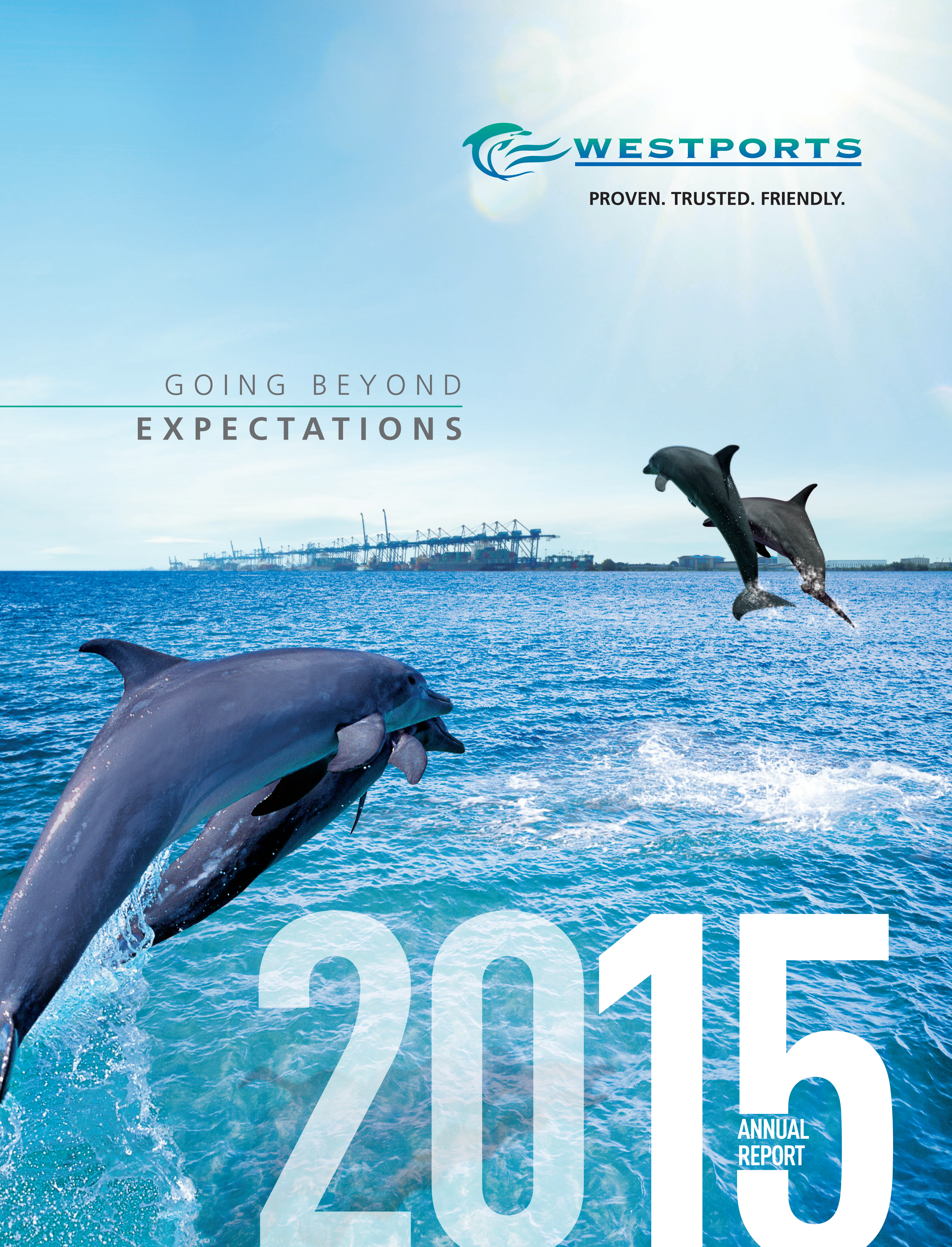


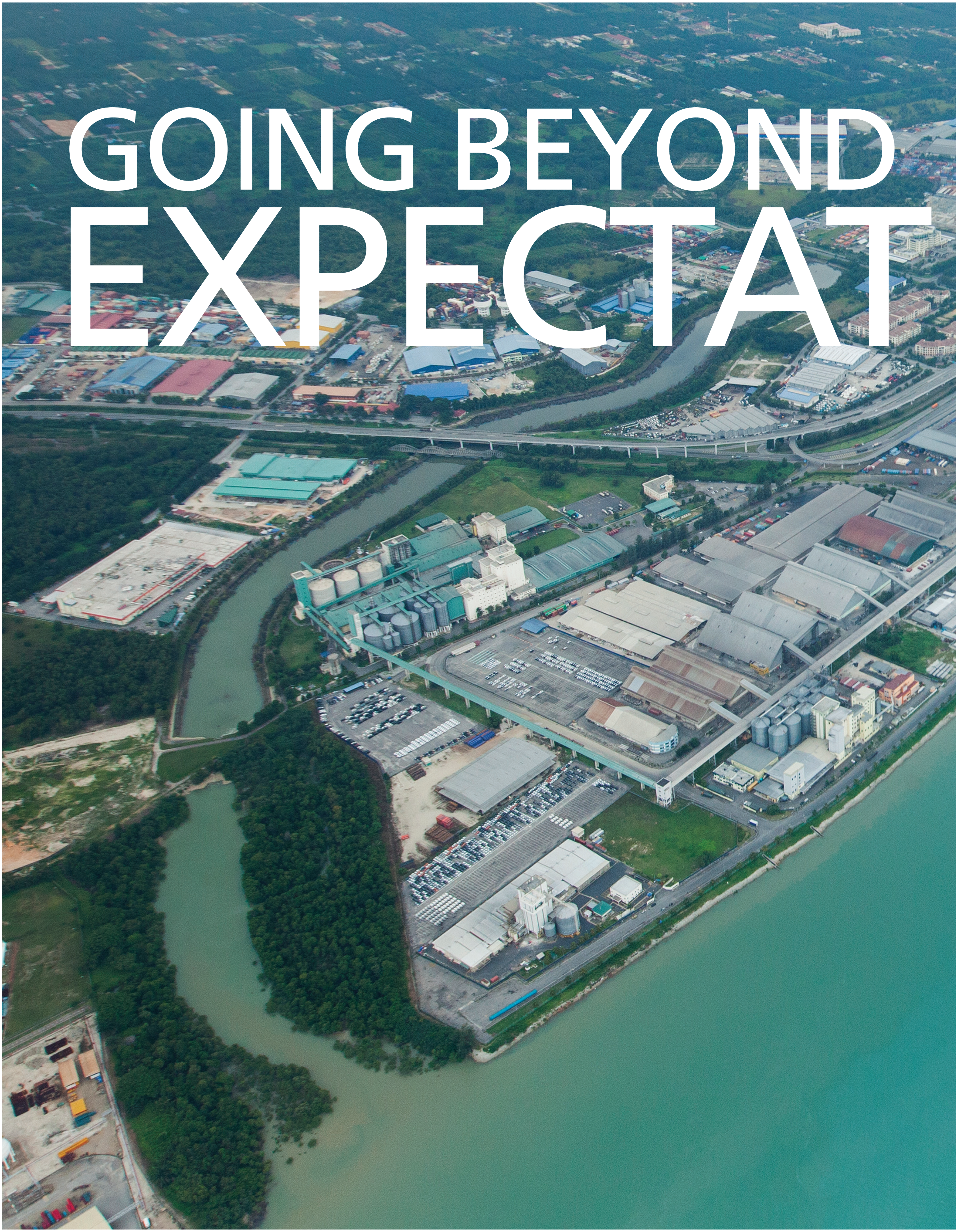
WESTPORTS

PROVEN. TRUSTED. FRIENDLY.

GOING BEYOND EXPECTATIONS

2015 ANNUAL REPORT

GOING BEYOND EXPECTAT



VISION

To be a successful gateway for the nation's trade inventory and the pride of the nation in terms of employee relations, customer satisfaction and corporate citizenship.

MISSION

To achieve 12 million TEUs and 12 million tonnes of cargo by 2020 with excellent returns for employees, shareholders and customers.

VALUES

TEAMWORK
Westports believes in collective and co-operative teamwork which contributes to the achievement of the company's vision and mission.

ACCOUNTABILITY AND INTEGRITY
Integrity is the bedrock on which trust is built and is the hidden key to success. Employees are embedded with a deep feeling of trust and integrity which provides transparency and positive work environment.

NOW CULTURE
Westportians believe the attitude and process of treating key business as if one's life is depended on it. It is about determination to stay focused and committed in delivering positive results. Westports cultivates a great sense of urgency and priority in every employee.

SAFETY AWARENESS
Safety is an integral part in sustaining our business growth and success leading to an increase in productivity.

RESPONSIBLE
This tenet is embraced by all employees where we are all responsible for our actions and conduct.

INNOVATION
Westportians develop a passion for excellence and success through continuous innovation of new ideas and practices.

GOOD FAMILY VALUES
We work together as a family and practice candor, open communications and solve any issues or problems together. Things are done in good thoughts, good intentions and good deeds. Westports is a big family where everyone is treated with respect.


中海环球
CSCL GLOBE

ABOUT WESTPOR

We are connected to the ports around the world through major shipping lines and feeder services.

FAR EAST ASIA

1. **CHINA** - Shenzhen / Nansha / Tianjin / Shanghai / Ningbo / Shekou / Yantian / Chiwan / Qingdao / Xiamen / Da Chan Bay / Dalian / Fuzhou / Xingang / Hong Kong
2. **JAPAN** - Osaka / Tokyo / Yokohama / Nagoya / Kobe / Yokkaichi / Hakata
3. **SOUTH KOREA** - Busan / Kwangyang / Incheon / Ulsan
4. **TAIWAN** - Kaohsiung / Taipei / Keelung / Taichung

SOUTH EAST ASIA

1. **INDONESIA** - Belawan / Jakarta / Perawang / Semarang / Surabaya / Benete Bay / Panjang / Buatan
2. **MALAYSIA** - Pasir Gudang / Tanjung Pelepas / Miri / Bintulu / Kota Kinabalu / Penang / Sibu / Kuching / Sandakan / Tawau / Labuan / Kuantan / Port Klang NP
3. **MYANMAR** - Yangoon
4. **SINGAPORE** - Singapore
5. **THAILAND** - Laem Chabang / Bangkok
6. **VIETNAM** - Ho Chi Minh / Cat Lai / Hai Phong / Qui Nhon / Da Nang
7. **BANGLADESH** - Chittagong / Mongla
8. **BRUNEI** - Muara
9. **CAMBODIA** - Sihanoukville
10. **PHILIPPINES** - Manila

AUSTRALASIA

1. **AUSTRALIA** - Fremantle / Brisbane / Sydney / Melbourne / Adelaide / Darwin / Esperance / Gladstone / Townsville
2. **PAPUA NEW GUINEA** - Port Moresby / Port of Lae / Rabaul / Madang / Kimbe
3. **SOLOMON ISLANDS** - Honiara

INDIAN SUBCONTINENT

1. **INDIA** - Pipavav / Haldia / Chennai / Nhava Sheva / Cochin / Mundra / Calcutta / Visakhapatnam
2. **PAKISTAN** - Karachi
3. **SRI LANKA** - Colombo

BLACK SEA

1. **RUSSIA** - Novorossiysk / Vladivostok
2. **UKRAINE** - Odessa

MIDDLE EAST

1. **IRAN** - Bandar Abbas
2. **OMAN** - Salalah
3. **SAUDI ARABIA** - Dammam / Jeddah
4. **UNITED ARAB EMIRATES** - Khor Fakkan / Jebel Ali / Dubai

MEDITERRANEAN

1. **EGYPT** - Suez / Port Said / Damietta / Alexandria
2. **ISRAEL** - Ashdod / Haifa
3. **ITALY** - Genoa / La Spezia / Trieste
4. **TURKEY** - Ambarli / Mersin
5. **LEBANON** - Beirut
6. **MALTA** - Malta
7. **SLOVENIA** - Koper
8. **CROATIA** - Rijeka

WEST AFRICA

1. **ANGOLA** - Lobito / Luanda
2. **BENIN** - Cotonou
3. **CONGO** - Pointre Noire
4. **GHANA** - Tema
5. **IVORY COAST** - Abidjan
6. **MOROCCO** - Tangier
7. **NAMIBIA** - Walvis Bay
8. **NIGERIA** - Apapa / Lagos / Onne / Tin Can Island
9. **TOGO** - Lome

EAST AFRICA

1. **DJIBOUTI** - Djibouti
2. **KENYA** - Mombasa
3. **SOUTH AFRICA** - Durban / Cape Town
4. **MADAGASCAR** - Toamasina
5. **MAURITIUS** - Port Louis
6. **MOZAMBIQUE** - Beira / Nacala
7. **REUNION** - Port Reunion
8. **SUDAN** - Port Sudan
9. **TANZANIA** - Dar Es Salaam / Zanzibar

WEST EUROPE

1. **BELGIUM** - Zeebrugge
2. **FRANCE** - Fos sur Mer / Le Havre
3. **GERMANY** - Hamburg
4. **UNITED KINGDOM** - Tilbury / Southampton / Felixstowe
5. **SPAIN** - Valencia / Barcelona
6. **NETHERLANDS** - Rotterdam

NORTH & CENTRAL AMERICA

1. **USA** - Seattle / Savannah / Norfolk / New York / Los Angeles / Oakland
2. **CANADA** - Vancouver

SOUTH AMERICA

1. **ARGENTINA** - Buenos Aires
2. **BRAZIL** - Itapoa / Santos / Paranagua / Rio Grande
3. **URUGUAY** - Montevideo

Note : Above ports are directly connected by major shipping lines and feeder services

ABOUT WESTPORTS

Westports was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 18 October 2013. Westports was included in the Morgan Stanley Capital Indices ("MSCI") Index on 29 May 2015 and subsequently became constituent of FTSE Bursa Malaysia KLCI ("FBM KLCI") Index on 22 June 2015.

Westports primarily manages port operations dealing in container and conventional cargo. It also provides a wide range of port services, including marine services, rental services and other ancillary services.

Westports is located in Port Klang and there are three main ports in the Straits of Malacca that handle gateway and transhipment container cargo all of which are located in close proximity to the main shipping route along the Straits of Malacca. These ports have the advantage of natural deep water berths which allow them to accommodate large vessels.

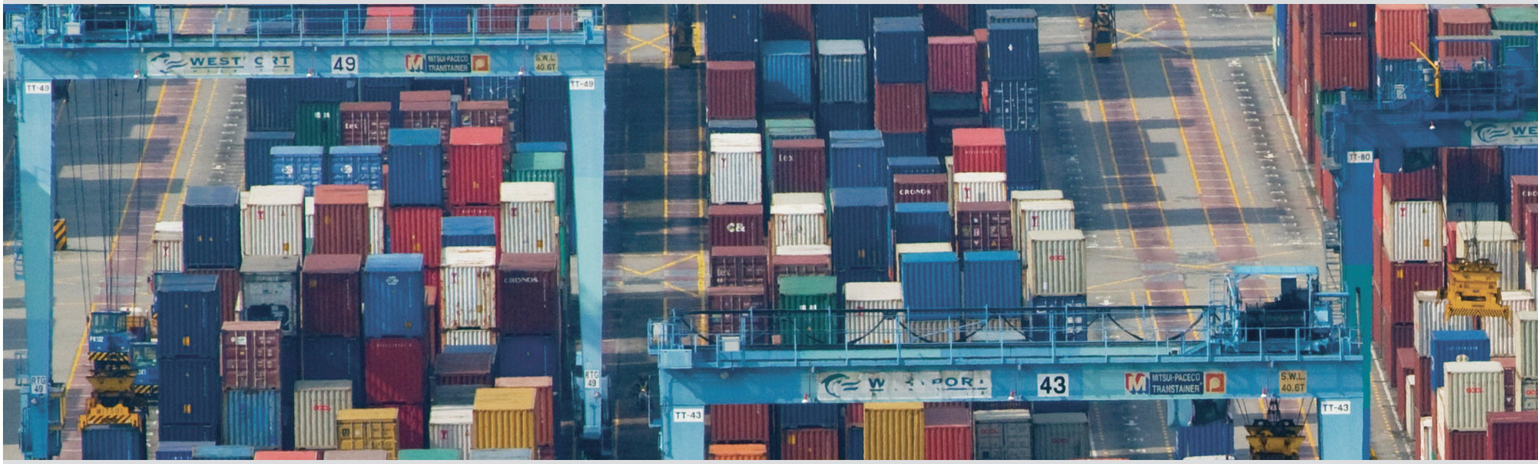
Westports serves as the main gateway for container and conventional cargo for central Peninsular Malaysia hinterland.

Our container business has grown exponentially from 200,000 Twenty-foot Equivalent Unit ("TEUs") in 1996 to 9.1 million TEU in 2015. Our market share of container business represents 76% in Port Klang, 17% in Straits of Malacca and 9% in South East Asia as at 2015.

Our success is attributable to our strategic location, deepest channel and wharf, straight line berth, higher productivity, dedicated young and vibrant employees and connectivity to more than 350 ports around the world, amongst others.

We have 27 berths with the length of 7,242 metres, of which 20 berths are connected in a straight line measuring 5,400 metres. Our container handling capacity stands at 11 million TEUs and capacity utilisation ratio is at 83% in 2015. We are in the midst of expanding our capacity to Container Terminal 8.

Our conventional terminal handled 10.2 million tonnes of bulk cargo in 2015. The bulk cargo comprises of mixed steel, steel coils, project cargo, animal feed, human consumables, fertilizers, building related cargo, palm oil, petroleum, chemical and liquefied petroleum gas. It represents 57% market share of conventional cargo handled in Port Klang.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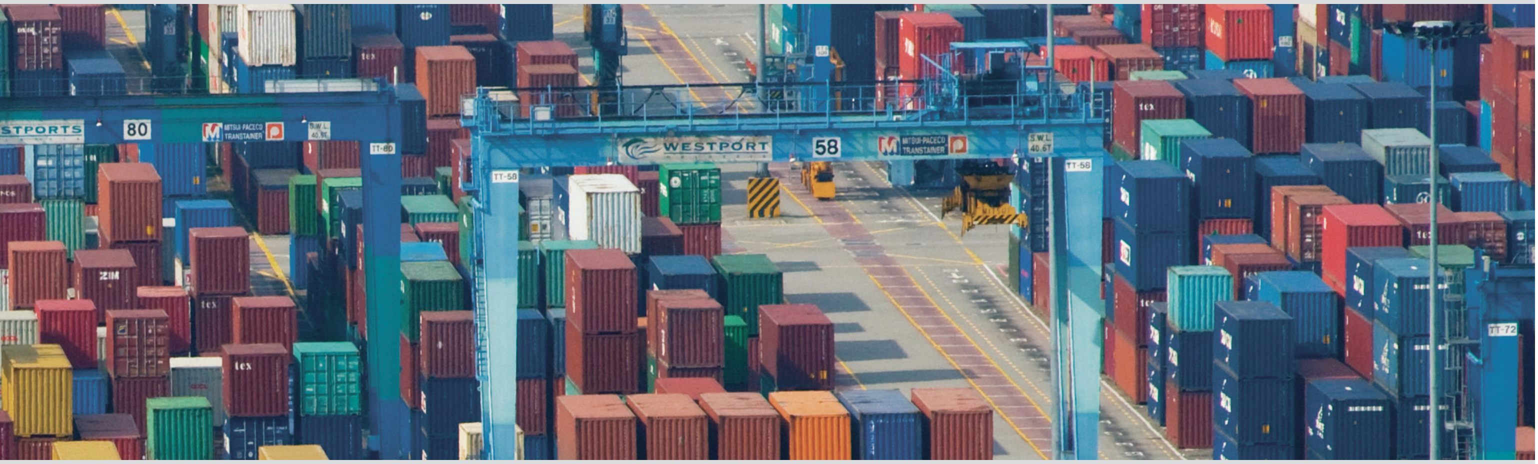


CONTENTS

2015 PERFORMANCE AT A GLANCE

CONTAINER THROUGHPUT
+8% 9.1 million TEUs

CONVENTIONAL THROUGHPUT
-1% 10.2 million tonnes

OPERATIONAL REVENUE
+5% RM 1.578 billion

EBITDA*
+10% RM 869 million

PROFIT BEFORE TAX
+12% RM 650 million

PROFIT AFTER TAX
-1% RM 505 million

DIVIDEND PAID
+11% RM 391 million

MARKET CAPITALISATION^
+22% RM 14.0 billion

RETURN ON EQUITY
26.6%

RETURN ON ASSETS
12.5%

** Earnings Before Interest, Tax, Depreciation and Amortisation*
^ Market capitalisation as at 31 December 2015

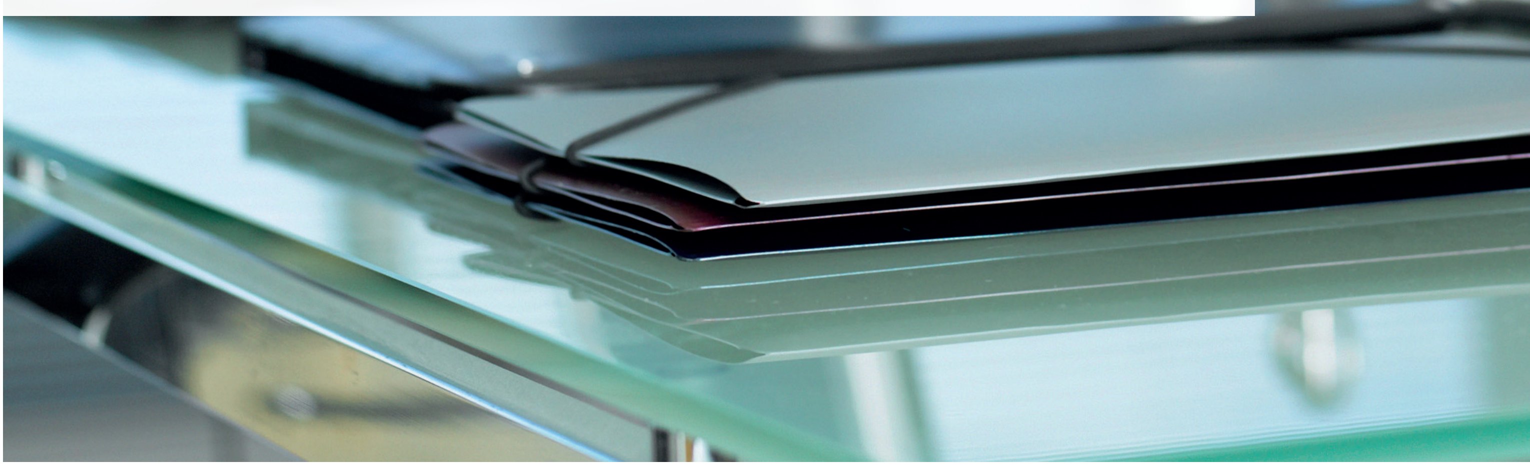
FINANCIAL HIGHLIGHTS

Group Performance

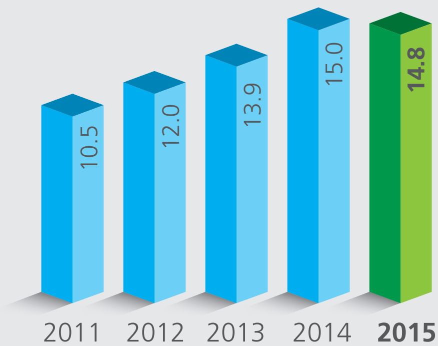
For the Financial Year Ended 31 December

(In RM'000)	2011	2012	2013	2014	2015
Revenue	1,387,374	1,492,262	1,712,618	1,562,079	**1,681,783**
Profit before tax	365,054	434,673	517,008	578,781	**650,143**
Profit attributable to owners of the Company	318,116	359,317	435,305	512,205	**504,864**
Shareholders' equity	1,328,314	1,488,029	1,603,942	1,764,235	**1,898,121**
Total assets	3,100,680	3,214,425	3,573,984	3,846,122	**4,029,555**
Earnings per share (sen)	10.5	12.0	13.9	15.0	**14.8**
Dividend per share (sen)	6.7	9.0	9.6*	11.3	**11.1**
Dividend payout ratio (%)	63.1%	75.0%	75.0%*	75.0%	**75.0%**
Return on equity (%)	23.9%	24.1%	27.1%	29.0%	**26.6%**
Return on total assets (%)	10.3%	11.2%	12.2%	13.3%	**12.5%**

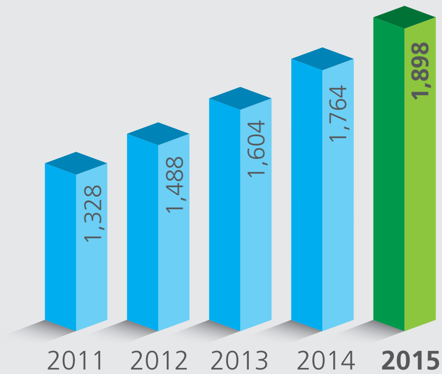
** Excluding special dividend*



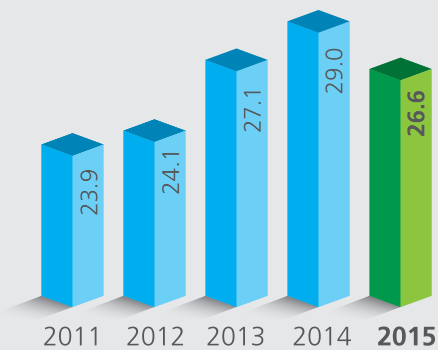
Earnings Per Share (Sen)



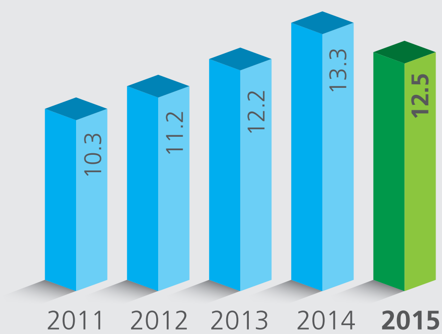
Shareholders' Equity (RM'Mil)



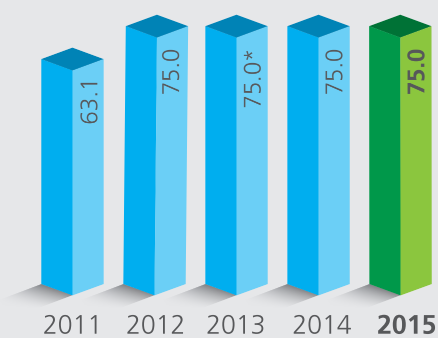
Return On Equity (%)



Return On Total Assets (%)

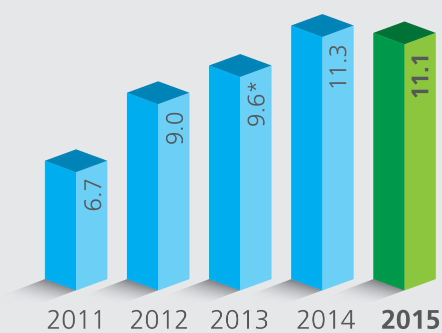


Dividend Payout Ratio (%)



* Excluding special dividend

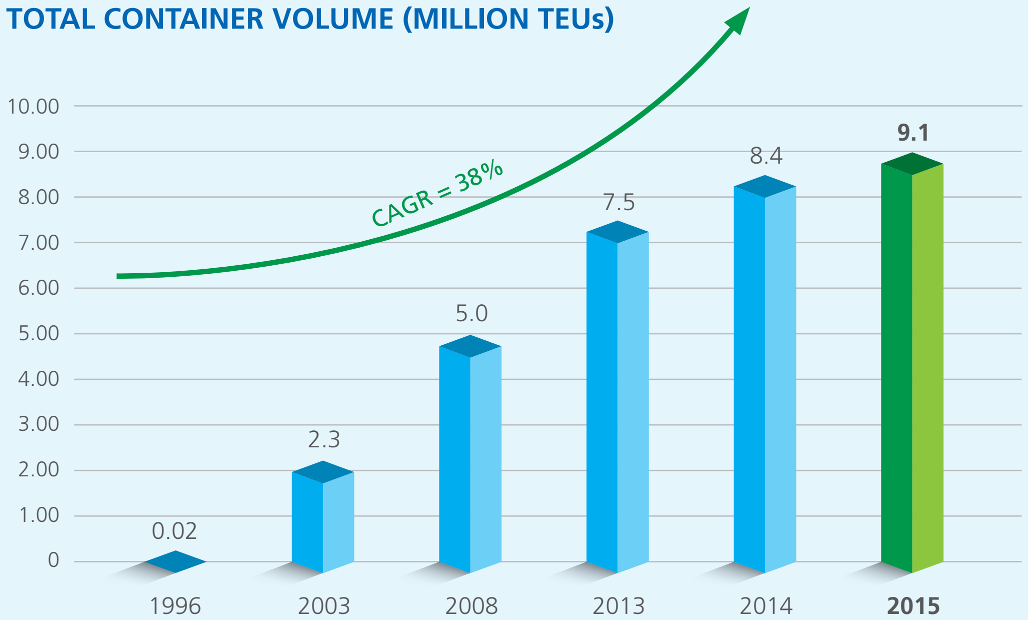
Dividend Per Share (Sen)



* Excluding special dividend

MARKETING HIGHLIGHTS

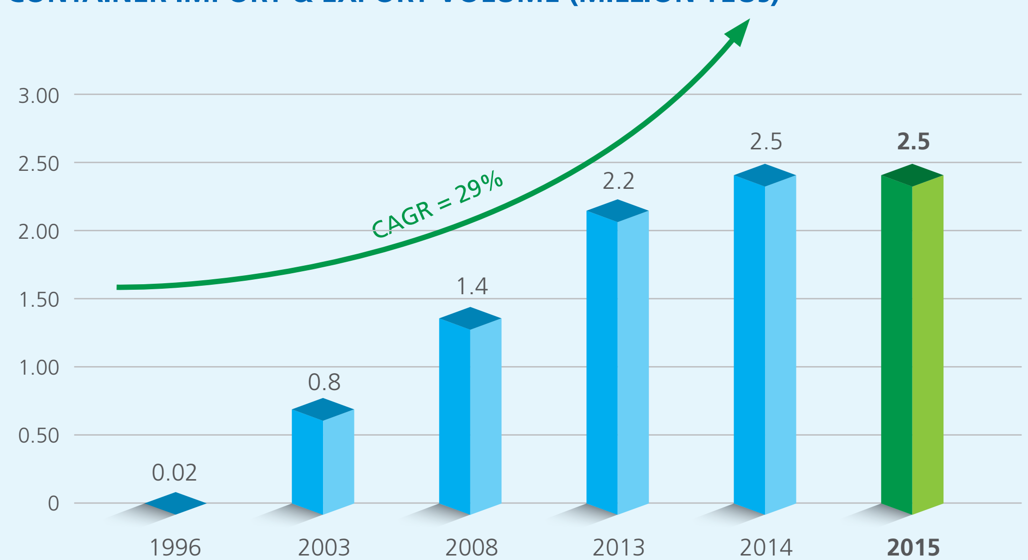
TOTAL CONTAINER VOLUME (MILLION TEUs)



Continuously Outperforming the Industry Growth Rate

Compounded annual growth rate ("CAGR") of 38% over a period of 19 years.

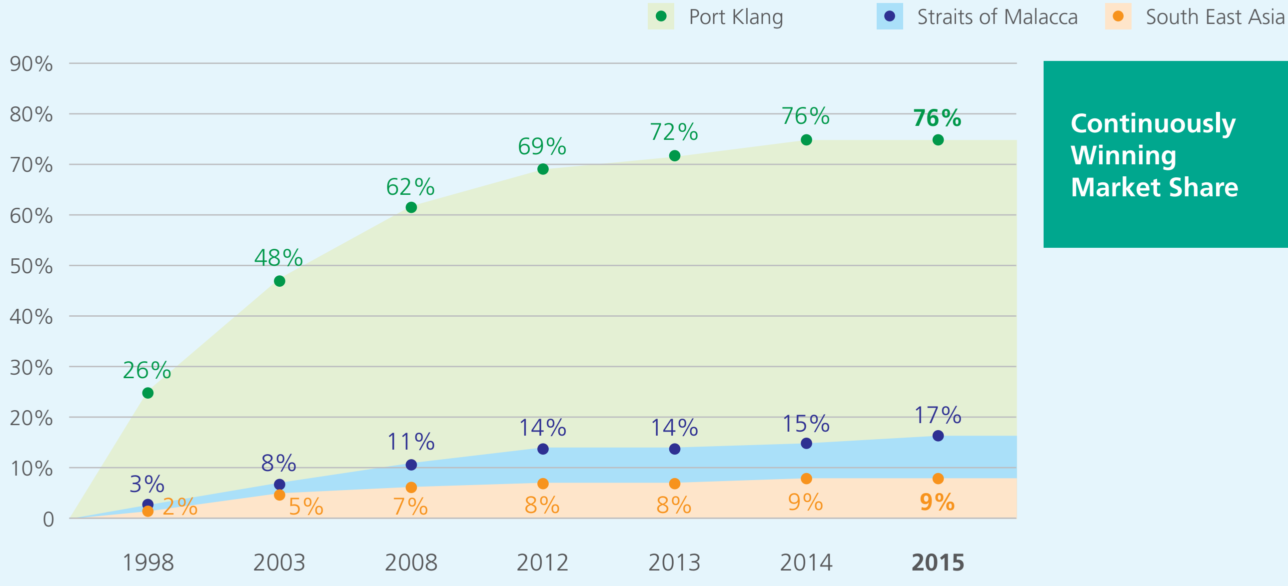
CONTAINER IMPORT & EXPORT VOLUME (MILLION TEUs)



Delivering Nation's Inventory as Largest Gateway Port in Malaysia

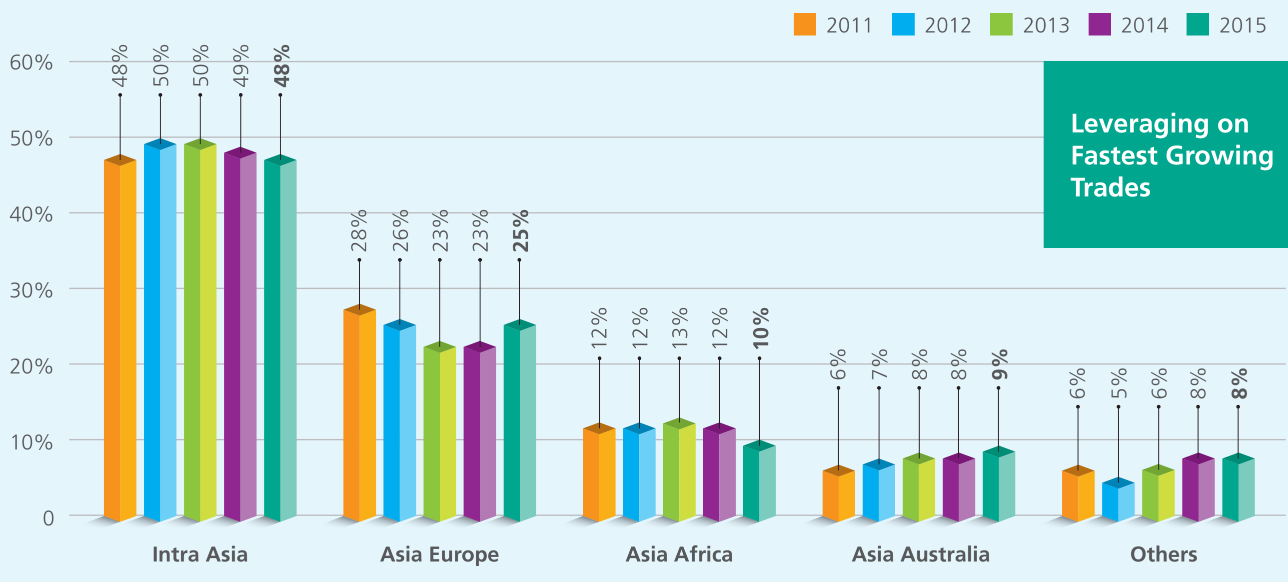
CAGR of 29% over a period of 19 years.

MARKET SHARE



Continuously Winning Market Share

WESTPORTS CONTAINER VOLUME BY REGION



Leveraging on Fastest Growing Trades

PRODUCTIVITY SNAPSHOTS

KEY STRENGTHS

World leader in productivity with berth capability to accommodate the world's largest vessels.

CRANE PRODUCTIVITY

2000 - 20 mph*

NOW 30 - 35 mph*

HANDLING CAPACITY

1996 - 1.0 mil TEUs

NOW 11 mil TEUs

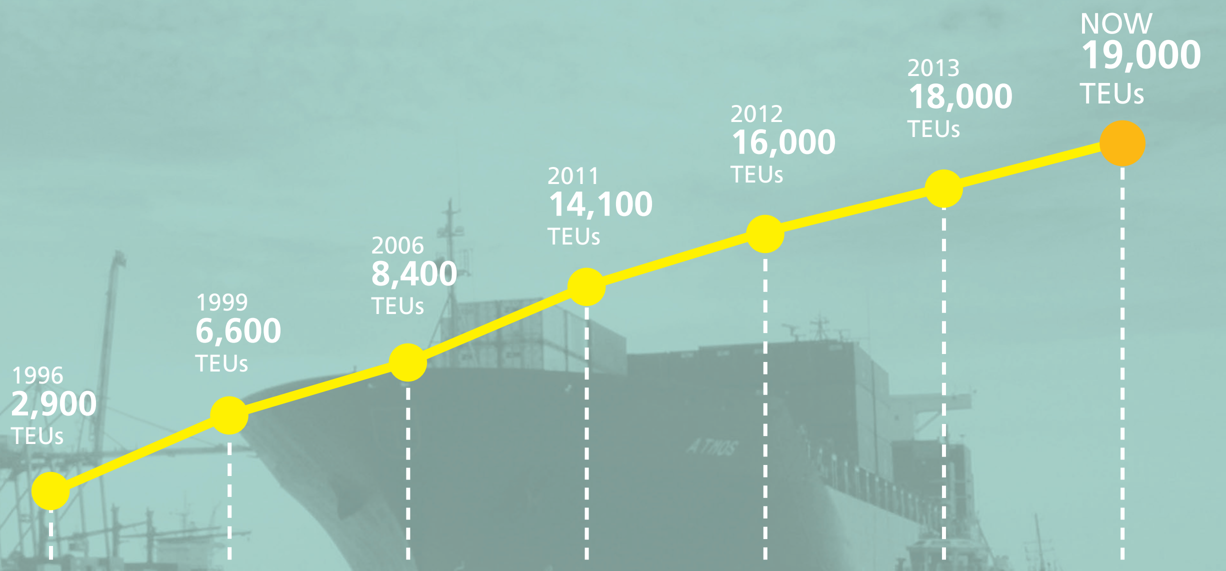
DEEPEST DRAFT

1996 - 15.0 m

NOW 17.5 m

** mph denotes moves per hour.*

CONTAINER VESSEL SIZE



CONTAINER BERTHS

1996 - 600 m

NOW **4.6** km

SHIP-TO-SHORE CRANES

1996 - 9 cranes

NOW **52** cranes

NO. OF VESSELS

2004 - 4,346 vessels

NOW **9,362** vessels

STATEMENT OF VALUE ADDED AND DISTRIBUTION

For the Financial Year Ended 31 December

(In RM'000)	2015	2014
VALUE ADDED:		
Revenue	1,681,783	1,562,079
Less: Construction revenue	(103,485)	(59,109)
Operational revenue	1,578,298	1,502,970
Purchase of goods and services	(489,738)	(503,569)
Total value added available for distribution	**1,088,560**	**999,401**
DISTRIBUTION:		
To employees		
- salaries and other staff costs	219,507	210,167
To government		
- income tax	145,279	66,576
To provider of capital		
- dividends	391,127	351,912
- finance costs (net)	63,730	63,942
Retained for future reinvestment & growth		
- depreciation and amortisation	155,180	146,511
- retained profits	113,737	160,293
Total distributed	**1,088,560**	**999,401**
RECONCILIATION		
Profit for the year	504,864	512,205
Add: Depreciation & amortisation	155,180	146,511
Finance costs (net)	63,730	63,942
Staff costs	219,507	210,167
Income tax	145,279	66,576
Total value added	**1,088,560**	**999,401**

Value added is a measure of wealth created. The above statement shows the Group's value added for 2015 and 2014 and its distribution by way of payments to employees, government and capital providers, with the balance retained in the Group for future reinvestment and growth.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BARZAN
برزان
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PERSPECTIVE

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present to you the Annual Report of Westports Holdings Berhad ("Westports" or "the Group") for the financial year ended 31 December 2015.

The year under review marks the 21st anniversary of our business operations and our 3rd Annual Report post listing in Bursa Malaysia. We registered another set of stellar performance with our container volume recording 9.1 million TEUs, at 8% growth despite challenging times in the world economic front. It strengthened our position as a leading port in Malaysia.

ECONOMY AND SHIPPING LINES

The world economy registered a growth of approximately 3.1% in 2015 compared to 3.4% recorded in 2014, a slight contraction in the economies. This economic scenario was attributed by marginal growth in advance economies by 0.1% to 1.9% whilst there was slower growth in emerging markets and developing economies by 0.6% to 4.0%.

The US economy recorded growth attributed to increase in consumption and investment spending arising from favourable labour market conditions and lower fuel price. Eurozone economy also recorded growth in consumptions despite uncertainty arising from financial turmoil in Greece. Japan recorded modest growth arising from capital expenditure.

China being the second biggest economy in the world is transitioning to a new normal with slower but sustainable growth, mainly attributed by slower investment in real estate and capital expenditure. ASEAN economies recorded modest growth benefiting from lower oil prices as the region is a net oil importer. However, China's slower growth has negated rapid growth for ASEAN economies as China is their biggest export market for commodity and products.

2015 also serves as an important milestone with the formation of the ASEAN Economic Community ("AEC") which is expected to be a unified market and production base with free movement of goods, services, investments, skilled labour and flow of capital. AEC has a population of more than 600 million with economic size surpassing US$2.6 trillion mark making it the seventh largest economic region in the world.

In our home ground Malaysia, the economy posted lower growth arising from weaker domestic demand mainly from private and public investment. The growth was further affected by lower export growth amid weak global activities.

CHAIRMAN'S STATEMENT

OPERATIONAL REVENUE

+5%

RM **1.578 BIL.**

2014: RM1.503 BIL.

PROFIT BEFORE TAX

+12%

RM **650 MIL.**

2014: RM579 MIL.

MARKET CAPITALISATION

+22%

RM **14 BIL.**

2014: RM11.5 BIL.

The shipping industry is also facing challenges with excess capacity, weak demand and falling freight rates. The lower bunker prices have softened the impact to their cost structure whilst the benefits were subsequently passed on to the shippers.

PERFORMANCE REVIEW

Westports is connected to more than 350 ports around the world by main line operators with transhipment container volume accounting for 72% of its volume. This indicates that our business is a mirror reflection of the global economy. Against this challenging backdrop, Westports has achieved commendable growth in volume by 8% to 9.1 million TEUs in 2015. The transhipment grew at a stronger pace of 12% while gateway volume remained at 2014 level. The transhipment volume growth is attributed to the Ocean 3 Alliance while the gateway volume is a reflection of local economy. The conventional cargo was down by 1% to 10.2 million tonnes, attributed to non-operation of bunker segment for 12 month in 2015. On RORO segment, we achieved 163 thousand vehicles, down by 2%.

