7.1 OVERVIEW

We are Malaysia's largest container port operator and the country's leading container hub for transshipment and gateway cargo, according to Drewry. We handle a wide range of container and conventional cargo and provide a balanced mix of transshipment and gateway services across our operations on the west coast of Peninsular Malaysia. We operate five sea ports and a solid product jetty terminal and conduct STS services at an offshore port. We provide marine services and operate free zones in the water limits and land around our ports. We also operate three cruise terminals.

Our five sea ports are PTP, Johor Port, Northport, Penang Port and Tanjung Bruas Port. Our ports provides a mix of container, conventional cargo, marine and other services that are tailored to their business and customers.

In aggregate, our ports registered 18.5 million TEUs of container throughput and 36.5 million FWTs of conventional throughput in FYE 31 December 2024. As at the LPD, we had a total of 92 berths for container and conventional cargo, with a combined length of 19,394.0 metres.

Our ports are strategically located in close proximity to the main shipping route along the Strait of Malacca, serving as important transshipment hubs in Southeast Asia. This location along one of the world's busiest shipping routes, combined with our diversified cargo handling capabilities, positions us as Southeast Asia's key gateway to global trade, with connectivity to Intra-Asia, Transpacific, and Asia-Europe routes. According to Drewry, Intra-Asia is one of the highest growth markets in terms of container shipping volumes, driven by the region's expanding middle class and the relocation of manufacturing centres to the region. We handle transshipment traffic from major global trade regions, including North America, Europe, the Middle East, the Far East, and Southeast Asia. The natural deep-water channel surrounding our ports allows us to handle containers for large local and international vessels with overall capacities of up to 24.0 million TEUs of container capacity and 51.4 million FWTs of conventional capacity at certain ports as at the LPD. Our ports are well-connected to Malaysia's internal domestic infrastructure, including major highways such as the North-South Expressway and the Federal Highway, and Malaysia's national railway network. This collective infrastructure provides connectivity for our ports throughout the country, including to key industrial zones and urban centres. Beyond domestic connectivity, our ports are strategically positioned to function as critical gateways linking Malaysia to neighbouring countries and regions, in particular Singapore served by Johor Port, and Southern Thailand served by Penang Port. As at the LPD, our ports collectively linked to 462 ports, had 5,490 vessel calls from various ships, and we received more than 224 weekly services from various shipping lines. Our STS services are carried out at Yan STS Port in Yan, Kedah, located approximately five nautical miles off the coast of Pulau Bunting. This facility enables cargo transfers from vessel to vessel at sea without the need to dock in-land.

We provide port facilities and services for cruise ships through our three cruise terminals, SPCT, PKCT and LCT. The three cruise terminals handled approximately 1.5 million passengers in 2024. In aggregate, our cruise terminals collectively registered a total of 5.0 million passengers and 3,187 vessel calls for the Financial Years Under Review and from 1 January 2025 to the LPD, collectively.

We have enhanced our operational efficiency through technology integration and automation initiatives, enabling us to deliver reliable and efficient services to our customers.

For the FYEs 31 December 2022, 2023 and 2024, we generated revenue of RM4,058.1 million, RM3,961.0 million and RM4,356.5 million, respectively, and PATAMI of RM471.8 million, RM701.1 million and RM636.6 million, respectively.

7.2 COMPETITIVE STRENGTHS

We believe that we benefit from the following competitive strengths:

7.2.1 Leading privately-owned port operating group (which is not government-linked) in Southeast Asia with capabilities to handle a wide range of cargo types with a balanced mix of transshipment and gateway services

We were ranked 13th among the world's leading terminal operators^ based on equity-adjusted throughput* in 2023, and fifth among the leading private terminal operators, according to Drewry. In Southeast Asia, we were ranked third based on equity-adjusted throughput in 2023. However, within Southeast Asia, we hold the first position among privately-owned operators which are not government-linked. Our network includes five major ports strategically located along the Strait of Malacca, with two among Southeast Asia's top seven largest ports, namely Northport and PTP, in terms of container throughput volume in 2024. In addition, we operate four of the top five largest Malaysian ports in terms of container throughput in 2024, according to Drewry. All of our five major port assets are under long-term concession until 2055, providing operational stability and visibility, with additional long-term growth prospects. According to Drewry, port operators are required to obtain a concession agreement from the Government, which is often a highly competitive process with concessions rarely being granted. Therefore, the limited availability of new concession agreements favours incumbent port operators, such as ourselves, and serves as a high barrier to entry.

