that the Market Value of the Property is RM394,000,000.00 (approximately RM25.00 per square foot).

VALUATION CERTIFICATE IN RELATION TO THE VALUATION OF THE LAND *(cont'd)*

VALUATION CERTIFICATE *(Cont'd)*

OPINION OF VALUE

Having regard to the foregoing, we are of the opinion that the **Market Value** of the unexpired term i.e. about 77 years in the 99-year leasehold interest in the Property, Pajakan Negeri (PN) 7374, Lot No. 72778, Mukim and District of Klang, State of Selangor Darul Ehsan, with vacant possession and free from all encumbrances, as at 2 December 2019, is **RM394,000,000.00 (Ringgit Malaysia : Three Hundred And Ninety-Four Million Only).**

For and on behalf of
PPC INTERNATIONAL SDN BHD

PPC International Sdn Bhd
V-292
&
E-1031
DATUK Sr Sidsapesan Sittampalam

DATUK Sr SIDSAPESAN SITTAMPALAM
Managing Director
B. Sc. (Est. Mgt.) UK, MBA (Real Est.) Sydney
FRICS, FRISM, ICVS, FPEPS, FMIPFM
Registered Valuer (V-292)

Date: 3 December 2019

zul/RBB

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular. They confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular false or misleading.

The information relating to the Land was obtained from PRSB and the responsibility of our Board is limited to ensuring that this information is correctly extracted and reproduced in this Circular.

2. CONSENTS AND CONFLICT OF INTEREST

2.1 CIMB

CIMB, being our Principal Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references to it in the form and context in which they appear.

CIMB, its related and associated companies, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company (the "**CIMB Group**"), form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the role as Principal Adviser for the Proposed Acquisition. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with our Company and/or our affiliates or any other person(s), hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the businesses of CIMB Group generally acting independently of each other and accordingly, there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest in or take actions that may conflict with the interests of our Company and/or our affiliates.

In view of the above, CIMB confirms that as at the LPD, it is not aware of any conflict of interest situation that exists or is likely to exist in its capacity as the Principal Adviser to our Company for the Proposed Acquisition.

2.2 HLIB

HLIB, being the Independent Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the Independent Advice Letter and all references to it in the form and context in which they appear.

HLIB confirms that as at the LPD, it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser for the Proposed Acquisition.

ADDITIONAL INFORMATION *(cont'd)*

2.3 PPC International

PPC International, being the independent valuer of the Land, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the valuation certificate on the valuation of the Land and all references to it in the form and context in which they appear.

PPC International confirms that as at the LPD, it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the independent valuer of the Land.

2.4 Drewry

Drewry has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references to it in the form and context in which they appear.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

Save as disclosed below, as at the LPD, our Directors are not aware of any material commitments incurred or known to be incurred by our Group, which may have a material impact on the financial position of our Group:

	RM'000
Capital expenditure commitments for property, plant and equipment and concession assets	
Authorised and contracted for	
- Purchase of the Land	354,563
- Infrastructure construction	140,375
- Terminal operating equipment and other property, plant and equipment	113,412
- Information technology system maintenance and upgrade	12,970
- Civil and infrastructure maintenance	12,667
Total	**633,987**

3.2 Contingent liabilities

Saved as disclosed below, as at the LPD, our Directors are not aware of any contingent liabilities which, upon being enforceable, may have a material impact on the financial position of our Group:

	RM'000
Claims related to bills of demand issued by the Royal Malaysian Customs Department ("**RMCD**")(1)	35,355

ADDITIONAL INFORMATION *(cont'd)*

Notes:

(1) *WMSB, was subject to port clearance audit by the RMCD on 23 November 2016.*

*The RMCD had issued several bills of demand ("**Bills of Demand**") which were dated between 17 July 2017 and 29 September 2017 totalling RM59.508 million (refer to Note 2 below). The Bills of Demand included, among others, assessments for the years 2008 to 2011, import duty remittance for purchases of equipment and goods and services tax for purchases made after April 2015.*

WMSB has been engaging with the RMCD and the Minister of Finance (Incorporated) and has also sought additional inputs to provide guidance but received an unfavourable decision from the authorities on 19 December 2017. Arising from the unfavourable decision issued by the RMCD, WMSB filed a judicial review application vide Suit No. BA-25-60-10/2017 and Suit No. BA-25-72-12/2017 against RMCD, to among others, challenge the Bills of Demand raised by the RMCD. The date of case management has been fixed on 29 April 2020. The High Court is expected to fix a date for hearing during the case management.

(2) *The difference between the amount of RM35.355 million and RM59.508 million is because our Group has made a provision for duties, which amounted to RM24.153 million in our audited consolidated financial statements for the FYE 31 December 2017.*

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

(i) our Constitution;

(ii) the SPA;

(iii) the Valuation Report;

(iv) Container shipping overview report dated 30 March 2020 prepared by Drewry;

(v) our audited consolidated financial statements for the FYE 31 December 2018 and FYE 31 December 2019; and

(vi) the letters of consent referred to in Section 2 of this Appendix.

PROVEN. TRUSTED. FRIENDLY.