Likewise, Westports operational revenue increased by 5% to RM1.578 billion whilst our profit before tax recorded a commendable growth of 12% to RM650 million. Higher profit before tax was due to lower fuel cost and slower pace of growth in expenses compared to revenue. However, profit after tax was marginally lower by 1% to RM505 million due to higher tax incentives received in 2014 as a result of higher capital expenditure capitalised for Container Terminal 7. On a comparable basis, our tax incentive in 2014 was RM83 million compared to nil in 2015 as the expansion works for Container Terminal 8 ("CT 8") are at the work in progress phase as at end of 2015. The detailed analysis of performance is reported in the Management Discussion and Analysis section of this report on page 30 to 53.

CORPORATE RESPONSIBILITY

We have started to incorporate some of the sustainable reporting requirements unveiled by Bursa Malaysia in October 2015 in this Annual Report, although the implementation is in 2016. Essentially, we are already operating our business in a sustainable manner, which is a testament for our phenomenal growth in the past 21 years.

We have reported our stakeholders' engagement broadly into four categories namely community, workplace, environmental and market place. Our reporting of Corporate Social Responsibility ("CSR") is now part of community stakeholder engagement. Westports CSR activities such as poverty eradication, enhancing education, refurbishment of community facilities, caring for the native community and ensuring the safety and security of people, were centred in Pulau Indah where we operate. Westportians participated on these CSR activities and contributed their part for the betterment of the community.

DIVIDEND

Westports has declared two interim dividends for 2015 with first interim dividend of 5.32 sen paid on 26 August 2015 and second interim dividend of 5.78 sen paid on 2 March 2016 with total amounting to 11.1 sen. The dividend paid was in line with our dividend policy of 75% of Profit After Tax.

CHAIRMAN'S STATEMENT

MSCI AND FBM KLCI COUNTER

I am pleased to report that Westports is now an index counter. The first inclusion to the index was in 29 May 2015 to MSCI Malaysian Chapter. The MSCI Malaysia Index, with 42 constituents is designed to measure the performance of the large and middle capitalisation segments of the Malaysian market.

Second inclusion is to the FBM KLCI Index on 22 June 2015. FBM KLCI represents the performance of the largest Malaysian blue chip companies that pass the size, free float and liquidity screens. It represents approximately 60% of the Bursa Malaysia Main Market with 30 constituents in the index. Westports was reported as the best performing FBM KLCI Index Company in the month of August 2015 by 4.74% despite lower performance of FBM KLCI index by negative 6.41%.

Inclusion in both indexes reflects our underlying fundamental strengths and our business approach in a transparent and consistent manner. Subsequent to becoming MSCI Malaysia Index constituent, our foreign shareholding interest increased to 34.4% as at 31 December 2015 compared to 32.1% same period last year. The share price also surged by 23% to RM4.12 on 31 December 2015 compared to the same period last year. Our market capitalisation was valued at RM14.0 billion as at 31 December 2015 and is the 28th largest company in Bursa Malaysia by market capitalisation.

AWARDS RECEIVED

Westports has received four awards in 2015.

Alpha Southeast Asia conducted its fifth annual poll to find the region's top institutions from participants across the region, US and Europe which include large institutional investors, insurance companies, pension funds, hedge funds, equity and fixed income brokers and analysts with investment interests in the South East Asian region.

Westports has received an Award for Malaysian chapter on category of Most Improved Investor Relations, Strongest Adherence to Corporate Governance and Most Consistent Dividend Policy at the 5th Annual Southeast Asia's Institutional Awards for Corporates on 8 September 2015.

World Finance magazine of United Kingdom also awarded 2015 Entrepreneur of the Year in Logistic Sector, for Asia category to our CEO, Ruben Emir Gnanalingam. The magazine commended on the success of Westports on productivity, quick turnaround and keeping the leadership simple.

Westports has received Sahabat Negara SME award from SME Association of Malaysia. This award is bestowed to company that contributed significantly to the promotion and development of Small Medium Enterprises in Malaysia.

In recognition of my role and contributions through Westports towards promoting Malaysia and it's economy, I was awarded Lifetime Achievement Award by Utusan Business Awards 2015. The award was organised by Kumpulan Utusan Media Group and presented on 1 March 2016.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like express my gratitude to Dr John Edward Wenham Meredith for his contribution, guidance and invaluable services as a board member since Hutchison Port Holdings Limited became a strategic investor in year 2000. I would like to take this opportunity to welcome Ms. Ruth Sin Ling Tsim to the Board as a Non-Independent Non-Executive member on 16 November 2015. I also would like to welcome Mr. Raymond Pak Ying Law to the board as an Alternate Director to Mr. Ip Sing Chi and Ms. Ruth Sin Ling Tsim, both are Non-Independent Non-Executive Directors on 16 November 2015.

I would like to pay tribute to Westportians for their commitments and their invaluable contributions for another excellent year for our business. I express my sincere thanks and appreciation to our customers, business partners, government agencies, shareholders and other stakeholders for their unyielding confidence and support towards Westports.

Last but not least, I also wish to thank my distinguished colleagues on the Board for their invaluable support and contribution throughout the year.

Tan Sri Datuk G. Gnanalingam
Executive Chairman

Dear Shareholders,

On behalf of the management and staff of Westports, it gives me great pleasure as the Chief Executive Officer ("CEO") to present our performance for the financial year ended 31 December 2015 with continuous growth trajectory.

OUR PERFORMANCE

At Westports, we have always placed priority in our productivity and delivering the best-in-class level of service to our customers.

We view the objectives of achieving record productivity service levels, generating favourable economic returns for our stakeholders and also managing our carbon footprint as mutually compatible and necessary today. Westports achieved ISO 14001:2004 certification for environmental management and during the year, we conducted emission monitoring for Rubber Tyre Ganty ("RTG") cranes. On CSR, we have continued to engage with our community with initiatives focused on Pulau Indah.

2015 marks another milestone in our operations as we showcased our capabilities with a unique arrangement by having 12 Ship-to-Shore Cranes ("STS") simultaneously servicing CMA CGM's Kerguelen when she made her maiden call in April 2015. The 398-metre long vessel is among the newest in CMA CGM's fleet of 460 vessels.

We have increased the usage of technology by adding tablets into our wharf operations last year. In 2015, we went one step further to develop smartphone applications and have access to our web-based e-Terminal Plus which allow our users to access information on their fingertips. Our commitment towards innovation will always be a pillar in the way we do things.

Westports achieved another all-time historical record by handling container volume of 9.1 million TEUs. This is an increase of 8% over the previous year's volume of 8.4 million TEUs which was already a record back then. Cumulatively, we have handled about 75 million TEUs since we started the container operations in 1996.

For the non-container or conventional segment, we achieved a throughput volume of 10.2 million metric tonnes in 2015. The conventional segment has stable volumes as it mainly caters for the domestic economy's input. Though some cargoes were gradually transported using containers, we were still able to capture the volume as a port. Meanwhile, our RORO volume was down by 2% to 163 thousand vehicles.

During the financial year under review, Westports operational revenue grew by 5% to RM1.578 billion while our profit before tax improved by 12% to RM650 million. We achieved a profit after tax of RM505 million in 2015.

CEO'S STATEMENT

CEO'S STATEMENT

WIDELY CONNECTED TO MORE THAN
350
PORTS AROUND THE WORLD

CONTAINER THROUGHPUT
+8%
9.1 MIL. TEUS
2014: 8.4 MIL TEUs.

NO OF VESSELS
+8%
9,362 VESSELS
2014: 8,656 vessels

SUSTAINABILITY REPORTING

Bursa Malaysia has issued directive in October 2015 for listed companies to report on sustainability issues effective from 2016 Annual Report. Starting from this Annual Report, we shall highlight the sustainability practices that are already in practise at Westports as this area is placed with more importance for shareholders, rating companies and regulators.

HUMAN RESOURCE

Our employees are our greatest asset as their passion, dedication and commitment have moved Westports to our current position. We have a total headcount of 4,275 Westportians as at December 2015. About 3,694 are operational staff and 581 are support staff. With the exception of 3 expatriates, all our employees are locals.

On 8 June 2015, we have launched a companywide safety campaign to enhance awareness on operational safety issues that can reduce accidents at the workplace. We have conducted various training programs until December 2015 to instil the importance of safety and its impact on our operations.

Every year, we organise companywide training with a particular theme. In 2015, our theme was cultural program centred on our Company values and objectives. The trainers structured the program with games, sketch play and essay writing towards focusing the mind on the importance of individual contribution towards achievement of Company goals. These sessions proved to be highly motivational and inspirational for all Westportians.

CONTAINER TARIFF

The Ministry of Transport approved the revised container tariff rates and Phase One of the revision has been implemented on 1 November 2015 with an average approximate increase of 15% on key container tariff items. Phase Two would be implemented on 1 September 2018. The revised tariff rates would help to mitigate the cost increase associated with the investments and container terminal operations.

CT 8 EXPANSION

Westports has always been a supply-driven port since our inception and we believe in delivering the best facilities and services for long-term sustainable partnerships with our customers. We strengthened our commitment to our customers and also positioned the Company for the next growth phase as we embarked on the first phase of the CT 8 expansion that commenced in January 2015.

We are constructing CT 8 in two phases. As at the date of this annual report, we have received and commissioned into service two units of STS cranes and three units of Variable Speed RTG ("VS RTG") cranes. The first phase of 300-meter wharf is scheduled to be fully completed by mid-2016.

The second container gate, second marshalling centre and maintenance building are expected to complete in the later part of 2016.

We will commence on the second phase of CT 8 expansion in 2016. Further details is reported in the Management Discussion and Analysis section of this report under the header of Expansion Plan on page 34.

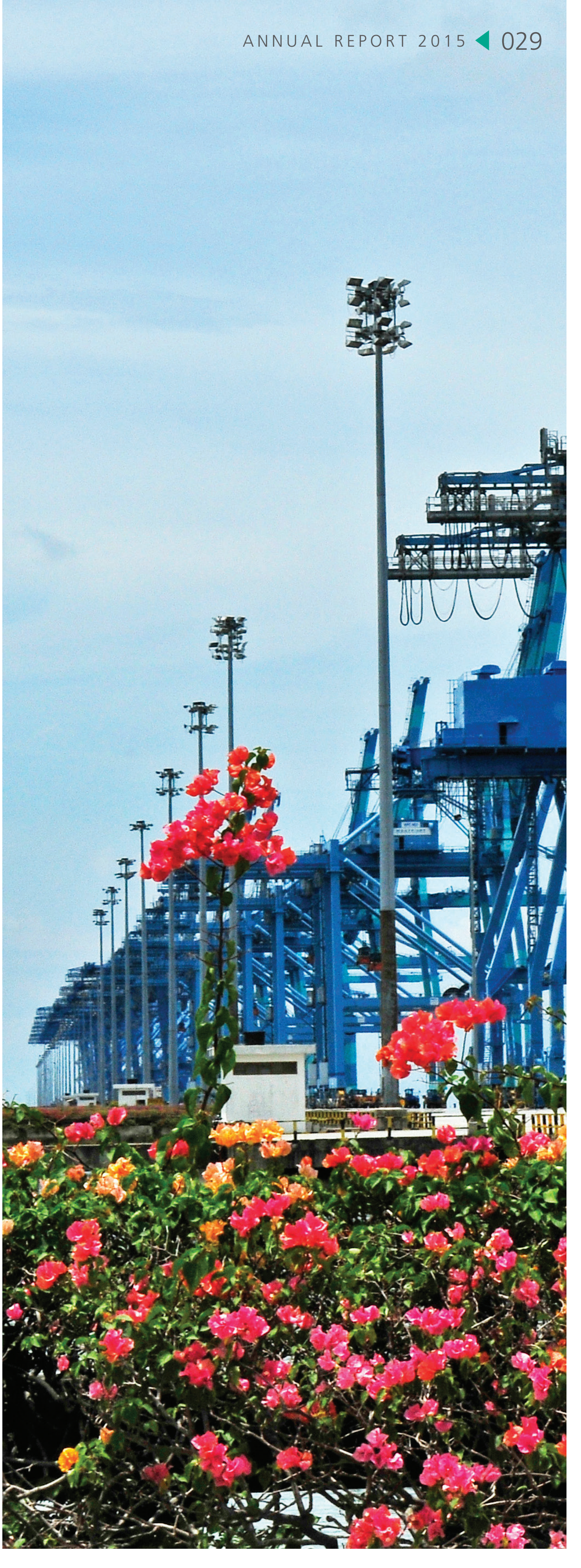
2016 OUTLOOK

Malaysia's Ministry of Finance is expecting the economy to sustain a positive growth albeit at a more moderate pace of between 4% and 5% in 2016. Regionally within Asia-Pacific, China's economic growth is also expected to be more moderate in 2016. With this economic environment, Westports expects its container volume to grow at a slower pace compared to 2015.

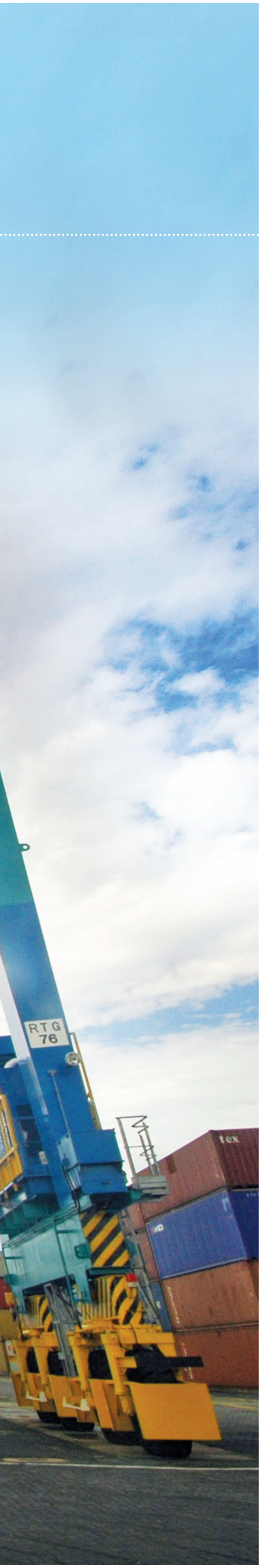
ACKNOWLEDGEMENT

I wish to express my heartfelt thanks to all our customers, partners, regulatory authorities, government agencies, staff and shareholders for your invaluable support and confidence in Westports. With your support in our "One Team One Dream" aspiration, we will forge ahead towards a better future for Port Klang and Malaysia.

Ruben Emir Gnanalingam
Chief Executive Officer



MANAGEMENT DISCUSSION AND ANALYSIS



Business Operational Review

CONTAINER SERVICES

Shipping Industry

The container shipping industry experienced transformative changes in 2015 with the emergence of four global major strategic alliances consisting of 2M alliance, O3 alliance, CKYHE alliance and G6 alliance. On an aggregate basis, the four alliances contributed a significant portion of the global container trade services. Westports is currently servicing the Ocean Three ("O3") alliance, which consists of CMA CGM, United Arab Shipping Co. ("UASC") and China Shipping Container Lines Co ("CSCL").

Container lines have made sizeable investment in fleet capacity building to reduce emission levels and container slot cost. With the delivery of more Ultra Large Container Vessel ("ULCV") in 2015 which were being utilised especially for the long-haul Asia-Europe trade lane, existing vessels were increasingly being deployed to other regional and feeder services such as the north-south routes, including those from Asia to South America and Africa. The cascading effect of deployment of these vessels have impacted routes such as South America-Asia and Africa-Asia trades and also some intra-Asia routes.

In 2015, the world's container ship capacity broke through the 20 million TEUs units barrier after carriers set a new record for the shortest time to add one million TEUs to the fleet. It took just seven-and-a-half months for the global fleet to expand to 20 million TEUs from 19 million TEUs in late January 2015. The strong supply in container shipping capacity exceeded the container shipping demand due to slower regional and global economic growth. Consequently, this contributed to the lacklustre container freight rates that affected many shipping lines and alliances.

Ocean Three Alliance

The O3 alliance, operates among the largest ULCV in the world and they have taken deliveries of large vessels more than 19,000 TEUs in 2015. Combined together, the O3 alliance has a market share of approximately 15% of the global container industry. With Westports supply-driven approach in investment in container terminal expansion, we are already accommodating the largest container vessels in the world carrying more than 19,000 TEUs. We have been able to accommodate and support O3 alliance expansion as they deployed these new ULCVs in the Asia-Europe routes and used Westports as one of their transhipment hubs.

MANAGEMENT DISCUSSION AND ANALYSIS

As global economic growth remained uneven with increased headwind as the year of 2015 progressed, the four shipping alliances, including O3, gradually introduced blank sailings in order to achieve better equilibrium to match the growth in supply in container slots arising from new vessels delivery and demand for container shipments across the world. The blank sailings basically maintained the geographical coverage and port of calls, including Westports, but with reduced frequency. As the size of the vessels deployed have grown larger, even with blank sailings, the available container capacity is more than adequate to meet shipping customers' demand.

Container Volume

Westports achieved an all-time historical record by handling a container volume of 9.1 million TEUs in 2015, which is an increase of 8% over the previous year's volume of 8.4 million TEUs. Transhipment containers increased by 12% to 6.6 million TEUs as gateway containers remained flat at 2.5 million TEUs. Therefore, out of the total volume of 9.1 million TEUs, the container mix for transhipment containers increased to 72% while gateway containers made up the remaining 28% of the total volume.

Analysing the total container volume by trade lane, 48% of Westports containers are destined within Intra-Asia. These containers were loaded at a port in Asia and shipped to the destination port within Asia. In 2015, the Intra-Asia container volume improved by 3% to 4.3 million TEUs as the regional Asia-Pacific experienced more moderate level of economic growth.

The Asia-Europe trade lane constituted 25% of Westports total container volume and it grew strongly by 17% in 2015 to 2.3 million TEUs. The increased volume in this trade lane is a testimony of the supportive relationship between Westports and members of the O3 alliance as the growth achieved in this particular trade lane outpaced the industry's overall volume.

The remaining key volume at the other trade lanes consisted of Asia-Africa at 10%, Asia-Australasia at 9% and Asia-America at 6%. Westports experienced very strong increase at the Asia-America trade lane as our shipping customers have added more services to this route while North America's economies continued to experience improvements in their economic growth levels.

The Ministry of Transport approved the revised container tariff rates in August 2015 and the revision is being implemented in two phases. Phase One entails an average approximate increase of 15% on key container tariff items, particularly terminal handling charges ("THC"), which came into effect on 1 November 2015. The Phase Two of the revised container tariff rates will be on 1 September 2018. The revised tariff covers container THC for import, export, transhipment, shifting and re-stow, storage charges for container and handling charges for heavy lift or uncontainerized cargo.

The tariff revision would support Westports' expansion plans and investment in the latest CT 8 which would be equipped with the latest energy efficient terminal operating equipment. With more than a decade since the last tariff revision, the higher tariff rates would also be needed to cover the cost increases associated with the operations, maintenance and investments for all its container terminals.

Preferred Hub Distribution Centre

Westports has been positioning itself as a preferred hub for distribution and trading operations in South East Asia.

The seamless and integrated business process in Westports and close proximity to Port Klang Free Zone ("PKFZ") with mixed development comprising of manufacturing activities complemented by amenities designed to facilitate the growth of regional distribution centers or international procurement centers have made PKFZ a preferred distribution hub for many products or commodities such as polymer resin, ingot, steel, cotton, ammonium nitrate and others. We are preferred due to connectivity, simplified processes, abundance of space, proximity to the market and adequate labour supply among others.

We initiated this conscience effort five years ago to grow this market segment and achieved 150 thousand TEUs in 2015 as major industry shippers chose Westports as their hub.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2015, through our close collaboration with cotton industry players, PKFZ, Port Klang Authority, Ministry of Agriculture and Intercontinental Exchange ("ICE"), Westports achieved major milestone after Malaysia has been approved as a world delivery point for cotton by ICE. With United States, Australia and Taiwan in the same league, Malaysia is placed fourth in the world.

Operational Review

CSCL Globe, a 19,100 TEUs vessel, which started calling in late 2014 remains as among the largest container vessels to ply the seas at an Length Overall ("LOA") of 400m. In 2015, Westports had the honour of having UASC Barzan, a 18,800 TEUs vessel, regarded as the "Largest Eco-Friendly Vessel". The continuous calls by these largest class vessels operated by CMA-CGM, CSCL and UASC, is a testament of our ability to provide top notch operational delivery services for the turnaround of any type of vessel.

One of the strongest competitive advantage Westports has is its drive to push for productivity. With a crane productivity target set at 30-35 moves per hour ("mph") and vessel productivity target set at 130-180 mph, Westports has positioned itself as among the leading ports in the world for container operations productivity.

About 7,693 container vessels and barges called at Westports in 2015 compared to 7,006 container vessels in 2014.

We handle 1.98 TEUs per meter container berth spanning 4.6 kilometres. Likewise, we handle 175 thousand TEUs per STS with 52 units. Our capacity utilisation stand at 83% in 2015. These statistics show an improvement of 8% to 9% compared to 2014 performance.

Container Throughput	2015	2014	%
Million TEUs			
Transhipment	6.6	5.9	+12%
Gateway	2.5	2.5	-
Total TEUs	9.1	8.4	+8%
TEUs over Berth – units	1.98	1.82	+9%
TEUs over STS – '000	175	161	+9%
Capacity utilisation	83%	76%	

This commendable container throughput was achieved through the use of key equipment mentioned below. It is paramount for us to ensure the equipment are in reliable condition to maintain our productivity.

Key Equipment	2015	2014
Numbers		
Ship-to-Shore Cranes	52	52
Normal RTG	115	115
Variable Speed RTG	30	30
Hybrid RTG	12	12
Terminal Tractors	476	418
Stackers	27	27

To achieve the reliability target, we are strictly complying with the preventative maintenance schedule proposed by Original Equipment Manufacturer ("OEM"). On a systematic basis, we also review obsolescence of spare parts or components. Obsolete parts will be replaced with the latest version as we have to provide continuous support for the spare parts. The new components can increase the efficiency in terms of energy consumption which indirectly can also enhance the reliability of our cranes. We measure the effectiveness

MANAGEMENT DISCUSSION AND ANALYSIS

of crane maintenance by a term called Mean Moves Before Failure ("MMBF"). MMBF measures the number of moves a crane can handle before it fails. The higher the moves the better would be the reliability of the crane, signifying effective maintenance. We recorded an improvement on MMBF by 30% for STS cranes and 1% for RTG cranes in 2015 compared to 2014. We work closely with suppliers and contractors and measure their performance in accordance with the standards agreed upon. We have outsourced the maintenance of terminal tractors and stackers to the local contractors and monitor their performance in accordance with our requirements.

In 2015, we have purchased 104 units of terminal tractors ("TT") as replacements and to cater the increase in STS that were purchased in 2014.

As reported in the 2014 annual report, we have purchased 30 units of VS RTG Crane and 12 units of Hybrid RTG ("H RTG") Crane. VS RTG and H RTG cranes are more expensive than normal RTG cranes. We have committed ourselves for a sustainable approach to safeguard our environment. It is proven that these RTG cranes have successfully reduced our diesel consumption and Greenhouse Gas ("GHG") emissions.

The VS RTG cranes has reduced diesel fuel consumption by controlling the engine speed and matching it with the required container load. Meanwhile, the H RTG cranes features smaller engines that is complemented with Lithium Ion battery power to reduce fuel consumption and lower emissions. The H RTG cranes recover and convert the kinetic energy into electric energy that is stored inside the batteries when hoisting down the container, making it the most energy efficient cranes.

Diesel Consumptions	2015	2014	%
Million Litres			
Fuel	41.8	39.9	+5%
Litres/ TEUs	4.6	4.8	-4%

As a result of the above concerted effort, our fuel consumption has increased at lower pace than the throughput while unit usage has dropped by 4% compared to 2014.

Vessel Incident

We experienced a challenge in terms of container operations with an incident involving a vessel having physical contact with the base of STS 26 during her berthing process on 1 August 2015. This has led to our STS 26 to be unfit for operations and the management has decided to dismantle STS 26 and will sell as scrap.

Expansion Plan

We reported in the last annual report on our expansion plan to CT 8 with the first phase of 300-meter length of wharf, supporting port equipment and facilities with completion expected by early 2016.

As at the date of this annual report, we have commissioned two units of STS cranes and three units of VS RTG cranes into service and we have already started using these equipment in our operations. The first phase of 300-meter wharf is scheduled to be fully completed by mid-2016.

The second container gate, second marshalling centre and maintenance building are expected to be completed in the later part of 2016.

In 2016, we intend to continue the expansion plan of CT 8 activities as described below:

a) Second 300-meter wharf with completion expected by 2017;
b) Container yard for CT 8 with completion expected by 2017; and
c) To receive another four units of STS cranes, three units of VS RTG cranes by 2016 and to purchase associated TT's and trailers.

CONVENTIONAL SERVICES

Conventional services comprise of dry bulk, break bulk, liquid bulk, cement cargo and RORO. In 2015, the volume of cargo handled totalled 10.2 million metric tonnes compared to 10.3 million metric tonnes in 2014, representing a drop by 1%.

MANAGEMENT DISCUSSION AND ANALYSIS

The break bulk segment primarily consists of mixed steel, steel coils and project or general cargo. Break bulk represents 16% of the total bulk cargo volume.

Conventional	2015	2014	% change
Million metric tonne			
Dry Bulk	4.0	4.0	-
Liquid Bulk	3.6	3.8	-5%
Break Bulk	1.6	1.6	-
Cement	1.0	0.9	+11%
Total Cargo	10.2	10.3	-1%
RORO – thousand units	163	166	-2%

The dry bulk segment is divided into two categories. In 2015, the agriculture bulk such as feed cargo that includes unrefined sugar, feed grains and wheat recorded decline in volume by 4% due to the increasing use of containers for sugar shipments. The second segment consists of minerals such as fertilizers and building related cargo types used by the construction industry grew by 7% compared to 2014. In total, the dry bulk volume contributed 39% to the total conventional business. The cement volume also grew by 11% in 2015 due to import of cement to meet local demand in the construction industry.

Liquid bulk cargo is categorised into non-bunker and bunker. In 2015, the entire volume recorded in liquid bulk is from non-bunker segment with cargo made up of palm oil, petroleum, chemical and liquefied petroleum gas. Non-bunker segment grew by 6% in 2015. No volume was recorded in bunker segment in 2015 as new operator would commence operation only in 2016. The under performance on liquid bulk segment is due to bunker segment. The liquid bulk contributed 35% to the overall conventional volume.

Our handling of RORO vehicles decreased to 163 thousand units in 2015 due to weaker domestic demand. We are also Port Klang's gateway for both import and export of vehicles, handling 79% of Port Klang's total volume.

We handled conventional cargo from 1,669 conventional vessel arrivals in 2015, of which RORO vessels numbered 281.

The entire operations of dry bulk and break bulk in conventional segment are handled by local outsourced contractors. Their productivity is very important to us and it is measured by Fastport Standards ("FS"). This measures the efficiency of operations in every aspect of conventional activities covering from pilots and tugs, berths, stevedore gangs and equipment, cargo handling, customs clearance, until the cargo exits from the conventional gate. We strive to match or perform better than the FS which ultimately leads to customer satisfaction. In 2015, we recorded an improvement in the FS in every segment of conventional operations ranging between 2% to 6%.

To improve our performance further, we have undertaken some initiatives. First, we upgraded and implemented a new conventional cargo terminal operating system called e-CCS ("Enhanced Conventional Cargo System") which will streamline and automate the processes from wharf and yard operations to billing as part of our continuous efforts to enhance conventional cargo operations. Second, we implemented berthing policy for dry bulk and RORO segment to improve berthing waiting time of vessels. Thirdly, simultaneous discharge from liquid bulk segment was implemented to minimise the vessel stay in port. Lastly, we also introduced contractor score card for better performance management of contractors and improve vessel productivity.

MARINE SERVICES

Marine services consist of tugboat and pilotage services. All vessels arriving or departing Westports terminals are required to use this service.

We operate a fleet of 8 harbour tugs and the last harbour tug was added in December 2015. In 2015, we handled 9,362 vessel movements in both container and conventional terminals that registered an increase in number by 706 vessels compared to 2014.

In 2015, we have performed maintenance dredging to deepen our wharf and previous round of maintenance dredging was carried out in 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

LOGISTIC AND RENTAL SERVICES

Our container gate system and streamlined customs processes enable hauliers to enter and exit our terminals on an average of 20 minutes.

This is achieved partly due to our support for comprehensive data interchange which enables fast exchange of information between parties in the supply chain and the local authorities.

With the second container gate to be ready in 2016, 14-lane gates will be dedicated for outbound traffic and existing container gate will be converted to 14-lanes dedicated for inbound traffic. We expect the movement of gateway volume to be more efficient with the new gate system.

Container and Conventional customers continue to lease land, storage facilities and office space from us with demand exceeding supply. However, demand for common storage facilities has dropped due to cargo being moved via container resulted in less demand for common storage facilities. On-Dock Depots ("ODD") demand remains high with major customers setting up these facilities on our premises to repair and clean containers.

For our landed container customers who lease warehousing facilities, we provide internal haulage services to facilitate the movement of containers to and from container yards or ODD to support container freight station services.

IT INITIATIVES

Technology is integral to our operational excellence. Our Command and Control Center is equipped with real-time dashboards to ensure efficient control and monitoring of the entire container handling cycle and deployment of resources to continuously maintain our high productivity efficiencies and standards.

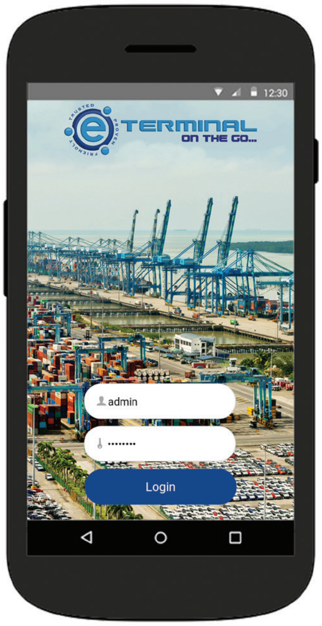
The robust mobile tablet system which replaced the traditional handheld radio data terminal system at the wharf, allow operations to be managed effectively in real-time at an accelerated pace.

The introduction of self-service kiosks at container gate is part of our automation initiative. This project was initiated to generate cost savings through greater operational agility and efficiency as well as enhancing workforce performance. The improvement in haulier turnaround time at the terminal led to an increase in gate throughput and capacity.

Our customer portal, e-Terminal Plus, continues to enjoy more than 95% customer utilisation rate for Delivery Order ("e-DO"), e-Billing, submission of loading and discharging list and haulage pre-arrival booking. Among our Go-Green initiative in 2015 was the Paperless Gate Pass project which has reduced logistics costs and also cut bureaucratic delays faced by our customers. Our Paperless Gate Pass service has reached an adoption rate of 75%.

To continuously pursue our customer experiences in enriching their interactions and improving processes, we have developed our own smartphone application "e-Terminal On the Go", comprising of the most popular modules from our customer portal, e-Terminal Plus such as Container, Vessel, Booking, Bill of Lading and Gate Pass Inquiries. Now, real-time information is available to our customers instantaneously through their smartphones.

With the implementation of a new Electronic Data Interchange ("EDI") platform, the management and administration of EDI messages is made simplified, secured, reliable, faster and more efficient, enabling us to maintain our real-time communication service levels with our customers.



Investment in latest technology has been central to Westports dynamic and innovative approach in striving to provide even better customer services and achieving greater operational efficiencies.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

REVENUE

The Group recorded gross revenue of RM1.682 billion in 2015, an improvement of 8% compared to 2014. Growth in operational revenue by 5% to RM1.578 billion was mainly driven by increase of container throughput and ship calls.

Revenue	2015 RM million	2014 RM million	% of change
Container	1,316	1,251	+5%
Conventional	144	137	+5%
Marine	82	77	+6%
Rental	35	38	-8%
Dividend Income	1	-	n/a
Operational Revenue	**1,578**	**1,503**	**+5%**
Construction revenue	104	59	+76%
Gross Revenue	**1,682**	**1,562**	**+8%**

The construction revenue grew by 76% to RM104 million arising from first phase of CT 8 infrastructure works. It is appropriate to exclude construction revenue for the purposes of measuring our performance.

Construction revenue in accordance with IC interpretation 12 equals the fair value of port-related infrastructure under construction based on the stage of completion of the work performed. The fair value of such infrastructure is deemed to be the cost of construction as well as any additional construction-related cost. As construction works are contracted out to third parties, construction revenue reported equals construction cost.

Container Revenue

Container revenue comprises of Terminal Handling Charges ("THC") for gateway and transhipment containers and income generated from Value-Added Services activities ("VAS"). Container revenue contributed 83% of the operational revenue for both years. Container revenue grew by 5% to RM1.316 billion in 2015 while the container throughput has increased by 8% to 9.1 million TEUs. The lower growth in container revenue in comparison to container throughput is due to higher increase in transhipment throughput. The THC revenue rose by 6% to RM1.142 billion over the previous year contributed mainly by increase in transhipment throughput of 12% while gateway remained flat.

VAS revenue increased by 2% to RM174 million in 2015 with growth mainly derived from reefer service activities.

Conventional Revenue

Conventional revenue is generated from handling non-containerised cargo consisting mainly of break bulk, dry bulk, cement, liquid bulk, roll-on-roll-off ("RORO") cargo services and other sundry income. Conventional revenue accounted for 9% of operational revenue for both 2015 and 2014.

Conventional throughput declined by 1% to 10.2 million tonnes compared to the previous year. Despite the drop in throughput, conventional revenue recorded a growth of 5% to RM144 million for 2015. All the conventional cargo services registered higher revenue compared to the previous year.

Break bulk cargo throughput remained at 1.6 million tonnes in 2015 but revenue has increased by 8% due to volume mix and changes in metrics of charging as set by Port Klang Authority ("PKA").

Dry bulk cargo throughput remained flat at to 4 million tonnes in 2015 and revenue increased marginally by 1% due to volume mix.

Cement cargo throughput was at 1.0 million tonnes in 2015, which was an improvement by 11% compared to the throughput recorded in 2014. Cement cargo revenue also grew by 12% in line with throughput growth.

RORO throughput reduced by 2% to 163 thousand units of vehicles in 2015 due to uncertainty arising from imposition of GST and weaker Ringgit. However RORO revenue grew by 6% due to changes in the metrics of charging port charges.

Liquid bulk cargo recorded a drop in throughput by 5% to 3.6 million tonnes in 2015 compared to the previous year. The reduction was due to nil bunker volume recorded in 2015 due to cessation of bunker operator and the new operator will commence operations in early 2016. However, the revenue improved by 1% in 2015 due to volume mix.

MANAGEMENT DISCUSSION AND ANALYSIS

Marine Revenue

Marine revenue is generated from fees earned from tug boat services and pilotage services. Marine revenue accounted for 5% of the operational revenue for 2015 and 2014.

The marine revenue recorded a growth of 6% to RM82 million in 2015. The increase in marine revenue was attributable to 8% increase in the number of vessels calling at Westports.

Rental Revenue

Rental revenue is generated from the rental of our facilities, including the sublease of landed clients, warehouses, open yard, on-dock depots and business centre. Rental revenue accounted for 2% of the operational revenue for 2015 compared to 3% in 2014.

The rental revenue recorded a drop of 8% to RM35 million in 2015 mainly due to drop in storage requirement by customers.

COST OF SALES

Gross cost of sales increased by 7% to RM800 million in 2015 with operational cost increased by 1% and construction cost increased by 76%. Increase in construction cost by 76% is explained in the revenue section. It is also appropriate to exclude construction cost for the purposes of measuring our performance.

Operational cost of sales are categorised as per table below.

Cost of Sales	2015 RM million	2014 RM million	% of change
Container	242	226	+7%
Manpower	169	164	+3%
Depreciation & amortisation	132	124	+6%
Fuel	70	94	-26%
Marine	31	31	-
Electricity	29	27	+7%
Conventional	23	22	+5%
Operational Cost of Sales	**696**	**688**	**+1%**
Construction Cost	104	59	+76%
Gross Cost of Sales	**800**	**747**	**+7%**

Container cost comprises of marketing expenses, maintenance and repair expenses; and outsourced expenses for container operations. The increase in container cost was mainly derived from higher marketing cost which is in tandem with increase in container throughput. The container cost is the biggest cost component of operational cost of sales accounting for 35% in 2015.

Manpower cost increased by 3% although the operational manpower head count reduced by 72 to 3,694 staff in 2015. The increase in cost was attributed to annual increments. Manpower cost remains the second biggest cost in 2015 with 24% of operational cost of sales, similar to the ratio in 2014.

Depreciation and amortisation cost increased by for 6% growth in 2015 mainly due to Container Terminal 7 ("CT7") operating equipment which was capitalised progressively in 2014. The depreciation and amortisation cost comprise of depreciation charge of terminal operating equipment while amortisation was related to concession assets and dredging expenses. This segment of cost increased by 1% to 19% as a component of operational cost of sales in 2015.

Fuel cost reduced by 26% to RM70 million attributed to decrease in global fuel price and reduction in fuel consumption per TEUs, offset partially by depreciation of the ringgit. Fuel was consumed by the terminal operating equipment such as TT's, RTG cranes, stackers, forklifts and tug boats. Fuel cost has reduced by 4% to 10% as a component of operational cost in 2015.

Marine cost has remained same at RM31 million in 2015. Marine cost comprised of hiring cost for tug boats and pilot boats, berthing, unberthing and mooring expenses.

Electricity cost increased by 7% to RM29 million in tandem with the increase in container throughput. Electricity was used by STS cranes, reefer containers and port operational facilities.

Conventional cost has increased by 5% to RM23 million in 2015. Conventional cost included charges for the provision of stevedoring services relating to break bulk operations, handling services and maintenance cost of dry bulk equipment.

MANAGEMENT DISCUSSION AND ANALYSIS

GROSS PROFIT

Gross profit ("GP") improved by 8% to RM882 million arising from the growth in operational revenue by 5% and comparatively slower rate of increase in operational cost of sales by 1%. The GP margin has increased accordingly to 56% in 2015 from 54% recorded in 2014.

Results	2015 RM million	2014 RM million	% of change
Operational Revenue	1,578	1,503	+5%
Operational Cost of Sales	(696)	(688)	+1%
Gross Profit	**882**	**815**	**+8%**
Other Income	6	10	-40%
Adminstrative expenses	(28)	(36)	-22%
Other expenses	(146)	(146)	-
Operating Profit	**714**	**643**	**+11%**
EBITDA	**869**	**789**	**+10%**
Gross profit margin	56%	54%	
Operating profit margin	45%	43%	
EBITDA margin	55%	52%	

OTHER INCOME

Other income comprised of payments from conventional customers who were unable to meet their guaranteed conventional throughput commitments and sundry income.

Other income reduced by 40% to RM6 million, mainly due to one-off sundry income received from insurance claim for non-utilisation of berth in 2014.

ADMINISTRATIVE EXPENSES

Administrative expenses comprised of professional fees, travelling and entertainment expenses, provision for doubtful debts and general administrative expenses.

Administrative expenses reduced by 22% to RM28 million in 2015 mainly due to lower write-offs. In 2014 the Group has written-off two units of obsolete STS cranes and unutilised slag and fertilizer conveyor system in dry bulk operations as a result of change in modus operandi amounting to RM11.6 million. In 2015, the Group written-down concession asset amounting to RM6.2 million due to impairment of the concession assets.

OTHER EXPENSES

Other expenses consisted mainly of manpower costs relating to non-operational staff, IT related expenses, general repair and maintenance, lease expenses, staff-related costs, other depreciation cost, insurance, promotion and advertising as well as utilities cost.

Other expenses remained at RM146 million as reported in 2014. It was attributed to lower maintenance expenses which was offset by higher non-operational employee related cost.

OPERATING PROFIT

Operating profit has increased by 11% to RM714 million in 2015. The growth is higher than GP mainly due to slower pace of increase in administrative and other expenses. Consequently, the operating profit margin increased to 45% in 2015 from 43% in 2014.

EBITDA

Earnings before interest, tax, depreciation and amortisation ("EBITDA") grew by 10% to RM869 million in 2015. EBITDA in comparison to operating profit registered lower growth mainly due to higher depreciation and amortisation costs. Accordingly, the EBITDA margin improved to 55% from 52% in 2014.

FINANCE INCOME

Finance income increased by 36% to RM15 million in 2015 due to increase in interest income from fixed deposit with higher rates.

FINANCE EXPENSES

Finance expenses comprised of profit payments pursuant to Sukuk Medium Term Note ("SMTN") and concession liability charges pursuant to the Lease Agreement.

Finance expenses increased by 5% to RM79 million in 2015 primarily due to the full impact of the draw down of RM250 million from SMTN for financing the capital expenditure projects in April 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Results	2015 RM million	2014 RM million	% of change
Operating profit	714	643	+11%
Finance income	15	11	+36%
Finance expenses	(79)	(75)	+5%
Profit before tax	**650**	**579**	**+12%**
Taxation	(145)	(67)	+116%
Profit after tax	**505**	**512**	**-1%**
PBT margin	41%	39%	
PAT margin	32%	34%	
Effective tax rate	22%	12%	

** PBT and PAT margin computed from operational revenue*

PROFIT BEFORE TAX ("PBT")

PBT improved by 12% to RM650 million mainly attributed by increase in revenue and slow growth of expenses. The PBT margin has mproved to 41% from 39% in 2014.

PROFIT AFTER TAX ("PAT")

PAT has decreased by 1% to RM505 million in 2015. Lower tax expenses in 2014 were due to tax incentive received for capitalisation of port infrastructure and terminal operating equipment.

In 2015, the CT 8 infrastructure works are in progress phase and yet to be completed towards end of the year, hence tax incentive not available. The tax expenses were lower than statutory rate due to reduction in corporate tax rate from 25% to 24% used in computation of deferred tax and over provision of tax expenses in 2014. Accordingly, the effective tax in 2015 is 22%. The PAT margin is 32% in 2015 in comparison with 34% in 2014.

CASH FLOWS

Cash and cash equivalents less pledged deposits have decreased by 12% to RM365 million in 2015. Net cash generated from operating activities has increased by 26% of which 9% is attributable to operations while the remaining 17% was due to increase in payment to creditors mainly in relation to CT 7 capital expenditure. Investing activities in 2015 increased by 4% due to increase in capital expenditure for CT 8 and investment in securities. Net cash used in financing activities increased by 139%. In 2014, the Group has drawn down SMTN to finance the CT 7 capital expenditure. Excluding this draw down, the growth will be 9% mainly due to increase in dividend payment and interest expenses.

TOTAL ASSETS

The Group total assets increased by 5% to RM4.030 billion as at 31 December 2015 attributed by the increase in property, plant and equipment ("PPE"), concession assets, investment in securities, trade receivables and offsetted by lower cash and cash equivalents. Increase in PPE and concession assets were primarily due to progress payments for CT 8 terminal operating equipment and infrastructure works.