Notes:
** Equity-adjusted throughput reflects the total container volume handled at terminals, adjusted according to an operator's equity stake in each facility, providing a more accurate measure of the volume attributable to the operator's ownership. It is calculated by multiplying the total throughput of each terminal by the percentage of the operator's equity stake.*
^ Terminal operators manage specific terminals within ports. Port operators oversee an entire port complex.

Our diversified portfolio demonstrates strong operational resilience through varied cargo handling capabilities including containers, break bulk, liquid bulk, dry bulk and RORO. Our broad cargo handling capabilities across different cargo segments has supported our revenue stability during the Financial Years Under Review. Our strong market position was further reinforced in 2024 when PTP, Northport and Johor Port all achieved record container throughput volumes, alongside Northport achieving record-high conventional throughput, in each case surpassing the port's previous record.

We maintain a mix of transshipment and gateway services, supporting both international trade and domestic demand. Our extensive network encompasses 462 port connections, had 5,490 vessel calls from various ships, and we received more than 224 weekly services from various shipping lines. Our transshipment traffic spans key global trade regions due to our connectivity to major global shipping routes, including Intra-Asia and Asia-Europe and Transpacific.

We offer flexible capacity, such as temporary storage, across our major ports to accommodate customers' ad-hoc requirements. Additionally, we provide customised pricing structures and value-added services, such as warehousing space across our ports to meet evolving customer requirements. Through investments in digitalisation and infrastructure enhancements, we are able to accommodate vessels ranging from feeder vessels to the largest container vessels. Our integrated port logistics system delivers comprehensive end-to-end solutions across our network. We offer a full suite of marine services including 24-hour pilotage, towing, and STS operations. Our container handling capabilities are complemented by extensive Free Zone benefits that include duty-free storage and simplified customs procedures.

The strategic integration of our five ports creates operational synergies, establishing an integrated port system that positions our Group as one of the key transshipment hubs for global trade and regional distribution hubs for Southeast Asia.

Our portfolio of high-quality ports is listed below:

- PTP operates as a major global transshipment hub and is ranked as the 15th largest port globally based on throughput in 2024, according to Drewry, handling 12.3 million TEUs of container throughput in the FYE 31 December 2024. It is the fastest-growing terminal in the Southeast Asia region, according to Drewry, achieving container throughput CAGR of 4.1% from 2014 to 2024. PTP has achieved several significant milestones in recent years, which further solidifies its position as a key alternative port to Singapore. In 2022, PTP set its own record by surpassing 1.0 million TEUs handled in a month. In 2024, PTP achieved another milestone record for its own operations by exceeding 12.0 million TEUs handled in a year and also surpassed 1.2 million TEUs handled in a month in April 2025. Additionally, PTP's operational efficiency has gained international recognition, securing fifth place globally in the World Bank's Container Port Performance Index for 2023. According to Drewry, PTP's operational performance in terms of 2,431 TEUs per metre of quay and 232,770 TEUs per crane surpasses that of Westports and exceeds the global benchmark operational performance of 1,123 TEUs per metre of quay and 146,108 TEUs per crane.

- Northport operates as a strategic multi-purpose hub within Port Klang, processing both container cargo of 3.7 million TEUs and conventional cargo of 12.7 million FWTs for domestic and international trade in the FYE 31 December 2024. Northport's operational excellence is characterised by highly efficient berthing and cargo-handling processes, optimising vessel scheduling and turnaround times. According to Drewry, Port Klang was ranked as the 10th largest port globally based on throughput in 2024 and the eighth most connected port in the world. Northport was also one of the fastest growing ports in the region with a CAGR of 6.1% between 2019 and 2024.

- Johor Port possesses the world's largest palm oil terminal and among the world's largest single edible oil terminals, reinforcing its strategic importance in global edible oil trade, according to Drewry. Johor Port operates as a key gateway port to Malaysia, leveraging its proximity to Singapore, facilitating 1.1 million TEUs of container cargo and 17.0 million FWTs of conventional cargo in the FYE 31 December 2024.

- Penang Port serves as the primary maritime gateway for Kedah, Perlis, Penang and Perak in Northern Malaysia, handling 1.4 million TEUs of container cargo and 6.2 million FWTs of conventional cargo in the FYE 31 December 2024. Owing to its geographic proximity and efficient logistics connections, it also handles cross-border cargo flows from Southern Thailand, making it a key hub for regional trade integration, according to Drewry.