WESTPORTS HOLDINGS BERHAD

(Registration No. 199301008024 (262761-A))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Westports Holdings Berhad ("**WHB**" or "**Company**") will be conducted at 3rd Floor, Tower Block, Jalan Pelabuhan Barat, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan, Malaysia on Tuesday, 5 May 2020 at 3.00 p.m. or immediately following the conclusion of the Twenty-Seventh Annual General Meeting of WHB to be conducted at the same venue at 2.00 p.m. on the same day or at any adjournment thereof, whichever is later for the purpose of considering and if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION

PROPOSED ACQUISITION BY WESTPORTS MALAYSIA SDN BHD ("WMSB"), A WHOLLY-OWNED SUBSIDIARY OF WHB, OF A PARCEL OF LEASEHOLD LAND HELD UNDER PAJAKAN NEGERI (PN) 7374, LOT NO. 72778, MUKIM AND DISTRICT OF KLANG, STATE OF SELANGOR DARUL EHSAN MEASURING ABOUT 146.4 HECTARES (361.762 ACRES) FROM PEMBINAAN REDZAI SDN BHD ("PRSB") FOR A TOTAL CASH CONSIDERATION OF RM393,958,900 ("PROPOSED ACQUISITION")

"**THAT**, subject to the fulfilment of the conditions precedent and the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to WMSB, a wholly-owned subsidiary of WHB, to acquire a parcel of leasehold land held under Pajakan Negeri (PN) 7374, Lot No. 72778, Mukim and District of Klang, State of Selangor Darul Ehsan measuring about 146.4 hectares (361.762 acres) from PRSB for a total cash consideration of RM393,958,900, in accordance with the terms and conditions of the conditional sale and purchase agreement dated 7 February 2020 between WMSB and PRSB.

AND THAT the Board of Directors of WHB ("**Board**") or any Director of the Board be and is hereby authorised to do all such acts, deeds and things and to enter into any arrangements, guarantees and/or documents as the Board deems fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give full effect to and complete the Proposed Acquisition for and on behalf of the Company and in the best interest of the Company; and where applicable with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as the Board may deem fit, necessary, expedient and/or appropriate to implement, finalise and/or give full effect to and complete the Proposed Acquisition."

By Order of the Board

Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan
20 April 2020

Notes:

1. A proxy may but need not be a member.
2. To be valid, this form, duly completed must be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s). Alternatively, the form of proxy can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my/ before the proxy form lodgement cut-off time as mentioned above.
3. A member shall be entitled to appoint not more than two (2) proxies to participate and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member 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.
5. If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 April 2020 (General Meeting Record of Depositors) shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate and/or vote on his behalf.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the Extraordinary General Meeting ("**EGM**") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FORM OF PROXY

WESTPORTS
PROVEN. TRUSTED. FRIENDLY.

WESTPORTS HOLDINGS BERHAD
(Registration No. 199301008024 (262761-A))
(Incorporated in Malaysia)

CDS Account	
No. of Shares held	

I/We, ____ (Full name in block letters),

NRIC No./Passport No./Company No. ______________________________ of ____________________

____ (Full Address)

and telephone no./email address ______________________ being a member/members of **Westports Holdings Berhad** ("the Company")

hereby appoint ______________________________ NRIC No. /Passport No. ____________________

of ______________________________ or failing *him/her ____________________

______________________________ NRIC No. /Passport No. ____________________

of ______________________________ or failing *him/her, *THE CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be conducted at 3rd Floor, Tower Block, Jalan Pelabuhan Barat, Pulau Indah, 42009 Port Klang, Selangor Darul Ehsan, Malaysia on Tuesday, 5 May 2020 at 3.00 p.m. or immediately following the conclusion of the Twenty-Seventh Annual General Meeting of the Company to be conducted at the same venue at 2.00 p.m. on the same day or at any adjournment thereof, whichever is later.

*I/We indicate with an "x" in the spaces below how *I/We wish *my/our vote to be cast

	RESOLUTION		**For**	**Against**
1.	Proposed Acquisition	Ordinary Resolution		

Subject to the abovestated voting instructions, my/our proxy/proxies may vote or abstain from voting on the resolution as *he/*she/*they may think fit.

The proportion of my/our shareholdings to be represented by my/our proxies are as follows:-

First Proxy	%
Second Proxy	%
	100%

If appointment of proxy is under hand ______________________ Signed by *individual member/*officer or attorney of member/*authorised nominee of ______________________ (beneficial owner)	No. of shares held: ______________________ Securities Account No.: ______________________ (CDS Account No.) (Compulsory) Date:
If appointment of proxy is under seal The Common Seal of ______________________ was hereto affixed in accordance with its Constitution in the presence of:- __________ __________ Director Director/Secretary in its capacity as *member/*attorney of member/*authorised nominee of ______________________ (beneficial owner)	Seal No. of shares held: ______________________ Securities Account No.: ______________________ (CDS Account No.) (Compulsory) Date:

Signed this ______________ day of ______________, 2020.

** Strike out whichever is not desired. Unless otherwise instructed, the proxy may vote as he/she thinks fit.*

Notes:

1. A proxy may but need not be a member.
2. To be valid, this form, duly completed must be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s). Alternatively, the form of proxy can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my/ before the proxy form lodgement cut-off time as mentioned above.
3. A member shall be entitled to appoint not more than two (2) proxies to participate and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member 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.
5. If the appointor is a corporation, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 April 2020 (General Meeting Record of Depositors) shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate and/or vote on his behalf.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 20 April 2020.

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STAMP

WESTPORTS HOLDINGS BERHAD
Registration No. 199301008024 (262761-A)
c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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