TOTAL LIABILITIES

Total liabilities increased by RM50 million to RM2.132 billion in 2015 and the increase was on trade and other payables, deferred tax and tax payables offsetted by reduction in services concession obligations.

SHAREHOLDERS' EQUITY

Shareholders' equity increased by RM134 million in 2015 due to PAT of RM505 million, recognition of fair value gain from investment in securities of RM20 million and offsetted by dividend payment of RM391 million. Return on Equity for 2015 is 27%, reduced by 2% compared to 29% recorded in 2014.

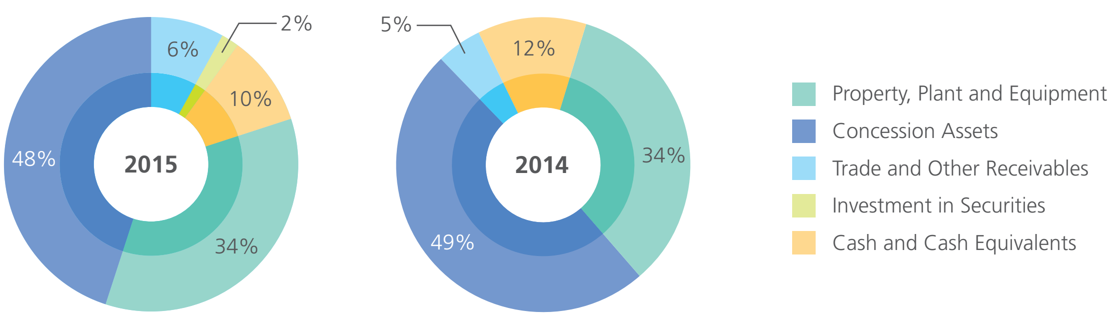
Cash Flows	2015 RM million	2014 RM million	% of change
Operating profit before working capital changes	*875*	*803*	*+9%*
Net cash from operating activities	771	613	+26%
Net cash used in investing activities	(322)	(309)	+4%
Net cash used in financing activities	(498)	(208)	+139%
Net (decrease)/increase in cash and cash equivalents	**(49)**	**96**	**-151%**
Opening cash and cash equivalents (less pledged deposits)	414	318	+30%
Closing cash and cash equivalents (less pledged deposits)	**365**	**414**	**-12%**

MANAGEMENT DISCUSSION AND ANALYSIS

Summarised Group Statements of Financial Position

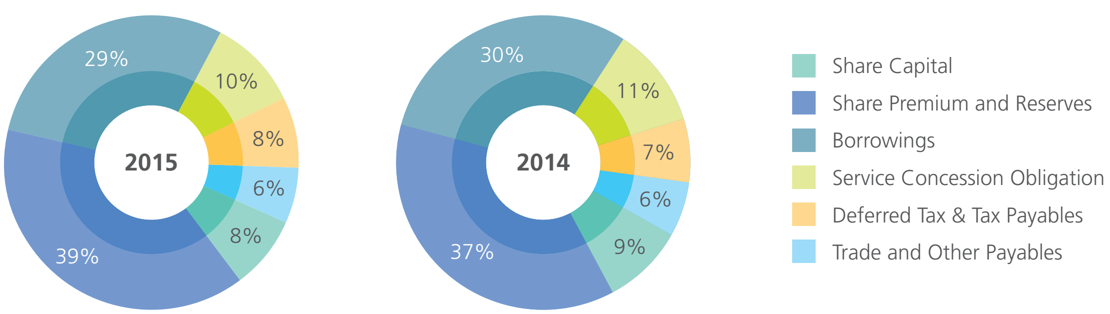
TOTAL ASSETS (RM MILLION)

	2015	2014
Property, Plant and Equipment	1,370	1,322
Concession Assets	1,921	1,877
Trade and Other Receivables	240	203
Investment in Securities	103	-
Cash and Cash Equivalents	396	444
Total Assets	4,030	3,846



TOTAL EQUITY & LIABILITES (RM MILLION)

	2015	2014
Share Capital	341	341
Share Premium and Reserves	1,557	1,423
Total Equity	1,898	1,764
Borrowings	1,150	1,150
Service Concession Obligation	399	426
Deferred Tax & Tax Payables	327	278
Trade and Other Payables	256	228
Total Liabilities	2,132	2,082
Total Equity & Liabilities	4,030	3,846



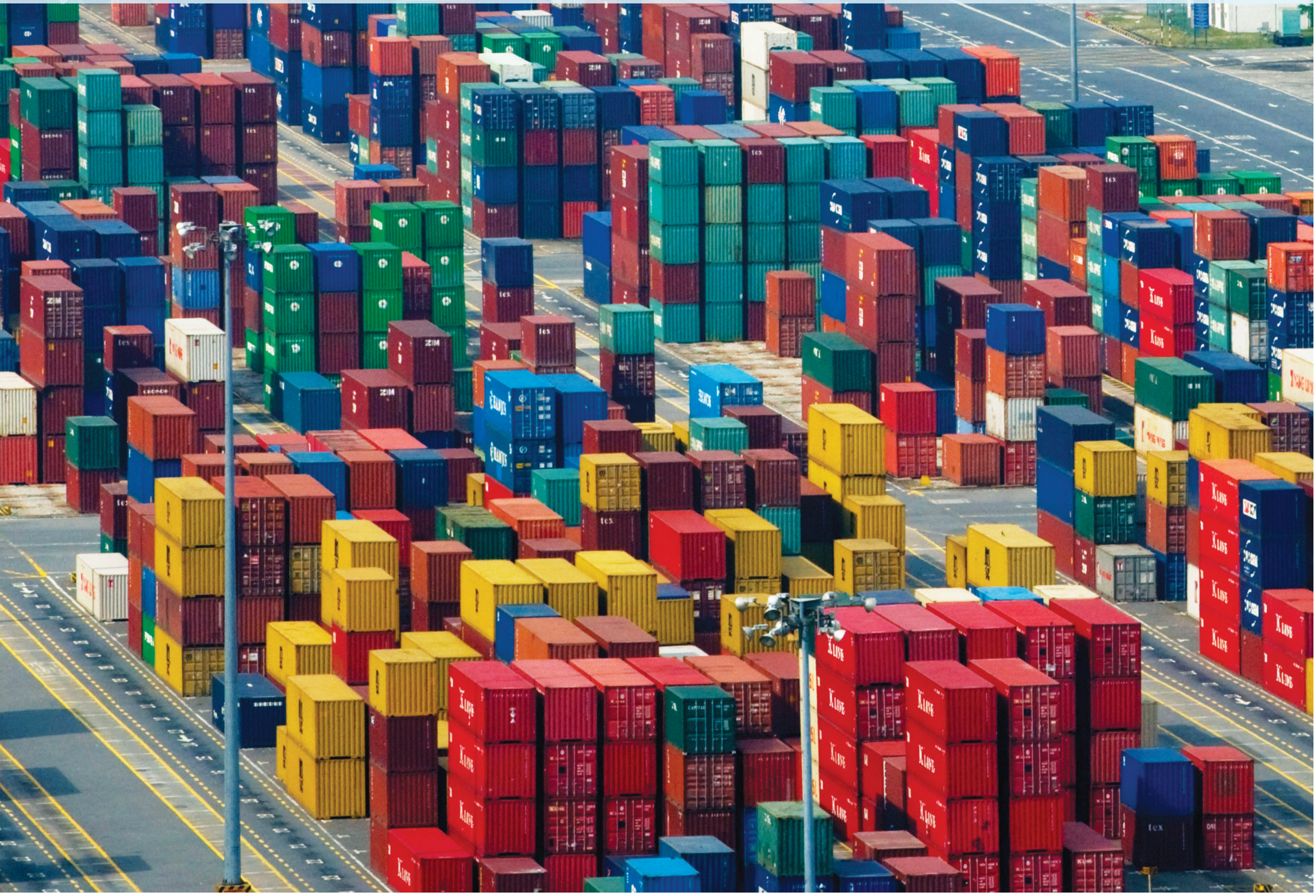
MANAGEMENT DISCUSSION AND ANALYSIS

2016 Economic Outlook

Malaysia's Ministry of Finance is expecting the economy to sustain a positive growth trajectory whilst expanding at a more moderate pace of between 4% and 5% in 2016. Both business and consumer spending growth are expected to grow moderately with rising price pressure and depreciation of the ringgit against the US dollar. Within Asia-Pacific region, China's economic growth is expected to be more moderate in 2016 after decades of sterling growth.

In this economic environment, Westports expects its container volume to grow at a slower pace in 2016 as compared to previous years' growth rate. However, we expect revenue growth to be at a more favourable pace as the Company would be able to register the full year's revenue contribution from the revision in container tariff that was implemented with effect from 1 November 2015.

The Phase 1 of the CT 8 expansion is scheduled to be completed in 2016. Equipped with the state-of-art STS cranes and more energy-efficient container terminal handling equipment, Westports would be able to accommodate the growing trend of the container shipping industry in deploying larger vessels. This will enable Westports to continue being a prominent regional transhipment hub and accommodate the country's growing trading requirements.



MANAGEMENT DISCUSSION AND ANALYSIS

Investor Relations

Westports is committed in maintaining a strong relationship with our investors. We continuously engage with our investors and keep them updated with our operational and financial performance and prospects to enable them to make informed decisions about their investment in our Company. The engagement meetings with our investors are attended by the CEO, Chief Financial Officer, Head of Commercial, Head of Marketing or Head of Investor Relations.

QUARTERLY FINANCIAL RESULTS AND ANALYST COVERAGE

Upon releasing the quarterly financial results to Bursa Malaysia, Westports issues press releases and conducts briefings or conference calls with analysts and fund managers. The briefings or conference calls are to provide a balanced and updated perspective of our operational and financial performance, of our expansion plan, the Company's prospects and outlook. It also serves as a platform for analysts and fund managers to seek clarification and have their queries responded to by the Company. To ensure consistent transparency of the external communication, the material intended for the briefings and conference calls are made available immediately on our website at www.westportsholdings.com and also sent by emails to those on our Investor Relations contact list after we have released the announcement to Bursa Malaysia. The number of local and regional analysts providing coverage for Westports has increased from 14 at the end of 2014 to 19 analysts currently.

MEETINGS, CONFERENCES AND ROADSHOWS

While Westports continues to attract interest from local and international investors, it also recognises the importance of maintaining regular contact and building rapport with local and international investors. To achieve these objectives, our investor relations initiatives include one-to-one meetings with investors, participation in major investment conferences and engaging investors in non-deals roadshows covering the major financial market centres in Singapore, Hong Kong, United Kingdom and United States of America. Westports has participated in a total of 20 conferences and non-deals roadshows locally and internationally in 2015. We also have hosted a total of 65 meetings in our office, port tours and conference calls with analysts and investors to have a more informed and updated understanding of our business.

INCLUSION INTO INDICES

Westports has been included in the well-followed and widely-benchmarked MSCI Malaysia Index with effect from 29 May 2015. And on the local front, on 22 June 2015, Westports has also been included in the highly-regarded FTSE Bursa Malaysia KLCI index which comprises the largest 30 companies listed on the Main Board of Bursa Malaysia. These inclusions reflect international and local investors' interest and confidence in the Company. Westports also indirectly became the designated representative Company in these indices for the transport and logistics sector in Malaysia.

AWARDS

In Alpha Southeast Asia's 5th annual poll that was conducted between February 2015 and June 2015, where it tallied votes from 520 investors, pension funds, hedge funds, equity and fixed income brokers and buy-side and sell-side analysts with investment interests in the Southeast Asia region, Westports has scored favourably with global investors and we were voted to be among the best in Malaysia for the following categories:

- Strongest Adherence to Corporate Governance
- Most Consistent Dividend Policy
- Most Improved Investor Relations

DIVIDEND POLICY

It is the policy of our Board of Directors ("Board") in recommending dividends to allow shareholders to participate in our profits while retaining adequate profits and reserves for our working capital requirements and capital expenditure to invest for future growth. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subjected to our shareholders' approval. Our financial

capacity to pay dividends or make other distributions to our shareholders will depend upon a number of factors, including:

- the level of our cash, gearing, return on equity and retained earnings;
- our expected financial performance;
- our projected levels of capital expenditure and other investment plans;
- our working capital requirements; and
- our existing and future debt obligations.

We propose to pay dividends out of cash generated from our operations after setting aside the necessary funding for capital expenditure and working capital requirements. As part of this policy, our Company targets a dividend payout ratio of not less than 75% of our consolidated profit attributable to our equity holders under MFRS and IFRS, beginning 1 January 2013.

You should note that this dividend policy merely describes our Company's present intention and shall not constitute legally binding statements in respect of our Company's future dividends that are subject to modification at our Board's discretion.

DIVIDEND

For the financial year ended 31 December 2015, Westports has declared dividends amounting to RM378.51 million, as follows:

- 1st interim dividend of 5.32 sen per share amounting to RM181.412 million, paid on 26 August 2015; and
- 2nd interim dividend of 5.78 sen per share amounting to RM197.098 million, paid on 2 March 2016.

The total dividend declared to our shareholders represents 75% of profit after taxation for the financial year ended 2015. It represents a total payout of 11.10 sen per share.

SHAREHOLDER BASE

As at 31 December 2015, Westports had 5,410 shareholders comprising of institutional, private and retail shareholders holding a total of 3.41 billion shares. Foreign shareholdings interest in Westports was 34.43% as at 31 December 2015 and this included South Port Investment Holdings Limited's shareholding of 23.55% in the Company.

CREDIT RATING

Westports continues to exhibit strong operational performance, financial fundamentals and balance sheet strength, enabling us to obtain a credit rating of AA+IS issued by Malaysia Rating Corporation Berhad since January 2008. The last review was done in May 2015.

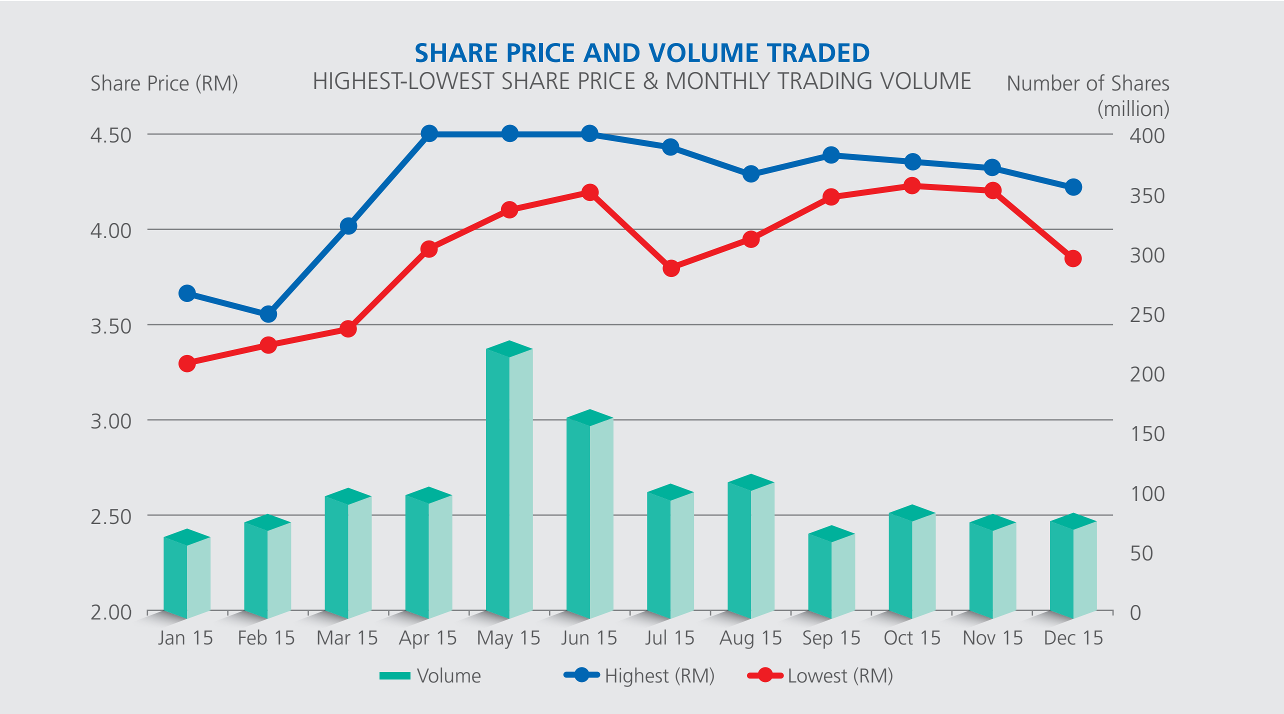
MANAGEMENT DISCUSSION AND ANALYSIS

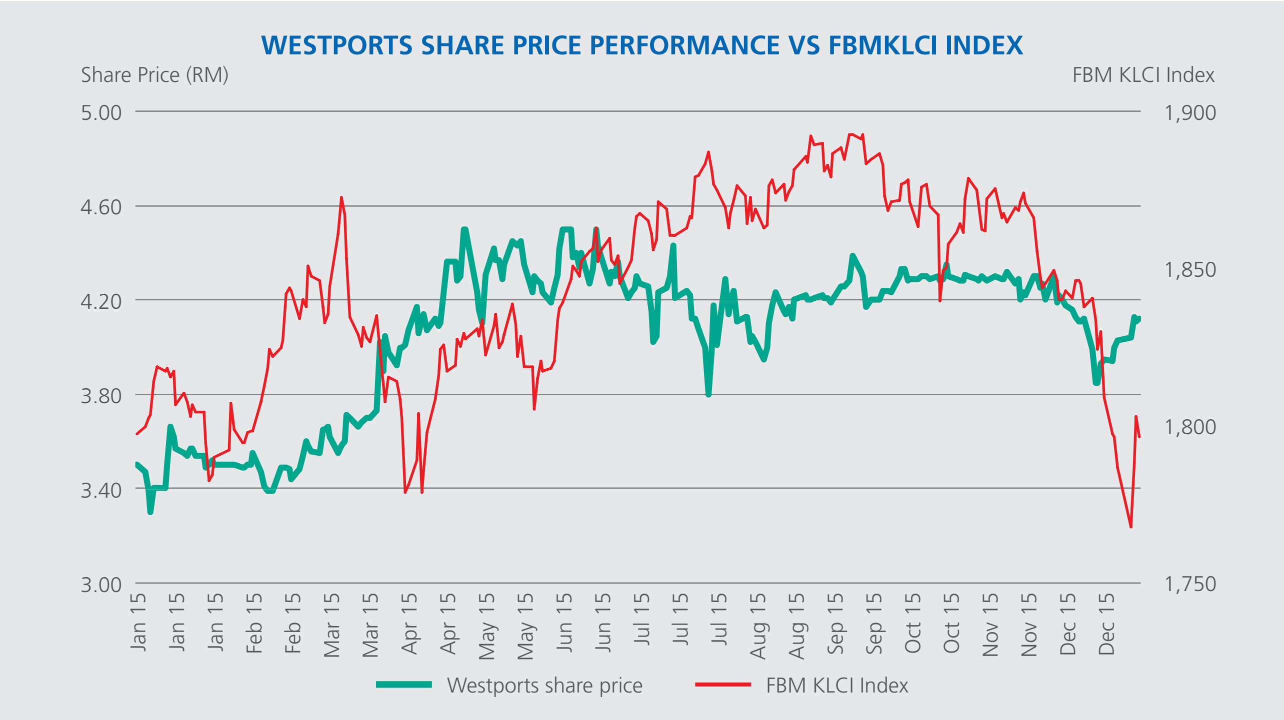
STOCK TRADING PERFORMANCE

In 2015, Westports' share price outperformed the benchmark FTSE Bursa Malaysia KLCI Index by achieving a share price appreciation of 23% for the year. The share price performance reflected increased investors' confidence, interest and investments in Westports as the Company reported strong operational performance growth and operational profits throughout the year.

Investors' interest and investment in Westports were also supported by the Revised Container Tariff Rates that were implemented on 1 November 2015. The new rates are being implemented in two phases. This would allow the Company to enhance its revenue base gradually in the coming years. Westports' share price closed at RM4.12 for the year.

MANAGEMENT DISCUSSION AND ANALYSIS





MANAGEMENT DISCUSSION AND ANALYSIS

Risk Profile

Risk is an inherent component of doing business. The objective of risk management is to provide a systematic means to identify, prioritise and manage risks. By embedding risk management in business processes, we would be able to manage risks arising from operating environment.

Our risk appetite and tolerance for risk dictate the nature and level of risks that are acceptable to us. We have a comprehensive risk register with review carried out on quarterly intervals. New risks identified are included and risks no longer applicable are excluded from the risk register. Based on our risk register, the key risks that could have high impact on our business are elaborated below along with our mitigation plans.

KEY RISK	IMPACT	MITIGATION
Macro Economy	Global trade uncertainty is prevalent with slowing down of China economy and weak Eurozone economy. Significant portion of container throughput dependent on transhipment segment might be affected by slowdown in the international trade. Local economy is also showing signs of slowdown due to higher inflation as a result of GST implementation, weakening of Ringgit as well as political scenario.	Our performance in 2015 was not affected by the slowdown of the global economy. When there are signs of slowdown in container throughput, necessary steps would be taken such as controlling discretionary expenses, scrutinising costs, reviewing capital expenditures on need basis only, reviewing financial position at regular intervals and intensifying marketing initiatives on new market development.
Customer Concentration	Significant portion of container revenue is derived from few shipping lines. This resulted from consolidation in the shipping industry after unsustainable expansion.	We ensure our productivity and customer satisfaction remain as our top priorities. We have close engagement with customers and get regular feedback on our performance. We strive to improve our service levels on areas of concern highlighted by our customers for mutual benefit. We are able to successfully overcome such issues based on our past experience.

MANAGEMENT DISCUSSION AND ANALYSIS

KEY RISK	IMPACT	MITIGATION
Customer Consolidation	Two shipping lines from China has merged and other shipping lines within various alliances may explore the possibility of further realignment changes. Westports container throughput can be affected if new alliances or their members decide to re-allocate some of their transhipment volume elsewhere.	Westports has strengths in productivity, capacity, IT capability, lower port charges and customer relations. Shipping lines may consider all these factors when considering their choice of a new hub. As an ongoing process, we always look out for new customers to meet our container throughput target.
Currency fluctuation risk	Depreciation of Ringgit against foreign currencies has caused an increase in our purchase price for certain items. Our capital expenditure on CT8 cranes are denominated in US Dollar. Fuel price has increased due to depreciation of Ringgit but offsetted by falling of global fuel price. Our revenue is denominated in Ringgit and hence not affected by currency fluctuations.	We did not hedge against our US Dollar as our exposure is only confined to purchase of cranes and fuel. The progress payments for cranes is covered for the period of two years and we believe Ringgit will strengten in the near future. With weak global fuel prices, we believe the fuel price per litre in Ringgit term would remain at current level. Westports may enjoy an increase in transhipment volume in view of the weaker Ringgit.
New port development	Currently there are two port operators in Port Klang. The government is getting proposals to set up a new port. Westports container throughput volume might be affected by the new port.	Our port expansion for CT 8 is on-going and CT 9 will be implemented upon reaching our target capacity utilisation. We have provided our existing shipping lines with the capacity they require for their expansion. We believe our customers will continue to support us due to our proven capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Our Strengths

We are well positioned to maintain as one of the largest and most efficient gateway port operator in Peninsular Malaysia and leading transhipment hub. We are able to achieve this dominant position due to our strengths and capabilities as described below:

a. Strategic location with strong connectivity with the ports around the world

We are located in Port Klang, approximately 12 nautical miles from Straits of Malacca shipping trade line with sailing time of approximately 1 hour to the pilot station. Straits of Malacca is the second busiest waterway in the world after the English Channel. More than 50,000 vessels sail through the Straits of Malacca annually. It serves as the shortest trading route between countries in African continent, European and Middle Eastern sub-continent, Indian sub-continent to Far East Countries such as China, South Korea, Japan, Taiwan and South East Asian countries.

Transhipment port

We are a transhipment hub serving two types of transhipment, namely Hub & Spoke and Relay.

- Hub & Spoke transhipment is a scenario whereby one port acts as a transhipment "Hub" with many smaller ports around it called as "Spoke" ports. Main line vessels call on the Hub port and load or discharge containers destined for or originated from the smaller ports (Spoke) located around this Hub port. The movement between Hub and Spoke ports are undertaken by feeder vessels.

- Relay transhipment port involves two main line vessel tranships at a port at which both vessels call. The container is discharged by first main line vessel at the port and the same container will be moved to the second main line vessel bound to the final destination.

The transhipment hub has made Westports well-connected with more than 350 ports around the world, providing customers with an efficient global and regional connectivity along major trade routes. We are able to provide such connectivity through approximately 84 main line services calling at our port which are complemented by approximately 71 feeder services.

In Port Klang, our market share represents 76% in 2015. Westports handled 6.6 million of TEUs accounting for 83% of transhipment volume in Port Klang recorded in 2015.

Gateway port

Port Klang is the hinterland gateway for import and export of cargo for Klang Valley covering Kuala Lumpur and Selangor; and Central part of Peninsular Malaysia covering Negeri Sembilan, Pahang and Perak. This hinterland is estimated to have a population of 10 million people based on July 2010 population statistics which represents 34% of the Malaysian population. Klang Valley is the heartland of Malaysia's industry and commerce with industrial and commercial hubs located in Shah Alam, Petaling Jaya and PKFZ. Our strategic location has ensured stable growth of import and export cargo through Port Klang, providing an attractive base load of demand for shipping lines calling at Port Klang.

Numerous intermodal connections within Peninsular Malaysia and with neighbouring countries have also contributed to our position as a preferred gateway for import and export cargo. The extensive highway network runs North to South bordering with Thailand in North and Singapore in South has given good connectivity. This network along with the Western connectivity expressway plays an important role in the distribution of cargo between Port Klang and its hinterland. Westports has the capability to use the rail network to connect to Penang and Bangkok in the North and Singapore in the South as well as use of inland depots located in strategic locations along the rail network in Ipoh, Nilai, Padang Besar and Segamat Cargo Terminals.

In 2015, Westports handled 2.5 million TEUs container gateway cargo which represents a market share of 63% of Port Klang gateway TEUs and the largest gateway container TEUs handled in Malaysia.

Westports handled conventional cargo of 10.2 million metric tonnes of bulk cargo which represents market share of 57% in Port Klang and 6% for Malaysia.

b. Geographic attributes with linear berth and surrounding amenities

The channel fronting our berths is a protected harbour naturally sheltered by an island that buffers our terminal from strong currents as well as against possible damage from potential tsunamis. This natural shelter eliminates the need to construct costly artificial breakwaters.

Westports is located at the southern approach of Port Klang which has a deeper channel of at least 17 metres compared to northern approach. Southern approach has shorter travel time compared to northern approach. The deeper channel and shorter distance have attracted many Main Line Operators ("MLO") to call on Westports which further strengthened our transhipment hub position.

Container Terminal ("CT") 6 and CT7 are our deepest berths with 17.5 meters capable of handling largest vessels in service.

We have a total of 27 berths with 7.2 km length of which 20 berths are continuously connected in 4.6 km straight line, providing a maximum usable quay length and flexibility in berthing vessels. Container yard measuring 150.8 hectares along our container berths provides ample space for efficient manoeuvring, storage and retrieval of containers which is integral to our operations.

Westports enjoys easy and convenient access to PKFZ, an integrated 405 hectares customs-free commercial and industrial zone next to the port where international cargo distribution and consolidation, procurement, export manufacturing and other cargo value added services are undertaken. PKFZ attracts investors through various investment incentives such as tax exemptions, subsidies, incentives for research and development, training and export.

There is also adequate land surrounding Westports that supports the operations of a well-established ecosystem of shippers, freight forwarders and third party logistics service providers and provides them space for future growth.

c. Expansion plan

Westports has a long term concession from the Government of Malaysia to operate the port until 2054. This provides us the assurance to make further long-term investments in port infrastructure and enhances customer's confidence in our ability to support their operations and growth.

We have commenced expansion plan to CT 8 in 2015 in two phases with first phase of 300 meters of wharf and necessary handling equipment which is scheduled to be completed by early part of second quarter of 2016. The second phase of 300 meters of wharf and necessary handling equipment is expected to be completed by 2017. Upon receiving entire handling equipment, our handling capacity will increase to 13.5 million TEUs.

We will pursue the expansion plan to CT 9 upon achieving capacity utilisation ratio of above 75% on the capacity of 13.5 million TEUs. With CT 9 expansion, our capacity will potentially increase to 16 million TEUs and our yard container area will increase to 196.1 hectares. Our berth will also increase to 31 berths with 8.4 km length.

This expansion allows us to accommodate the growth in volume envisaged from existing customers and new customers coming on board.

d. Operational excellence

We have consistently grown our container throughput over the years. We have achieved high level of productivity for our STS crane operations and routinely exceed 30 to 35 moves per hour per crane for larger vessels. Our capabilities allow us to provide the full range of port services round the clock, with minimal cost, delay and damages. The operational excellence was attributed by various factors as described in next page.

MANAGEMENT DISCUSSION AND ANALYSIS

Leading infrastructure

We continuously invest in our infrastructure to improve work flow and productivity. We have the state-of-art STS cranes equipped with twin-lift spreader with up to 24-outreach, which enable us to handle larger size vessels.

Comprehensive IT infrastructure

Westports operates two operating systems, namely container terminal operating system for container segment and conventional cargo system for general cargos segment. In short, these systems plan and manage the activities across berth, vessel, yard, rail and gate to enable faster processing of containers and cargos ("terminals"), maximising berth utilisation, improving the utilisation of terminals handling equipment and efficient resource deployment.

The role of technology is vital to ensure smooth communication in coordinating the movement in numerous terminals. We have wireless vehicle data gadgets installed on the rubber tyre gantry cranes and terminal tractors, wireless hand held gadgets for rail and gate operations; and mobile tablets in wharf operations for ship-to-shore cranes. These devices are connected wireless to the terminal operating systems for terminals movement instructions and real-time update which is essential for high productivity, equipment efficiency and optimal resource utilisation. In addition, we have a comprehensive CCTV system for security surveillance as well as operational monitoring and management.

Westports also supports Electronic Data Interchange ("EDI") which facilitates efficient communication with our customers and authorities. Through our one-stop customer portal, e-Terminal Plus together with the newly launched mobile e-Terminal On-the-Go, we are able to leverage latest technology for the benefit of our customers.

We use integrated ERP system for our back-office operations. Westports has embraced e-bidding and e-procurement to provide visibility and transparency in the procurement process. This has resulted in the reduction of cycle time and cost savings.

Efficient and customer-focused operational processes

Westports adopts integrated planning and proactively manages capacity growth and utilisation. This enables us to minimise operational bottlenecks and supply chain inefficiencies resulting in achievement of efficient operational processes. It allows us to offer our customers berthing on arrival, fast loading or unloading and short port stay time for vessels. We also have the flexibility and capacity to cater for special requests from our customers. On many occasions, we allocated additional handling resources to accelerate loading or unloading for vessels that were behind schedule, which in turn assisted the vessels concerned to meet their planned schedule at their next port of call.

Best-in-Class workforce

Westports has one of the best workforce in the industry with positive employee relations and strong employee loyalty. The average length of employment of our existing workforce is approximately seven (7) years, with approximately 17% of our employees having been with us for over 14 years. We have a stable workforce and almost all of our employees are local. We provide our employees with long-term career prospects within our Group and job rotation opportunities to develop multiple skills. Our productivity driven reward structure motivates our employees to reach our competitive productivity standards and continuously seek for improvements.

We believe in investing in training and development of our employees. In this regard, we provide our staff with continuous training programmes to equip them with best practices and stay ahead in industry trend. Annually, we send selected managers to Senior Management Development Programme organised by the Harvard Business School Alumni Club of Malaysia which demonstrates our commitment in staff development.

e. Long-term relationships with customers and other stakeholders

Our business approach and proactive conduct have created a long term relationship with our customers. Currently, we have more than 30 main shipping lines.

MANAGEMENT DISCUSSION AND ANALYSIS

We also offer shippers and logistics service providers fast gate clearance and streamlined processes with e-documentation, which result in shorter end-to-end cycle times for cargo movements.

We believe this allows them to optimise the utilisation of their vehicles and personnel, hence scheduling more trips in a single day.

We believe that our ability to offer 'one-stop' services through our electronic customer portal, e-Terminal Plus, high productivity, shorter turnaround times and consistent reliability to our customers helps to ensure customer satisfaction and loyalty. Our differentiated quality service offerings and competitive pricing relative to regional competitors have enabled us to attract and retain customers over the years.

Security and safety are a top priority at our port operations and extensive measures are undertaken to secure the port and cargo providing necessary protection for our customers, employees and port users.

We also have positive relationships with our stakeholders such as regulators, government agencies and communities. We have committed to protect the environment by having low energy consumption equipment, recycle oil process and disposal of scheduled waste at approved locations.

In Pulau Indah where we operate, as a responsible corporate citizen, we have carried out various programmes on poverty eradication, enhancing education and contribution to native community. We also provide safety and security services on a daily basis to Pulau Indah.

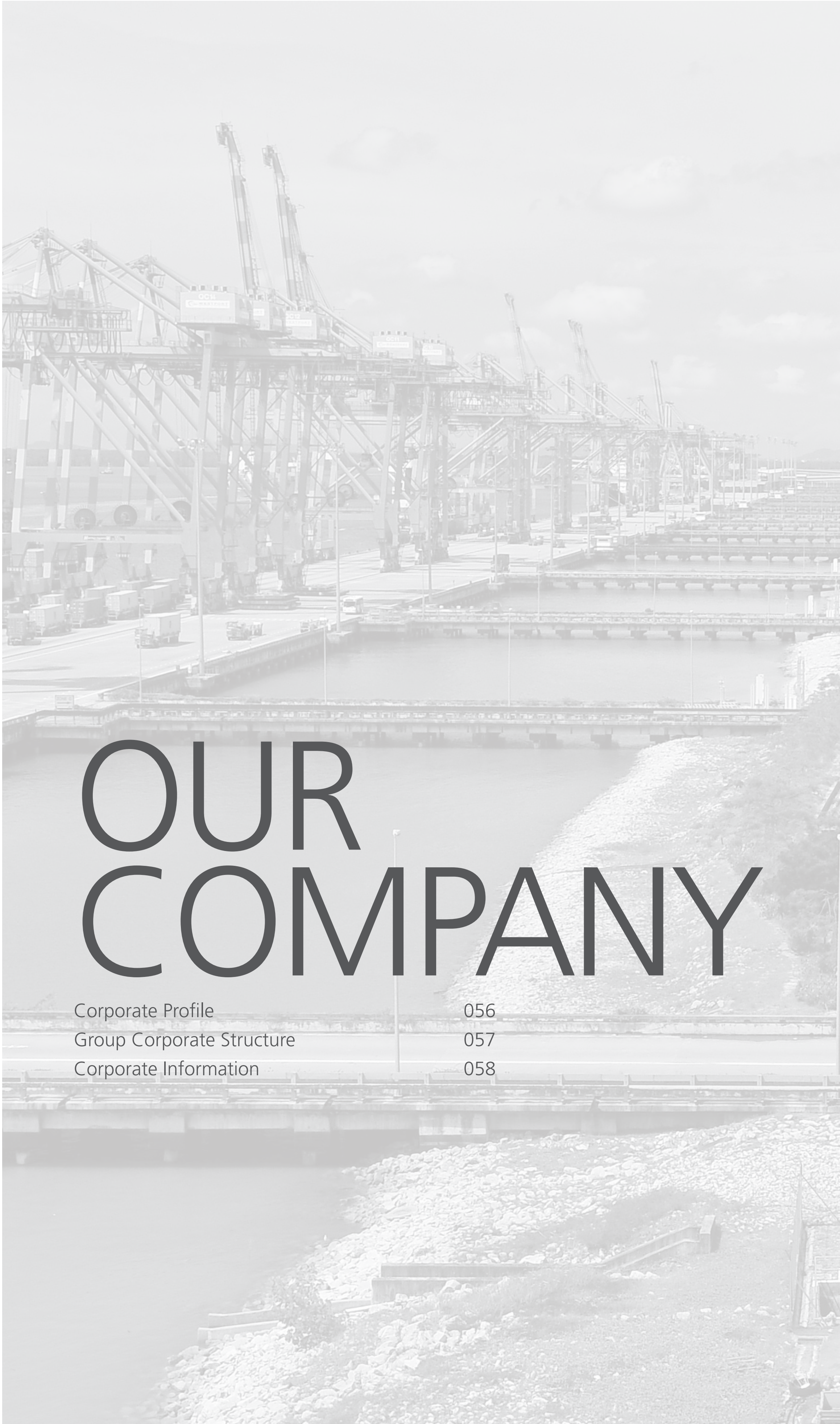
f. Experienced Management team

Westports Management team is led by Ruben Emir Gnanalingam, CEO, with the guidance and support of board of directors under the Chairmanship of Tan Sri Datuk G. Gnanalingam.

We have a highly experienced Management team that has served our Group for an average of 13 years. With a large pool of home grown talent, our Management team is well tuned to the domestic, regional, global dynamics and challenges of the industry. Our Management team has a proven track record in project management, infrastructure development and phased expansion. We have consistently been on target or ahead of schedule for all our expansion projects.

Representatives of our major shareholders on our Board bring an invaluable set of expertise and relationships to guide our long-term strategic growth. Hutchison Port Holdings Limited is a leading global port operator having established strong relationships with shipping lines globally and has deep commercial, technical and operational expertise in managing container terminals. This provides us the opportunity to enhance our network of shipping line customers and learn the best practices from their network of ports around the world.

As a testimony to our strength elaborated above, we have received numerous accolades and awards in the transport industry as disclosed in the achievements section of this annual report.



OUR COMPANY

CORPORATE PROFILE

Our Company was incorporated in Malaysia under the Companies Act, 1965 as a private company limited by shares on 27 April 1993. The Company is principally involved in investment holding and the provision of management services to our subsidiary, namely, Westports Malaysia Sdn. Bhd. ("WMSB"). We commenced our business on 1 August 1994 and converted from a private company limited by shares to a public company limited by shares on 26 April 2013.

WMSB was incorporated on 24 January 1990 under the Companies Act, 1965 as a private limited company under the name of Kelang Multi Terminal Sdn. Bhd. and its principal activity is port development and management of port operations. WMSB assumed its present name on 29 December 2006.

GROUP CORPORATE STRUCTURE

100%
WESTPORTS HOLDINGS BERHAD

One (1) Special Share
The Ministry of Finance Incorporated

Westports Malaysia Sdn. Bhd.

CORPORATE INFORMATION

Board of Directors

Tan Sri Datuk Gnanalingam A/L Gunanath Lingam
(Executive Chairman)

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
(Independent Non-Executive Director)

Tan Sri Ismail Bin Adam
(Independent Non-Executive Director)

Dato' Abdul Rahim Bin Abu Bakar
(Independent Non-Executive Director)

Dato' Yusli Bin Mohamed Yusoff
(Independent Non-Executive Director)

Ruben Emir Gnanalingam Bin Abdullah
(Chief Executive Officer)

Ip Sing Chi
(Non-Independent Non-Executive Director)

Chan Chu Wei
(Non-Independent Non-Executive Director)

Jeyakumar Palakrishnar
(Independent Non-Executive Director)

Kim, Young So
(Independent Non-Executive Director)

Ruth Sin Ling Tsim
(Non-Independent Non-Executive Director)

Raymond Pak Ying Law
(Alternate Director to Ip Sing Chi and Ruth Sin Ling Tsim, both Non-Independent Non-Executive Directors)

Audit and Risk Management Committee

Dato' Yusli Bin Mohamed Yusoff
(Chairman)

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
(Member)

Dato' Abdul Rahim Bin Abu Bakar
(Member)

Nomination, Remuneration and Corporate Governance Committee

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
(Chairman)

Dato' Abdul Rahim Bin Abu Bakar
(Member)

Dato' Yusli Bin Mohamed Yusoff
(Member)

Jeyakumar Palakrishnar
(Member)

Company Secretaries

Tai Yit Chan
(MAICSA 7009143)

Tan Ai Ning
(MAICSA 7015852)

Registrar

Boardroom Corporate Services (KL) Sdn Bhd
Lot 6.05, Level 6, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel: +603 – 7720 1188
Fax: +603 –7720 1111

Auditors

KPMG
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel: +603 – 7721 3388

Registered Office

Lot 6.05, Level 6, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel: +603 – 7720 1188
Fax: +603 – 7720 1111

Principal Bankers

Malayan Banking Berhad

AmInvestment Bank Berhad

Standard Chartered Bank Malaysia Berhad

Alliance Bank Berhad

CIMB Bank Berhad

OCBC Bank (Malaysia) Berhad

Stock Exchange

Main Market of Bursa Malaysia Securities Berhad
Code: WPRTS 5246

LEADERSHIP


WESTPORTS
CNA CGM BOUGAINVILLE

PROFILE OF DIRECTORS

TAN SRI DATUK GNANALINGAM A/L GUNANATH LINGAM

Executive Chairman
Malaysian, Age 71 years

Tan Sri Datuk Gnanalingam was appointed as Director of the Company on 1 January 2009 and as Executive Chairman of WMSB, the wholly-owned subsidiary of the Company in 2000. Prior to that, he was the Managing Director of WMSB from 1995 to 1999.

Tan Sri Datuk Gnanalingam attended the Royal Military College from 1960 until 1964 before obtaining his Bachelor of Arts degree from University of Malaya in 1968. He has also attended the Advanced Management Programme at Harvard Business School in Boston, US in 1991.

Tan Sri Datuk Gnanalingam started his career with the British American Tobacco group in 1968 as a sales representative with the marketing division before being promoted as Marketing Director in 1980. In 1988, he started his own marketing company called G-Team Consultants Sdn Bhd which acted as the Corporate Consultant for the marketing operations of Radio Television Malaysia from 1988 to 2000. He successfully secured the concession to operate Westports in 1994.

He was recognised for his efforts when he was named Transport Man of the Year in 2001 by the Ministry of Transport, Malaysia. In 2007, he received the Small and Medium Enterprise (SME) Platinum Award, the Chartered Institute of Logistics and Transport (“CILT”) Malaysia Achiever of the Year Award and was admitted as a Chartered Fellow by the CILT, UK. He was also presented with the Outstanding American Alumnus Award 2007 in the field of Logistics and Transport by the American Universities Alumni Malaysia for outstanding entrepreneurial skills and leadership excellence.

He sat on the National PEMUDAH committee, which is a special task force set-up by the then Prime Minister of Malaysia to facilitate businesses in Malaysia by identifying improvements to existing government processes and regulations based on global benchmarking reports and public feedback, from 2007 until 2012. He was re-appointed to the National PEMUDAH committee in 2014. In March 2015, he was appointed a member of the National Export Council.

Tan Sri Datuk Gnanalingam is the Non-Executive Director and shareholder of Pembinaan Redzai Sdn Bhd (“PRSB”), a substantial shareholder of the Company involved in management services including port management. He, however, does not handle the day-to-day operations in PRSB. His interest held in PRSB does not affect his contribution to the Company.

His eldest son, Ruben Emir Gnanalingam, is the Chief Executive Officer of the Company.