- Tanjung Bruas Port functions as the primary gateway port to Melaka, primarily servicing the local business communities in Melaka and the surrounding regions and handled 0.5 million FWTs of conventional cargo in the FYE 31 December 2024.

7.2.2 Strategically located along the Strait of Malacca, Southeast Asia's gateway to global trade driven by the fast-growing Malaysian economy

Our ports are strategically located along the Strait of Malacca. The Strait of Malacca stands out as the busiest shipping route in the world (for vessels exceeding 1,000 deadweight tonnes), serving as the primary maritime corridor linking Asia (including China) to Europe, according to Drewry. As a critical maritime passageway for global maritime trade, the Strait of Malacca connects the Andaman Sea to the South China Sea via Malaysia and Singapore which facilitates trade flows between North America, Europe, the Middle East, Far East, and Southeast Asia. Malaysia is one the most connected economies globally, with close proximity to major Asian markets.

Through leveraging on the strategic positioning of assets, we benefit significantly from the high transshipment volumes that pass through the Strait of Malacca, with its key ports acting as crucial hubs for both regional and global trade, according to Drewry. In addition, lower tariffs that we are subject to position us favourably against regional competitors. In terms of maximum reported tariffs, our gateway tariffs are lower than those of Singapore and Tanjung Priok, and PTP's transshipment tariff is competitive with its key regional peers. Based on the terminal handling surcharges published by the shipping lines such as CMA CGM and ONE, MMC Ports' charges are about 40.0% to 50.0% less than the Port of Singapore, according to Drewry.

Malaysia's robust economic fundamentals further strengthen our market position and growth prospects. According to the IMF, the country's GDP is projected to expand at a CAGR of 6.1% to USD565.0 billion in 2029. According to Drewry, this is driven by rising domestic consumption, the government's strong focus on advancements in high-tech industries and increased foreign investment. Malaysia's ports, particularly our ports, are uniquely positioned to capitalise on both Intra-Asian growth and East-West trade flows, serving as key transshipment and gateway nodes, and rising investment interest will further aid in reinforcing Malaysia's ports' dual role, according to Drewry. Malaysia's conducive business environment has attracted over 5,000 foreign companies from 50 countries, with cumulative foreign direct investment reaching USD222.2 billion as of 2024. The strong economic foundation supports robust trade growth and increased commodity consumption. Furthermore, as our assets have strong regional trade exposure, especially Intra-Asia, this will act as a succour against external disruptions such as those created by U.S. tariffs, according to Drewry. Our diversification across trade lanes can also support greater resilience in volatile geopolitical environments, of which Intra-Asian trade has shown resilience amid the softening of demand globally. This strong internal trade network drives regional growth and further provides a buffer against external trade disruptions.

7.2.3 Integrated port ecosystem with excellent integrated connectivity to Malaysia infrastructure, hinterlands and industrial parks

Our five major ports serve as key regional and domestic distribution hubs, strategically interlinked with inland freight facilities and supported by major Malaysian hinterland networks and industrial parks. This integrated port logistics ecosystem enhances our value proposition for customers. According to Drewry, generally, a key success factor for a port is its location (its proximity to consumption and production centres and warehouses), being critical to its growth. With Malaysia's nominal GDP expected to grow at a CAGR of 6.1% between 2024 to 2029, according to the IMF, our excellent integrated connectivity to the hinterland and industrial parks are key differentiators that have supported our growth.

PTP

Located at the confluence of the major East-West trade lanes, PTP, having established itself as a premiere transshipment hub, offers connectivity to the hinterland via dual-carriage roads linking it to the Malaysia-Singapore Second Link and Malaysia's North-South Expressway. In addition to road, sea and air intermodal linkages, PTP is also connected to the railway network, which runs through Peninsular Malaysia from Southern Thailand. The rail depot at PTP provides direct access to Johor Port.

Integrated with PTP is the Pelepas Free Zone, which encompasses approximately 664.5 hectares across five phases and facilitates integrated commercial and industrial activities around PTP. Phases 1 and 2, covering 294.8 hectares, have been developed with essential infrastructure such as electricity, water, telecommunications, roads and drainage that are readily available for potential industrial companies. Over 90.0% of this land has been subleased to local and global companies for lease periods from 12 to 50 years through March 2055. PTP has attracted well known international customers, hosting their distribution centres around its vicinity, including one for a major multinational car manufacturer. The integrated port logistics ecosystem within the Pelepas Free Zone provides end-to-end supply chain solutions and seamless connectivity to Malaysia's industrial base. This has allowed PTP to extend its hinterland beyond Johor to include Singapore.