PROFILE OF DIRECTORS

TAN SRI DATO' NIK IBRAHIM KAMIL BIN TAN SRI NIK AHMAD KAMIL

Independent Non-Executive Director
Malaysian, Age 73 years

Tan Sri Dato' Nik Ibrahim Kamil was appointed to the Board on 7 September 1994. He obtained a Bachelor of Science degree in Economics and Business Administration from Georgetown University, Washington D.C., US in 1966. He has more than 48 years of managerial and business experience in various industries ranging from mining, petroleum, media, manufacturing, merchant banking and finance, stock broking, port management, trading to golf resort development.

He started his career in 1966 as an Assistant Company Secretary with Associated Mines Sdn Bhd which is principally involved in tin mining. Subsequently he joined Shell Malaysia Ltd in 1967 as the Head of Market Development for West Malaysia, East Malaysia and Brunei. In 1971, he joined The New Straits Times Press (Malaysia) Berhad ("NSTP") as an Assistant General Manager and was with the company until 1991 where his last position held was as the Managing Director of the NSTP group.

Since then, he has been appointed to the board of many public and private companies. He was the Executive Vice Chairman of Palm Resort Berhad, a Director of Camerlin Group Berhad (now known as Adjuvant Resources Berhad), Chairman of Southern Investment Bank Berhad, Chairman of QSR Brands Berhad and Chairman of KFC Holdings (Malaysia) Berhad. He is currently the Non-Executive Chairman of OCB Berhad and Non-Executive Chairman of LionGold Corp Ltd, a company listed on the catalyst board of the Singapore Stock Exchange. He also sits on the board of several other private limited companies.

Tan Sri Dato' Nik Ibrahim Kamil currently serves as the Chairman of the Nomination, Remuneration and Corporate Governance Committee and a member of the Audit and Risk Management Committee of the Company. He has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company.

PROFILE OF DIRECTORS

TAN SRI ISMAIL BIN ADAM

Independent Non-Executive Director
Malaysian, Age 65 years

Tan Sri Ismail Bin Adam was appointed as Independent Non-Executive Director of the Company on 30 August 2013. Tan Sri Ismail obtained a Bachelor of Arts (Economics) degree from University of Malaya in 1972, a Diploma in Public Administration from University of Malaya in 1975 and a Master of Arts (Economics) from Vanderbilt University, US in 1979. He has attended the Advanced Management Programme at Harvard Business School in Boston, US in 2002.

He started his career in 1972 as an Officer of the Malaysian Administrative and Diplomatic Service and was posted as an Assistant Director in the Ministry of Trade and Industry. Throughout his career with the civil service, he has held senior positions including Chief Administrative Officer in the Department of Statistics Malaysia, Director General of the National Productivity Corporation (now known as the Malaysia Productivity Corporation), the Secretary General of the Ministry of Health and the Director General of Public Service. He retired from civil service in 2010.

Currently, he serves as an Independent Non-Executive Director of BIMB Holdings Berhad, as Group Chairman of Prasarana Malaysia Berhad and as an Independent Non-Executive Director of Malaysian Pharmaceutical Industries Sdn Bhd.

Tan Sri Ismail has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company.

PROFILE OF DIRECTORS

DATO' ABDUL RAHIM BIN ABU BAKAR

Independent Non-Executive Director
Malaysian, Age 70 years

Dato' Abdul Rahim Bin Abu Bakar was appointed to the Board on 1 April 2003. Dato' Abdul Rahim obtained a Bachelor of Science (Honours) degree in Electrical Engineering from Brighton College of Technology, UK in 1969. He is a Professional Engineer registered with the Board of Engineers Malaysia, a member of the Institute of Engineers Malaysia and holds the Electrical Engineer Certificate of Competency Grade 1.

He started his career with National Electricity Board ("NEB") of the States of Malaya in 1969 and served the organisation until 1979, holding various technical and engineering positions. His last position in NEB was as a Senior District Manager.

From 1979, he was with Pernas Charter Management Sdn Bhd, a management company for the tin mining industry as an Area Electrical Engineer and subsequently in late 1983, he was appointed to the post of Chief Electrical Engineer.

In 1984, he moved to Malaysia Mining Corporation Berhad ("MMC") as the General Manager of business development until 1991. In November 1991, he was appointed as the Managing Director of MMC Engineering Services Sdn Bhd and later as Managing Director of MMC Engineering Group Bhd. In May 1995, he joined PETRONAS Gas Berhad ("PGB") to assume the position of Managing Director and Chief Executive Officer, until August 1999. In September 1999, he moved on to take up the post of Vice President of Petroliam Nasional Berhad ("PETRONAS"), in charge of the petrochemical business. He retired from PETRONAS on 31 August 2002 and subsequently resigned from all board positions within the PETRONAS group.

Since then, he has been appointed to the board of several private and public companies. He is currently the Independent Non-Executive Director of Telekom Malaysia Berhad and Global Maritime Ventures Berhad. He is a member of the Nomination, Remuneration and Corporate Governance Committee and the Audit and Risk Management Committee of the Company. He has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company.

PROFILE OF DIRECTORS

DATO' YUSLI BIN MOHAMED YUSOFF

Independent Non-Executive Director
Malaysian, Age 57 years

Dato' Yusli Bin Mohamed Yusoff was appointed to the Board on 13 March 2013. Dato' Yusli graduated with a Bachelor of Economics degree from University of Essex, UK in 1981 and is a member of the Institute of Chartered Accountants in England and Wales, the Malaysian Institute of Accountants and is also an honorary member of the Institute of Internal Auditors Malaysia.

He began his career with Peat, Marwick, Mitchell & Co in London, UK in late 1981 and subsequently joined Hugin Sweda PLC, London in 1986 before returning to Malaysia in 1990. He then held various key positions in a number of public listed and private companies in Malaysia including senior financial and general management roles within Renong group before leaving as Chief Operating Officer/ Executive Director of Renong Berhad in 1995. He was the Group Managing Director of Shapadu Corporation Sdn Bhd from 1995 to 1996 and the Chief General Manager of Sime Merchant Bankers Berhad from 1996 to 1998. He served concurrently as the Executive Vice Chairman of Intria Berhad and Managing Director of Metacorp Berhad from 1998 to 1999. He then ventured into stockbroking as the Chief Executive Director of CIMB Securities Sdn Bhd from 2000 to 2004 and served as Chairman of the Association of Stockbroking Companies Malaysia in 2003.

Dato' Yusli also served as Chief Executive Officer/Executive Director of Bursa Malaysia Berhad from 2004 to 2011 and led Bursa Malaysia Berhad to its listing in 2005. He also served as a Director of the Capital Market Development Fund and was a member of the executive committee of the Financial Reporting Foundation of Malaysia from 2004 to 2011.

Currently, Dato' Yusli serves as Director on the boards of YTL Power International Berhad, Mudajaya Group Berhad, Mulpha International Berhad and AirAsia X Berhad. He also sits on the boards of Australasia Resources & Minerals Berhad and Malaysian Institute of Corporate Governance. He complies with Paragraph 15.06 of the MMLR and does not exceed the number of directorships held in listed issuers.

Dato' Yusli currently serves as the Chairman of the Audit and Risk Management Committee and also acts as a member of the Nomination, Remuneration and Corporate Governance Committee of the Company. He has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company.

PROFILE OF DIRECTORS

RUBEN EMIR GNANALINGAM BIN ABDULLAH

Chief Executive Officer
Malaysian, Age 39 years

Ruben Emir Gnanalingam Bin Abdullah was appointed as Director of the Company on 5 July 2005. He attended Eton College in UK from 1994 until 1995 and graduated with a Bachelor of Science (Honours) degree in Economics from the London School of Economics and Political Science, UK in 1998. He also holds a diploma in Port Management awarded by the University of Cambridge Local Examinations Syndicate obtained in 2001 and has attended the Leadership Development Programme from 2006 to 2007 at the Harvard Business School in Boston, US.

He started his career as a trainee at the operational level in WMSB in 1999 before resigning to set up a venture capitalist business known as The Makmal Group in 2000. He sold his investments and exited this business in mid-2005.

Ruben Emir Gnanalingam was appointed to the Board in July 2005 and was designated as Executive Director in early 2006 before being appointed Chief Executive Officer on 15 January 2009. His main responsibilities include business development, technology enhancement, process engineering and management of procurement.

He is the eldest son of our Executive Chairman.

He is the Non-Executive Director and shareholder of PRSB, which is a substantial shareholder of the Company involved in management services including port management. He, however, does not handle the day-to-day operations in PRSB and his interest held in PRSB does not affect his contribution to the Company.

PROFILE OF DIRECTORS

IP SING CHI

Non-Independent Non-Executive Director
Chinese, Age 62 years

Ip Sing Chi was appointed as Non-Independent Non-Executive Director on 5 April 2013. He graduated with a Bachelor of Arts degree from Coventry University, UK in 1979. He began his career in the maritime business when he joined Sun Hing Shipping Co., Ltd. in 1979 as an account executive. Subsequently, he joined Hongkong International Terminals Limited in 1993 as General Manager of commercial and acted as the Managing Director from 1998 to 2011. In 2005, he was appointed to the board of Hutchison Port Holdings Limited ("HPH"), and is currently the Group Managing Director of HPH.

He has been an Executive Director of Hutchison Port Holdings Management Pte. Limited, the Trustee-Manager of Hutchison Port Holdings Trust (a business trust listed in Singapore), since February 2011. He is currently the chairman of Yantian International Container Terminals Limited, an outside Director of Hyundai Merchant Marine Co., Ltd. (a company listed on the Korea Exchange) and an Independent Non-Executive Director of COSCO Pacific Limited and China Shipping Development Company Limited (both are listed on the Stock Exchange of Hong Kong Limited).

Ip Sing Chi has over 35 years of experience in the maritime industry. He was a member of the Hong Kong Port Development Council until the end of December 2014 and the founding Chairman (in 2000-2001) of the Hong Kong Container Terminal Operators Association Limited.

HPH, through South Port Investment Holdings Limited, is a major shareholder of the Company. He, however, is not involved in the management and day-to-day operations of the Company.

PROFILE OF DIRECTORS

CHAN CHU WEI

Non-Independent Non-Executive Director
Malaysian, Age 62 years

Chan Chu Wei was first appointed to the Board on 15 December 2000. Ms. Chan obtained a Bachelor of Social Science degree from University Sains Malaysia in 1977 and has attended the International Senior Managers Programme by Harvard Business School in Boston, US in 1993, as well as the Advance Management Programme by Templeton College in Oxford, UK in 1997. She began her career with Tourist Development Corporation of Malaysia as Assistant Director in 1977 and moved on to join Malaysian Tobacco Company Berhad a year later, where she worked in the human resources and marketing divisions over a ten (10) year period.

In 1988, she joined G-Team Consultants Sdn Bhd as a General Manager. G-Team Consultants Sdn Bhd acted as the Corporate Consultant for the marketing operations of Radio Television Malaysia from 1988 to 2000. Ms. Chan joined WMSB in 1994 as an Executive Director and assisted in drawing up the blueprint proposal that secured the concession for Westports. She oversaw both marketing and operational leadership roles until 2008, especially in container operations. She has been a Non-Executive Director of PKT Logistic Group Sdn Bhd since 2014.

Ms. Chan was re-designated as a Non-Independent Non-Executive Director in 2008. She is a Non-Executive Director of PRSB, which is a substantial shareholder of the Company involved in management services including port management. She, however, does not handle the day-to-day operations in PRSB nor the Company.

PROFILE OF DIRECTORS

JEYAKUMAR PALAKRISHNAR

Independent Non-Executive Director
Malaysian, Age 47 years

Jeyakumar Palakrishnar was appointed as Independent Non-Executive Director of the Company on 13 March 2013. He obtained a Bachelor of Law (Honours) degree from University of London, UK in 1993 and was called to the Malaysian Bar in 1995 and has since been practising as an advocate and solicitor. He is the founding partner of the legal firm, Messrs Zahir Jeya & Zainal, established in 1996. He also serves as a panel member of the Disciplinary Committee appointed by the Malaysian Bar Advocates & Solicitors' Disciplinary Board.

Mr. Jeyakumar is a member of the Nomination, Remuneration and Corporate Governance Committee of the Company. He has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company.

PROFILE OF DIRECTORS

Kim, Young So was appointed as Independent Non-Executive Director of the Company on 5 September 2013. He graduated with a Bachelor of Arts degree in Business Administration from Korea University, South Korea in 1985 and subsequently obtained his Master in Business Administration from George Washington University, US in 1988. He also attended executive courses at The Wharton School of the University of Pennsylvania, US.

Mr. Kim began his career with Banque Paribas as a Manager of the corporate banking division in 1989. He joined Dow Chemical Korea Ltd in 1992 as a Credit Manager and was subsequently promoted to a Treasurer in 1994. In 1996, he joined Hanjin Shipping Co., Ltd. as a General Manager and was subsequently promoted to a Managing Director for South East and West Asia. In 2009, he started an investment advisory business known as Braintrust Partner Co., Ltd. and has been the Executive Managing Director since then.

He is also a member of the Investment Committee of RRJ Capital group.

Mr. Kim has no family relationship with any director or major shareholder of the Company nor has any conflict of interest with the Company.

KIM, YOUNG SO

Independent Non-Executive Director
South Korean, Age 53 years

PROFILE OF DIRECTORS

RUTH SIN LING TSIM

Non-Independent Non-Executive Director
Canadian, Age 59 years

Ruth Sin Ling Tsim was appointed as Non-Independent Non-Executive Director of the Company on 16 November 2015. She is a qualified accountant and holds a Master of Business Administration degree from the Chinese University of Hong Kong. She is an Associate Member of The Institute of Chartered Accountants in England and Wales, a Fellow Member of the Chartered Association of Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and a Member of the Certified General Accountants Association of Canada.

Ms. Ruth has been with both public accounting firm and several different industries in the commercial sector with roles in financial controllership. She joined the HPH Group in 2001 and has extensive background in internal auditing and controls, financial analysis and reporting. She is currently the Group Chief Financial Officer of HPH.

HPH, through South Port Investment Holdings Limited, is a major shareholder of the Company. She, however, is not involved in the management and day-to-day operations of the Company.

PROFILE OF DIRECTORS

RAYMOND PAK YING LAW

Alternate Director to Ip Sing Chi and Ruth Sin Ling Tsim, both Non-Independent Non-Executive Directors
British, Age 59 years

Raymond Pak Ying Law was appointed as Alternate Director to Ip Sing Chi and Ruth Sin Ling Tsim on 16 November 2015. He received his education in Hong Kong and England. After graduating with a Bachelor of Science Degree in Economics, he worked for KPMG in Hong Kong and New York and held directorships in a number of international companies (publicly-listed and private). He is a Chartered Accountant and a Fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Mr. Raymond is currently an Executive Director of HPH and Managing Director of Korea and Malaysia of HPH portfolio. He is also a Director of Westports Malaysia Sdn. Bhd., a subsidiary of Westports Holdings Berhad. He has held various senior positions at the HPH Group since joining in 1995, including Head of Finance, Head of Business Development, Managing Director of Korea, Middle East and Africa, Group Director - Port and Strategic Investments, Group Economic Director and Managing Director of Australasia and North Asia.

HPH, through South Port Investment Holdings Limited, is a major shareholder of the Company. He, however, is not involved in the management and day-to-day operations of the Company.

Note: None of the Directors have any convictions for offences within the past 10 years.

PROFILE OF MANAGEMENT TEAM

RUBEN EMIR GNANALINGAM BIN ABDULLAH

Chief Executive Officer
(As expressed in page 68 of the Directors' Profile.)

LIM BENG KEEM

Lim Beng Keem is our **Chief Financial Officer** ("**CFO**"). He obtained a Management Accountancy degree from Chartered Institute of Management Accountants in 1981. He has been a Fellow member of Chartered Institute of Management Accountants since 1995 and a member of Malaysian Institute of Accountants since 1988. He also attended the Senior Management Development Programme ("SMDP") organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, US in 2000.

He started his career as an accountant in Paper Products (M) Bhd in 1981 and later joined Sincere Leasing Sdn Bhd in 1983. He subsequently joined Dimet (Malaysia) Sdn Bhd as the Commercial Manager in 1987 followed by Innpower Electronics Sdn Bhd in 1989 as the Group Accountant.

He joined our Group in 1996 as General Manager – Finance, before opting for early retirement in 2009 after 13 years with the Company. He was involved in the Company's financial related matters. In November 2010, he took an overseas assignment with Hutchinson Ports Holding Limited as Chief Financial Officer until April 2013.

He re-joined our Group in November 2013 as Head of Internal Audit where he was responsible for overseeing our Company's internal audit function before being moved to re-join the Finance Department as Acting CFO, in June 2014. He was promoted to CFO on 1 December 2015.

He has 32 years of experience in the field of accounting and finance.

PROFILE OF MANAGEMENT TEAM

YEE WING PANG

Yee Wing Pang is our **Chief Engineer** and was appointed on 15 July 2013. He is responsible for port infrastructure and facilities maintenance and port expansion projects. He also attended the SMDP organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, US in 2014.

He obtained a Bachelor of Engineering (Electrical) degree from University of Malaya in 1986. He is registered as a Professional Engineer with the Board of Engineers, Malaysia and has been a Corporate Member of the Institution of Engineers, Malaysia since 1995.

Prior to joining our Group, he worked with JT International Tobacco Sdn Bhd from 1998 in various management positions involving electrical and electronic maintenance, building and facilities maintenance, tobacco processing operations as well as Environment, Health and Safety management.

Before 1998, he was attached with various engineering consultants and contractors and involved with electrical engineering design, installation, commissioning and project management of transmission substation, power generation plant and factory power distribution projects.

He has more than 22 years of experience in the engineering field.

LEE MUN TAT

Lee Mun Tat is our **Head of Commercial**. He obtained a Bachelor of Business with a major in Accounting degree from Edith Cowan University, Australia in 1994 and has been a member of the CPA Australia since 19 November 1998 and the Malaysian Institute of Accountants since 24 July 1999.

He was attached to Matsushita Electronics Components (M) Sdn Bhd from 1995 to 1996 as an accounts executive, followed by Jutajaya Holdings Berhad where he joined as a senior accounts executive in 1997 and left as a finance manager in 2001.

Subsequently, he joined All Best Furniture (M) Sdn Bhd from 2001 to 2003 as the group's finance manager. He joined our Group in May 2003 as finance manager and assumed his present position in July 2007.

As the Head of Commercial, he is currently responsible for all commercial matters including business negotiations, tariff hike, terminal service contracts, statistics and credit control. He took on additional role of investor relations when the Company went public in 2013.

He also attended the SMDP organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, US in 2004 and has been accepted by the Harvard Business School, Boston to attend the General Management Programme (GMP).

He has more than 9 years of experience in commercial affairs.

AHMAD DAMANHURY BIN IBRAHIM

Ahmad Damanhury Bin Ibrahim is our **Head of Port Projects**. Ahmad Damanhury joined Westports in July 1995 as a civil engineer and assumed his present position in July 2007. He is currently responsible for port expansion projects and technical feasibility studies.

He has more than 20 years' experience in civil and marine engineering works. His notable accomplishments in Westports include the introduction of container yards pavement sub-structures alternative design and corner slabs stacking yard which are cheaper, faster to construct and easy to maintain. Prior to joining our Group, he worked with a project management company involved in the planning and construction of the PLUS and Metramac Highways projects. Thereafter, he was attached to a consultancy firm from 1992 to 1995 as a design and project engineer involved in the Subang Airport Redevelopment project and the KLIA project.

He has a degree in Civil Engineering from Syracuse University, New York, US in 1990 and obtained a Diploma in Port Management from University of Cambridge Local Examinations Syndicate in 2001. He also has a Master of Science in Management obtained in 2006 from University of Technology MARA.

PROFILE OF MANAGEMENT TEAM

He attended the Harvard Business School's SMDP in 1998. He is a member of the Institution of Engineers and the Board of Engineers, Malaysia, a member of Project Management Institute (PMI, USA) and an Associate Member of the Harvard Business School Alumni Club of Malaysia.

VIJAYA KUMAR PUSPOWANAM

Vijaya Kumar Puspowanam is our **Head of Marketing**. He joined Westports in January 2000 as Gate Operations Executive and has since served under various departments such as gate, vessel operations and terminal planning prior to assuming his present position in January 2008.

He is currently responsible for marketing activities to meet the volume projections for both Container and Conventional business, regional efforts to grow more feeder services and volume from target regional markets, inducing new logistics business to strengthen the volume base for the terminal and also customer services initiatives to increase our competitive advantage against competitors.

He has 15 years of experience and in-depth terminal operations knowledge. Having served under a few Port Klang Authority and the Ministry of Transport Task Forces, he is also well versed in the overall logistics industry matters.

He obtained a degree in Business Administration (International Business) from University Kebangsaan Malaysia in 1999 and attended the Harvard Business School's SMDP in 2004. He presently represents the Company in the Port Consultative Committee (PCC) under the purview of Port Klang Authority and also a member of the Logistics and Infrastructure Council, Malaysian International Chamber of Commerce & Industry, Malaysia.

LEE HOOI HUANG

Lee Hooi Huang is our **Head of Information Technology** ("**IT**"). She joined Westports on 1 January 1997 as a System Manager and assumed her present position in 2005. She is currently responsible for overseeing IT projects and development.

She has more than 27 years' of experience in application development and project implementation. Prior to joining our Group, she was with G Team Consultants from 1989 to 31 December 1996 as a systems analyst. Throughout her career, she was responsible for the enterprise wide project implementation of Cosmos Container Terminal Operating System, SAP ERP and e-Terminal Plus as well as IT Infrastructure outsourcing initiatives at Westports.

She obtained a degree in Bachelor of Applied Science in Computer Studies from South Australian Institute of Technology in 1988.

JOANNE SEE YOKE ENG

Joanne See Yoke Eng is our **Head of Human Resources**. She joined Westports in April 2001 as an Executive Trainee, right after graduating in March 2001.

Joanne is responsible for the effectiveness of human resources function and ensuring strategies on human capital development are in line with the Company's goals, both long term and short term. With her direct involvement, Westports successfully secured 4 Best Employer Awards from the Human Resources Ministry and Pembangunan Sumber Manusia as well as Gold Award from SOBA, The Star. More recent awards are the "Best Companies to Work for in Asia 2014" in August 2014 and Best Employer Award 2014 from the Employees Provident Fund in September 2014.

Joanne obtained her degree in Human Resources from Universiti Utara Malaysia and attended the Harvard Business School's SMDP in 2008. She is a member of the Harvard Business School Alumni Club of Malaysia.

She has 15 years of experience in various aspects of human resources.

PROFILE OF MANAGEMENT TEAM

NANTHAKUMAR A/L MUROKANA @ MURUGAN

Nanthakumar a/l Murokana @ Murugan is our **Head of Container Operations**. He obtained a Bachelor of Business Administration degree from Western Michigan University, US in 1998. He also attended the SMDP organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, US in 2006.

Prior to joining our Group, he worked for Wal Mart in Detroit, US as an assistant manager in 1998 before returning to Malaysia in 1999. He joined our Group in May 1999 as a management trainee focusing on yard planning. Thereafter, he was transferred to the container operations department in 2003 to manage the operations team. In 2006, he headed the container department overseeing the planning, operations and resource functions. He also focuses on succession planning and competencies development through constant coaching and training.

He has 15 years of experience in container operations.

TAN WEI CHUN

Tan Wei Chun is our **Head of Port Planning**. He obtained a degree in transportation and logistics from the Chartered Institute of Transport in 1997. He also attended the SMDP organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, US in 2004. He has been a member of the Chartered Institute of Transport since 25 September 1997.

Prior to joining our Group, he worked with Kontena Nasional Berhad from 1993 to 1998 in various positions involving haulage, customer services, CFS and depot management.

He joined our Group in September 1998 as an operations executive and has since been attached to various departments including operations, customer services, gate and logistic operations, berth planning, vessel planning and yard planning prior to assuming his present position in January 2011. He is currently responsible for overall yard, berth and vessel planning.

He has 17 years of experience in areas of capacity planning, strategic yard planning, vessel stowage planning, cargo terminal operations, control room operations, project management and operations IT development.

YUSMIN ZUHAIRI ADNAN

Yusmin Zuhairi Adnan is our **Head of Conventional Operations** since January 2015. He joined Westports in May 2006 as Logistics Executive and since then served in various functions such as warehouse operations, container gate and vessel operations. Yusmin has initiated many projects such as Smart Card Security System and Haulage Pre Arrival Booking System in Westports.

He left Westports in 2011 to join Kuching Port Authority as the General Manager of SM Inland Port Sdn Bhd. He re-joined Westports in January 2015 and assumed the current position since then.

Yusmin started his career as Logistics Executive with MISC Integrated Logistics Sdn Bhd from the year 2000 until 2004. He then joined Diperdana Terminal Services Sdn Bhd as a Warehouse Executive in 2004 before joining Westports in 2006.

He obtained his Bachelors Degree in Accounting from Monash University in Melbourne, Australia in March 2000. He also attended the SMDP organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, US in 2015.

Yusmin has 10 years of experience in port industry.

MEGAT KHAIRUL AMIN

Megat Khairul Amin was appointed on 2 June 2014 and he is responsible for overseeing our Company's internal audit function.

He obtained a Bachelor of Accountancy (Hons) degree from the University of Technology MARA in 2004. He qualified as a Certified Information System Auditor (CISA) in 2012 and has been a member of ISACA since 2009, a member

PROFILE OF MANAGEMENT TEAM

of Malaysian Institute of Accountants (MIA) in 2013 and a member of the Institute of Internal Auditors Malaysia (IIAM) in 2014.

He began his career with KPMG Malaysia as an Audit Associate before progressing to Senior Audit Associate. He subsequently joined Malaysia Airlines System Berhad as a Senior Accountant before he later re-joined KPMG Malaysia and was attached with KPMG Management & Risk Consulting Sdn Bhd in IT advisory services.

Prior to joining our Group, he worked with Celcom Axiata Berhad Internal Audit Division. He has over 9 years of experience in the audit and assurance field specialising in the area of financial accounting, system and process.

VEERANAIDU A/L RAMANDU

Veeranaidu a/l Ramandu is our **Head of Corporate Finance**. He joined our Group in June 2011 as a senior finance manager and assumed the post of Head of Finance in December 2011. He assumed the current position on January 2015. He is currently responsible for risk management and corporate matters.

He obtained a Bachelor of Accountancy degree from Universiti Pertanian Malaysia in 1995 and has been a member of the Malaysian Institute of Accountants since 1999. He also attended the SMDP organised by the Harvard Business School Alumni Club of Malaysia in collaboration with senior faculty members of the Harvard Business School, Boston, US in 2014.

He started his career with the Hong Leong Group where he was employed from 1995 to 2002 as an accounts executive. Subsequently, he worked with Lingkaran Trans Kota Holdings Berhad from May 2002 to March 2005 as a senior accountant. He then re-joined the Hong Leong Group as a finance manager from 2005 to 2011. Throughout his career, he has been exposed to general management, treasury functions, costing, tax planning, project evaluations, strategic management and human resource functions.

He has 20 years of experience in the field of finance.

ACHIEVEMENTS

2015 AWARDS AND ACHIEVEMENTS

Lifetime Achievement Award for Tan Sri Datuk G. Gnanalingam by Utusan Business Awards, 2015

Entrepreneur of the year in the Logistic sector of Asia, for Ruben Emir Gnanalingam, by World Finance, 2015

5th Annual South East Asia's Institutional Corporate Awards, 2015

Sahabat Negara SME Award by SME Malaysia, 2015

PAST AWARDS AND RECOGNITIONS

Anugerah Prestasi Cemerlang Maritim by Marine Department of Malaysia, 2014

Special Achievement Award for Tan Sri Datuk G. Gnanalingam by Asia Pacific Entrepreneurship Awards, 2014

Best Companies to Work For In Asia Award by HR Asia, 2014

Emerging CEO of the Year Award for Ruben Emir Gnanalingam by the Chartered Institute of Logistics and Transport (CILT), 2014

Selangor Excellence Business Awards, 2014
- Industry Class in Logistics for Westports Malaysia
- Lifetime Achievement Awards for Tan Sri Datuk G. Gnanalingam

PAST AWARDS AND RECOGNITIONS

Century International Quality Era (CQE) Award by Business Initiative Directions (B.I.D), 2013

Sahabat Negara SME Award from SMI Malaysia, 2012

Corporate Social Responsibility Leadership Award at the Asia Pacific Young Business Conference, 2012

Premier Brand Icon Leadership Award from Asia Pacific Brands Foundation, 2012

Lifetime Achievement Award for Tan Sri Datuk G. Gnanalingam and Award in Logistics Sector for Ruben Emir Gnanalingam at the Global Leadership Awards, 2012

Corporate Social Responsibility of the Year Award at the Containerisation International Awards, 2011

STAR Outstanding Business Awards, 2011:
- Platinum award for Technology and ICT
- Platinum award for Community
- Silver award for Environment
- Gold award for Best Employer

PAST AWARDS AND RECOGNITIONS

Emerging CEO Award for Ruben Emir Gnanalingam, 2011

Asia Human Resource Development Congress Award, 2010

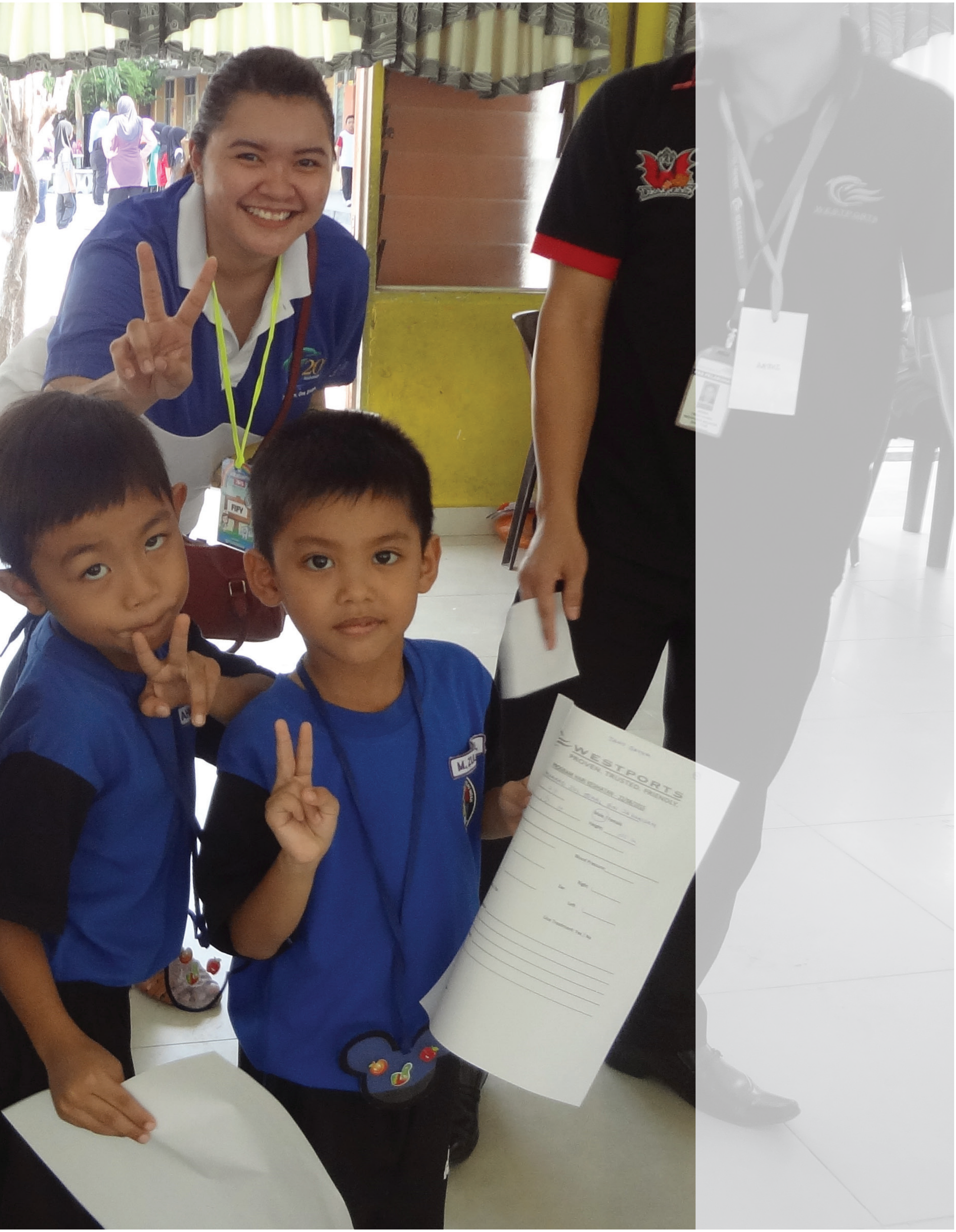
Lifetime Achievement Award by the Malay Chamber of Commerce at the Malaysia Business Leadership Awards, 2009

BrandLaureate Best Brands Award in logistics category by the Asia Pacific Brands Foundation, 2009

Other Awards

1) Best Emerging Terminal Award by Lloyd's List Maritime Asia, 1999
2) FIABCI Award – Best Public Sector Development by Federation Internationale des Administrateurs de Bien Conseils Immobiliers, 2000
3) Silver Screen Award for Port of New Millennium, 2000
4) Top 10 Container Ports Award at the Asian Freight Industry Awards (AFIA), 2001
5) Superbrands Award by the Malaysian Superbrands Council, 2002
6) National Landscape Award for the 2nd private building category by the Ministry of Housing and Local Government, 2003
7) Best Employer Award for competent employers facing competitive globalisation by the Ministry of Human Resources, 2004
8) Best Infrastructure Design Award by BPIMB, 2005
9) Technology Business Review Award for excellence in logistics – port services, 2006
10) BrandLaureate Best Brands Award in ports/terminal category by the Asia Pacific Brands Foundation, 2007
11) Silver Award for safety excellence by National Council for Occupational Safety & Health, 2007
12) Silver Award for safety by the International Association of Ports & Harbors (IAPH), 2007
13) The Peace Honorary Certificate of Excellence, 2007
14) Excellence in Logistics Award at the Technology Business Review ASEAN Awards for IT application in port management, 2007
15) CILT Achiever of the Year Award for Tan Sri Datuk G. Gnanalingam, 2007
16) SME Platinum Award for Tan Sri Datuk G. Gnanalingam, 2007
17) Human Resource Development Award by the Human Resources Minister, 2007
18) Gold Award for IT by the International Association of Ports & Harbors (IAPH), 2007
19) Lifetime Achievement Award by Malaysian Indian Business Association (MIBA) for Tan Sri G. Gnanalingam, 2009
20) Lifetime Achievement Award by Social Entrepreneurs Network (SeNet) for Tan Sri G.Gnanalingam, 2009
21) BrandLaureate SME Chapter Award by Asia Pacific Brands Foundation, 2010
22) Old Putra Of the Year Award for Tan Sri G Gnanalingam, Royal Military College Old Boys Association, 2010
23) BrandLaureate Top 10 Masters Award in logistics by Asia Pacific Brands Foundation, 2011
24) Entrepreneur Par Excellence Award for Ruben Emir Gnanalingam from Malaysia Tatler, 2012
25) Accreditations for Health, Safety and Environment - ISO 27001, ISO 14001 and OHSAS 18001

CORPORATE RESPONSIBILITY


WESTPORTS
PROVEN. TRUSTED. FRIENDLY.

CORPORATE RESPONSIBILITY

We are in the 21st year of operations and breaking our own records year on year. This achievement is possible due to our sustainable approach in our business conduct from day one. We are constantly engaging our stakeholders for mutual benefits. Our stakeholders are broadly categorised into four segments namely, community, workplace, environmental and marketplace.

COMMUNITY

Our community contribution is largely focused on Indah Island ("Pulau Indah"). We feel that it is better to carry out philanthropy closer to our home considering Westports being the first employer in this tiny island. Westports is synonymous with Pulau Indah.

Our community initiatives focus on poverty eradication, enhancing education, refurbishment of community facilities, contribution to native community ("Asli community") and ensuring safety and security of Pulau Indah.

Poverty eradication

The small population in Pulau Indah is traditionally involved in agriculture and fishing activities for their livelihood. Though Companies in Pulau Indah are employing thousands of workers now, there are still some residents in the villages who are in need of a helping hand to alleviate poverty.

Westports is providing subsidies to single mothers with low income, old folks and orphans in Pulau Indah with a monthly financial assistance of RM300. We have provided this assistance to 9 families. During the Raya festive season, we also provided 'goodie bags' containing essential goods which brought them much needed relief.

Our employees have volunteered many hours to enhance the schools and educational needs of the children attending schools in the vicinity of Pulau Indah.

Employees of engineering department have volunteered to refurbish the dilapidated Surau Haji Muhammed including termite control every four months.

Today, children of Tabika Baitul Husna are enjoying the new look of their kindergarten. Our Finance and Container Departments teamed up to repaint the walls with mural. A small hut which served as a resting place for the children was repaired to maintain an overall cheerful, conducive and learning ambience. The staff also installed a new playground for children to play outside the classroom.

Our contribution was well appreciated by the communities and teachers. This was a satisfying and happy experience for our staff involved in bringing cheers to the community.


WESTPORTS


BAITUL HUSNA

CORPORATE RESPONSIBILITY

Well-being of Asli Community

To promote a healthy and conducive living environment, the Asli settlement at Pulau Indah was given a new look after a team of Conventional Department staff volunteered to clean and tidy up rubbish in the area which included trimming of road shoulders and lawn around the community Hall. This community service saw development of a cordial relationship between Westportians and the Asli Community who felt elated by our contribution.

The Asli children were also exposed to the opportunities available to work and enjoy a similar quality of life as the rest of people in Pulau Indah.

Enhancing education

We have focused our attention in enhancing education for the community including children and developing individual skills that can go a long way to improve their livelihood.

a) Trust School Program

The Trust School program is managed by Yayasan Amir, a unit of Khazanah Nasional with the collaboration of the Ministry of Education. The schools are targeted to achieve certain key performance levels which will lead to sustainable and positive outcomes. It is a 5-year program started in 2014 with total budget of RM5.6 million. To-date, we have contributed RM3.4 million.

Under this program, we have sponsored 3 schools in Pulau Indah namely SK Pulau Indah, SK Pulau Indah 2 and SMK Pulau Indah. According to the Yayasan Amir's annual report, these schools have achieved the planned outcomes and progress in the year 2 of the program. The school leadership team and the teaching staff are confident about the success of this school program.

Apart from sponsorship, Westports has also assisted these 3 schools by supporting them in many educational programs as follows;-

i) motivational program to motivate students in getting good results. 300 students from SMK Pulau Indah participated in this program.

ii) rewarding best students to recognise their exceptional performance in the studies including English subject. We rewarded 55 students from SMK Pulau Indah with book vouchers.

iii) addressing truancy at school program, Westports launched a "Ponteng Sifar" campaign to reduce truancy in all three schools in April 2015. A reward system was introduced to curb truancy and this indeed contributed to create awareness and higher attendance rate towards better performance in studies.

iv) refurbishment and upgrading of school. Finance, Engineering and IT Departments have jointly carried out several refurbishment and upgrading of school facilities to provide a conducive, safe and comfortable study environment.

CORPORATE RESPONSIBILITY

Our team of engineers carried out servicing of air-conditioners, replacement of fluorescent lights, ceiling repairs and installation of new ceiling fans. IT team has installed LED lights at two schools at Pulau Indah to put them on par with other schools in Klang Valley. The objective of this goodwill effort was to assist the teachers in controlling the wireless LED board from the school's computer lab for easy dissemination of information to the teachers, students and parents through the electronic message board.

The Program Director of Yayasan Amir, En Zulhaimi Othman, has commended Westports highly for our unique involvement in these programs when compared with other Trust School Programmes where participation from Companies is limited to sponsorship only. He attributed the rapid development and improvement in student performance on account of the support educational program led by our Human Resource Department.

b) English program for students

Equal importance was also accorded to promote the English language amongst primary school students. Towards this objective, an 'Animation Show' in English was held at our Auditorium, followed by light refreshments and a Q & A session to gauge the success of our new method of captivating their interest. This program was held during the school holidays participated by 170 young students with successful outcome.

CORPORATE RESPONSIBILITY

c) A day in the life of an Engineer

About 48 Science stream students from SMK Pulau Indah were exposed to the various sections within Westports to give them an insight into our routine operations as a world leading Port. A seminar was held followed by a Port visit where they observed first-hand the operations of STS cranes, RTG cranes, TTs and other machineries that can only be seen within a port environment.

The seminar conducted by our Senior Engineers also included topics on career opportunities available in Ports on mechanical, electrical and electronic and civil engineering fields.

d) Abseiling, fire drill and safety briefing

Around 60 SMK Pulau Indah's students had an experience of their lifetime when they were provided an opportunity to participate in abseiling by descending from a four-storey block in their school. The fire drill was administered under the watchful eyes of experienced Westports' Port Police team who had, prior to the event, briefed the participants adequately and took necessary safety precautions.

This was followed by another batch of 60 Form-4 students who were taught on how to perform basic first-aid. A safety briefing and fire drill activities were carried out to approximately 800 students from SK Pulau Indah and SK Pulau Indah 2.

Our Port Police also held an introductory session explaining the basics of fire evacuation before demonstrating fire drills and teaching the use of a fire extinguisher.

e) Westports community sailing program

Twelve students, both boys and girls aged between 13 and 17 from SMK Pulau Indah were accepted into the Royal Selangor Yacht Club ("RSYC") and Westports Community Sailing Programme which is a Programme jointly sponsored by Westports and RSYC.

This beginners' training programme initiated by our Marketing Department, consisting of 9 training lessons over weekends was well received and appreciated by the students.

CORPORATE RESPONSIBILITY

f) Women self-protection

In recognising that women need to be able to protect themselves, Westports sponsored a talk by renowned consultant, ProRev Consultancy & Services (PRCS). More than 100 female students including teachers from the SMK Pulau Indah were given an insight on how to protect themselves against unwanted incidents.

g) Health Camp for Preschool Students

Westports has organised a Health Camp programme for pre-school students of Sekolah Kebangsaan Pulau Indah 1 and for Asli students of lower primary grade. The objective of this program was to provide a general health screening for the students and engagement with parents and teachers on importance of health.

The Health Program was coordinated by 38 members of HR department and assisted by 2 in house doctors, an external doctor and a Dental Team from Ministry of Health. All participants were treated to a light breakfast and a warm up session of aerobic led by Westports Gym Instructor. The health screening activities comprise of general height and weight check, screening by doctors, deworming medicine, food supplements and dental checkup. The students were also kept occupied with games and a healthy food demonstration.

In addition to these activities, 50 free health screening for adults and parents was also carried out, sponsored by a pharmaceutical company, Servier Sdn Bhd. The programme was participated by 149 students and the School Principal astonished by our caring and ability to handle the students.

CORPORATE RESPONSIBILITY

Environment

Westports initiated an on-going mangrove replanting program to contribute towards rebuilding the ecosystem at Pulau Indah, where the mangrove plants made way for the industrialization activities. This program carried out in collaboration with Infinity Logistics & Transport Sdn Bhd ("Infinity") and Central Spectrum Sdn Bhd ("Central Spectrum") comes under the guidance of Persatuan Pendidikan dan Kebajikan Jaringan Nelayan Pantai Malaysia ("Jaring") (Coastal Fishermen Welfare & Education Association Malaysia). Through this program, 200 mangrove trees were planted in 2015.

This collaborative effort included setting up a mangrove nursery in Selangor to facilitate the purchase of seeds at cost effective rates.

Westports is gratified that many fishermen recognized the importance of mangrove ecosystems for coastal defence as well as providing habitat, nursery and breeding grounds for marine life.

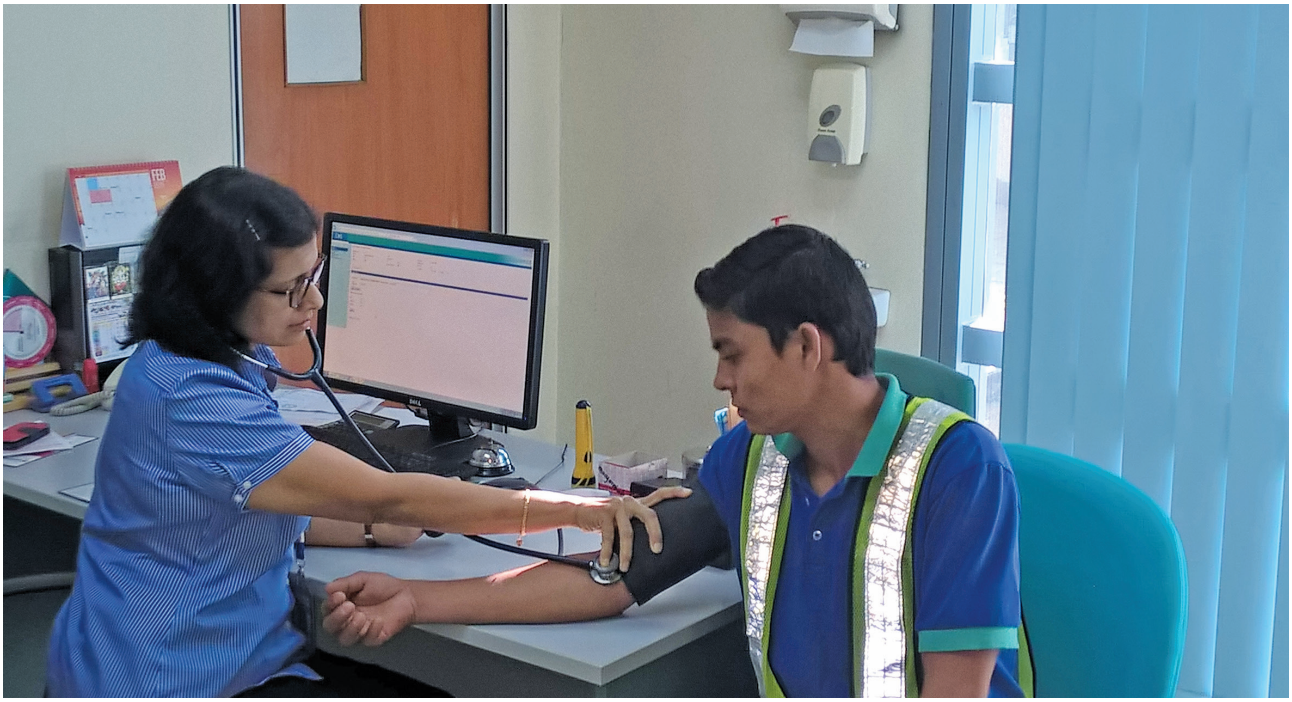
CORPORATE RESPONSIBILITY

Westports intends to continue with this mangrove replanting program together with Infinity and Central Spectrum to safeguard the interests of the fishing communities in Pulau Indah.

Community Clinic

We extended medical coverage to employees' immediate family members and residents of Pulau Indah. In this regards, Westports has operated Community Clinic ("Klinik Masyarakat") since 2003 next to our in-house Clinic. Klinik Masyarakat has a dedicated Doctor, two Administrators and supported by shared medical team which operates Monday to Friday from 9.00am to 5.00pm. The clinic is fully equipped and has three beds for patients to receive immediate treatment. In addition, the Company ambulance is available 24 hours a day to transport patients to the clinic and hospital should the need arise.

Consultation fees for residents of Pulau Indah are waived and medicine dispensed is reasonably charged and affordable. This medical facility also serves as a panel clinic to the staff of our landed clients and other companies located at Pulau Indah.

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POLIS

Safety and Security

Our Port Police team serves as a relief squad for Police, Fire Engine and Medical Service as emergency response in Pulau Indah is available within 20 minutes interval due to its location.

a) Port Police

Westports auxiliary Port Police are vested with the policing power under the National Key Result Areas (NKRA) which has contributed to many crime solving and reduction of criminal activities in Pulau Indah.

Westports Port Police Officers are stationed along the main road leading to the port to ensure the safety and security at Pulau Indah. These officers not only manage traffic flow but are also trained to handle emergency cases such as accidents and vehicle breakdowns.

Their responsibilities include patrolling around the island 3 times a day, controlling traffic flow during peak hours to ensure smooth traffic and managing 'contra flow' during heavy traffic congestion in the event of accidents caused by haulier along the entrance and exit roads in the island.

b) Installation of CCTV

For crime prevention and control, Westports embarked in one of its biggest CSR program for the whole Pulau Indah where we installed 22 wide angled CCTV cameras at strategic locations in consultation with the Jawatankuasa Kemajuan dan Keselamatan Kampung Pulau Indah (Village Development and Safety Committee) which are being monitored 24/7 from Westports control room.

c) Emergency Response

Westports through its Port Police Department also provides emergency response to the Pulau Indah community. Due to the distance between the island and main land, Westports provides free ambulance services from Pulau Indah to the General Hospital in Klang. Our fire fighting team is also the first respondent on call for any emergencies while waiting for the State Fire Fighting team to arrive.

KL Dragons Basketball

In order to develop the Basketball sports in Malaysia, Westports has been the proud title sponsor of KL Dragons for the past 3 consecutive years. The vision of Westports KL Dragons is to create a regional platform of high performance sports and setting this Kuala Lumpur based squad as a sustainable professional basketball team. Our contribution helped to spur interest in Westports KL Dragons to achieve a high performance in the regional tournament held among South East Asian countries. Westports sponsored RM1.9 million for KL Dragons in 2015 compared to RM1.5 million in 2014.

Community Spending

We have spent a total of RM3.9 million in 2015 for the community program compared to RM4.5 million in 2014. This amount excludes time volunteered by our staff.

CORPORATE RESPONSIBILITY

WORKPLACE

Our Employment Philosophy

We are committed to providing a safe, secure and enriching workplace for all our employees. At Westports, we foster a family-driven value concept where all employees respect and treat one another like family members.

Our employees come from different nationalities and ethnicities. We respect and celebrate each other's differences and enjoy working together. Although we do not have a formal diversity policy, we are committed to providing equal opportunities for all. We do not discriminate when making decisions on hiring, promotion or retirement and we provide training and career development for all employees.

Our approach is built around the following key principles:

- We make merit-based decisions without compromising on talent and capabilities;
- We aim to build a diverse workforce, including but not limited to gender and ethnic diversity;
- We are committed to an inclusive culture that can deal with prejudice and promote better understanding; and
- We ensure that there is a level playing field so that our employees have equal opportunities to succeed and advance their careers.

The details of employee relations are described below.

a) Employee Handbook

Westports has its own employee handbook and is distributed to all the employees. It comes in two languages, Bahasa Malaysia and English to cater for the different needs of our employees. This handbook covers our vision, mission, company values, company objectives, safety and health policy and full spectrum of Human Resources policy including code of ethics, misconduct and grievance procedures. The code of conduct elaborates equal employment opportunity policy, fair dealing and integrity policy, no discrimination or harassment policy, sexual harassment in the workplace policy, whistle blower policy, anti-bribery policy, personal data protection policy, making public statement policy and conflict of interest policy. This handbook was last updated and circulated to the employees in October 2015.

b) Safety and Health

As a terminal operator, the primary objective of our safety and health policy is to establish a safe, healthy and eco-friendly working environment for all employees and port users.

The Management is committed to ensure compliance with OSHA 1994, FMA 1967, EQA 1974 and other applicable Acts, Legislations, rules, codes of practices and other requirements applicable to Westports operations.

c) Career Progression

Our policies are aimed at developing staff with multiple skill-sets through on the job training and training programs to provide for career progression and opportunities for internal career advancement. Performance and development appraisals are regularly carried out to meet the challenges of the business expansion plans and career advancement opportunities.

d) Career advancement

The performance appraisal of our employees is conducted semi-annually based on the objectives set for the review period. Based on performance and contribution, they are rewarded through increments, bonuses or promotions.

Job enrichment opportunities through development of multiple skill-sets bring out the best in our employees. We also analyse data from exit interviews to evaluate effectiveness of our strategies that is taken into consideration for review of HR Policies on an on-going basis.

CORPORATE RESPONSIBILITY

e) Employee engagement

Westports is committed to maintain an effective communication platform between employer and employee for feedback, sharing ideas and for voicing grievances. We believe in effective employee engagement, not just among the employees, but also between employees and management across the board. The personal interaction between managers and employees based on mutual trust and respect goes a long way to showcase that the keen interest by Westports in building and maintaining a healthy employee and employer relationship.

We have created small groups companywide whereby managers and executives are assigned to nurture confidence in that group of employees who are not their direct reports, to discuss matters affecting their work without fear or favour. This allows employees to have the opportunity to meet, discuss, get feedback on the Company and socialize in an informal environment.

This program enables management to get first-hand information on issues ascending from staff through monthly reporting by managers and executives to the Employee Relations Manager, which allows appropriate measures to be taken in solving issues effectively. This program has contributed to job satisfaction, employee retention and industrial harmony at the workplace.

Apart from the above, the Company is also supportive in recognising a representative of employee's choice, to discuss matters concerning their welfare with the management.

In 2015, the Company did not receive any reported case of discrimination.

f) Fringe Benefits

We provide a wide range of benefits to our employees well above the statutory requirements imposed by the Ministry of Human Resources as elaborated below:

i) employer's contribution to Employees Provident Fund ranges from 12% to 17% depending on years of service.

ii) maternity leave of 90 days granted per child delivery up to a maximum of 300 days for total of 5 children at the option of the employee.

iii) antenatal entitlement of up to RM1,000 per pregnancy.

iv) complimentary leave of 5 working days each for marriage leave and paternity leave.

v) medical leave granted for non-SOCSO cases due to accidents at the discretion of Westports. In cases where an employee has a good chance of full recovery and will be able to return to work, extended medical leave may be considered on a case to case basis.

vi) salary advance based on year of service with repayment in 24 months to ease their financial burden.

vii) employees and their dependants are eligible for medical benefits from in house doctors, panel clinics and specialists.

xi) we offer subsidised medical benefits to our staff dependants with coverage limit ranging from RM10,000 to RM20,000 per dependant annually. Westports will pay 50% of the excess cost if the medical claims exceed RM20,000 and up to RM40,000 for those staff who opted for coverage of RM20,000. To ease the financial burden, staff are allowed to pay their portion of the medical cost incurred in instalments up to 18 months.

xii) return to Health program, staff affected by obesity and leading an unhealthy lifestyle are encouraged to undergo a program of physical exercise and rehabilitation therapy at the Westports gymnasium.

Trainings

Westports recognises our human resources as our Human capital that needs to be continuously developed towards enhancing skills and expertise to enable their value added year on year.

As business needs are dynamic with ever demanding and expanding industry challenges, it is of paramount importance that employee competencies are enhanced with 'on the job training' and a comprehensive training program that focuses on continuous improvement to explore their full potential, competencies, management know-how and knowledge.

CORPORATE RESPONSIBILITY

Our on-going yearly employee development programs provide opportunities for direct coaching and mentoring that includes attending management development courses conducted by industry experts. These are cascaded down to achieve bonding, cross department synergies and enhancement of leadership through executive retreats. These are complemented with senior management programs and technical skills enhancement opportunities designed to enhance confidence levels and job satisfaction.

Some of the programs carried out have been successful in enhancing job satisfaction, career progression, employee retention. Our regular trainings conducted are as follows:

i) Young senior executive retreats

ii) Container seminars

iii) Senior Management Development Program organised by Havard Business School Alumni Club of Malaysia

iv) Soft Skills Training Programs

v) Management Trainee Sessions

vi) Port Related Training Sessions

vii) Skills Development Sessions

viii) Culture Program Sessions

ix) Central Planning and Port Visits

In addition, we have also sent our employees on safety related trainings such as Crisis Simulations, International Maritime Conventions on Effective Implementations and Sea Robbery and Piracy.

Sports Activities

To ensure best performance, fitness and teamwork among staff, the Company promotes sports and recreational activities for staff.

Sports and recreational activities are managed by a Sports Committee team where the members are staff and management from various departments. Annual programs are planned by the staff. Inter-departmental events were organized by this Committee. A total of 5 inter-departmental games were organized in 2015 consisting of snooker, bowling, badminton, indoor games and a mini marathon for men.

Congkak, batu seremban, darts, carom and dam haji are specially organized for the ladies in the Company. Ladies also participated in badminton, bowling and mini marathon in their category.

Staff also participated in external invitation games including the national level games as follows:

- ASEAN Ports Association (APA) Malaysia, competing with 17 ports in Malaysia. These include marathon, futsal, table tennis and badminton. This forms a platform to select players to represent Malaysian ports at the international level;
- Bowling Piala Ketua Pengarah Laut Malaysia 2015;
- 2015 Ministry of Transport ("MOT") Games, a competition with all agencies and companies under MOT involving land, air and maritime transportation;
- 2015 Selangor Futsal Figos Social League;
- 2015 Asia's 1st Blood Runner Night Race, Putrajaya;
- 2015 Buddy Run Challenge, Kuala Lumpur; and
- 2015 4th Walk the Talk "Men & Women United to Stop Violence against Women" campaign.

Westports team top achievements in 2015 are as follows:

a) Overall Champion for 2015 APA Malaysia Sports Challenge.
   - Futsal Champion;
   - Ping Pong Overall Champion; and
   - 15 Westports staff will join in the Malaysian contingent to the APA Sports Meet in Vietnam in May 2016, representing 28% of the Malaysian contingent.

b) 100% finishers for Putrajaya Blood Runner Night Race.

CORPORATE RESPONSIBILITY

Medical and Healthcare Facilities

Westports operates its own medical facilities to cater for the medical needs of its employees. The Clinic has dedicated team of staff to handle to this function which comprises of a Doctor, four Medical Assistants, one Staff Nurse and an Administrator. The clinic operates Monday to Friday, 8.00 am to 5.00 pm and a Medical Assistant will be available until 12.00 am. As we operate 24/7, any emergency case beyond the clinic operating period is referred to nearby panel clinic or hospitals. Our medical team takes care the medical needs of the employees and cases that require specialist or further attention will be referred to specialist or panel hospitals. In additions to these medical facilities, the employee can also refer to panel clinic located near to their home during non-working hours.

The Company also provides Gymnasium and Physiotherapy Centre which are located on the 13th Floor of Westports Tower Block. The Gymnasium is equipped with over 30 cardio and strength (weight) equipments and has a full time Gymnasium Executive, two Trainers and an Admin Assistant to oversee the smooth running and ongoing training programs or activities at the gym. The Gymnasium is open to staff and Westports' landed clients. Besides conducting trainings, the Gymnasium staff also conduct and monitor health programs and talks for staff to foster a healthy living lifestyle.

We truly believe in prevention than curing the disease. We initiated a program called health passport to identify health status of our employees, from illness such as high blood pressure, diabetes and other chronic disease. The staff will then be colour coded to reflect their health status. Employees will undergo a health program at the Gymnasium to improve their health status and to nurture preventive healthcare. Some of them will undergo medication and on food diet. Our Doctors will monitor the health status of these employees to ensure progress is made to improve their health condition.

The Physiotherapy Centre has two full-time qualified Physiotherapists to help our staff recover from any injuries and ailments. The Centre is equipped with electro-therapy equipments to treat patients effectively.

The Gymnasium and Physiotherapy sessions have successfully conducted various health rehabilitation and preventive programs and activities for the staff in the past years and continue to do so with the objective of optimising staff healthcare and well-being.

CORPORATE RESPONSIBILITY

Metrics for sustainability report

Employee diversity

	2015	2014
Workforce		
Gender		
Male	3,788	3,890
Female	103	100
	3,891	3,990
Age		
Below 30	1,963	1,887
31 to 50	1,808	1,966
Above 51	120	137
	3,891	3,990
Ethnicity		
Malay	3,346	3,387
Chinese	10	14
Indian	465	518
Others	70	71
	3,891	3,990
Management		
Gender		
Male	344	357
Female	40	32
	384	389
Age		
Below 30	130	123
31 to 50	236	246
Above 51	18	20
	384	389
Ethnicity		
Malay	192	191
Chinese	31	24
Indian	156	169
Others	2	1
Foreigners	3	4
	384	389

Breakdown of resignation

	2015	2014
Workforce		
Gender		
Male	607	881
Female	6	24
	613	905
Age		
Below 30	398	696
31 to 50	198	191
Above 51	17	18
	613	905

	2015	2014
Management		
Gender		
Male	38	48
Female	3	13
	41	61
Age		
Below 30	16	15
31 to 50	23	39
Above 51	2	7
	41	61

Breakdown of recruitment

	2015	2014
Workforce		
Gender		
Male	505	857
Female	9	11
	514	868
Age		
Below 30	474	792
31 to 50	40	75
Above 51	-	1
	514	868
Management		
Gender		
Male	25	49
Female	11	6
	36	55
Age		
Below 30	23	38
31 to 50	13	16
Above 51	-	1
	36	55

Training hours by category of employees

	2015	2014
Training hours		
- Management	10,324	11,528
- Workforce	93,600	80,120
	103,924	91,648
Per employee		
- Management	27	30
- Workforce	24	20
	24	21

We have spent RM13.2 million in 2015 compared to RM15.6 million in 2014 on employee benefits.

ENVIRONMENTAL

The environment, safety and health are discussed in this section.

Occupational Safety and Health

Westports has secured OHSAS 18001 certification in 1999 which is an international occupational health and safety management system specification.

The objective of OHSAS is to eliminate or minimise risk to the employees and port users from the associated risks. As safety is one of the core values, we ensure strict compliance on this matter. Our certification was renewed on 1 September 2015. Our safety related initiatives and activities are elaborated below:

a) SHE Committee

Westports has introduced Safety, Health and Environment Committee ("SHE") represented by all Departments in compliance with the OSHA Regulations 1996. The SHE committee meetings are held every month chaired by SHE section head to review the performance on safety and health issues arising in each Department and control measures undertaken. We have a dedicated team carrying out enforcement and inspection activities throughout the terminals daily and penalties are imposed on defaulters. SHE section is headed by a section head, supported by five executives and nine staff.

SHE section is responsible to ensure the port is operating in compliance with OSHA 1994 and FMA 1967.

b) Safety and Health campaign

We launched safety and health programs throughout the terminals on 8 June 2015. The focus of this campaign was to enhance safety awareness and instil safety culture among the employees. Competitions such as essay writing, drawing and debate were successfully held Companywide.

c) Safety briefing on port user

We have developed a mandatory safety briefing which is held on Tuesdays, Wednesdays and Thursdays for all new port users. This is to ensure that all port users are made aware of our safety requirements.

d) Emergency Response and Preparedness ("ERP")

Westports Fire and Rescue Department ("Westports FRD") has 252 employees, trained by the Malaysian Fire & Rescue Department on ERP procedures. The procedures are to ensure that in the event of emergency, an appropriate and immediate response is triggered to either remove or eliminate any impact to life, property and environment. The potential risks have been identified from the risk assessment register which covers response plan for oil spillage, fire, road accidents, haze, tremor and evacuation plans.

Accordingly, Westports FRD conducts fire and evacuation drills twice a year with the aim of educating and creating awareness on fire safety at workplace. Drills carried out during the year are as follows:

a) Tower Block evacuation drill on 15 August 2015; and
b) Chemical spillage exercise at Liquid Bulk Terminal on 30 December 2015.

e) Accident Tracking System ("ATS")

We have ATS to track accidents, near miss incidents and dangerous incidents that happen in the port to facilitate appropriate investigation and corrective action plan to reduce the accidents. We have started safety awareness campaign to instill importance of safety culture. We have 27 cases of injuries in 2015 compared with 25 in 2014. There were two fatality cases reported in both years.

Westports has also started using the Lost Time Injury Frequency Rate ("LTIFR") to gauge our safety performance. LTIFR refers to the number of lost time injuries that occurred in the workplace resulting from an employee's inability to work the next full working day that occurred relative to the total number of hours worked in the accounting period. For 2015, LTIFR is recorded at 0.55 for every 1,000,000 hours worked. No data was available for 2014.

CORPORATE RESPONSIBILITY

f) Exposure monitoring on mineral dust

In compliance with the OSHA Act 1994 and the Factories and Machinery Act 1967 (Mineral Dust) Regulations 2000, we have carried out exposure monitoring among the employees and port users as a preventive measure for occupational diseases caused by excessive exposure to dust. We engaged a consultant to conduct assessment on mineral dust monitoring in November 2015. It was carried out in our Dry Bulk and Liquid Bulk Terminal. The assessment results showed that our terminal was free from hazardous dust.

g) Chemical health risk assessment

In compliance with the OSHA Act 1994 and the Use and Standards of Exposure of Chemical Hazardous to Health Regulations 2000 ("USECCH"), we have engaged a consultant to conduct chemical health risk assessment on those employees exposed to handling chemical and hazardous substances as defined in the USECCH Regulations at all our facilities such as maintenance workshops and dangerous cargo shed. The results indicated some improvements in waste management is required.

Environmental Management

Westports has achieved certification of ISO 14001:2004 in April 2009 to comply with the Environmental Quality Act, 1974. The environment legislation relates to the prevention, abatement, control of pollution and enhancement of the environment. Westports has environmental policies with clear objectives and targets to ensure the effectiveness of its environmental management system in a sustainable manner.

Pollution Management

i) Air pollution

In compliance with the Clean Air Regulation 2014, Westports has carried out RTG emission monitoring. In order to reduce emission levels, we commenced purchase of fuel efficient RTG such as VS RTG and Hybrid RTG since 2014. Our fuel consumption per TEU has reduced as result of usage of fuel efficient RTG as reported under Management and Discussion on page 34.

In 2015, Westports committed to 100% compliance with smoking policy for STS crane operators aimed at prevention of pollution and compliance with applicable legal and other requirements.

ii) Water pollutions and leakages

Several initiatives were undertaken by Westports to comply with the Industrial Effluent Regulations 2009. Oil and grease traps were installed at all Maintenance and Repair workshops and cleaning was done on weekly intervals. Water sampling analysis is also carried out yearly at various outlets towards sea.

In compliance with the Sewage Regulations 2009, preventive maintenance is carried out monthly on four Sewage Treatment Plants.

To minimize water pipe leakages and the loss of water, Westports now uses High Density Polyethylene ("HDPE") pipes to replace corroded iron pipes at the wharf areas. This prolongs the pipes' lifespan up to 50 years from the iron pipes' life span of 15 years while eliminating corrosion and water leakages. Starting in 2014, all iron pipes would be gradually replaced with HDPE type.

Our water consumption is described below.

Water Consumption

	2015	2014	%
Million M^3			
Water	1.44	2.16	-33%
M^3/TEU	0.16	0.26	-38%

iii) Noise pollution

We have monitored the boundary noise level which was carried out by consultant at our Maintenance Workshops. Based on their report, it is confirmed that the noise level is within recommended limit.

CORPORATE RESPONSIBILITY

iv) Scheduled waste

Westports has implemented proper management and control measures relating to using, handling, storing, packing, labelling and disposal of scheduled and general waste to prevent pollution to the environment surrounding port premises. We handled 121 tonnes of scheduled waste in 2015 compared to 188 tonnes in 2014.

We have invested RM250,000 in hydraulic recycle machine to recycle the used hydraulic oil. In 2015, we recycled 1 tonne of used hydraulic oil compared to 12 tonnes of used hydraulic oil in 2014.

Electricity Usage

Our STS cranes, reefer containers and port operational facilities are the main users of electricity. Table below shows electricity consumption and usage per TEUs.

Electricity Consumption

	2015	2014	%
Million KW/h			
Electricity	84.2	76.8	10%
KW/h/TEU	9.3	9.1	2%

MARKETPLACE

We have three categories of stakeholders in the marketplace. They are customers, government agencies and suppliers. Our engagement with these stakeholders are elaborated below:-

Customers

i) Shipping Lines

Shipping lines are our main customers with whom we engage on a daily basis. Matters concerning operational issues are resolved by the respective departments in a timely manner. Any process delays caused by government agencies will be raised with the relevant authority for corrective action.

ii) Associations

Westports is a customer centric entity. In order to maintain our relevance within the logistics industry, we are constantly engaging the community in order to move ahead or at least in tandem with market developments.

We meet with Selangor Freight Forwarders and Logistics Association and Federation of Malaysian Freight Forwarders on a quarterly basis to share port developments and obtain feedback from the industry so that we could improve our processes and service delivery standards.

We also engage the Air Freight Association of Malaysia in a similar capacity and purpose. The feedback received from associations in the logistics industry is critical to Westports as they collectively represent a large proportion of the forwarding community that includes importers and exporters. Through these engagement activities, we have incorporated many innovations and improvements into our daily operations that have enabled us to grow to where we are today.

Over the years, we have also built a strong relationship with the Federation of Malaysian Manufacturers, which provides a strong platform to hold dialogues and a representing voice for addressing challenges faced by the industry.

CORPORATE RESPONSIBILITY

We also hold annual marketing road shows regionally in China, Taiwan, India, Myanmar, and locally including East Malaysia to enhance our presence in key-volume markets. This has allowed forwarding agencies, shipping lines and their clients to better understand our capabilities and strengths.

We welcome port visits from various parties that include tertiary students to international clients and partners in our continuous efforts to promote Westports both as a transhipment hub and the national gateway to Malaysia.

As a primary gateway to the nation's key economic vitality, we strive towards operational excellence to ensure that the cargo movement process remains fluid by having such communication channels open, allowing us to anticipate and mitigate potential challenges.

We have dedicated sales team to serve each segment of customers. Issues or complaints raised by customers are addressed in our commercial meeting and revert with solutions within stipulated timeframe.

Government Agency

We continuously engage with various government ministries and bodies such as Economic Planning Unit ("EPU"), Performance Management & Delivery Unit ("PEMANDU"), Ministry of Transport ("MOT"), Ministry of Finance ("MOF"), Ministry of International Trade and Industry ("MITI"), Malaysia Productivity Council ("MPC"), Malaysia External Trade Development Corporation ("MATRADE") to advocate on logistical matters or hold dialogues to support the national transportation agenda.

We also deal with local government agencies such as Port Klang Authority ("PKA"), Royal Malaysian Customs Department ("RMC"), Department of Safety and Health ("DOSH"), Department of Environment ("DOE"), Royal Malaysia Police ("PDRM"), Fire and Rescue Department ("BOMBA"), Port Health Authority, Klang Municipal Council ("MPK") and other agencies on regular basis as we need to ensure compliance with their acts, policies, rules and guidelines. Dialogue sessions with the local government agencies are also held on a monthly basis.

Suppliers

Most of our purchases are sourced from local suppliers. The STS cranes and RTG cranes are sourced from overseas. We have a very transparent purchasing process system in practice. Interested suppliers need to register with us first with the specifications of their products or services. Upon verification and acceptance of their application, the supplier can thereafter bid for the projects whenever available through e-procurement system. The job will be awarded to the supplier who submitted the lowest quote in the e-procurement system and thereafter a purchase order will be sent via SAP system.

For purchases above certain amount where we require expertise, we source through Privasia Sdn Bhd ("Privasia"), a third party procurement company. We provide the bill of quantities and invite the suppliers for briefing on our requirements before the suppliers submit the quotation via online.

Upon getting quotations via online managed by Privasia, e-bidding exercise will be carried out in a transparent manner. The bidder submitting the lowest quote will be awarded the contract upon getting approval from Management.

Our terms and conditions will be clearly spelt out in the Letter of Award ("LOA") or Contract issued to successful bidders. One important clause included in LOA covers conflict of interest situation arising from any Westports employee having an interest in the Supplier Company as a shareholder or director. This also includes an offer of any kind of payment or inducement to any Westports employee by the supplier. In such cases, Westports may terminate the contract at its sole discretion. We will also blacklist those suppliers who performed poorly and restrict them from participating in future tenders.

Our suppliers are well aware of our expectations and our commitments to our customers. We honour our commitment through our prompt payment on agreed terms and conditions to our suppliers.

We have stipulated in our contract documents to our suppliers or contractors to comply with all applicable requirements of the occupational safety and health act and regulations. Westports makes it mandatory for the supplier and contractor to attend our safety briefing before commencement of the contractual works in the Westports. We have in our contract bidding documents to contractor or supplier requiring them to take care of the rights of their employees on safety and health matters, workmen compensation or SOCSO, reasonable remuneration and well being of the employees.

Sustainability Reporting

Themes	Results
Economic	
Procument practices	Refer to Corporate Responsibility - Marketplace on page 105 to 106
Community investment	Refer to Corporate Responsibility - Community on page 88 to 97
Indirect economic impact	Refer to Statement of Value Added and Distribution on page 18 and Corporate Responsibility on page 88 to 106
Environment	
Emissions	Refer to Management Discussion and Analysis on Operational Review on page 34 Refer to Corporate Responsibility - Environmental on page 103 to 105
Waste and effluent	Refer to Corporate Responsibility - Environmental on page 103 to 105
Water	Refer to Corporate Responsibility - Environmental on page 103 to 105
Energy	Refer to Corporate Responsibility - Environmental on page 103 to 105
Social	
Diversity	Refer to Corporate Responsibility - Workplace on page 98 to 102 for employees Refer to Corporate Governance Statement on page 123 to 124 for directors
Human Rights	Refer to Corporate Responsibility - Workplace on page 98 to 102 for employees Refer to Corporate Responsibility - Marketplace on page 105 to 106 for suppliers
Occupational Safety and Health	Refer to Corporate Responsibility - Environmental on page 103 to 105
Anti-competitive behavior	There are no legal cases reported on anti-competitive behaviour
Anti-corruption	Refer to Corporate Responsibility - Workplace on page 98 to 102 for employees Refer to Corporate Responsibility - Marketplace on page 105 to 106 for suppliers There are no cases reported to HR for any corrupt practices in 2015.
Labour practices	Refer to Corporate Responsibility - Workplace on page 98 to 102 for employees
Product and Services Responsibility (Social)	Refer to Corporate Responsibility - Marketplace on page 105 to 106 There are no incidents of cyber attack reported.
Supply Chain (Social)	Refer to Corporate Responsibility - Marketplace on page 105 to 106
Compliance (Social)	Total monetary value of fines amounting to RM3,000 for non-compliance with laws and regulations.

CORPORATE EVENTS

Our ability for having 12 STS cranes simultaneously servicing 398-metre long CMA CGM's Kerguelen during her maiden call in April 2015.

CORPORATE EVENTS

Westports 22nd AGM held on 29 April 2015.

CORPORATE EVENTS

Westports had the honour of having UASC Barzan, which is a vessel of 18,800 TEU, the Largest Eco-Friendly Vessel. We had the ceremony to receive vessel on 4th June 2015.

CORPORATE EVENTS

National Sports Day activities held on 10 October 2015. The activities included participation by our employees, community and customers.

CORPORATE EVENTS

Two days of training involving the entire Westports staff with Cultural theme held in Genting in stages from August to November 2015.

CORPORATE EVENTS

A safety campaign launched by Westports on 8 June 2015 to raise safety awareness for our staff.

Westports staff responded to the Blood Donation Drive organised by Klang General Hospital.

CORPORATE EVENTS

Westports staff participated in Asia's 1st Blood Runner Night Race, Putrajaya and APA Malaysia games.

CORPORATE EVENTS

Westports staff participated in APA Malaysia games, MOT games and internal sports activities organised by Westports Sports Committee.

MEDIA RELATIONS

RM500m capex by Westports

Port operator waiting for decision on Port Klang container tariff hike

By INTAN FARHANA ZAINUL
intanzainul@thestar.com.my

KUALA LUMPUR: Westports Holdings Bhd has allocated RM500mil capital expenditure (capex) for this year, of which RM400mil would be used for its Container Terminal 8 (CT8) phase one construction.

The company commenced the development of CT8 in January and would complete it in mid-2017. CT8 involved a total investment of RM1bil which is going to increase Westports handling capacity to 13.5 million twenty-foot equivalent units (TEUs) from 11 million TEUs presently.

Westports chief executive officer Ruben Emir Gnanalingam said the capex for this year would be funded via internally-generated funds and that the company had no plans to raise any debt this year.

"We have no plans to raise any debt this year, probably next year we will do it to fund the CT8 development," he told reporters after the group's AGM yesterday.

Notably, Westports has close to

Ruben and Westports acting CFO and head of
Keem at the company's AGM.

extend its investment tax allowance (ITA).

This would see Westports paying higher tax rate of about 24% this year compared to the 11.5% tax rate it enjoyed last year due to ITA from high capex.

with any tariff hike because our current rate is the lowest in the region.

"Without which it is not sustainable for the long term because our cost would continue to increase," he said.

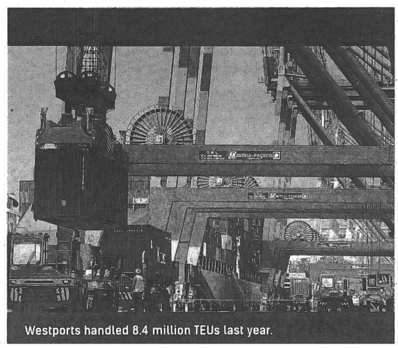
Record profit for Westports

Company also achieves highest revenue and container volume

By ISABELLE LAI
isabellelai@thestar.com.my

PETALING JAYA: Westports Holdings Bhd's net profit jumped 6.6% to RM139.8mil for its fourth quarter ended Dec 31, 2014, resulting in a record 12-month net profit of RM512.2mil for the port operator.

It posted an 8% increase in operational revenue to RM385.9mil from RM357.3mil for the quarter under review, while container throughput increased 11.7% to 2.19 million twenty-foot equivalent units (TEUs)



Westports handled 8.4 million TEUs last year.

malised basis, excluding initial public offering expenses and write-off assets, its profit after tax would have actually increased by 8%.

"The write-off assets were for two units of obsolete cranes and unutilised slag and fertiliser conveyor system for the company's dry bulk operations," it said.

The company added that the O3, consisting of CMA CGM, China Shipping and United Arab Shipping Co, had commenced operations on Jan 17, 2015.

The three liners are currently using Westports as their hub, with the alliance set to further reinforce Westports as its key shipping hub in this region.

The company has also commenced its Container Terminal 8 (CT8) expansion plan, as the recently completed CT7 had attained an overall container terminal utilisation rate of over 75%.

Westports on the prowl

It's eyeing suitable M&A target particularly in Asean

By SHARIDAN M. ALI
sharidan@thestar.com.my

KUALA LUMPUR: Westports Holdings Bhd is eyeing a suitable merger and acquisition (M&A) target particularly in the Asean region that would be able to chart good growth to the benefit of terminal operators here.

Chief executive officer Ruben Emir Gnanalingam told StarBiz that he was keen on pursuing a deal but had yet to find a terminal in the region that could join the group.

Clearing the air on market rumour that the company is already in talks with external parties, Ruben said that so far nothing suitable was on the plate yet.

"I can tell you that we are keen, but we want to pursue the right deal where pricing, valuation and prospects of the terminal are within our expectations.

"South-East Asia is the strongest market for us, as the countries here are still bullish on the economic outlook. Asean potential is amazing in the next 20 to 30 years. This is where the growth will be," he said.

At CAP10 Asean CEO Summit in Kuala Lumpur recently, Malayan Banking Bhd president and CEO Datuk Abdul Farid Alias was

> TURN TO PAGE 2

AMMB Holdings Bhd, Chairman, Tan Sri Azman Hashim | Astro Malaysia Holdings Bhd, Chairman, Tun Zaki Tun Azmi | Genting Malaysia Bhd, Chairman and Chief Executive, Tan Sri Lim Kok Thay | Hong Leong Bank Bhd, Chairman, Tan Sri Quek Leng Chan | IOI Corp Bhd, Executive Chairman, Tan Sri Lee Shin Cheng

Most transparent big stocks

These are the most transparent entrepreneur driven companies on Bursa Malaysia's composite index. Government-linked companies, however, are still ahead on the transparency front. We rate the big stocks based on corporate disclosure, compliance and quality of annual reports

... pages 10-12 *(Focus List)*

Kuala Lumpur Kepong Bhd, CEO, Tan Sri Lee Oi Hian | Maxis Bhd, Chairman, Raja Tan Sri Arshad Raja Tun Uda | PPB Group Bhd, Chairman, Datuk Oh Siew Nam | Public Bank Bhd, Chairman, Tan Sri Teh Hong Piow | Westports Holdings Bhd, Executive Chairman, Tan Sri G. Gnanalingam

Students of SMK Pulau Indah with the Westports engineering team members during a port visit.

Involvement in society

WESTPORTS Malaysia is a leader in the international port industry, offering an array of first-class services supported by suitable water depth and its prime position in the region.

These are delivered by a diverse workforce consisting of approximately 4,000 staff across multiple interconnected disciplines.

This seaport terminal grew from a small port in Pulau Indah to a mega hub for vessels from various shipping companies.

Over the years, the organisation has shared its wealth with the island community through various nitiatives that seek to improve the community's quality of life.

This includes programmes to eradicate poverty, enhance education, refurbish community facilities, care for the orang asli and ensure a safe environment for people of the island to flourish in.

Around 40% of Westports' employees are residents of Pulau Indah, where the Westports Poverty Eradication Programme has played a great part in lowering the poverty rate.

The power of education

Westports has been supportive of the three schools in Pulau Indah: Sekolah Kebangsaan Pulau Indah, Sekolah Kebangsaan Pulau Indah 2 and Sekolah Menengah Kebangsaan Pulau Indah.

Westports has sponsored these schools through the Trust School Program under Yayasan Amir to improve the quality of education for the Pulau Indah students.

For three days in April, the human resources department ran the Ponteng Sifar (Zero Truancy) campaign in these schools during assemblies to motivate students to attend school, following a drop in attendance last year.

To encourage better attendance and improve their performance in school, classes whose students collectively recorded the highest attendance rate were rewarded by Westports.

This also served as a motivation to all students to compete with each other to maintain their good attendance. Later that month, the same department organised an award ceremony for outstanding students of SMK Pulau Indah.

The top five students from Form Five and PT3 (Pentaksiran Tingkatan 3) examinations were among those presented with book vouchers in recognition of their good examination results.

"Westports has always emphasised the importance of education; giving out the vouchers was simply a way of encouraging students to aim for greater achievements," says human resource manager Rajendra Parshad.

Members of the staff are also ready to share their knowledge and provide guidance to young ones, as evidenced by various student engagement activities carried out earlier this year.

Their efforts included a motivational talk for candidates of major examinations and a talk for young women and female teachers of SMK Pulau Indah.

Younger students at SK Pulau Indah were treated to animated movies to improve their use and grasp of the English language.

Students were also delighted when they got a chance to participate in an abseiling crash course taught by Westports' port police team. Over in SK Pulau Indah 2, pupils were given a different sort of lesson – a safety briefing with fire drill activities.

Creating, upgrading spaces

The company also contributes towards upgrading facilities. The finance department provided 100 new chairs for students of SK Pulau Indah, for use in the examination halls.

The information technology department then set up a light-emitting diode electronic message board in the schools, too. The board serves as a device to send out important announcement to all parents and welcome visitors to the school.

In June, 20 civil, electrical and mechanical engineers used their skills for social good at the same school – they repaired the air-conditioners, fluorescent lights, ceilings and fans over the course of one week.

"The team got our input prior to the renovation to ensure that what they did counted and was not just for the sake of doing something, and for that, I cannot thank them more," says one of the teachers Nor Afidah Basirin.

Another revamping project was previously carried out in March by the container department members, where they cleaned the Tabika Baitullah Husna kindergarten and installed a new playground for the children.

The team of 30 staff members unclogged drains, cut grass and raised RM1,500 to fix the premise's leaking roof.

Besides their continuous presence in schools, Westports employees reach out to all members of the Pulau Indah community in other ways.

For example, engineers came together to refurbish the dilapidated Surau Haji Muhammad in March. The place of worship of the largely Muslim community in the area was given a fresh look with newly painted walls and clean, clear surroundings as well as pest control treatment for its termite infestation.

Pulau Indah also has an orang asli settlement, which was visited by a team from the conventional department at Westports in April.

Sixteen employees spent around 10 hours cleaning up pavements, trimming grass at the community hall lawn and collecting rubbish in the area.

Resident Tok Batin Intan spoke for the people when he expressed delight and appreciation at the company's efforts to connect with and support the orang asli community, and hoped for similar activities to be carried out in the future.

Opportunities for betterment

Employees of Westports believe in their ability to create significant change for themselves and others around them.

This is embodied in the company's business and social responsibility practices and can be seen in initiatives such as the mangrove replanting programme held in May.

Together with Infinity Logistics and Transport Sdn Bhd, Central Spectrum Sdn Bhd and Persatuan Pendidikan dan Kebajikan Jaringan Nelayan Pantai Malaysia (Jaring), marketing and commercial department members planted 200 mangrove trees and seeds in Pulau Indah.

This was a vital step in setting up the first mangrove nursery in Selangor. Head of marketing P. Vijaya Kumar emphasises that mangrove forests are important to fishing communities in the coastal area because they rely on the biodiversity for survival and livelihood.

In the festive spirit back in July, the finance department presented essentials and Hari Raya goodies to seven underprivileged senior citizens on the island.

Led by chief financial officer and head of finance department Lim Beng Keem, the volunteers also spent some time speaking with and entertaining the senior citizens to remind them that they were not alone.

For many years, Westports has provided hardcore poor families and underprivileged senior citizens with financial assistance.

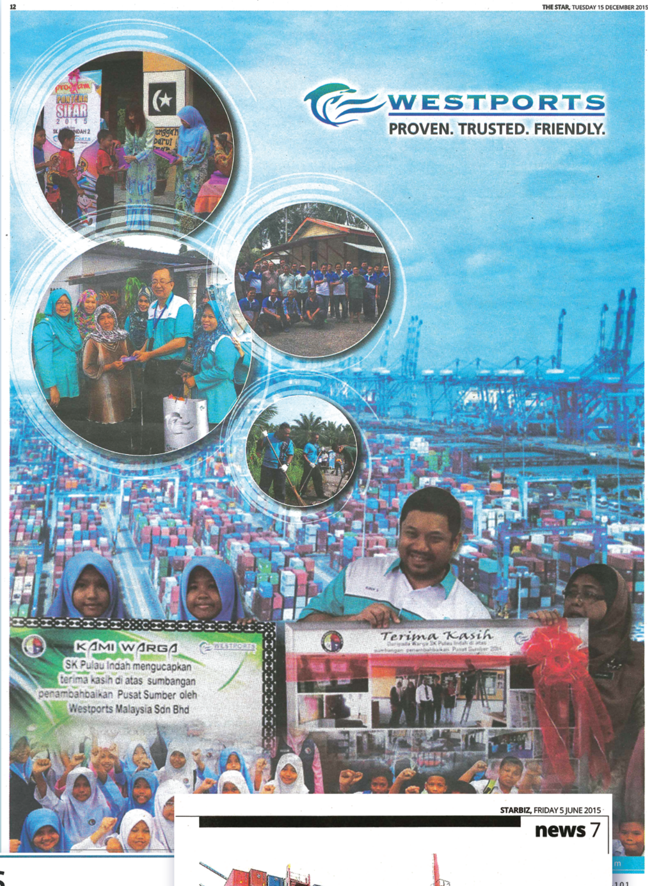
Whether for the old or young, Westports employees do what they can to put smiles on faces and make dreams come true.