Johor Port

Situated in the agricultural state of Johor, Malaysia's third-largest manufacturing state, Johor Port serves as a strategic gateway to major industrial areas within the state of Johor. The port serves a wide range of industries including palm oil, electronics, food, chemicals, and other commodities which provide stable cargo volume.

With a memorandum of understanding between Malaysia and Singapore signed on 11 January 2024, the Johor-Singapore Special Economic Zone is expected to further boost industrial activities and transport volumes. New transportation infrastructure projects, including the rapid transit system link connecting Johor Bahru in Malaysia to Woodlands in Singapore (RTS Link) and the widening of the Johor Bahru to Simpang Renggam Projek Lebuhraya Utara Selatan (or PLUS) highway, is expected to enhance Johor Port's connectivity to both the Johor region and the Johor-Singapore Special Economic Zone.

Northport

Northport features exceptional connectivity with direct access to over 13 industrial parks via road and rail networks. The port's location, just approximately 100 metres from the nearest highway, enables efficient travel within a 50 kilometres radius in approximately two hours. This robust multimodal connectivity supports cargo movement to and from key industrial zones and our other ports. The port's integration with the Federal Highway, North-South Expressway Central Link, Shah Alam Expressway, South Klang Valley Expressway, New Klang Valley Expressway, Federal Highway Route 2, Pulau Indah Expressway, and West Coast Expressway, also ensures efficient road transport access to major logistics hubs, manufacturing centres, and inland depots across Peninsular Malaysia. Additionally, the railway network connects Northport to domestic and cross-border rail freight services, enhancing Northport's connectivity with key hinterland areas. As part of our Group's port network, Northport leverages synergies with PTP, Johor Port, Penang Port and Tanjung Bruas Port enabling cargo redistribution, transshipment, and integrated logistics solutions. Looking ahead, the upcoming ECRL connection (targeted for 2027) is expected to further enhance Northport's accessibility to the East Coast Economic Region, strengthening its role as a key trade gateway.

Penang Port

Penang Port serves as a crucial gateway port. Located at the northern tip of the Strait of Malacca, it provides direct access to emerging markets in the Bay of Bengal and serves as a key gateway for Northern Malaysia, Southern Thailand, and the Indonesia-Malaysia-Thailand Growth Triangle, supported by efficient multimodal connections (road, rail and barge). Penang Port also serves as the primary maritime gateway for Kedah, Perlis, Penang and Perak in Northern Malaysia, handling local import and export cargo from the hinterlands. With its modern facilities and focus on operational efficiency, Penang Port has established itself as a vital maritime hub in Southeast Asia.

Tanjung Bruas Port

Tanjung Bruas Port is positioned as the main gateway port to Malacca. The port is located at the most central and narrowest part of the Strait of Malacca on the west coast of Peninsular Malaysia. It connects with over 500 companies in diversified industries in Malacca such as food processing, semiconductor, metal, solar panels, floated glass, garment and electrical and electronics sectors. The port is readily accessible, located approximately two hours from Kuala Lumpur, 1.5 hours from Kuala Lumpur International Airport, and three hours from Singapore by land. The port benefits from direct access to the major East-West Trade Lane and maintains a strong business connection with Dumai and Bengkalis in Indonesia.

7.2.4 Track record of delivering operational efficiencies and financial profitability through modernisation, digitalisation and scale

We have demonstrated strong operational and financial performance across our port operations. Our robust top-line growth is reflected in our earnings before interest and taxation growth, which underscores our ability to scale while maintaining operating leverage. Between FYEs 31 December 2022 and 2024, we achieved steady growth with revenue increasing at a CAGR of 3.6%, and our profit before interest and tax increasing at a CAGR of 6.6%. Certain of our ports have undergone or are undergoing digital transformation initiatives to deploy an integrated enterprise resource planning system and terminal operating systems to improve operational efficiencies. We leverage our scale as a diversified ports group to achieve attractive pricing arrangements with our customers and suppliers. We have controlled our operating expense prudently and achieved economies of scale. For the FYEs 31 December 2022, 2023, 2024, we generated EBITDA of RM1,870.5 million, RM1,951.5 million and RM2,023.2 million, representing EBITDA margin (excluding Construction Contract Revenue) of 48.3%, 50.7% and 49.0%, respectively. For the FYEs 31 December 2022, 2023, 2024, we generated PATAMI of RM471.8 million, RM701.1 million and RM636.6 million, representing PATAMI margin (excluding Construction Contract Revenue) of 12.2%, 18.2%, and 15.4%, respectively.