The company joined hands with the Royal Selangor Yacht Club (RSYC) to sponsor 12 SMK Pulau Indah students in the beginner's stage of the RSYC/ Westports Community Sailing Programme, which consisted of nine training sessions over the weekends.

These initiatives display Westports' ongoing commitment in improving the standard of living in Pulau Indah as its staff feel a sense of social responsibility towards the community they are in.

Moving forward, the seaport terminal strives to enhance its

Westports' busin... mangrove replan...



NOL's sale may benefit Malaysian ports

BY GHO CHEE YUAN

Neptune Orient Lines Ltd (NOL), the biggest shipping group in Asean, is currently in talks with two interested parties to hive off its container shipping business.

Should the talks bear fruit, it will benefit either Westports Holdings Bhd or MMC Corp Bhd's Pelabuhan Tanjung Pelepas (PTP).

Public-listed NOL last Saturday confirmed to Singapore Exchange (SGX) that it is in preliminary talks with two shipping giants — France's CMA CGM S.A. and Denmark's AP Moeller-Maersk Group — on a possible buyout.

It is worth noting that CMA CGM is the largest customer of Westports and Maersk Group owns a 30% stake in PTP through Maersk line. In fact, PTP is Maersk's shipping hub in Southeast Asia.

Some quarters believe that should one of the Europe-based shipping giants take over NOL's container business, it would help boost the throughput volume of the port it owns.

This is exactly what happened back in 2005 when Danish shipping group Maersk bought container line Royal P&O Nedlloyd.

After the acquisition, the container throughput at PTP surged to a record high of 2.24 million twenty-foot equivalent units (TEUs) in six months, thanks to the integration of Maersk & P&O Nedlloyd, which brought about new services.

Furthermore, an industry observer points out that the government has granted tariff hikes for the country's ports. Hence, any increase in throughput volume will have an even bigger impact on the ports' profits.

When contacted, Westports CEO Ruben Emir Gnanalingam declines to comment, saying that it is too early to talk about the possible deal and its impact.

"There are no details to draw any concrete conclusions. Therefore, any feedback now would be speculation, which we cannot participate in," he adds.

PTP also declines to comment, saying that it needs to verify the information before replying to any media enquiries on the matter.

According to NOL's filings with SGX, it transported 5.6 million TEUs worldwide last year. For the first nine months of this year, it handled 3.6 million TEUs, compared with four million TEUs in the previous corresponding period. The drop in throughput volume was mainly due to void sailings, absence of peak summer season and weak container trade demand.

Westports' throughput volume was 8.4 million TEUs last year, up from 7.5 million in 2013. For the first half of this year, it handled 4.4 million TEUs.

NOL transported 5.6 million TEUs worldwide last year

Some 7,000 container vessels docked at Westports last year, compared with 6,700 in 2013.

Over at PTP, the port operator handled 8.5 million TEUs in 2014, making it the largest port in the country, in terms of throughput volume. PTP aims to achieve a new record of 9.2 million containers this year.

In terms of earnings performance, NOL posted a net loss of US$96.1 million (RM418.1 million) in the first three months ended Sept 30, 2015. Revenue fell to US$1.21 billion, due to lower liner revenue from void sailings, absence of peak summer season, weak container trade demand and the challenging freight rate environment.

The global economic slowdown is expected to hit the shipping industry again. Already, many big players have reportedly been forced to embark on cost-cutting measures like laying off workers. More players are looking at possible mergers and acquisitions to sustain growth.

Will history be repeated this time?

Although there is a precedent, analysts hold mixed views on the potential benefits of the proposed acquisition to Westports and PTP.

"Definitely there will be some positive impact on [the earnings of] Westports or PTP. But we are unclear how significant it would be," says an analyst.

Theoretically, the analysts say if CMA CGM were to seal the deal, Westports would probably see a surge in throughput. And the same will happen to PTP if Maersk successfully acquires NOL.

Although NOL has a huge handling capacity, another analyst stres... that not all containers handled b... are for Singapore ports.

According to his estimati... the number of containers pass... through Singapore ports shoul... around 50% of the total TEUs... ing transported while the rema... ing 50% should pass through ot... Asian ports.

"Currently, NOL is not using... Malaysian port for its transhipm... hence the acquisition should br... new volume to either Westport... PTP, depending on who seals... deal," he says.

Nevertheless, he adds that... exact impact is dependent on... strategy of the buyer going forw...

All said, Singapore's Tema... Holdings Pte Ltd is the 67% sha... holder of NOL; it would be natu... for the state-owned investment... to have strings attached to the... in order to retain ship calls at I... of Singapore.

An analyst with a foreign brok... firm reckons Singapore port rema... the preferred choice compared w... Westports or PTP.

"Ports in Singapore are still p... ing a dominant role in Southeast A... Global businesses are looking at... bigger exposure of NOL, which... a good presence in the trans-Pac... region," the analyst comments.

Furthermore, he says, the dea... unlikely to be sealed anytime so... given the latest merger and acc... sition in the industry took up t... months to be concluded. He is... ing the merger of Hapag-Lloyd... Chile's Compañía Sud Americana... Vapores (CSAV). Under the exerc... CSAV's container business was c... solidated into Hapag-Lloyd, makin... the world's fourth largest liner sl... ping company.

Maiden voyage: (from left) UASC Cluster operation manager Alexandar Cheong, UASC (S.A.G) vice-president Asia Cluster David SKillen, Gnanalingam and UASC Malaysia Sdn Bhd general manager Desmond Yong in front of MV Barzan in Westports.

Westports to up cargo handling

It plans to raise capacity to 13 million TEUs on completion of new terminal

PORT KLANG: Westports Malaysia expects to increase its cargo handling capacity to 13 million twenty-foot equivalent units (TEUs) from 11 million TEUs following the completion of its Container Terminal 8 (CT8) by mid-2017.

Its chief executive officer Ruben Emir Gnanalingam said in tandem with the construction of CT8, Westports was also building a new container gate for local cargo as well as other back of terminal support facilities.

"Our focus is always skewed towards a supply-driven approach to meet our customer demand. With CT8, we will be able to han-

The ceremony was attended by Transport Ministry's maritime division secretary Datuk Abdullah Yusuff Basiron.

The vessel belonging to United Arab Shipping Company (UASC), which has a loading capacity of 18,800 TEUs, is deemed the "green vessel" for its fuel and energy efficiency.

Earlier at the event, UASC country general manager Desmond Yong in his speech said preliminary calculations indicated the vessel's energy efficiency design index value was about 50% below the 2025 limit

ACCOUNTABILI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CORPORATE GOVERNANCE STATEMENT

The Board of Westports Holdings Berhad ("Westports" or the "Company") recognises the importance of good corporate governance and is committed to ensuring that good corporate governance is practised throughout the Company and its subsidiary ("the Group") with the ultimate objective of protecting and enhancing shareholders' value and the financial performance of the Group.

As required under the Main Market Listing Requirements of Bursa Malaysia ("Bursa Listing Requirements"), this Corporate Governance Statement reports on how the Company has applied the Principles and the extent of compliance with the recommendations of good corporate governance as set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") throughout the financial year ended 31 December 2015 and up to the date of this annual report.

PRINCIPLE I
ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

BOARD ROLES AND RESPONSIBILITIES

The Board is charged with leading and managing the Company in an effective and responsible manner. The Board's role is to oversee and provide stewardship to the Company's strategic direction to maximise shareholders' value while Management manages the day-to-day operations of Westports in accordance with the direction and delegation of the Board. The Board, through its Board Charter, clearly defines its roles and responsibilities. The principal responsibilities of the Board, amongst others, are:

- Establishing, reviewing, adopting and monitoring the strategic plans for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate controls and systems to manage these risks;
- Establishing a succession plan, including appointing, training, fixing the compensation of and where appropriate, replacing Executive Directors and Senior Management;
- Developing and implementing an investor relations programme or shareholder communication policy to ensure effective communication with its shareholders and other stakeholders;
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems to ensure compliance with applicable laws, regulations, rules, directives and guidelines;
- Ensuring that the Group adheres to high standards of ethics and corporate behaviour; and
- Strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and acquisition activities.

The Board delegates certain responsibilities to the Board Committees, all of which operate within their respective charters.

BOARD CHARTER

Westports' Board Charter was first developed and approved by the Board in September 2013. The Board Charter serves as a reference point for Board activities and promotes high standards of corporate governance. It is designed to provide guidance and clarity for Directors and Management with regards to the role of the Board and its Committees, the requirement of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board's operating practices.

The Board reviews its Board Charter periodically to keep abreast with new changes in regulations and best practices and to update the Board Charter in accordance with the requirements of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities.

CORPORATE INTEGRITY

In discharging its duties and responsibilities, the Board is guided by the Code of Ethics of Directors (the "Code"), which is based on the core principles of integrity, transparency, accountability and corporate social responsibility. The Code enables the Board and each Director to focus on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability.

The Code also provides a venue for a Director to communicate any suspected violations of the Code to the Chairman of the Audit and Risk Management Committee. Investigation will be carried out by the Board and appropriate action will be taken in the event of any violations of the Code.

Besides, the Group has also adopted a Code of Conduct which sets standards for the employees within the Group to promote honest and ethical conduct, including the ethical handling of actual or apparent conflict of interest between personal and professional relationships in the workplace and to observe applicable rules, regulations and local laws. The Board and all employees are committed to observe the highest standards of personal and corporate integrity when dealing within the Group and with external parties.

In addition to the above, the Company's Whistle Blower Policy (the "Policy") aims to maintain the highest level of corporate ethics within the Group. All employees of the Group have a professional responsibility to disclose any known malpractices or wrongdoings. The Board has the overall responsibility for overseeing the implementation of the Policy, and all whistle-blowing reports are addressed to the Chairman of the Audit and Risk Management Committee (for matters relating to financial reporting, unethical or illegal conduct), or the Chief Executive Officer ("CEO") or Head of Human Resource Department (for employment related concerns).

PROMOTING SUSTAINABILITY

The Board is cognisant of corporate sustainability that creates long-term shareholder value by embracing opportunities and managing risks derived from the environment, social developments and governance. Our Sustainability Policy aims to enable the Group to manage changes related to environmental and social issues, including new technology, governance policies, and consumer demand; and to make decisions that balance economic, social and environmental impacts.

CORPORATE GOVERNANCE STATEMENT

We acknowledge our responsibility to make a positive impact in the community that we are operating in. As a port terminal operator, we uphold our principle in promoting a safe, healthy and environmentally-friendly working environment to all of our staff and port users. Briefings on safety issues are constantly conducted and safety information is cascaded down to each employee. We believe in giving back to the community where we operate. Over the years, we have launched many initiatives and activities to improve the living standards in Pulau Indah, Port Klang, through our four-pronged approach which focuses on poverty eradication, security and safety, education, and recreation for children. We conduct our business ethically, maintain good corporate governance and promote responsible business practices.

ACCESS TO INFORMATION

The Directors have full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties effectively. There are matters specifically reserved for the Board's decision to ensure that the direction and control of the Group is firmly in its hands.

The Board is expected to meet at least four (4) times for each financial year, with additional meetings to be convened when necessary to review financial, operational and business performances. Board meetings for each financial year are normally scheduled before the end of the preceding financial year and to be confirmed at the end of the preceding meeting.

The Board meetings are chaired by the Executive Chairman, whose role is clearly separated from the role of the CEO. The Executive Chairman leads the Board effectively and encourages contribution from all members to ensure a balance of power and authority.

Prior to every Board or Board Committee meeting, the Directors are furnished with an agenda and a set of Board papers in advance in order for them to study and evaluate the matters to be discussed. The Board papers contain both quantitative and qualitative information. The papers are presented in a manner which is concise and include comprehensive Management reports, minutes of meetings and proposal papers. This will enable the Directors to review, consider, and if necessary, obtain further information from the Management on the subject matter. The Management is responsible for providing the Board with the required information in an appropriate and timely manner.

All Directors have full access to the advice and services of the Company Secretary who ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues, and Directors' responsibilities in complying with relevant legislations and regulations.

Hence, in discharging their duties, the Directors are assured of full and timely access to all relevant information. The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company's expense.

COMPANY SECRETARIES

The Board is supported by two (2) suitably qualified and competent external Company Secretaries who are accountable to the Board and are responsible for the following:

- Advising the Board on matters related to Corporate Governance and the Bursa Listing Requirements;
- Ensuring that Board procedures and applicable rules are observed;

- Maintaining records of the Board and ensuring effective management of the Company's statutory records;
- Preparing comprehensive Minutes to document Board proceedings and ensuring conclusions are accurately recorded;
- Assisting the communication between the Board and Management;
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and
- Preparing agendas and co-ordinating the preparation of the Board papers.

PRINCIPLE II
STRENGTHEN COMPOSITION

BOARD COMPOSITION

Westports is led by a capable and experienced Board. During the financial year under review, the Board comprised of eleven (11) Directors, including the Executive Chairman, CEO, three (3) Non-Independent Non-Executive Directors and six (6) Independent Non-Executive Directors. The Independent Directors make up the majority of the composition of the Board.

Our Board is of the view that the composition of the Board is well balanced, representing both the majority and minority shareholders' interest and complies with the Bursa Listing Requirements whereby at least two (2) or one-third (1/3) of the Board, whichever is higher, comprise Independent Directors. The Independent Directors help to ensure the interest of all shareholders, and not only the interests of a particular fraction or group are indeed taken into account by the Board in its decision-making process.

Our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience in the fields of port operations, marketing, finance, legal, information technology, oil and gas, mining, accounting and general experience in management. This combination of different professions and skills working together enables the Board to promote the interests of all shareholders and to govern our Group effectively.

With regards to diversity of the Board, the Company endeavours to have a balanced representation in terms of gender, ethnicity and age. The Company practices recruitment of Directors based on meritocracy and there is no need for a formal policy on diversity to be adopted at this point in time.

In the event two (2) candidates are of equal merit, other considerations such as diversity in respect of gender, ethnicity and age will be taken into account to aid the final selection process.

CORPORATE GOVERNANCE STATEMENT

The Board maintains a strong record on Board diversity with a wide range of backgrounds and nationalities represented among the Board members. In terms of gender diversity, the Board currently comprises of 18% women representation. With regards to ethnic diversity, the Board currently comprises of 37% Bumiputera, 27% Indians, 27% foreigners and 9% Chinese. The breakdown of Board composition in terms of age is as follows:

Age Bracket	Composition	
Years	No	%
35-40	1	9%
41-50	1	9%
51-60	3	27%
61-70	4	37%
71 and above	2	18%

A brief description of the background of each Director is presented under the Profile of Directors set out in page 62 to 74 of this Annual Report.

APPOINTMENT TO THE BOARD

The Board Charter provides that the Board should consist of qualified individuals with diverse experiences, backgrounds and perspectives. The Articles of Association ("Articles") of the Company provides a minimum of three (3) and a maximum of fifteen (15) Directors. The composition and size of the Board should be such that it facilitates the making of informed and critical decisions without limiting the level of individual participation, involvement and effectiveness. The Board should also comprise at least two (2) or one third (1/3) of Independent Directors, who will provide professional judgement, experience and objectivity without being subordinated to operational considerations.

The Company maintains a formal and transparent procedure for the appointment of new Directors. Appointment to the Board is made by the Board pursuant to Article 113 of the Company's Articles.

The Nomination, Remuneration and Corporate Governance Committee ("NRCGC") is delegated the responsibility to review and assess the proposed new Board nominees in terms of the appropriate balance of skills, expertise, attributes and core competencies before making any recommendation to the Board for approval. While the Board is responsible for the appointment of new Directors, the NRCGC is charged with the role of screening and conducting initial selection based on the criteria and qualification as specified in the Board Charter before making a recommendation to the Board for approval. The NRCGC is also responsible for reviewing candidates for the appointment to the Board Committees and makes appropriate recommendations thereon to the Board for approval.

DIRECTORS' RE-APPOINTMENT, RETIREMENT AND RE-ELECTION

In accordance with the Bursa Listing Requirements, all Directors, including the CEO, shall retire from office at least once in every three (3) years but shall be eligible for re-election. The Company's Articles further provides that at least one-third (1/3) of the Board is subject to retirement by rotation at each Annual General Meeting ("AGM").

Based on the office period of the Directors since their last election and upon recommendation by the NRCGC, the Board is proposing the re-election of Ms. Chan Chu Wei and Mr. Ip Sing Chi, who are due for retirement by rotation pursuant to Article 106 of the Company's Articles at the forthcoming AGM and being eligible and have offered themselves for re-election.

Ms. Ruth Sin Ling Tsim will retire pursuant to Article 113 of the Company's Articles at the forthcoming AGM and being eligible and has offered herself for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are of or over the age of 70 years shall retire at every AGM of the Company and subject to approval being obtained from the shareholders, may be re-appointed to hold office until the next AGM in accordance with Section 129(6) of the Companies Act, 1965.

Pursuant thereto, Tan Sri Datuk Gnanalingam A/L Gunanath Lingam ("Tan Sri Datuk Gnanalingam"), Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil ("Tan Sri Dato' Nik Ibrahim") and Dato' Abdul Rahim Bin Abu Bakar ("Dato Abdul Rahim"), who attain or are over the age of 70 years, shall retire at the forthcoming AGM and their re-appointment is subject to the approval of not less than three-fourth (3/4) of the shareholders attending the AGM. If re-appointed, Tan Sri Datuk Gnanalingam, Tan Sri Dato' Nik Ibrahim and Dato' Abdul Rahim shall hold office until the next AGM of the Company and henceforth their re-appointments shall be decided at every AGM.

To assist the shareholders in their decision, sufficient information such as personal profiles for the Directors standing for re-election and re-appointment are disclosed in the Directors' Profile on pages 62 to 74 of this Annual Report. The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings which appears on pages 217 to 220 of this Annual Report.

BOARD ASSESSMENT

The NRCGC is tasked to assist the Board in carrying out the annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution or performance of each individual Director. The NRCGC also assists the Board in assessing the independence of the Independent Directors annually (all the above mentioned assessments are collectively referred to as the "Board Assessments").

The Board Assessments are aimed to improve the Board's effectiveness as well as to draw the Board's attention to key areas that need to be addressed in order for the Board and individual Directors to maintain its significance. The Board Assessments consists of the following:

i. Board and Board Committees evaluation;
ii. Assessment of character, experience, integrity, competence and time commitment;
iii. Assessment on mix of skill and experience; and
iv. Evaluation of level of independence of an Independent Director.

To facilitate the Board Assessments, questionnaires or assessment forms are developed based on the criteria stipulated in the Directors' Assessment Policy of the Company. The methodology of the Board Assessment together with the assessment forms are reviewed by the NRCGC and approved by the Board.

During the financial year 2015, with the assistance of the Company Secretary, the NRCGC conducted the Board Assessments by distributing the assessment forms to each of the Directors to fill up the necessary information. The results of the assessment were tabled to the NRCGC for review and comments which were subsequently briefed to the Board. All assessments and evaluations carried out are properly documented.

CORPORATE GOVERNANCE STATEMENT

BOARD COMMITTEES

In discharging its fiduciary duties, the Board has delegated specific tasks to Board Committees. These Board Committees have the authority to examine particular issues and report to the Board on their proceedings and deliberations together with its recommendations. However, the ultimate responsibility for the final decision on all matters lies with the entire Board.

The Board has established the following Committees:

a. Audit and Risk Management Committee; and
b. Nomination, Remuneration and Corporate Governance Committee

a. Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") was established on 13 March 2013 and assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group.

The ARMC consists of three (3) Independent Non-Executive Directors. They are:

1. Dato' Yusli Bin Mohamed Yusoff (Chairman)
2. Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
3. Dato' Abdul Rahim Bin Abu Bakar

A summary of the ARMC Charter together with its report are presented on pages 141 to 145 of this Annual Report.

b. Nomination, Remuneration and Corporate Governance Committee

On 29 April 2015, the Board approved the merger of the Remuneration Committee with the Nomination and Corporate Governance Committee to form the Nomination, Remuneration and Corporate Governance Committee ("NRCGC"). The NRCGC comprises four (4) Independent Non-Executive Directors. They are:

1. Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil (Chairman)
2. Dato' Abdul Rahim Bin Abu Bakar
3. Dato' Yusli Bin Mohamed Yusoff
4. Jeyakumar Palakrishnar

The duties and responsibilities of the NRCGC are set out in the NRCGC Charter. The salient duties and responsibilities of the NRCGC include:

- Identify, evaluate and recommend to the Board of the Company the individuals who are qualified to fill vacancies or newly created positions on the Board and the Board Committees and to recommend to the Board the persons it should nominate for election or re-election as Directors at the AGM of the Company;

- Assess the effectiveness of the Board as a whole, Board Committees and its individual Directors including evaluating the balance of expertise, knowledge, experience, professionalism, integrity and criteria needed for the appointment of the Directors;

- Formulate and implement a formal and transparent procedure for proposing new members to the Board and Board Committees;
- Review proposals for the appointment of Directors and the CEO of the Group;
- Review and recommend to the Board in respect of Directors' independence and conflicts of interests, if any, and the steps to be taken to manage potential conflicts of interest;
- Facilitate training programmes for the Board to ensure adequate training for each member of the Board, and facilitate board induction for new members of the Board;
- Executing other related functions to achieve the objective of the establishment of the Committee;
- Recommend to the Board the remuneration policies, principles and the framework for the Group's Directors, CEO and Senior Management;
- Review and recommend to the Board the manner in which the Group's Directors, Chairman and Senior Management are to be remunerated in line with such policies. The remuneration however, shall be determined by the Board as a whole after taking into consideration the Committee's recommendation;
- Review the performance evaluations of key Senior Management of the Group who are direct reports to the CEO to ensure objectivity and adherence to the established scheme of service for employees;
- Recommend to the Board, the establishment of short and long-term incentive plans for eligible employees and eligible executives of the Group such as share schemes or other equity-based incentive plans, including the setting of appropriate performance targets; and
- Review and recommend to the Board the corporate governance principles to be implemented for the Group, in compliance with the MCCG 2012.

During the financial year 2015 and as at the date of this Annual Report, the NRCGC has undertaken the following activities:

a. Conducted annual review on the following policies and recommend to the Board for approval:

    - Board Charter;
    - Code of Ethics of Directors;
    - Nomination, Remuneration and Corporate Governance Committee Charter;
    - Corporate Disclosure Policies and Procedures;
    - Whistle Blower Policy;
    - Sustainability Policy;
    - Directors' Assessment Policy; and
    - Directors' Remuneration Policy.

CORPORATE GOVERNANCE STATEMENT

b. Conducted annual review of the structure, size and composition of the Board, including the balance of mix of skills, knowledge, experience, diversity in respect of age, gender and ethnicity as well as independence of the Independent Non-Executive Directors. The NRCGC also focused on having a balanced mix of skills, independence and diversity (including gender, ethnicity and age) to facilitate optimal decision-making by harnessing different insights and perspectives.

c. Reviewed the retirement by rotation, re-election and re-appointment of the Directors pursuant to the Articles of the Company and the Companies Act, 1965;

d. Reviewed and recommended the Statement on Corporate Governance for the Annual Report to the Board for approval;

e. Reviewed and recommended the appointment of Directors and Alternate Directors;

f. Conducted the annual Board Assessments in respect of the financial year 2015;

g. Reviewed the outcome of the Board Assessments;

h. Reviewed the succession planning and key performance indicators for Executive Directors and Senior Management;

i. Reviewed the training needs for the Directors;

j. Reviewed and recommended the remuneration package of the Executive Chairman and CEO to the Board for approval;

k. Reviewed and recommended the Directors' fees to the Board subject to approval by Shareholders at the AGM; and

l. Reviewed the Board Committees' allowances.

DIRECTORS' REMUNERATION

A Directors' Remuneration Policy has been established and it sets out the criteria to be used in recommending the remuneration package of the Directors of the Group. The Company's policy on Directors' remuneration is to set remuneration at levels which are sufficient to attract and retain Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.

The Non-Executive Directors are remunerated with Directors' fees which are subject to shareholders' approval at the AGM annually. In recommending the proposed Directors' fees, the NRCGC takes into consideration the qualification, duty and responsibility, and contribution required from a Director in view of the Group's complexity, and also the market rate among the industry.

In evaluating the CEO's remuneration, the NRCGC takes into account the Group's financial performance and performance on a range of non-financial factors including accomplishment of strategic goals. The CEO is being paid by a subsidiary and in line with the Group's general remuneration policy for its Senior Management. His remuneration is structured so as to link rewards to Group and individual performance. The NRCGC also recommends to the Board the remuneration package of an Executive Director and it is the responsibility of the Board to approve the remuneration package of an Executive Director.

The aggregate remuneration paid to the Directors who served during the financial year 2015 are as follows:

	Executive Director RM'000	Non- Executive Director RM'000	Total RM'000
Directors' fees	480	1,450	1,930
Salaries and Other Emoluments	14,892	-	14,892
Allowance	-	398	398
Benefits-in-kind	124	12	136
Total	15,496	1,860	17,356

The aggregate remuneration above is categorised into the following bands:

Range of Remuneration – RM	Executive Director	Non- Executive Director
100,001 - 150,000	-	3
150,001 - 200,000	-	1
200,001 - 250,000	-	3
250,001 - 300,000	-	1
300,001 - 350,000	-	1
3,100,001 - 3,150,000	1	-
12,100,001 - 12,150,000	1	-

PRINCIPLE III
REINFORCE INDEPENDENCE

INDEPENDENCE ASSESSMENT OF INDEPENDENT DIRECTORS

The Board, through the NRCGC, undertakes the independence assessment of its Independent Directors which was carried out as part of the Board Assessment annually. The NRCGC and the Board reviewed the independence assessment results and are satisfied that all the Independent Directors meet the independence criteria prescribed by the Bursa Listing Requirements. The Board opined that the Independent Directors continue to remain objective and independent in expressing their respective views and in participating in deliberations and decision-making of the Board and the Board Committees.

BOARD INDEPENDENCE

The majority of Westports' Board members are made up of Independent Non-Executive Directors. The Board acknowledges the importance of Independent Directors who are tasked with ensuring that there is a proper check and balance on the Board as they are able to provide unbiased and independent views in Board deliberations and decision making of the Board taking into account the interest of the Group and the minority shareholders. The Independent Directors are also proactively engaged with both the internal and external auditors and this is especially so for Dato' Yusli Bin Mohamed Yusoff who is the Chairman of the ARMC.

CORPORATE GOVERNANCE STATEMENT

SEPARATION OF POSITION OF CHAIRMAN AND CEO

Westports also aims to ensure a balance of power and authority between the Executive Chairman and the CEO with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Executive Chairman and CEO are separated and are clearly defined in the Board Charter. Whilst the Executive Chairman and CEO are collectively responsible for the leadership of the Group in promoting the highest standards of integrity and probity, there is a clear division of accountability and responsibility between the Executive Chairman and the CEO and each plays a distinctive role whilst complementing each other to ensure that there is a balance of power and authority and no individual has unfettered powers of decision and control.

The Executive Chairman is responsible for leadership and governance of the Board so as to create the conditions for the overall Board's and individual Director's effectiveness, and ensures that all key and appropriate issues are discussed by the Board in a timely manner.

The CEO is the conduit between the Board and the Management in ensuring the success of the Group's governance and management function. The CEO, in association with the Executive Chairman, is accountable to the Board for the achievement of the Group's vision, mission and objectives. The CEO has the executive responsibility for the day-to-day operations of the Group and shall implement the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the management are delegated through the CEO and this will be considered as the CEO's authority and accountability as far as the Board is concerned.

PRINCIPLE IV
FOSTER COMMITMENT

Recognising the important responsibility of a Director towards the Board's success, the Board has incorporated time commitment as one of the appointment criteria for Directors whereby the candidate should have sufficient available time to be able to fulfil his or her responsibilities as a member of the Board and any of the Board Committees to which he or she may be appointed.

The Board complied with Paragraph 15.06 of the Bursa Listing Requirements whereby all the Directors do not hold more than five (5) directorships in public listed companies. The Directors are required to disclose and update his or her directorships in other companies as and when necessary and the list of directorships is tabled to the Board for notation every quarter during the Board meeting. The Board is satisfied that the external directorships of the Board members have not impaired their availability to provide sufficient time in discharging their roles and responsibilities effectively.

The Board is also satisfied that each individual Director of Westports is committed to the Board by having a good meeting attendance record for the financial year 2015 and also well prepared and having read the Board papers and all background materials before every Board meeting.

CORPORATE GOVERNANCE STATEMENT

The table below illustrates the attendance record of the Directors for the meetings held during the financial year 2015:

	Board of Directors	Board Committee ARMC	Board Committee NRCGC
Executive Chairman			
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	4/4		
Independent Non-Executive Directors			
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil	4/4	4/4	2/2
Dato' Abdul Rahim Bin Abu Bakar	4/4	4/4	2/2
Dato' Yusli Bin Mohamed Yusoff	4/4	4/4	2/2
Jeyakumar Palakrishnar	4/4		2/2
Tan Sri Ismail Bin Adam	4/4		
Kim, Young So	4/4		
Non-Independent Non-Executive Directors			
Dr John Edward Wenham Meredith *	4/4		
Ip Sing Chi	4/4		
Chan Chu Wei	4/4		
Ruth Sin Ling Tsim **	n/a		
Chief Executive Officer			
Ruben Emir Gnanalingam Bin Abdullah	4/4		

* Dr John Edward Wenham Meredith resigned on 16 November 2015
** Ms Ruth Sin Ling Tsim was appointed on 16 November 2015

TRAINING AND DEVELOPMENT OF DIRECTORS

The Board acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skills and knowledge in discharging its responsibilities. The Board encourages its members to participate in continuous education programmes by allocating certain training budget for the Directors every year.

The Board, through the NRCGC, reviews and assesses the training needs of the Directors and determines the area of training that he or she may require for personal development as a Director to strengthen their contributions to the Board.

CORPORATE GOVERNANCE STATEMENT

Ms Ruth Sin Ling Tsim and Mr Raymond Pak Ying Law completed the Mandatory Accreditation Programme ("MAP") accredited by Bursa Malaysia which was held on 3 and 4 February 2016. Ms Ruth and Mr Raymond were appointed to the Board on 16 November 2015 as Non-Independent Non-Executive Director and Alternate Director respectively. All the other Board members have completed the MAP.

During the financial year 2015, all Board members attended various training programmes, conferences, seminars and courses organised by regulatory authorities and professional bodies. The programmes in which members of the Board have participated are as follows:

Month	Topics	Presenter/Organiser
Feb 2015	Navigating Through Turbulent Times	Affin Hwang Capital Conference Series 2015
Mar 2015	Audit Committee Conference, Rising to New Challenges	Malaysian Institute of Accountants
Apr 2015	Nominating Committee Programme 2: Effective Board Evaluations	The Iclif Leadership and Governance Centre in collaboration with Bursa Malaysia Securities Berhad
	Part 1: Global Shareholder Engagement Part 2: Encouraging and Engaging Retail Voters	Computershare and the Corporate Secretaries International Association
May 2015	Lead the Change : Getting Women on Boards	PEMANDU in collaboration with Bursa Malaysia Securities Berhad
Jun 2015	Board Intelligence 2015	Asian World Summit
	Driving Organisational Sustainability, Agility and Resilience	Institute of Enterprise Risk Practitioners
	Knowing How to Detect, Prevent and Report Financial Irregularities and Scandalous Activities	Bursatra Sdn Bhd
Jul 2015	Operational Briefing	Westports Malaysia Sdn. Bhd.
	Key changes brought by The Companies (Amendment) Act 2014 in Singapore	Boardroom Corporate and Advisory Services Pte Ltd
Aug 2015	GLC Open Day 2015 - GLC Transformation Programme	Khazanah Nasional Berhad
Sep 2015	Board Chairman Series : Tone From the Chair and Establishing Boundaries	The Iclif Leadership and Governance Centre ("ICLIF") in collaboration with Bursa Malaysia Securities Berhad
Oct 2015	Rothschild Dialogues	The Dolder Grand, Zurich
Nov 2015	Shipping and Port Market Update	Drewry Maritime Research and Advisor
	Port Investment Opportunities	Drewry Maritime Research and Advisor
	Resolving Conflict in the Boardroom: Navigating Win-Win Outcomes Workshop	The Iclif Leadership and Governance Centre
	Risk Management - Looking at the new normal in Hong Kong	Published by KPMG and The Hong Kong Institute of Chartered Secretaries
	Anti-Bribery and Corruption: Rising to the challenge in the age of globalization	KPMG
	Shareholder engagement: Practical steps for Corporate Secretaries	Corporate Secretaries International Association
Dec 2015	Commercial Conference	Hutchison Port Holdings Trust
	Integrity Management and Corruption Prevention	The Stock Exchange of Hong Kong Limited

PRINCIPLE V
UPHOLD INTEGRITY IN FINANCIAL REPORTING

FINANCIAL REPORTING

The financial reporting and internal control system of the Group are overseen by the ARMC, which comprises three (3) Independent Non-Executive Directors. The primary responsibilities of the ARMC are set out in the Audit and Risk Management Committee Report of this Annual Report.

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders and the Chairman's statement, CEO's statement and the Management Discussion and Analysis in the Annual Report. The Board is assisted by the ARMC to oversee the Group's financial reporting processes and the quality of its financial reporting.

The quarterly financial results and audited financial statements are reviewed by the ARMC to ensure compliance with the applicable financial reporting standards and approved by the Board before being released to Bursa Malaysia.

The Directors are required by the Companies Act, 1965 to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year then ended. The Directors ensure that relevant accounting policies have been used and applied consistently and that reasonable and prudent judgments and estimates have been made, in the preparation of financial statements. The Directors also ensure that applicable approved accounting standards have been followed. The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Group and the Company that enable them to ensure that the financial statements comply with the Companies Act, 1965.

INDEPENDENCE OF EXTERNAL AUDITORS

The ARMC and Board place great emphasis on the objectivity and independence of the external auditors in providing a true and fair report to the shareholders. The Board, through its ARMC, maintains a transparent relationship with its external auditors. The ARMC is empowered to communicate directly with the external auditors and vice versa the external auditors also have direct access to the ARMC to highlight any issues of concern at any point in time. It is a policy of the ARMC to meet with the external auditors at least twice a year without the presence of the Executive Directors and Management to discuss on audit findings, audit plan and the Company's financial statements.

The ARMC discusses with the external auditors periodically the nature and scope of the audit and reporting obligations before the audit commences, and seeks their professional advice to ensure that accounting standards are complied with. The ARMC also ensures that the Management provides timely responses on all material queries raised by the external auditors after the audit in respect of the accounting records, financial accounts or systems of control.

In respect of the appointment or re-appointment of external auditors, the ARMC is accorded with the responsibility to review the suitability and independence of the external auditors before appropriate recommendation is made to the Board and shareholders. In assessing the suitability and independence of the external auditors, the ARMC received the written confirmation from the external auditors regarding their independence and the measures used to control the quality of their work.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE VI
RECOGNISE AND MANAGE RISK

The ultimate responsibility for ensuring a sound and effective internal control system lies with the Board. The Board sets policies and procedures for internal control and oversees that the implementation of the internal control system is properly carried out by the Management to safeguard shareholders' investments and the Company's assets.

The Board acknowledges that while the internal control system is devised to cater for particular needs of the Group and risk management, such controls by their nature can only provide reasonable assurance against material misstatements or loss. A Statement on Risk Management and Internal Control is set out on pages 136 to 140 of this Annual Report.

PRINCIPLE VII
ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

In Westports, we believe that it is important to achieve corporate accountability by disclosing timely and appropriate information to our stakeholders. In this regard, the Board has established and adopted the Corporate Disclosure Policies and Procedures which have taken into account the recommendations contained in the MCCG 2012 and the disclosure obligations stipulated in the Bursa Listing Requirements. The policy aims to promote a high standard of integrity and transparency through timely, accurate, quality and full disclosure.

Under the policy, Westports strives to develop an effective Investor Relations programme and strategy to communicate the corporate vision, strategies, developments, financial plan and prospects to the investors, shareholders and other stakeholders fairly and accurately and to obtain feedback from the stakeholders. In this connection, the Company's Executive Chairman and CEO have been appointed as the spokesperson to communicate with the audience constituents and respond to questions from the public.

In disseminating the corporate information and disclosure, Westports has made use of a broad range of communication channels, which includes but is not limited to, the electronic facilities provided by Bursa Malaysia, press releases, letters to shareholders, the Company's website, emails, investors/news conferences, road shows/events and general meeting of the Company.

Westports recognises the need and importance of leveraging on information technology in communicating with its shareholders and stakeholders efficiently and effectively. All timely disclosures and material information are published and retained in the Company's website, such as the Company's Annual Report, quarterly financial results, announcements to Bursa Malaysia, press releases etc. In addition, the contact details of the Company's designated persons are listed in the Company's website to enable the public to forward their queries to or request information from the Company.

Aside from that, the Company also organises quarterly briefings and conference calls to fund managers, institutional investors, investment analysts and the media upon the announcement of the Company's quarterly financial results to keep the interested public updated on the progress and development of the business and prospects of the Company.

PRINCIPLE VIII
STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Westports has been transparent and accountable to its shareholders and recognises the importance of timely dissemination of information to shareholders. The Board is committed to ensure that the shareholders are well informed of major developments of the Group and the information is communicated to them through the following channels:

- The Company's Annual Report;
- Various disclosures and announcements to Bursa Malaysia including quarterly financial results;
- Press releases and announcements to Bursa Malaysia and to the media;
- Dialogues and presentations at general meetings to provide overview and clear rationale with regards to the proposals tabled for approval by shareholders; and
- Investor relations section on the Company's website at www.westportsholdings.com.

Whilst the Company endeavours to provide as much information as possible to its shareholders, the Company is mindful of the legal and regulatory framework governing the release of material and price sensitive information.

The AGM and any general meeting of the Company serves as the principal forum for shareholders to have direct access to the Board and provides the opportunity for shareholders to raise questions pertaining to issues related to the Annual Report, Audited Financial Statements, corporate developments, resolutions being proposed, and the businesses of the Group. Dialogues and presentations will be conducted during the general meetings to provide overview and clear rationale with regards to the proposals tabled or the affairs of the Company.

Shareholders are encouraged to attend the general meeting and participate in the question and answer session on the resolutions being proposed or on the Group's operation in general. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf in the general meeting in accordance with the Company's Articles. The Executive Chairman, CEO, Board members in attendance and the external auditors, if so required, will endeavour to respond to shareholders' questions during the meeting.

Proper notices of AGM or any general meeting are at all times despatched to the shareholder at least twenty one (21) days prior to the meetings, unless otherwise required by law, in order to provide sufficient time to shareholders to understand and evaluate the subject matter. Each item of special business included in the notice of the meeting is accompanied by a full explanatory statement for the proposed resolution to facilitate better understanding and evaluation of issues involved.

In accordance with the Articles of the Company, all the resolutions put forth for decision at the general meeting of the Company are determined by a show of hands, unless a poll is demanded by shareholders or required by law. The Board encourages poll voting where the Chairman of the meeting would at the outset of the general meeting inform the shareholders of their right to demand a resolution to be voted by poll. The Board will consider the use of electronic voting system to facilitate greater shareholders' participation after taking into consideration of its reliability, applicability and cost efficiency. The outcome of the AGM is announced to Bursa Malaysia on the same day the meeting is held.

In addition to general meetings, shareholders and the interested public are also welcomed to raise their queries at any time through the designated person listed in the Company's website or to the Executive Chairman and CEO.

This Corporate Governance Statement is made in accordance with the resolution of the Board dated 4 March 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of public listed companies should establish a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. Set out below is the Statement on Risk Management and Internal Control provided by the Board of Westports Holdings Berhad pursuant to Paragraph 15.26 (b) of the Bursa Listing Requirements and Practice Note 9 issued by Bursa Malaysia and the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Issuers.

BOARD'S RESPONSIBILITY

The Board in discharging its responsibilities is fully responsible and accountable for the governance of the Group's risk management and internal controls. It acknowledges that a control environment and a framework that is conducive are necessary to achieve a sound system of risk management and internal control. The Board has delegated its authority and empowered the Audit and Risk Management Committee ("ARMC") to oversee the implementation of a system of risk management and internal control.

The Board acknowledges that the risk management and internal control systems are designed to manage, rather than eliminate risks that hinder the Group from achieving its goals and objectives. The Board wishes to state that all these risk controls and mitigation can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud and losses.

The Board has received assurance from the CEO and CFO that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management model adopted by the Group.

RISK MANAGEMENT

The Board regards the risk management and internal control system as an integral part of the Group's strategic planning and day-to-day operations. The Board and Management have established an Enterprise Risk Management ("ERM") Framework to continuously identify, evaluate, monitor and to manage significant risks that materially affect the achievement of the Group's corporate objectives.

Risk assessment and evaluation are integral to the Group's annual strategic planning and day-to-day operations. Under the ERM Framework, the detailed risk management process is the responsibility of the Risk Sub-Committee ("RSC") comprising of senior members of the Management team. The RSC meets on a quarterly basis to review, identify and assess key risks facing the Group and submit its report to the ARMC. Supporting the RSC in its roles are the Risk Champions who are representatives from the respective sections of the Group and business units, who will be responsible for identifying, evaluating, managing and monitoring key risks. In formalising the Risk Register, Heads of Departments have identified who are responsible for identifying action plans to manage and mitigate the risks, with a timeline for completion.

The ERM Framework uses the ORCA (objectives, risks, control and alignment) methodology and comprises the following activities:

- Articulating and communicating the objective of the organisation;
- Determining the risk appetite of the organisation;
- Establishing an appropriate internal environment, including a risk management framework;
- Identifying potential threats to the achievement of the objectives;
- Assessing the risk i.e. the impact and likelihood of the threat occurring;
- Selecting and implementing responses to the risks;
- Undertaking control and other response activities;
- Communicating information on risks in a consistent manner at all levels in the organisation;
- Centrally monitoring and coordinating the risk management process and the outcomes; and
- Providing assurance on the effectiveness with which risks are managed.

INTERNAL CONTROL SYSTEM

The Board and Management have established numerous processes for identifying, evaluating and managing the significant risks faced by the Group.

The key components of the Group's internal control system include:

a. Organisation Structure

In providing direction and oversight, the Board is supported by a number of Board Committees namely the ARMC and NRCGC. Each Committee has formal defined terms of reference and responsibilities.

Responsibility for implementing the Group's strategies and day-to-day businesses, including implementing the system of risk management and internal control, is delegated to Management. The organisation structure facilitates the segregation of roles and responsibilities, lines of accountability and levels of authority to promote an effective and independent stewardship.

b. Audit and Risk Management Committee

The ARMC comprises exclusively Independent Non-Executive members of the Board. The current ARMC comprises members who bring with them a wide range of knowledge, expertise and experience from various industries and backgrounds.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The ARMC responsibilities include amongst others, to deliberate over the Group's financial reporting process, the system of internal controls and management of enterprise risk, the audit process both external and internal, related party transactions and the Group's processes for monitoring compliance with laws and regulations, its own code of conduct and such other matters which may be specifically delegated to the ARMC by the Board from time to time.

The ARMC also reviews and reports to the Board on the appointment and independence of the external auditors and their audit plan, nature, approach, scope and other examinations of external audit matters. It also reviews the adequacy and effectiveness of the internal audit function which is further described in the following section on Internal Audit.

The ARMC convenes meetings at least once every quarter and has unrestricted access to the internal and external auditors and all employees of the Group. The Chairman of the ARMC provides the Board with reports on all meetings of the ARMC.

c. Internal Audit

The Internal Audit Department ("IAD") is an integral part of the Group's internal control system, with the function reporting directly to the ARMC and administratively to the CEO. The primary role is to provide independent, objective assurance and consulting services designed to add value and improve the operations in the Group. It assists the Group to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, control and governance processes.

IAD develops risk-based audit plans annually, consistent with the Group's objectives and strategies articulated in the annual budget plan and conducts internal audit engagements accordingly. In the course of performing its duties, IAD has unrestricted access to all functions, records, documents, personnel and any other resource or information at all levels throughout the Group. Audits are performed on key units or areas in the audit population, the frequency of which is determined by the level of risk assessed, with a view of providing an independent and objective report on operational and management activities in the Group.

The yearly internal audit plans are reviewed and approved by the ARMC and the results of the audits are communicated and reported periodically to Management and the ARMC.

d. Code of Conduct

The Group is committed to conduct its business fairly, impartially and ethically and to comply with all laws and regulations. To this end, the Group has a Code of Conduct (the "Code") which sets standards for the employees within the Group. The Code primarily promotes honest and ethical conduct, including the ethical handling of actual or apparent conflict of interest between personal and professional relationships at the workplace and for employees to observe applicable rules, regulations and local laws. In the performance of duties, the employees are expected to carry out their mandate and responsibility to the best of their ability and judgement and maintain the highest standard of integrity and conduct.

e. Whistleblower Policy

The policy on whistle blowing is set out in the Whistleblower Policy. The policy encourages employees or a person or entity making a protected disclosure ("Whistleblower") to raise concerns internally and at a high-level and to disclose information which the individual believes shows malpractice or misconduct is being committed. This also covers concerns which are in the public interest and may be investigated at least initially, so that appropriate remedial action can be taken.

The Whistleblower Policy also includes provisions to safeguard the confidentiality of the Whistleblower, ensure no retaliation against the Whistleblower if he or she has acted in good faith and measures to avoid abuse of the policy for purposes of making false or malicious allegations.

Any complaints or reports can be directed to the CEO or the Head of Human Resources. In addition, should the Whistleblower believe that the Group is better served if the report was addressed to levels higher than Management, the complaint or report can be submitted directly to the Chairman of the ARMC.

f. Information Security Management System

Our Information Security Management System ("ISMS") is certified under the ISO/IEC27001 standard. The objective of ISMS is to ensure that core and supporting business operations operate with minimal disruptions, the information produced have integrity and the data are managed and stored with confidentiality procedures. The ISMS standard for the Group covers the management, operation, maintenance of information assets and information system.

g. Policies and Procedures

The Group has policies, procedures, service level agreements and contracts to guide staff in their day-to-day tasks. The policies and procedures cover Company-wide functions and are regularly reviewed and updated as and when necessary.

h. Management Committees

The Group has various management committees with specific terms of reference and authority limits. The objective of the committees is to act collectively to make key decisions in relation to activities of the Group.

i. Limits of Authority

The Limits of Authority ("LOA") describes the system of delegation of authority. The LOA outlines matters reserved for the Board's approvals, delegation and authority limits to the Executive Chairman and CEO. It also provides guidance on the segregation of responsibilities between the Board and Management.

The objective of the LOA is to ensure effective authorisation limits and their delegations within the Group for consistent good business practices and governance and to safeguard the Group's assets.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

j. Business Continuity Plan

The Group recognises the importance of a Business Continuity Plan ("BCP") to ensure business resilience and capability to recover from a crisis. The Group's BCP which contains the responses and strategies that the Group will undertake for critical business functions and the resource requirements to ensure business continuity during a crisis period.

CONCLUSION

The Board is pleased to report for the financial year under review and up to the date of this report, that the state of the internal control system and risk management practices are able to meet the objectives of the Group and to facilitate good corporate governance. There was no material control failure or weakness that would have a material adverse impact on the results of the Group for the period under review and up to the date of this report that would require a separate disclosure in the Group's annual report or financial statements.

This statement is made in accordance with a resolution of the Board dated 4 March 2016.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION

The ARMC was constituted by the Board on 13 March 2013 with a defined Charter of its own. The ARMC assists the Board in fulfilling the Board's responsibilities with respect to its oversight responsibilities. The ARMC will review and monitor the integrity of the Group's financial reporting process, its management of risk and internal control system, its audit process as well as compliance with legal and regulatory matters, its own code of business conduct and such other matters that may be specifically delegated to the ARMC by the Board from time to time.

COMPOSITION AND MEETINGS

The ARMC comprises of three (3) members who are Independent Non-Executive Directors. All members of the ARMC are financially literate and are able to read, analyse, interpret and understand financial statements in order to effectively discharge their duties and responsibilities as members of the ARMC. The Chairman of the ARMC, Dato' Yusli Bin Mohamed Yusoff, is a member of the Institute of Chartered Accountants in England and Wales, the Malaysian Institute of Accountants and is also an honorary member of the Institute of Internal Auditors Malaysia.

The members of the ARMC and their attendance of ARMC Meetings during the financial year ended 2015 are as follows:

Name	Designation	Directorship	Meetings Attended
Dato' Yusli Bin Mohamed Yusoff	Chairman	Independent Non-Executive	4 out of 4
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil	Member	Independent Non-Executive	4 out of 4
Dato' Abdul Rahim Bin Abu Bakar	Member	Independent Non-Executive	4 out of 4

SUMMARY OF THE CHARTER OF THE ARMC

Composition & Requirements

- The ARMC members shall be appointed by the Board from among its members and shall comprise of not less than three (3) members.
- The Chairman of the ARMC shall be appointed by the Board and shall be an Independent Non-Executive Director.
- All members of the ARMC shall be Non-Executive Directors with a majority being Independent Directors.
- Alternate Directors shall not be appointed as members of the ARMC.
- At least one (1) member of the ARMC must meet the following required qualification:
  - a member of the Malaysian Institute of Accountants; or

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' relevant working experience and he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
- fulfills such other requirements as prescribed by Bursa Malaysia.

Authority

The ARMC is duly authorised by the Board to:

- investigate any activities within its Charter;
- seek any information required from any employee of the Group and to be provided with full and unrestricted access to such information;
- maintain direct communication channels with the external and internal auditors;
- obtain external legal or independent professional advice or invite outsiders with relevant experience to attend the ARMC meeting and to advise the ARMC, if the ARMC deems appropriate to carry out its functions under the Charter;
- have access to the Group's resources at the Group's expense to perform its duties;
- convene meetings with the internal and external auditors (excluding the attendance of other directors and management), if necessary; and
- recommend steps or propose course of action, where required, to the Board on matters arising from the discharge of the ARMC's duties and responsibilities.

Duties and Responsibilities

The duties and responsibilities of the ARMC, amongst others, are to:

- review with the external auditors, their audit plan;
- review with the external auditors, their evaluation of the system of internal accounting controls;
- review with the external auditors, their audit report and management letter, if any;
- review the assistance given by the Group's officers to the external auditors;
- review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- review the internal audit programmes, processes, the findings reflected in the internal audit reports, or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- approve any appointment or termination of senior members of the internal audit function and take cognizance of resignations of internal audit staff members and provide the resigning staff an opportunity to submit his reasons for resigning;
- review the quarterly financial results and year-end financial statements, prior to the approval by the Board, focusing particularly on:
    i. changes in or implementation of major accounting policy changes;
    ii. significant and unusual events;

iii. compliance with accounting standards and other legal requirements; and

iv. the going concern assumption.

- review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions on management integrity;
- consider the nomination, appointment and re-appointment of external auditors, their audit remuneration and any questions on resignation, suitability and dismissal;
- report its activities to the Board in such form and manner and at such times as it deems appropriate; and
- report to Bursa Malaysia where the ARMC is of the view that a matter it reported to the Board has not been satisfactorily resolved resulting in a breach of Bursa Listing Requirements.

Meetings

- The ARMC shall meet at least four (4) times during each financial year.
- In addition to its four (4) meetings each financial year, the ARMC may take action by way of circular resolutions.
- The ARMC may request to meet other Board members, any officer or employee of the Group, external legal counsel, internal or external auditors and consultants and if necessary, in separate private sessions.
- The ARMC shall meet with the external and internal auditors in separate private sessions at least twice (2) in each financial year without Executive Board members and Senior Management present.
- The Chairman of the ARMC shall provide to the Board a report of the ARMC meetings.
- The Company Secretary shall be the Secretary of the ARMC.

SUMMARY OF ACTIVITIES OF THE ARMC

The Chairman of the ARMC reports regularly to the Board on the activities carried out by the ARMC in the discharge of its duties and responsibilities as set out in its Charter. The ARMC convened four (4) meetings during the financial year ended 31 December 2015. The principal activities undertaken during the financial year and up to the date of this report are as follows:

Risks Management and Internal Control

- Reviewed the Risk Register of the Group on a quarterly basis before recommending the same to the Board for adoption;
- Reviewed and recommended the following policies to the Board for approval and adoption:

i) Policy on Write-off of Doubtful Debts;
ii) Policy on Open Credits;
iii) Policy on Write-off of Assets;
iv) Limits of Authority;
v) Business Continuity Plan;
vi) Audit and Risk Management Committee Charter;
vii) Code of Conduct;
viii) Insider Dealing Policy;
ix) Internal Audit Charter; and
x) Risk Management Policy.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Financial Reporting

- Reviewed with the officers of the Group and external auditors the quarterly financial results, annual audited financial statements and any other related financial statements and announcements of the Group prior to approval of the Board and public release;
- Reviewed significant related party transactions as reported in the quarterly financial results to ensure compliance with the Listing Requirements and the Group's policies and procedures as well as the appropriateness of such transactions before recommending them to the Board for approval; and
- Reviewed the Report of the ARMC, the Statement on Risk Management and Internal Control prior to their inclusion in the Company's Annual Report.

Internal Audit

- Reviewed the Group's internal audit plan for year 2015;
- Reviewed the Internal Audit report quarterly which covers findings, recommendation, management response and action plan from the management in resolving the issues;
- Conducted annual review on the Group's Internal Audit Charter, and
- Assessed the adequacy of scope, functions, competency and resources of the Internal Audit function.

External Audit

- Reviewed with the external auditors, their terms of engagement, proposed audit remuneration and the audit plan for the financial year to ensure that their scope of work adequately covers the activities of the Group;
- Reviewed and discussed with the external auditors the audit finding in relation to the statutory audit for the financial year ended 31 December 2015;
- Reviewed management representation and approach on fraud, potential non-compliance with laws and regulations and any potential instances of major litigations;
- Reviewed with external auditors on audit materiality and setting of materiality thresholds;
- Reviewed the independence, suitability, objectivity and cost effectiveness of the external auditors before recommending their re-appointment and remuneration to the Board;
- Reviewed the level of compliance of the external auditors with the Group's external audit independence policy; and
- Met with the external auditors twice without the presence of Executive Board members and Management.

Others

- Reviewed with Management, the Group budget for financial year ending 31 December 2016;
- Discussed the incident report that occurred on 1 August 2015; and
- Discussed Key Business Drivers of the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group has established an in-house IAD that functionally reports directly to the ARMC and administratively to the CEO. The IAD conducts independent scheduled audits to ensure there are effective risk monitoring, internal controls, governance processes and compliance procedures to provide the level of assurance required by the Board. The conduct of IAD work is governed by the Internal Audit Charter that provides for its independence and reflects the roles and responsibilities, accountability and scope of work of the department.

In conducting their independent audits, the IAD places emphasis on risk based auditing approach which forms an integral part of the audit plans. The key in solving lapses in internal control is the submission of audit findings, recommendations on audit issues and execution of agreed action plan which are encompassed in the audit reports.

IAD submits their findings and audit recommendations to the Management for attention and further actions. Management is responsible to ensure that the corrective actions are implemented within the required time frame.

Subsequently, the audit report which provides the results of the audit conducted is submitted to the ARMC for review. Key control issues and recommendations are highlighted to enable the ARMC to execute its oversight function.

The ARMC reviews and approves the IAD's human resource requirements to ensure that the function is adequately resourced with competent and proficient Internal Auditors. The operational cost for the internal audit function for the financial year 2015 was RM439,020.

This statement is made in accordance with a resolution of the Board dated 4 March 2016.

FINANCIAL STATEMENTS


Températures* Précipitations**
35 / 10
8 / 1
0 / 0
180 / 9
200 / 13
75 / 8
25 / 6
55 / 8
25 / 2
0 / 0
35 / 3
80 / 5
40 / 7
70 / 1
0 / -8
31 / 16
25 / 17
30 / 25
31 / 24
10 / 0
2 / -4
12h45
12h35
12h30
12h25
12h20
12h20
12h15
12h15
12h10
12h10

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities and provision of management services to its subsidiary, whilst the principal activities of the subsidiary are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	504,864	390,827

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company paid:

i) a second interim ordinary dividend of 6.15 sen per ordinary share totalling to RM209,715,000 in respect of the financial year ended 31 December 2014 on 11 March 2015; and

ii) a first interim ordinary dividend of 5.32 sen per ordinary share totalling to RM181,412,000 in respect of the financial year ended 31 December 2015 on 26 August 2015.

Subsequent to the financial year end, on 3 February 2016 the Directors declared a second interim ordinary dividend of 5.78 sen per ordinary share on the issued and paid-up share capital in respect of the financial year ended 31 December 2015.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Tan Sri Datuk Gnanalingam a/l Gunanath Lingam
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil
Dato' Abdul Rahim bin Abu Bakar
Dato' Yusli bin Mohamed Yusoff
Ruben Emir Gnanalingam bin Abdullah
Chan Chu Wei
Jeyakumar Palakrishnar
Ip Sing Chi
Kim, Young So
Tan Sri Ismail Bin Adam
John Edward Wenham Meredith (resigned with effect from 16 November 2015)
Ruth Sin Ling Tsim (appointed with effect from 16 November 2015)
Raymond Pak Ying Law (appointed as an alternate Director to Ip Sing Chi and
Ruth Sin Ling Tsim with effect from 16 November 2015)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares and options over shares of the Company of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.10 each			
	At 1.1.2015	Bought	Sold	At 31.12.2015
Shareholdings in which Directors have direct interests				
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil	600,000	-	(400,000)	200,000
Tan Sri Datuk Gnanalingam a/l Gunanath Lingam	210,000	-	-	210,000
Dato' Abdul Rahim bin Abu Bakar	600,000	-	(370,000)	230,000
Chan Chu Wei	1,000,000	-	-	1,000,000
Jeyakumar Palakrishnar	550,000	-	(350,000)	200,000
Kim, Young So	500,000	-	(500,000)	-

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

	Number of ordinary shares of RM0.10 each			
	At 1.1.2015	Bought	Sold	At 31.12.2015
Shareholdings in which Directors have deemed indirect interests				
Tan Sri Datuk Gnanalingam a/l Gunanath Lingam				
Own:				
- Pembinaan Redzai Sdn. Bhd. *	1,445,361,500	-	-	1,445,361,500
Others:				
- Semakin Ajaib Sdn. Bhd. @	105,638,500	-	-	105,638,500
Ruben Emir Gnanalingam bin Abdullah				
Own:				
- Pembinaan Redzai Sdn. Bhd. *	1,445,361,500	-	-	1,445,361,500
- Semakin Ajaib Sdn. Bhd. #	105,638,500	-	-	105,638,500
Jeyakumar Palakrishnar				
Others ^	100,000	-	(50,000)	50,000

* Deemed interested in the shares of the Company to the extent that Pembinaan Redzai Sdn. Bhd. has an interest.

@ Puan Sri Datin Ng Siew Yong is the spouse of Tan Sri Datuk Gnanalingam a/l Gunanath Lingam. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests and deemed interests of Puan Sri Datin Ng Siew Yong in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall also be treated as the interests of Tan Sri Datuk Gnanalingam a/l Gunanath Lingam.

By virtue of his interest in Semakin Ajaib Sdn. Bhd. Ruben Emir Gnanalingam bin Abdullah is deemed interested in the shares of the Company to the extent that Semakin Ajaib Sdn. Bhd. has an interest in the Company.

^ Ms. Selvamalar a/p S. Alagaratnam is the spouse of Jeyakumar Palakrishnar. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests and deemed interests of Ms. Selvamalar a/p S. Alagaratnam in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall also be treated as the interests of Jeyakumar Palakrishnar.

By virtue of their interest in the shares of the Company above, Tan Sri Datuk Gnanalingam a/l Gunanath Lingam and Ruben Emir Gnanalingam bin Abdullah are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Westports Holdings Berhad has an interest.

None of the other Directors holding office at 31 December 2015 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 31 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTINUED)

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

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

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

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil

Ruben Emir Gnanalingam bin Abdullah

Kuala Lumpur,
Date: 3 February 2016

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-current assets					
Property, plant and equipment	4	1,369,283	1,321,691	-	-
Concession assets	5	1,920,752	1,877,216	-	-
Investments in subsidiaries	6	-	-	1,030,130	1,030,130
Total non-current assets		3,290,035	3,198,907	1,030,130	1,030,130
Current assets					
Investment in securities	7	103,165	-	103,165	-
Trade and other receivables	8	240,182	202,657	9	11,340
Cash and cash equivalents	9	396,173	444,558	1,331	32
Total current assets		739,520	647,215	104,505	11,372
Total assets		4,029,555	3,846,122	1,134,635	1,041,502
Equity					
Share capital	10	341,000	341,000	341,000	341,000
Share premium		697,000	697,000	697,000	697,000
Reserves		860,121	726,235	23,249	3,400
Total equity		1,898,121	1,764,235	1,061,249	1,041,400
Non-current liabilities					
Borrowings	11	1,150,000	1,150,000	-	-
Employee benefits	12	10,302	9,992	-	-
Deferred tax liabilities	13	288,475	272,665	-	-
Service concession obligation	14	368,876	398,838	-	-
Total non-current liabilities		1,817,653	1,831,495	-	-
Current liabilities					
Trade and other payables	15	149,298	131,267	73,386	102
Provisions	16	96,014	86,925	-	-
Tax payable		38,507	5,476	-	-
Service concession obligation	14	29,962	26,724	-	-
Total current liabilities		313,781	250,392	73,386	102
Total liabilities		2,131,434	2,081,887	73,386	102
Total equity and liabilities		4,029,555	3,846,122	1,134,635	1,041,502

The notes on pages 159 to 209 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue	17	1,681,783	1,562,079	394,815	353,182
Cost of sales	18	(799,421)	(747,091)	-	-
Gross profit		882,362	814,988	394,815	353,182
Other income		5,508	9,974	-	-
Administrative expenses		(27,975)	(35,910)	(2,576)	(2,557)
Other expenses		(146,022)	(146,329)	-	-
Results from operating activities		713,873	642,723	392,239	350,625
Finance income	19	14,897	11,094	37	-
Finance costs	20	(78,627)	(75,036)	(1,448)	-
Profit before tax	21	650,143	578,781	390,828	350,625
Taxation	22	(145,279)	(66,576)	(1)	1
Profit for the year		504,864	512,205	390,827	350,626
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Fair value of available-for-sale financial assets		20,149	-	20,149	-
Total comprehensive income attributable to the owners of the Company		525,013	512,205	410,976	350,626
Basic earnings per ordinary share (sen)	23	14.81	15.02		

The notes on pages 159 to 209 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Group	Note	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Goodwill written off reserve RM'000	Retained earnings RM'000	Total RM'000
		Attributable to owners of the Company					
		Non-distributable				Distributable	
At 1 January 2014		341,000	697,000	-	(47,732)	613,674	1,603,942
Profit/Total comprehensive income for the year		-	-	-	-	512,205	512,205
Distributions to owners of the Company							
- Dividends	24	-	-	-	-	(351,912)	(351,912)
Total transactions with owners of the Company		-	-	-	-	(351,912)	(351,912)
At 31 December 2014/ 1 January 2015		341,000	697,000	-	(47,732)	773,967	1,764,235
Fair value of available-for-sale financial assets		-	-	20,149	-	-	20,149
Profit for the year		-	-	-	-	504,864	504,864
Total comprehensive income for the year		-	-	20,149	-	504,864	525,013
Distributions to owners of the Company							
- Dividends	24	-	-	-	-	(391,127)	(391,127)
Total transactions with owners of the Company		-	-	-	-	(391,127)	(391,127)
At 31 December 2015		341,000	697,000	20,149	(47,732)	887,704	1,898,121

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

		Attributable to owners of the Company				
		Non-distributable			Distributable	
Company	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Fair value reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**
At 1 January 2014		341,000	697,000	-	4,686	1,042,686
Profit/Total comprehensive income for the year		-	-	-	350,626	350,626
Distributions to owners of the Company						
- Dividends	24	-	-	-	(351,912)	(351,912)
Total transactions with owners of the Company		-	-	-	(351,912)	(351,912)
At 31 December 2014/ 1 January 2015		341,000	697,000	-	3,400	1,041,400
Fair value of available-for-sale financial assets		-	-	20,149	-	20,149
Profit for the year		-	-	-	390,827	390,827
Total comprehensive income for the year		-	-	20,149	390,827	410,976
Distributions to owners of the Company						
- Dividends	24	-	-	-	(391,127)	(391,127)
Total transactions with owners of the Company		-	-	-	(391,127)	(391,127)
At 31 December 2015		341,000	697,000	20,149	3,100	1,061,249

The notes on pages 159 to 209 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from operating activities				
Profit before tax	650,143	578,781	390,828	350,625
Adjustments for:				
Amortisation of dredging expenditure	1,740	3,818	-	-
Amortisation of concession assets	62,077	60,892	-	-
Depreciation of property, plant and equipment	91,363	81,801	-	-
Dividend income	(734)	-	(394,815)	(353,182)
(Gain)/Loss on disposal of property, plant and equipment	(1,229)	33	-	-
Property, plant and equipment written off	929	11,716	-	-
Concession assets written off	6,171	128	-	-
Spares written off	-	1,173	-	-
Finance costs – accretion of service concession obligation	22,342	23,674	-	-
Finance costs – borrowings	56,285	51,362	-	-
Finance income	(14,897)	(11,094)	(37)	-
Provision for retirement benefits	548	533	-	-
Impairment loss on trade receivables	242	-	-	-
Loss from liquidation of a subsidiary	-	-	-	28
Operating profit/(loss) before working capital changes	874,980	802,817	(4,024)	(2,529)
Changes in working capital:				
Trade and other receivables	(34,795)	(6,132)	(5)	145
Trade and other payables	18,031	(152,893)	30	(250)
Provisions	9,089	17,726	-	-
Cash generated from/(used in) operations	867,305	661,518	(3,999)	(2,634)
Income tax (paid)/refunded	(96,438)	(47,921)	(1)	1
Retirement benefits paid	(238)	(253)	-	-
Net cash generated from/(used in) operating activities	770,629	613,344	(4,000)	(2,633)
Cash flows from investing activities				
Interest received	14,897	11,094	37	-
Dividend received	734	-	394,815	353,182
Proceeds from disposal of property, plant and equipment	1,841	784	-	-
Purchase of property, plant and equipment	(144,724)	(255,602)	-	-
Additions to concession assets	(106,703)	(64,925)	-	-
Purchase of spares, net	(853)	(222)	-	-
Purchase of investment in securities	(83,016)	-	(83,016)	-
Payment for dredging expenditure	(4,712)	-	-	-
Net cash (used in)/generated from investing activities	(322,536)	(308,871)	311,836	353,182

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities					
Fixed deposits pledged for borrowings		(1,090)	(6,300)	-	-
Interest paid		(56,285)	(50,593)	-	-
Proceeds from liquidation of a subsidiary		-	-	-	8,758
Advances from / (Repayment to) a subsidiary		-	-	84,590	(7,365)
Proceeds from borrowings		-	250,000	-	-
Dividends paid to shareholders		(391,127)	(351,912)	(391,127)	(351,912)
Annual lease paid for use of port infrastructures and facilities		(49,066)	(49,066)	-	-
Net cash used in financing activities		(497,568)	(207,871)	(306,537)	(350,519)
Net (decrease)/increase in cash and cash equivalents		(49,475)	96,602	1,299	30
Cash and cash equivalents at 1 January		414,202	317,600	32	2
Cash and cash equivalents at 31 December	(i)	364,727	414,202	1,331	32

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

		Group		Company	
	Note	2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Cash and bank balances	9	108,504	96,883	1,331	32
Fixed deposits with licensed banks	9	287,669	347,675	-	-
		396,173	444,558	1,331	32
Less: Pledged deposits	9	(31,446)	(30,356)	-	-
		364,727	414,202	1,331	32

The notes on pages 159 to 209 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Westports Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
P.O. Box 266
Pulau Indah
42009 Port Klang
Selangor Darul Ehsan

Registered office
Lot 6.05, Level 6, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2015 comprise the Company and its subsidiary as disclosed in Note 6 (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally involved in investment holding and the provision of management services to its subsidiary, whilst the principal activities of its subsidiary and its effective ownership interests are as stated in Note 6 to the consolidated financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 3 February 2016.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The following are the accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations, where applicable:

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016; and

- from the annual period beginning on 1 January 2018 for the accounting standards that are effective for annual periods beginning on or after 1 January 2018.

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The initial application of the abovementioned accounting standards, amendments or interpretations, where applicable are not expected to have any material impact to the financial statements of the Group and the Company except as mentioned below:

(i) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

(ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 26.7 – fair value of financial instruments that uses significant unobservable inputs in determination of the fair values.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(iii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market and also includes trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(b) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debts securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for debt instrument using the effective interest method is recognised in profit or loss.

Loans and receivables and available-for-sale financial assets are subject to review for impairment (see Note 2(i)(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component are depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

• Plant, machinery and equipment	5 to 30 years
• Motor vehicles	5 to 7 years
• Office equipment, furniture and fittings	3 to 10 years

Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Spares are charged to profit or loss upon usage.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Concession assets

(i) Recognition and measurement

(a) Service concession arrangement

Pursuant to a privatisation agreement signed between a subsidiary, namely Westports Malaysia Sdn. Bhd. ("WMSB") and the Government of Malaysia ("GOM") and Port Klang Authority ("PKA") on 25 July 1994, the subsidiary is granted a license to provide port services for an initial period of 30 years with an additional 30 years, (which was granted on 26 June 2014) upon the fulfilment of the terms and conditions as set out under the supplemental privatisation agreement, primarily on commitments to construct and operationalise certain additional port infrastructures and facilities in respect of the subject port.

The Group recognises concession assets arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructures and facilities. Concession assets received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition. Subsequent to initial recognition, the concession assets are measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of concession assets in a service concession arrangement is over the concession period extended to the Group (as disclosed in Note 2(e)(i)(b) and Note 2(e)(iii)).

The Group recognised port infrastructure and facilities as concession assets which include land reclamation, terminals, buildings, warehouse, paved areas, landscaping and certain assets under constructions.

Cost includes expenditures that are directly attributable to the acquisition or construction of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

(b) Annual lease payments for the use of port infrastructures and facilities

The Group recognised concession assets (and related service concession obligation) arising from lease rental payable for the relevant port infrastructures and facilities under the privatisation agreement at fair value on the first day of service concession arrangement or where impracticable, on the earliest period presented, arising from the adoption of IC Interpretation 12 *Service Concession Arrangements*.

The concession assets arising from the above are amortised over the relevant concession period.

Upon initial recognition, the concession assets are measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the concession assets are accounted for in accordance with the accounting policy applicable to concession assets.

Minimum lease payments made are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the concession period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Concession assets (continued)

(ii) Subsequent costs

When significant parts of concession assets are required to be replaced in intervals, the Group recognises such parts as individual assets at cost with specific useful lives and depreciation, respectively, if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss.

(iii) Amortisation

Concession assets (other than annual lease payments for the use of land and facilities as disclosed in Note 2(e)(i)(b)) are amortised over the extended concession period. The initial concession period is 30 years ending 2024 and an additional period of 30 years which was granted on 26 June 2014. Amortisation on assets under construction included in concession assets commences only when the assets are ready for their intended use and are amortised over the remaining concession period.

(iv) Determination of fair values

The fair value of a concession asset received as consideration for providing construction services in a service concession arrangement is estimated by reference to the fair value of the construction services provided. The fair value is calculated as the estimated total construction cost plus a profit margin, which the Group evaluates and determined to be a reasonable margin earned.

When the Group receives a concession asset and a financial asset as consideration for providing construction services in a service concession arrangement, the Group estimates the fair value of concession assets as the difference between the fair value of the construction services provided and the fair value of the financial asset received.

(f) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leased assets (continued)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(h) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares are classified as equity.

(i) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets are reviewed at the end of each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amount of other assets in the cash-generating unit (groups of cash-generating units) on a pro-rata basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (continued)

(ii) Other assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related services is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contribution to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Defined benefit plan

The Group's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group determines the present value of the defined benefit obligation and fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, considering the estimated future cash outflows using market yields at reporting date of government securities which have currency and terms to maturity approximating the terms of the related liability.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee benefits (continued)

(iii) Defined benefit plan (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income.

The Group has a defined benefit plan, the benefit of which is payable upon retirement, calculated by reference to length of service and the employees' estimated retirement basic salary. The liability in respect of the defined benefit plan recognised as at the reporting date is the present value of the defined benefit obligation at the reporting date. As at the reporting date, the defined benefit plan is unfunded.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that the reimbursement will be received if the entity settles the obligation. The reimbursement shall be presented as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. In the statement of profit or loss and comprehensive income, the expense relating to a provision is presented net of the amount recognised for a reimbursement.

(l) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(n) Revenue and other income

(i) Service concession arrangement

Service revenue is recognised in profit or loss upon the performance of services in respect of port operations, net of discounts at the end of the reporting period.

Revenue related to construction or upgrade services under a service concession arrangement is recognised based on the stage of completion of the work performed.

(ii) Rental income

Rental income from land and building is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as other income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue and other income (continued)

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(o) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(p) Earnings per ordinary share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment's results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical asset or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises the transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. SERVICE CONCESSION ARRANGEMENT

On 25 July 1994, a subsidiary of the Group, WMSB entered into a privatisation agreement with PKA and GOM (collectively, PKA and GOM are known as the "Grantor"). The agreement ("Privatisation Agreement") provides the subsidiary with the licence to operate the port and to lease the said port property. Under the terms of the agreement, the subsidiary will operate the port for a period of 30 years, commencing from 1 September 1994 ("Take-over Date").

The Group has the right to charge the users of the port for services rendered, which the Group will collect and retain; however, the fees are capped subject to the tariffs for port services as determined by PKA and GOM. At the end of the concession period, the relevant port infrastructures and facilities will revert to the Grantor and the Group will have no further involvement in its operation and maintenance requirements.

As consideration to lease the said port property from PKA and GOM, the subsidiary has agreed to the annual base lease rentals and profit sharing payments at agreed terms.

A supplementary privatisation agreement dated 27 March 1999 and the second supplemental agreement dated 15 February 2010 was entered into in connection with the Privatisation Agreement.

NOTES TO THE FINANCIAL STATEMENTS

3. SERVICE CONCESSION ARRANGEMENT (CONTINUED)

The supplementary privatisation agreement primarily provides for a moratorium of 5 years and 7 years in respect of the respective specified annual base lease rental payments; the expanded development plan of the port; incremental revision of the annual base lease rentals and certain clarifications to the existing terms and definitions of the Privatisation Agreement.

The terms of the second supplemental agreement primarily provides for an additional concession period of 30 years; revision of the terms of the profit sharing payments and certain clarifications and/or additions to the existing terms and definitions of the Privatisation Agreement and supplementary privatisation agreement. The additional concession period of 30 years will commence on the day after the 30th anniversary of the Take-over Date upon the fulfilment of the following conditions:-

a) completion of land reclamation works for container terminal ("CT") no. 6 to no. 9 on or before 1 January 2014; and

b) completion of construction works for the CT no. 6 and for it to be operationalised on or before 1 January 2014.

PKA has vide its letter dated 26 June 2014, consented to the extension of concession period of 30 years from 1 September 2024 to 31 August 2054, subject to the terms and conditions as set out in the Privatisation Agreement dated 25 July 1994 and the supplemental agreements executed thereafter, between the GOM, PKA and WMSB.

The Grantor may terminate the service concession agreement by giving not less than 3 calendar months' notice to that effect to the Group (without any obligation to give any reason thereof) if it considers that such termination is necessary for national interest, in the interest of national security or for the purpose of Government policy or public policy. Upon such termination, the Group shall be entitled to compensation which shall be determined by an independent auditor appointed by GOM after due consultation with PKA.

On 25 April 2013, a second supplementary lease agreement was entered into between PKA and WMSB. The second supplementary lease agreement provided for general covenants and the obligation to pay quit rent for the specified leased areas effective from financial year 2010.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Assets under construction RM'000	Spares RM'000	Total RM'000
Cost						
At 1 January 2014	1,641,533	13,529	39,166	163,151	10,828	1,868,207
Additions	-	-	-	255,602	7,966	263,568
Disposals	(598)	(671)	(100)	-	-	(1,369)
Write off	(43,084)	(8)	(321)	-	(1,173)	(44,586)
Reclassification to concession assets	-	-	-	(556)	-	(556)
Transfers	413,365	2,293	2,137	(416,906)	(889)	-
Usage	-	-	-	-	(7,744)	(7,744)
Borrowing cost	-	-	-	2,536	-	2,536
At 31 December 2014/ 1 January 2015	2,011,216	15,143	40,882	3,827	8,988	2,080,056
Additions	-	-	-	144,724	12,399	157,123
Disposals	(22,740)	(4,175)	-	-	-	(26,915)
Write off	(10,370)	-	(6,925)	-	-	(17,295)
Reclassification to concession assets	-	-	-	(5,081)	-	(5,081)
Transfers	53,428	4,913	4,064	(62,405)	-	-
Usage	-	-	-	-	(11,546)	(11,546)
At 31 December 2015	2,031,534	15,881	38,021	81,065	9,841	2,176,342

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Assets under construction RM'000	Spares RM'000	Total RM'000
Accumulated depreciation						
At 1 January 2014	671,867	8,959	27,987	-	-	708,813
Charge for the year	77,340	1,250	3,211	-	-	81,801
Disposals	(383)	(133)	(43)	-	-	(559)
Write off	(31,458)	(1)	(231)	-	-	(31,690)
At 31 December 2014/ 1 January 2015	717,366	10,075	30,924	-	-	758,365
Charge for the year	86,657	1,599	3,107	-	-	91,363
Disposals	(22,248)	(4,055)	-	-	-	(26,303)
Write off	(10,051)	-	(6,315)	-	-	(16,366)
At 31 December 2015	771,724	7,619	27,716	-	-	807,059
Carrying amounts						
At 1 January 2014	969,666	4,570	11,179	163,151	10,828	1,159,394
At 31 December 2014/ 1 January 2015	1,293,850	5,068	9,958	3,827	8,988	1,321,691
At 31 December 2015	1,259,810	8,262	10,305	81,065	9,841	1,369,283

In the prior year, borrowing cost capitalised to property, plant and equipment amounted to RM2,536,000 with interest rate 4.72% per annum. There was no borrowing cost capitalised in the current year.

5. CONCESSION ASSETS

Group	Leased port infrastructures and facilities RM'000	Acquired and constructed port infrastructures and facilities RM'000	Assets under construction RM'000	Total RM'000
Cost				
At 1 January 2014	552,383	1,550,704	156,914	2,260,001
Additions	-	-	64,925	64,925
Write off	-	-	(128)	(128)
Reclassification from property, plant and equipment	-	-	556	556
Transfers	-	221,076	(221,076)	-
Borrowing cost	-	-	164	164
At 31 December 2014/1 January 2015	552,383	1,771,780	1,355	2,325,518
Additions	-	-	106,703	106,703
Write off	-	(19,466)	-	(19,466)
Reclassification from property, plant and equipment	-	-	5,081	5,081
Transfers	-	9,105	(9,105)	-
At 31 December 2015	552,383	1,761,419	104,034	2,417,836
Accumulated amortisation				
At 1 January 2014	90,944	296,466	-	387,410
Amortisation for the year	18,189	42,703	-	60,892
At 31 December 2014/1 January 2015	109,133	339,169	-	448,302
Amortisation for the year	18,189	43,888	-	62,077
Write off	-	(13,295)	-	(13,295)
At 31 December 2015	127,322	369,762	-	497,084
Carrying amounts				
At 1 January 2014	461,439	1,254,238	156,914	1,872,591
At 31 December 2014/1 January 2015	443,250	1,432,611	1,355	1,877,216
At 31 December 2015	425,061	1,391,657	104,034	1,920,752

In the prior year, borrowing cost capitalised to concession assets amounted to RM164,000 with an interest rate at 4.72% per annum. There was no borrowing cost capitalised in the current year.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	1,030,130	1,030,130

Details of the subsidiaries, which are incorporated in Malaysia, are as follows:

Name of subsidiaries	Note	Principal activities	Effective ownership interest 2015 %	2014 %
Westports Malaysia Sdn. Bhd.^	6.1	Port development and management of port operations	100	100
Vehicle Transit Centre (Malaysia) Sdn. Bhd.*		Dormant	-	100

^ Audited by KPMG Malaysia.

* Member's voluntary liquidation commenced on 2 August 2014. Its Final Meeting was held on 27 October 2014 and has been dissolved on 28 January 2015 pursuant to Section 272 (5) of the Companies Act, 1965.

Note 6.1

Included in Westports Malaysia Sdn. Bhd's share capital is a special share of RM1 issued to the Ministry of Finance (Incorporated).

The special share enables the GOM through the Ministry of Finance (Incorporated) to ensure that certain major decisions affecting the operations of the subsidiary are consistent with Government policies. The special shareholder or any person acting on behalf of the special shareholder shall be entitled to receive notice of and to attend and speak at all general meetings or any other meeting of any class of shareholders of the subsidiary, but the special shareholder shall carry no right to vote nor any other rights at any such meeting.

The special shareholder shall be entitled to nominate one Director to be on the Board of Directors of the subsidiary.

Certain matters, in particular the alteration of the Articles of Association of the subsidiary relating to the rights of the special shareholder, creation and issue of additional shares which carry different voting rights, the dissolution of the subsidiary, substantial disposal of assets, amalgamations, merger and takeover and any proposals affecting the interests of the GOM or the national interest require prior consent of the special shareholder.

The special shareholder does not have any right to participate in the capital or profits of the subsidiary. The special shareholder has the right to require the subsidiary to redeem the special share at par at any time.

7. INVESTMENT IN SECURITIES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Available-for-sale financial assets				
Quoted shares in Malaysia	103,165	-	103,165	-
Market value of quoted investment	103,165	-	103,165	-

The investment in securities are classified as current as the Company intends to dispose the investment in securities in the next 12 months pursuant to a mandatory general offer exercise.

8. TRADE AND OTHER RECEIVABLES

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Trade					
Trade receivables		215,895	192,304	-	-
Non-trade					
Other receivables	8.1	20,083	7,532	4	-
Deposits		815	815	5	4
Prepayments		3,389	2,006	-	-
Amount due from subsidiary	8.2	-	-	-	11,336
		24,287	10,353	9	11,340
		240,182	202,657	9	11,340

8.1 Included in other receivables are investments in club memberships amounting to RM1,850,000 (2014: RM1,850,000).

8.2 The amount due from subsidiary in the previous year was unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	108,504	96,883	1,331	32
Fixed deposits with licensed banks	287,669	347,675	-	-
	396,173	444,558	1,331	32

Fixed deposits with licensed banks includes pledged deposits of RM31,446,000 (2014 : RM30,356,000) as securities for Sukuk Musharakah Medium Term Note programmes of the subsidiary (Note 11).

10. SHARE CAPITAL AND RESERVES

	Group and Company			
	2015 Amount RM'000	2015 Number of shares '000	2014 Amount RM'000	2014 Number of shares '000
Authorised:				
Ordinary shares of RM0.10 each				
At 1 January/31 December	500,000	5,000,000	500,000	5,000,000
Issued and fully paid:				
Ordinary shares of RM0.10 each				
At 1 January/31 December	341,000	3,410,000	341,000	3,410,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

This reserve comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

Goodwill written-off reserve

This reserve relates to goodwill written-off arising from the acquisition of its subsidiary, measured at cost.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

11. BORROWINGS

	Note	Group 2015 RM'000	Group 2014 RM'000
Non-current			
Sukuk Musharakah Medium Term Note	11.1	1,150,000	1,150,000

Notes 11.1:

Sukuk Musharakah Medium Term Note ("SMTN") – representing a 20-years Sukuk Musharakah Medium Term Note programme with an initial draw down of RM450 million on 3 May 2011. This initial draw down is repayable in 6 annual tranches from 3 May 2021 to 3 May 2026. The SMTN is available for issuance of aggregate nominal value of RM2.0 billion. The profit rates ranges from 4.95% to 5.38% per annum.

On 1 April 2013, an additional RM250 million of SMTN was drawdown and is repayable in 4 tranches from 1 April 2025 to 31 March 2028. The profit rates ranges from 4.43% to 4.58% per annum.

On 23 October 2013, an additional RM200 million of SMTN was drawdown and is repayable in 5 tranches from 23 October 2024 to 23 October 2028. The profit rates ranges from 4.58% to 4.90% per annum.

On 3 April 2014, an additional RM250 million of SMTN was drawdown and is repayable in 4 tranches from 2 April 2021 to 3 April 2024. The profit rates ranges from 4.60% to 4.85% per annum.

There has been no new draw down of the SMTN in the current financial year.

SMTN has been implemented on a clean basis and certain pledged deposits are maintained in the Finance Service Reserve Account with the lender as disclosed in Note 9.

Covenant

The SMTN is subject to certain positive and negative undertakings and the primary financial covenants are as follows:-

(i) Financial service cover ratio of WMSB shall not be less than 1.25 times; and;

(ii) Finance to equity ratio of WMSB shall not exceed 2.0 times.

WMSB is required to maintain a minimal rating of AA+IS during the tenor of SMTN. The subsidiary attained a rating of AA+IS from Malaysia Rating Corporation Berhad since January 2008 with the last rating review carried out in May 2015.

NOTES TO THE FINANCIAL STATEMENTS

12. EMPLOYEE BENEFITS

	Group 2015 RM'000	Group 2014 RM'000
Present value of unfunded obligations		
Provision for retirement benefits	10,302	9,992

The Group operates a defined benefit plan for its eligible employees. The obligations under the retirement benefit scheme are determined based on the latest available actuarial valuation by a qualified independent actuary.

Principal assumptions at the end of the reporting periods are as follows:

	Group 2015	Group 2014
Discount rate	5.5%	5.5%
Expected annual salary increment rate	7%	7%

Movements in the present value of defined benefit obligations:

	Group 2015 RM'000	Group 2014 RM'000
Defined benefit obligations at 1 January	9,992	9,712
Expenses recognised in profit or loss	548	533
Retirement benefits paid	(238)	(253)
Defined benefit obligations at 31 December	10,302	9,992

The defined benefit plan was frozen on 31 August 2004. Subsequent to 31 August 2004, no new participants are introduced to the defined benefit plan. Employees under the defined benefit plan continue to be eligible for its retirement benefits but computations of their length of service years with the Group is only until 31 August 2004.

13. DEFERRED TAX LIABILITIES

The deferred tax amounts, determined after appropriate offsetting, are as follows:

	Group 2015 RM'000	Group 2014 RM'000
Deferred tax liabilities	308,410	299,636
Deferred tax assets	(19,935)	(26,971)
	288,475	272,665

Movement in deferred tax assets and liabilities (prior to offsetting of balances) of the Group during the year are as follows:

Group	At 1.1.2014 RM'000	Recognised in profit or loss RM'000	At 31.12.2014/ 1.1.2015 RM'000	Recognised in profit or loss RM'000	At 31.12.2015 RM'000
Deferred tax liabilities					
Property plant and equipment and concession assets	259,244	40,153	299,397	8,080	307,477
Others	1,193	(954)	239	694	933
	260,437	39,199	299,636	8,774	308,410
Deferred tax assets					
Provisions	18,003	8,968	26,971	(7,036)	19,935

Deferred tax liabilities and assets above are offset as there is a legally enforceable right to set off current tax assets against current tax liabilities and that the deferred taxes relate to the same taxation authority and entity.

NOTES TO THE FINANCIAL STATEMENTS

14. SERVICE CONCESSION OBLIGATION

	Group 2015 RM'000	Group 2014 RM'000
At 1 January	425,562	450,954
Finance costs	22,342	23,674
Payment of lease rental	(49,066)	(49,066)
At 31 December	398,838	425,562
Minimum lease payments:		
Less than one year	50,901	49,066
Between one and five years	278,822	270,717
More than five years	186,252	245,259
Less: Future finance costs	(117,137)	(139,480)
	398,838	425,562
Analysed as:		
Due within twelve months	29,962	26,724
Due after twelve months	368,876	398,838
	398,838	425,562

15. TRADE AND OTHER PAYABLES

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Trade					
Trade payables	15.1	71,156	50,659	-	-
Accrued expenses	15.2	42,806	39,879	-	-
		113,962	90,538	-	-
Non-trade					
Other payables		24,819	30,859	98	55
Accrued expenses	15.3	10,517	9,870	34	47
Amount due to subsidiary	15.4	-	-	73,254	-
		149,298	131,267	73,386	102

15. TRADE AND OTHER PAYABLES (CONTINUED)

15.1 Included in trade payables are balances due to related parties amounting to RM28,000 (2014: RM7,000) which are unsecured, interest free and repayable on demand.

15.2 Included in trade accrued expenses of the Group is deferred revenue for sub-lease of land with various lessees amounting to RM7,582,000 (2014 : RM8,124,000).

15.3 Included in non-trade accrued expenses of the Group is profit sharing expenses payable to the port authority amounting to RM10,239,000 (2014 : RM9,572,000).

15.4 Amount due to subsidiary is unsecured, subject to interest at 4.85% to 4.96% per annum and is repayable on demand.

16. PROVISIONS

Included in provisions are payables to various external parties relating to marketing activities amounting to RM96,014,000 (2014 : RM86,925,000). The movements in the provisions during the reporting year were as follows:

	Group RM'000
At 1 January 2014	69,199
Provisions made	146,610
Payments made	(128,884)
At 31 December 2014/1 January 2015	86,925
Provisions made	184,525
Payments made	(175,436)
At 31 December 2015	96,014

17. REVENUE

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Port operations		1,542,104	1,465,255	-	-
Rental income					
- land and buildings		35,460	37,715	-	-
Construction revenue	17.1	103,485	59,109	-	-
Dividend income		734	-	394,815	353,182
		1,681,783	1,562,079	394,815	353,182

NOTES TO THE FINANCIAL STATEMENTS

17. REVENUE (CONTINUED)

17.1 Construction revenue represents the revenue recorded in accordance with IC Interpretation 12 related to the construction of port related infrastructures under the privatisation agreements and is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy as disclosed in Note 2(n)(i).

18. COST OF SALES

	Group	
	2015 RM'000	2014 RM'000
Port operations	695,936	687,982
Construction cost	103,485	59,109
	799,421	747,091

19. FINANCE INCOME

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest income of financial assets that are not at fair value through profit or loss:				
Fixed deposits interest	14,589	10,595	-	-
Staff loan interest	78	110	-	-
Other interest	230	389	37	-
	14,897	11,094	37	-

20. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense of financial assets that are not at fair value through profit or loss:				
Borrowings – SMTN	56,285	53,854	-	-
Revolving credit	-	208	-	-
Accretion – service concession obligation	22,342	23,674	-	-
Other interest expenses	-	-	1,448	-
	78,627	77,736	1,448	-
Recognised in profit or loss	78,627	75,036	1,448	-
Capitalised on qualifying assets:				
- Property, plant and equipment	-	2,536	-	-
- Concession assets	-	164	-	-
	78,627	77,736	1,448	-

21. PROFIT BEFORE TAX

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration				
- Statutory audit fees	260	245	52	50
- Non-audit fees	35	35	-	-
Depreciation of property, plant and equipment	91,363	81,801	-	-
Amortisation of:				
- Concession assets	62,077	60,892	-	-
- Dredging expenditure	1,740	3,818	-	-
Concession assets written off	6,171	128	-	-
Property, plant and equipment written off	929	11,716	-	-
Impairment loss on trade receivables	242	-	-	-
Write off of other receivables	-	476	-	-
Write off of spares	-	1,173	-	-
Loss on disposal of property, plant, and equipment	-	33	-	-

NOTES TO THE FINANCIAL STATEMENTS

21. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging (continued):				
Personnel expenses (including key management personnel):				
- Provision for retirement benefits	548	533	-	-
- Defined contribution plan	27,123	21,417	-	-
- Wages, salaries and bonus	189,818	186,229	-	-
- Other employee benefits	2,018	1,988	-	-
Rental expense in respect of:				
- Premises	235	236	-	-
- Equipment	35,831	34,712	-	-
Profit sharing with PKA	10,331	9,689	-	-
Net realised foreign exchange loss	214	-	-	-
Loss on liquidation of a subsidiary	-	-	-	28
and after crediting:				
Rental income from sub-lease of land and building	35,460	37,715	-	-
Dividend income				
- Subsidiary	-	-	394,081	353,182
- Quoted shares in Malaysia	734	-	734	-
Gain on disposal of property, plant and equipment	1,229	-	-	-
Net realised foreign exchange gain	-	188	-	-

22. TAXATION

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Recognised in profit or loss					
Current tax expense					
- Current		133,488	35,641	1	-
- (Over)/Under provision in prior years		(4,019)	704	-	(1)
		129,469	36,345	1	(1)
Deferred tax expense					
- Origination of temporary differences		16,104	30,015	-	-
- (Over)/Under provision in prior years		(294)	216	-	-
		145,279	66,576	1	(1)

22. TAXATION (CONTINUED)

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Reconciliation of taxation					
Profit before tax		650,143	578,781	390,828	350,626
Income tax calculated using Malaysian tax rate of 25% (2014: 25%)		162,536	144,695	97,707	87,657
Non-deductible expenses		2,107	3,734	-	638
Non-taxable income		(184)	-	(97,707)	(88,295)
Tax incentive	22.1	-	(82,773)	-	-
Effect of changes in tax rates		(14,867)	-	-	-
		149,592	65,656	-	-
(Over)/Under provision in prior years					
- Current tax (income)/expense		(4,019)	704	1	(1)
- Deferred tax (income)/expense		(294)	216	-	-
Tax expense/(income)		145,279	66,576	1	(1)

22.1 On 27 May 2010, a subsidiary, WMSB, had obtained an approval from the Ministry of Finance for Income Tax (Exemption) (No. 12) Order 2006 [PU(A) 113] whereby allowance of 60% is granted on qualifying capital expenditure incurred for a 5 year period and its utilisation is restricted to 70% of the statutory income for the year of assessment. The tax incentive expired in the prior year.

On 6 January, WMSB received an extension on the tax incentive for three years commencing from 2015 from the Ministry of Finance under Section 127(3A) of the Income Tax Act, 1967.

23. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share are calculated by dividing the Group's profit attributable to owners of the Company of RM504,864,000 (2014: RM512,205,000) by the weighted average number of ordinary shares outstanding during the financial year of 3,410,000,000 (2014: 3,410,000,000).

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share in the current financial year as the Group does not have dilutive instruments.

NOTES TO THE FINANCIAL STATEMENTS

24. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Amount RM'000	Date of payment
2015			
Second interim 2014 ordinary	6.15	209,715	11 March 2015
First interim 2015 ordinary	5.32	181,412	26 August 2015
		391,127	
2014			
Second interim 2013 ordinary	5.22	178,002	11 March 2014
First interim 2014 ordinary	5.10	173,910	20 August 2014
		351,912	

Subsequent to the financial year end, on 3 February 2016 the Directors declared a second interim dividend of 5.78 sen per ordinary share on the issued and paid-up share capital in respect of the financial year ended 31 December 2015.

25. OPERATING SEGMENTS

The Board of Directors reviews internal management reports on a monthly basis. Operating segments are components in which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance of the Group. The Group has identified the business of port development and management of port operations as its sole operating segment.

The Board of Directors does not consider investment holding activities as a reportable segment. For segmental reporting, unallocated costs relate to administrative expenses of the holding company. Unallocated assets and liabilities pertain to the holding company's property, plant and equipment, other receivables, investments in securities, cash and cash equivalents, other payables and tax liabilities.

No entity wide geographic information is provided as the Group's activities are carried out predominantly in Malaysia.

Performance is measured based on segment profit before finance income, finance cost and taxation as included in the internal management reports that are reviewed by the Board of Directors.

Segment assets
Segment assets information is not presented regularly to the Board of Directors and hence, no disclosure is made on the segment asset.

Segment liabilities
Segment liabilities information is not presented regularly to the Board of Directors and hence, no disclosure is made on the segment liability.

Segment capital expenditure
Segment capital expenditure information is the total cost incurred during the financial year to acquire and construct property, plant and equipment and concession assets.

25. OPERATING SEGMENTS (CONTINUED)

Information about reportable segment

	Port development and management of port operations 2015 RM'000	2014 RM'000
Reportable segment profit	715,716	645,256
Included in the measure of segment profit are:		
Revenue - external customers	1,578,298	1,502,970
- construction services for GOM	103,485	59,109
Depreciation	91,363	81,801
Amortisation	62,077	60,892

Reconciliation of reportable segment profit and revenue

	Port development and management of port operations 2015 RM'000	2014 RM'000
Profit		
Reportable segment	715,716	645,256
Non-reportable segment	(1,843)	(2,533)
Finance income	14,897	11,094
Finance costs	(78,627)	(75,036)
Consolidated profit before tax	650,143	578,781
Revenue		
Reportable segment	1,681,049	1,562,079
Non-reportable segment	734	-
Consolidated revenue	1,681,783	1,562,079

Geographical information

The revenues of the Group are from its sole port operations in Malaysia.

All non-current assets of the Group were maintained within Malaysia as at the end of the current and previous financial year.

Major customers

Revenue from a customer of the Group amounted to RM321,465,000 (2014 : RM299,162,000) contributed 19% (2014: 20%) of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ("L&R")*;
(b) Available-for-sale financial assets ("AFS")
(c) Financial liabilities measured at amortised cost ("FL")^.

	Carrying amount RM'000	AFS RM'000	L&R/ (FL) RM'000
Group			
2015			
Financial assets			
Investment in securities	103,165	103,165	-
Trade and other receivables *	223,392	-	223,392
Cash and cash equivalents	396,173	-	396,173
	722,730	103,165	619,565
Financial liabilities			
Borrowings	(1,150,000)	-	(1,150,000)
Trade and other payables ^	(141,716)	-	(141,716)
Service concession obligation	(398,838)	-	(398,838)
	(1,690,554)	-	(1,690,554)
2014			
Financial assets			
Trade and other receivables *	197,846	-	197,846
Cash and cash equivalents	444,558	-	444,558
	642,404	-	642,404
Financial liabilities			
Borrowings	(1,150,000)	-	(1,150,000)
Trade and other payables ^	(123,143)	-	(123,143)
Service concession obligation	(425,562)	-	(425,562)
	(1,698,705)	-	(1,698,705)

* Excludes investments in club membership, prepayments, deferred expenditure and input tax recoverable.

^ Excludes deferred revenue.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AFS RM'000	L&R/ (FL) RM'000
Company			
2015			
Financial assets			
Investment in securities	103,165	103,165	-
Trade and other receivables	9	-	9
Cash and cash equivalents	1,331	-	1,331
	104,505	103,165	1,340
Financial liabilities			
Trade and other payables	(73,386)	-	(73,386)
2014			
Financial assets			
Trade and other receivables	11,340	-	11,340
Cash and cash equivalents	32	-	32
	11,372	-	11,372
Financial liabilities			
Trade and other payables	(102)	-	(102)

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.2 Net gains and losses arising from financial instruments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net gains/(losses) on:				
Loans and receivables:				
- allowances for impairment losses - trade	(242)	-	-	-
- allowances for impairment losses - non trade	-	(476)	-	-
- fixed deposits interests	14,589	10,595	-	-
- staff loan interests	78	110	-	-
	14,425	10,229	-	-
Financial liabilities measured at amortised cost:				
- borrowings – SMTN	(56,285)	(53,854)	-	-
- revolving credit interest	-	(208)	-	-
- accretion – service concession obligation	(22,342)	(23,674)	-	-
- intercompany advances	-	-	(1,448)	-
	(78,627)	(77,736)	(1,448)	-
Available-for-sale financial assets				
- recognised in other comprehensive income	20,149	-	20,149	-
	20,149	-	20,149	-
	(44,053)	(67,507)	18,701	-

26.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade receivables from customers, investment in securities and cash and cash equivalents. The Company's exposure to credit risk arises principally from its amount due from subsidiary and cash and cash equivalents.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed by Credit Committee that sets policies, approves credit evaluations and institutes mitigating actions.

New customers are subject to the credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to setting appropriate terms of trade and credit limits. Where appropriate, further transactions are suspended and legal actions are taken to attempt recoveries and mitigate losses. Financial guarantees from certain customers may be obtained.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days are deemed to have higher credit risk, and may be monitored individually.

At the end of the reporting period, the Group has a concentration of credit risk in the form of trade debts from 4 (2014 : 4) main customers, representing approximately 43% (2014 : 49%) of the Group's trade receivables.

The Group obtains financial guarantees from certain customers in managing its exposures to credit risks. At the end of the reporting period, financial guarantees received by the Group amounted to RM36.7million (2014 : RM29.30 million) from trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
Group				
2015				
Not past due	158,496	-	-	158,496
Past due 1 - 30 days	40,604	-	-	40,604
Past due 31 - 120 days	16,250	-	-	16,250
Past due more than 120 days	1,273	(728)	-	545
	216,623	(728)	-	215,895
2014				
Not past due	144,546	-	-	144,546
Past due 1 - 30 days	36,671	-	-	36,671
Past due 31 - 120 days	11,087	-	-	11,087
Past due more than 120 days	486	(486)	-	-
	192,790	(486)	-	192,304

The movements in the allowance for impairment losses of trade receivables during the financial year were as follows:

	Group	
	2015 RM'000	2014 RM'000
At 1 January	486	486
Impairment loss recognised	242	-
At 31 December	728	486

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Amount due from subsidiary

Risk management objectives, policies and processes for managing the risk

In the prior year, the Company provided unsecured advances to a subsidiary. The Company monitors the results of the subsidiary regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the amount due from subsidiary is not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiary.

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The Group and the Company's cash and cash equivalents are deposited with licensed banks.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts of cash and cash equivalents in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations.

26.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group maintains a level of cash and cash equivalents and banking facilities that are deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at a significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual profit/ interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
2015							
Non-derivative financial liabilities							
Borrowings	1,150,000	4.69% - 4.99%	1,667,563	56,285	56,285	168,855	1,386,138
Trade and other payables	141,716	-	141,716	141,716	-	-	-
Service concession obligation	398,838	5.25%	515,975	50,901	50,901	168,914	245,259
	1,690,554		2,325,254	248,902	107,186	377,769	1,631,397
2014							
Non-derivative financial liabilities							
Borrowings	1,150,000	4.43% - 5.38%	1,723,848	56,285	56,285	168,855	1,442,423
Trade and other payables	123,143	-	123,143	123,143	-	-	-
Service concession obligation	425,562	5.25%	565,042	49,066	50,901	219,816	245,259
	1,698,705		2,412,033	228,494	107,186	388,671	1,687,682

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual profit/ interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Company							
2015							
Non-derivative financial liabilities							
Other payables	98	-	98	98	-	-	-
Accrued expenses	34	-	34	34	-	-	-
Amount due to subsidiary	73,254	4.84% - 4.96%	76,843	76,843	-	-	-
	73,386		76,975	76,975	-	-	-
2014							
Non-derivative financial liabilities							
Other payables	55	-	55	55	-	-	-
Accrued expenses	47	-	47	47	-	-	-
	102		102	102	-	-	-

26.6 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

26.6.1 Currency risk

The Group is exposed to foreign currency risk on purchases of machineries and parts that are denominated in currency other than the functional currency of the Group. The currency that gives rise to this risk is primarily the U.S. Dollar.

Risk management objectives, policies and processes for managing the risk

Exposure to foreign currency risk is monitored and where considered necessary, the Group may consider appropriate hedging strategies to mitigate the foreign currency risks.

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.1 Currency risk (continued)

Foreign currency sensitivity analysis

The Group does not have any significant exposure to foreign currency risk as most of its transactions and balances are denominated in Ringgit Malaysia, other than the purchases of machineries and parts. The exposure to currency risk of the Group is not material and hence, sensitivity analysis is not presented.

26.6.2 Interest rate risk

The Group does not have any significant exposure to interest rate risk as the financial assets and financial liabilities are subjected to fixed rates but the Group does not measure them at fair value.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2015 RM'000	2014 RM'000
Fixed rate instruments		
Fixed deposits with licensed banks	287,669	347,675
Borrowings	(1,150,000)	(1,150,000)
Service concession obligation	(398,838)	(425,562)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.3 Other price risk

Equity risk arises from the Group's and Company's investments in securities.

Risk management objectives, policies and processes for managing the risk

The Group monitors the equity investments on an individual basis and all buy and sell decisions are approved by the management of the Group.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's and Company's equity investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI").

A 10% (2014: Nil) strengthening of the FBMKLCI at the end of the reporting period would have increased equity by RM10,317,000 (2014: Nil) for investments classified as available-for-sale. A 10% (2014 : Nil) weakening in FTBMKLCI would have had an equal but opposite effect on equity.

26.7 Fair value information

The carrying amounts of cash and cash equivalents, receivables and payables approximate fair values due to the relatively short-term nature of these financial instruments. Accordingly, the fair values and fair value hierarchy level have not been presented for these instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group										
2015										
Financial assets										
Investment in securities	103,165	-	-	103,165	-	-	-	-	103,165	103,165
Financial liabilities										
Borrowings	-	-	-	-	-	-	1,114,639	1,114,639	1,114,639	1,150,000
Service concession obligation	-	-	-	-	-	-	323,423	323,423	323,423	398,838

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
2014										
Financial liabilities										
Borrowings	-	-	-	-	-	-	1,131,233	1,131,233	1,131,233	1,150,000
Service concession obligation	-	-	-	-	-	-	319,799	319,799	319,799	425,562
Company										
2015										
Financial assets										
Investment in securities	103,165	-	-	103,165	-	-	-	-	103,165	103,165

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

The following summarises the methods used in determining the fair value of financial instruments reflected in the table.

Investment in securities

The fair values of investment in securities are determined by reference to their quoted closing price at the end of the reporting period.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2014: no transfer in either directions).

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 Fair value information (continued)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Borrowings	Discounted cash flows	Interest rate of 4.87%-5.17% (2014: 4.64%-5.01%) per annum	The estimated fair value would increase/(decrease) if discount rate is lower/(higher).
Service concession obligation	Discounted cash flows	Interest rate of 4.83% (2014: 4.83%) per annum	The estimated fair value would increase/(decrease) if discount rate is lower/(higher).

27. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain an optimal capital structure and to safeguard the Group's ability to continue as a going concern, so as to maintain the GOM, investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio and to comply with applicable externally imposed covenants or conditions.

	Group	
	2015 RM'000	2014 RM'000
Total borrowings	1,150,000	1,150,000
Less: Cash and cash equivalents	(396,173)	(444,558)
Net debt	753,827	705,442
Total equity	1,898,121	1,764,235
Debt-to-equity ratio	0.40	0.40

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

28. CAPITAL COMMITMENTS

	Group	
	2015 RM'000	2014 RM'000
Capital expenditure commitments:		
Property, plant and equipment and concession assets		
Authorised and contracted for	604,983	592,430
Authorised but not contracted for	8,566	50,532

29. LONG TERM INFORMATION TECHNOLOGY SERVICES AGREEMENT

Non-cancellable long term information technology services agreement are payable as follows:

	Group	
	2015 RM'000	2014 RM'000
Less than one year	23,405	23,992
Between one and five years	71,562	77,378
More than five years	-	17,589
	94,967	118,959

The Group entered into an information technology infrastructures services agreement which typically runs for a period of 10 years.

30. OPERATING LEASES

Leases as lessor

The Group sub-leases out certain land under operating leases. The future minimum lease receivables under non-cancellable leases are as follows:

	Group	
	2015 RM'000	2014 RM'000
Less than one year	25,378	21,200
Between one and five years	122,689	111,282
More than five years	121,407	148,226
	269,474	280,708

31. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group. Transactions with key management personnel is disclosed in Note 32.

The Group has related party relationship with its significant investors, subsidiary, related companies, Directors and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business and under negotiated terms. The balances related to the below transaction is shown in Note 15.

	Group	
	2015 RM'000	2014 RM'000
Corporate shareholder		
Pembinaan Redzai Sdn. Bhd.		
- Sale of motor vehicle	-	(538)
Companies in which a Director has significant financial interest		
KL Dragons Sdn. Bhd.		
- Sponsorship for basketball team	1,908	1,501
Cloud Ten Executive Travel & Tours Sdn. Bhd.		
- Flight ticket and accommodation	1,205	1,473
Gryss Holdings Sdn. Bhd.		
- Office rental	298	244
Westports Bunkering Services Sdn. Bhd.		
- Rental income	(886)	(886)

NOTES TO THE FINANCIAL STATEMENTS

31. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Company	
	2015	**2014**
	RM'000	**RM'000**
Subsidiary		
Westports Malaysia Sdn. Bhd.		
- Interest expense	1,448	-

32. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those Group or Company personnel having authority and responsibility for planning, directing and controlling the activities of the Group or Company either directly or indirectly. The key management personnel include all the Directors of the Group or Company. The key management personnel compensation are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors' fees	2,500	2,520	1,320	1,320
Remuneration	12,750	12,011	-	-
Defined contribution plan	2,142	1,518	-	-
	17,392	16,049	1,320	1,320

The estimated monetary value of Directors' benefit-in-kind is RM148,000 (2014 : RM165,000).

33. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries				
- realised	1,176,179	1,046,632	3,100	3,400
- unrealised	(288,475)	(272,665)	-	-
Total retained earnings	887,704	773,967	3,100	3,400

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 153 to 208 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 33 on page 209 to the financial statements has been compiled in accordance with Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

………………………………………………………………………………..

Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil

………………………………………………………………………………..

Ruben Emir Gnanalingam bin Abdullah

Kuala Lumpur,

Date: 3 February 2016

STATUTORY DECLARATION

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

I, **Lim Beng Keem**, the officer primarily responsible for the financial management of Westports Holdings Berhad do solemnly and sincerely declare that the financial statements set out on pages 153 to 209 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 3 February 2016

....

Lim Beng Keem

Before me:

D. Selvaraj
Commissioner of Oaths
No. W320

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WESTPORTS HOLDINGS BERHAD
(Company No. 262761-A) (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Westports Holdings Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 153 to 208.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WESTPORTS HOLDINGS BERHAD
(Company No. 262761-A) (Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

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

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

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

c) Our audit report on the accounts of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 33 on page 209 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

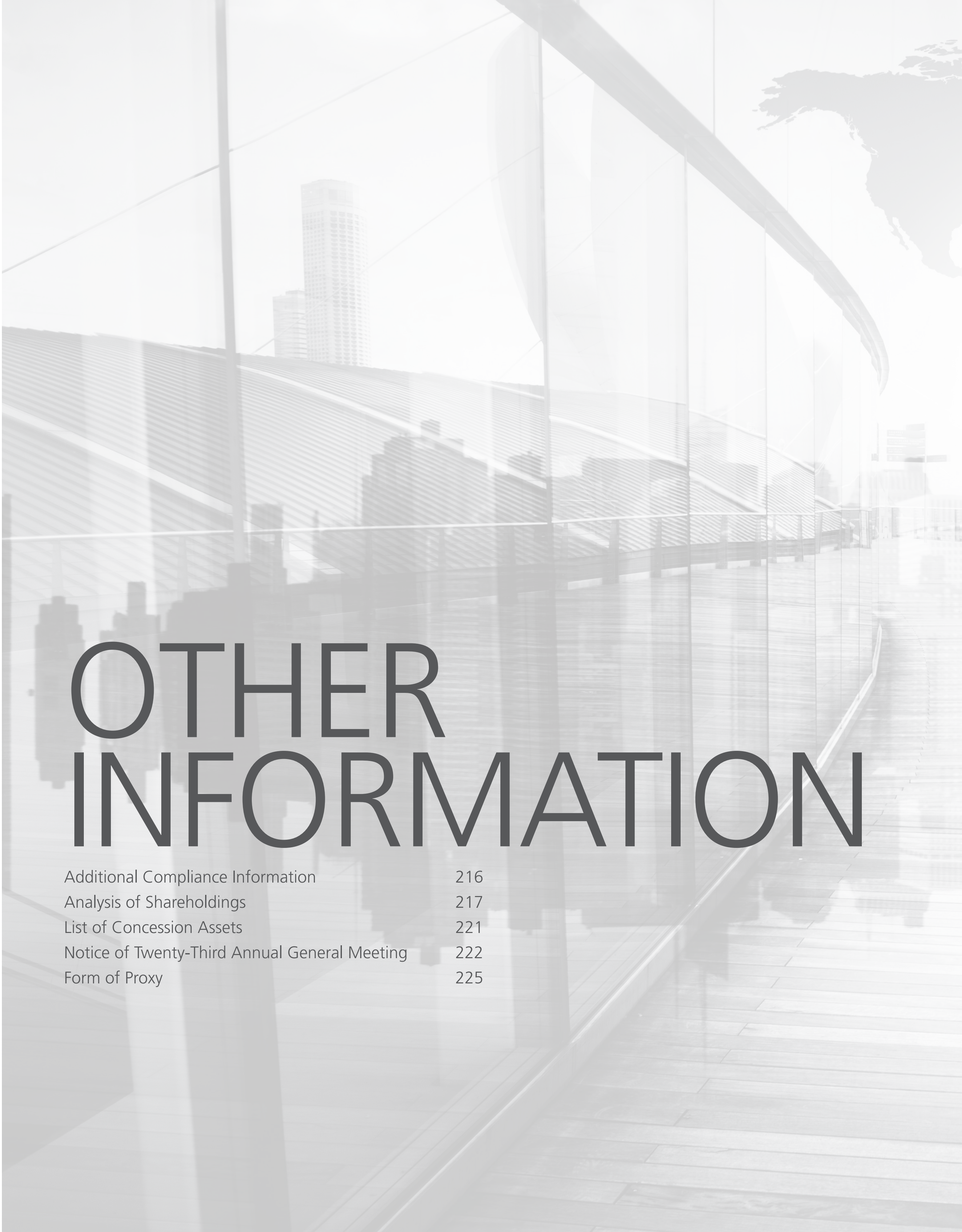
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chong Dee Shiang
Approval Number: 2782/09/16(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 3 February 2016



OTHER INFORMATION

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds Raised from Corporate Proposal

There was no corporate proposal therefore no proceeds raised from corporate proposals during the financial year 2015.

2. Share Buy-Back

The Company did not propose any share buy-back during the financial year ended 31 December 2015.

3. Options or Convertible Securities

There were no options or convertible securities issued by the Company during the financial year ended 31 December 2015.

4. Depository Receipt Program

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2015.

5. Imposition of Material Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on the Company, its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2015.

6. Non-Audit Fees

The amount of non-audit fees paid to external auditors, for the financial year ended 31 December 2015 is RM35,000.

7. Variation in Results from Profit Estimate, Forecasts or Projections, or Unaudited Results Announced

There were no variances of 10% or more between the results for the financial year ended 31 December 2015 and the unaudited results previously announced. There were no profit estimation, forecasts or projections made or released by the Company during the financial year ended 31 December 2015.

8. Profit Guarantee

There were no profit guarantees given or received by the Company during the financial year ended 31 December 2015.

9. Material Contracts Involving Interests of Directors and Major Shareholders

There were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders either subsisting at the end of the financial year ended 31 December 2015 or entered into since the end of the previous financial year.

10. Contracts Relating to Loans

There were no contracts relating to loans by the Company and its subsidiaries involving Directors' and major shareholders' interests during the financial year ended 31 December 2015.

ANALYSIS OF SHAREHOLDINGS

Analysis of Shareholdings as at 29 February 2016

Authorised Share Capital	:	5,000,000,000
Issued and Paid-up Share Capital	:	3,410,000,000
Class of Shares	:	Ordinary shares of RM0.10 each
Voting Rights	:	One vote per ordinary share

Distribution of Shareholdings

Size of holdings	No. of holders	%	No. of shares	%
1 – 99	60	1.13	408	negligible
100 – 1,000	1,107	21.01	920,606	0.03
1,001 – 10,000	2,851	54.11	13,554,848	0.40
10,001 – 100,000	835	15.85	30,542,880	0.90
100,001 to less than 5% of issued capital	414	7.86	1,116,657,158	32.74
5% and above of issued shares	2	0.04	2,248,324,100	65.93
Total	5,269	100.00	3,410,000,000	100.00

Substantial Shareholders

	No. of shares		No. of shares	
Name of Substantial Shareholder	Direct	%	Indirect	%
Pembinaan Redzai Sdn Bhd	1,445,361,500	42.39	-	-
South Port Investment Holdings Limited	802,962,600	23.55	-	-
Employees Provident Fund Board	(1)179,999,400	(1)5.28		
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	210,000	0.01	(2)1,551,000,000	(2)45.48
Ruben Emir Gnanalingam Bin Abdullah	-	-	(3)1,551,000,000	(3)45.48
Pacific Port Investment Holdings Limited	-	-	(4)802,962,600	(4)23.55
Wide Ocean Limited	-	-	(5)802,962,600	(5)23.55
Hutchison Port Holdings Limited	-	-	(6)802,962,600	(6)23.55
CK Hutchison Global Investments Limited	-	-	(6)802,962,600	(6)23.55
CK Hutchison Holdings Limited	-	-	(6)802,962,600	(6)23.55

Notes:

(1) Include shares held through nominee companies

(2) Deemed interested in shares held by Pembinaan Redzai Sdn Bhd and Semakin Ajaib Sdn Bhd in the Company pursuant to Sections 69D, 6A(4) and 134(12)(c) of the Companies Act, 1965.

(3) Deemed interested in shares held by Pembinaan Redzai Sdn Bhd and Semakin Ajaib Sdn Bhd in the Company pursuant to Sections 69D and 6A(4) of the Companies Act, 1965.

(4) Deemed interested in shares held by South Port Investment Holdings Limited in the Company pursuant to Sections 69D and 6A(4) of the Companies Act, 1965.

(5) Deemed interested in shares held by South Port Investment Holdings Limited in the Company, by virtue of its subsidiary, Pacific Port Investment Holdings Limited being entitled to exercise not less than 15% of the votes attached to the voting shares in South Port Investment Holdings Limited pursuant to Sections 69D and 6A(4) of the Companies Act, 1965.

(6) Deemed interested in shares held by South Port Investment Holdings Limited in the Company, by virtue of its indirect subsidiary, Pacific Port Investment Holdings Limited being entitled to exercise not less than 15% of the votes attached to the voting shares in South Port Investment Holdings Limited pursuant to Sections 69D and 6A(4) of the Companies Act, 1965.

ANALYSIS OF SHAREHOLDINGS

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	Percentage holding (%)
1	Pembinaan Redzai Sdn Bhd	1,445,361,500	42.39
2	Maybank Securities Nominees (Asing) Sdn Bhd - Pledged Securities Account for South Port Investment Holdings Limited	802,962,600	23.55
3	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	122,883,300	3.60
4	Semakin Ajaib Sdn Bhd	105,638,500	3.10
5	AMSEC Nominees (Tempatan) Sdn Bhd - AmTrustee Berhad for CIMB Islamic DALI Equity Growth Fund (UT-CIMB-DALI)	48,068,100	1.41
6	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	45,400,000	1.33
7	Kumpulan Wang Persaraan (Diperbadankan)	39,704,100	1.16
8	Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	34,904,300	1.02
9	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt an for AIA Bhd.	33,361,800	0.98
10	Amanahraya Trustees Berhad - Amanah Saham Malaysia	32,094,400	0.94
11	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (CIMB PRIN)	25,731,200	0.75
12	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (NOMURA)	24,342,800	0.71
13	Amanahraya Trustees Berhad - As 1Malaysia	22,103,000	0.65
14	Cartaban Nominees (Tempatan) Sdn Bhd - Exempt an for Eastspring Investments Berhad	20,290,200	0.60
15	Cartaban Nominees (Asing) Sdn Bhd - Exempt an for State Street Bank & Trust Company (West CLT OD67)	19,776,000	0.58
16	Cartaban Nominees (Asing) Sdn Bhd - RBC Inverstor Services Bank for Macquarie Asia New Stars Fund (Macquarie FD S)	19,622,500	0.58

ANALYSIS OF SHAREHOLDINGS

THIRTY LARGEST SHAREHOLDERS (CONTINUED)

No.	Name	No. of shares	Percentage holding (%)
17	Permodalan Nasional Berhad	17,569,400	0.52
18	HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	17,132,424	0.50
19	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for CIMB Islamic DALI Equity Theme Fund	15,053,500	0.44
20	Amanahraya Trustees Berhad - Amanah Saham Didik	14,708,900	0.43
21	HSBC Nominees (Asing) Sdn Bhd - Exempt an for JPMorgan Chase Bank, National Association (U.S.A.)	13,278,508	0.39
22	HSBC Nominees (Asing) Sdn Bhd - BBH (LUX) SCA for the Genesis Emerging Markets Investment Company	12,617,547	0.37
23	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	12,040,600	0.35
24	DB (Malaysia) Nominee (Asing) Sdn Bhd - SSBT Fund 1LN0 for the Genesis Group Trust Employee Benefit Plans	11,976,225	0.35
25	Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	11,762,300	0.34
26	Citigroup Nominees (Asing) Sdn Bhd - Exempt an for Citibank New York (Norges Bank 14)	10,843,400	0.32
27	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities)	10,714,200	0.31
28	HSBC Nominees (Asing) Sdn Bhd - Exempt an for the Bank of New York Mellon (Mellon ACCT)	10,442,576	0.31
29	HSBC Nominees (Asing) Sdn Bhd - HSBC-FS for Macquarie Asia New Stars Fund	10,296,200	0.30
30	Amanahraya Trustees Berhad - Public Islamic Sector Select Fund	9,374,200	0.27
TOTAL		3,020,054,280	88.56

ANALYSIS OF SHAREHOLDINGS

Directors' Shareholdings

	No. of Shares Held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Tan Sri Datuk Gnanalingam A/L Gunanath Lingam	210,000	0.01	1,551,000,000[1]	45.48
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil	200,000	0.01	-	-
Tan Sri Ismail bin Adam	-	-	-	-
Dato' Abdul Rahim bin Abu Bakar	230,000	0.01	-	-
Dato' Yusli bin Mohamed Yusoff	-	-	-	-
Ruben Emir Gnanalingam bin Abdullah	-	-	1,551,000,000[2]	45.48
Ip Sing Chi	-	-	-	-
Chan Chu Wei	1,000,000	0.03	-	-
Jeyakumar Palakrishnar	200,000	0.01	50,000[3]	Negligible
Kim, Young So	-	-	-	-
Ruth Sin Ling Tsim	-	-	-	-

Note:

(1) Deemed interested in shares held by Pembinaan Redzai Sdn Bhd and Semakin Ajaib Sdn Bhd in the Company pursuant to Sections 69D, 6A(4) and 134(12)(c) of the Companies Act, 1965.

(2) Deemed interested in shares held by Pembinaan Redzai Sdn Bhd and Semakin Ajaib Sdn Bhd in the Company pursuant to Sections 69D and 6A(4) of the Companies Act, 1965.

(3) Deemed interested in shares held by his spouse in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

LIST OF CONCESSION ASSETS

Location	Description/Current Use	Ages of Buildings (Years)	Berth length (m)/ Built up area ('000m²)	Date of Construction	Tenure (Years)	Net Book Value 2015 RM'000
CT1: Wharf and Yard	Wharf and yard for berthing and storing containers	18	600m & 91.2m²	1997	57	40,848
Building	Container Gate, Marshalling building, storage facilities and M&R workshop	19	6.1m²	1996	50	5,373
CT2: Wharf and Yard	Wharf and yard for berthing and storing containers	18 & 15	600m & 150.0m²	1997 & 2000	57 & 53	37,816
Building	Storage Facilities	16	2.7m²	1999	50	2,581
CT3: Wharf and Yard	Wharf and yard for berthing and storing containers	14	600m & 131.4m²	2001	52	95,357
Building	Storage Facilities and M&R workshop	12	38.3m³	2003	50	6,155
CT4: Wharf and Yard	Wharf and yard for berthing and storing containers	10	600m & 137.6m²	2005	48	134,091
Building	Admin building and M&R workshop	8	19.2m²	2007	46	12,768
CT5: Wharf and Yard	Wharf and yard for berthing and storing containers	7	600m & 137.6m²	2008	45	209,384
CT6: Wharf and Yard	Wharf and yard for berthing and storing containers	4 & 3	600m & 180.3m²	2011 & 2012	42 & 43	277,076
CT7: Wharf and Yard	Wharf and yard for berthing and storing containers	2 & 1	600m & 175.8m²	2013 & 2014	41 & 40	322,100

NOTICE OF TWENTY-THIRD (23rd) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of WESTPORTS HOLDINGS BERHAD will be held and convened at Ballroom 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 26 April 2016 at 2.30 p.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.

Ordinary Resolution 1

2. To approve the payment of Directors' fees of RM1.08 million for the financial year ending 31 December 2016 to be paid monthly in arrears.

Ordinary Resolution 2

3. To consider and, if thought fit, to pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965:-

   (i) "That pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Datuk Gnanalingam A/L Gunanath Lingam be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 3

   (ii) "That pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 4

   (iii) "That pursuant to Section 129(6) of the Companies Act, 1965, Dato' Abdul Rahim Bin Abu Bakar be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 5

4. To re-elect the following Directors who are retiring under Article 106 of the Articles of Association of the Company:-

   (i) Ms. Chan Chu Wei; and **Ordinary Resolution 6**
   (ii) Mr. Ip Sing Chi. **Ordinary Resolution 7**

5. To re-elect Ms. Ruth Sin Ling Tsim who is retiring under Article 113 of the Articles of Association of the Company.

Ordinary Resolution 8

6. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 9

NOTICE OF TWENTY-THIRD (23rd) ANNUAL GENERAL MEETING

As Special Business
To consider and, if thought fit, to pass the following resolution:-

7. Proposed Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965

   "That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company (excluding treasury shares) for the time being, subject always to the approval of the relevant regulatory bodies being obtained for such allotment and issue."

Ordinary Resolution 10

As Other Business
8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Secretaries

Selangor Darul Ehsan

1 April 2016

NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
2. *Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*
3. *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") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.*
5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's Office at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 15 April 2016 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*

NOTICE OF TWENTY-THIRD (23rd) ANNUAL GENERAL MEETING

EXPLANATORY NOTES

(i) Ordinary Resolution 10 - Proposed Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965

The Company had, during its Twenty-Second AGM held on 29 April 2015, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Act. As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 10 proposed under item 7 of the Agenda seeks the shareholders' approval of a general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965. The mandate, if passed, will empower the Directors from the conclusion of this Annual General Meeting, to allot and issue up to a maximum of 10% of the issued share capital of the Company at the time of issue (other than bonus or rights issue) for such purposes as the Directors consider would be in the best interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

This authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for purpose of funding investment project(s), working capital and/or acquisition(s). At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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 representatives 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.

WESTPORTS

PROVEN. TRUSTED. FRIENDLY.

FORM OF PROXY

WESTPORTS HOLDINGS BERHAD
(Company No. 262761-A)
(Incorporated In Malaysia)

No. of shares held

I/We, ...

of ....

being a member of WESTPORTS HOLDINGS BERHAD, hereby appoint ....

of ....

or failing him/her, ...

of ....

or failing him/her, *the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Third Annual General Meeting of the Company to be held at Ballroom 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 26 April 2016 at 2.30 p.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:

** Please delete the words "Chairman of the Meeting" if you wish to appoint some other person to be your proxy.*

No.	Resolution	For	Against
Ordinary Resolution 1	Receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors		
Ordinary Resolution 2	Approval of the payment of Directors' fees of RM1.08 million for the financial year ending 31 December 2016 to be paid monthly in arrears		
Ordinary Resolution 3	Re-appointment of Tan Sri Datuk Gnanalingam A/L Gunanath Lingam as Director		
Ordinary Resolution 4	Re-appointment of Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil as Director		
Ordinary Resolution 5	Re-appointment of Dato' Abdul Rahim Bin Abu Bakar as Director		
Ordinary Resolution 6	Re-election of Ms. Chan Chu Wei as Director		
Ordinary Resolution 7	Re-election of Mr. Ip Sing Chi as Director		
Ordinary Resolution 8	Re-election of Ms. Ruth Sin Ling Tsim as Director		
Ordinary Resolution 9	Re-appointment of Messrs KPMG as Auditors		
Ordinary Resolution 10	Proposed Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this .... day of .... 2016.

The proportions of my/our shareholding to be presented by my/our proxies are as follows:

1st proxy	%
2nd proxy	%
Total	100%

Signature/Common Seal of Member

NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
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5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's Office at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.*
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STAMP

Westports Holdings Berhad (262761-A)
c/o Boardroom Corporate Services (KL) Sdn. Bhd.
Lot 6.05, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama,
47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

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www.**westportsholdings**.com

Westports Holdings Berhad (262761-A)
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Selangor Darul Ehsan, Malaysia.

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