Our operational excellence is driven by several key factors:

Continuous infrastructure and facility enhancements

We maintain and upgrade our port infrastructure to meet evolving industry demands and enhance operational efficiency. Our infrastructure investments are strategically focused on expanding capacity, improving productivity, and supporting emerging logistics needs. For the FYEs 31 December 2022, 2023, and 2024, our capital expenditures amounted RM892.9 million, RM770.1 million, RM1,216.0 million, respectively, and were primarily for the purchase of new equipment, upgrade of our port infrastructure, as well as capacity expansion. Please refer to Annexure C for the material plant and equipment of our Group. We are also developing specialised infrastructure to capture emerging opportunities, including the development of dedicated terminals and storage facilities for ammonia, hydrogen and liquified natural gas bunkering. Additionally, we are establishing comprehensive RORO facilities to accommodate rapidly increasing and diversified customer demand.

We are actively pursuing measures to reduce the environmental impact of our operations while enhancing our terminal infrastructure. For example, we have begun to deploy electrified RTGs in our ports in addition to traditional RTG.

Continued digitalisation efforts

We invest in our port infrastructure and modern technology solutions including terminal operating systems, vessel traffic management information systems, marine risk management systems, digital twins technology, and IoT applications, which we have deployed at some of our ports. These investments along with our strategic cooperation with a supply chain execution software provider adopted by global major port operators have enabled us to achieve operational excellence in terms of increasing throughput handled with existing equipment and port infrastructure.

For example, as part of digital transformation initiatives at PTP, we have implemented "Asset Digitalization" that connects IoT sensors across our equipment fleet (including quay cranes, RTGs, prime movers and supervisor vehicles) to enable real-time monitoring and operational visibility. This system provides real-time telemetric and global positioning system (GPS) tracking, predictive maintenance capabilities, and visual and artificial intelligence-driven alerts. PTP leverages collected data to generate actionable insights to enhance workforce efficiency, streamline daily operations and provide predictive analytics for yard planning, fleet management and overall operational optimisation. A collective number of initiatives have significantly transformed PTP's operations, achieving a minimal 45-minute deviation time for vessels, and productivity has improved from 25.1 moves per hour in the FYE 31 December 2022 to 27.6 moves per hour for the period of 1 January 2025 through the LPD. PTP also utilises technologies including augmented reality and virtual reality platforms for immersive safety training and simulations, enhancing safety protocols in critical areas such as fire safety, hand injury prevention and working at heights. PTP's "Data Lake and Analytics" platform enables real-time optimisation of key performance metrics including yard density, and equipment productivity. We intend to continue to implement these proven digitalisation initiatives across our port network to drive operational synergies.

According to Drewry, to secure higher volume, terminal operators must operate efficiently with minimum waiting time and no congestion, immediate access to berths and cranes and high productivity, apart from providing deep-water cranes to service the largest vessels. The ability of PTP to handle the largest container vessels works to its advantage as a transshipment hub, in addition to its partnership with APM Terminals B.V., which is affiliated with A.P.Moller – Maersk A/S, the second largest container shipping line. Our commitment to operational excellence was demonstrated by PTP's recognition as the fifth most efficient port globally and first in Southeast Asia, according to the World Bank's Container Port Performance Index for 2023. PTP has set multiple records for its own historical operations, including handling over 12.0 million TEUs annually, more than 15,000 quayside moves in a single 12-hour shift (achieved in April 2025), and processing 1.2 million TEUs in a single month without congestion (achieved in April 2025).

Through its operational efficiency initiatives, including digitalisation efforts, PTP's safe operating capacity has grown from 12.5 million TEUs for the FYE 31 December 2022 to 13.5 million TEUs as at the LPD, in addition to the productivity improvements mentioned above. PTP has also achieved CAGR of 5.2% in revenue (excluding Construction Contract Revenue) from FYE 31 December 2022 to FYE 31 December 2024, while simultaneously reducing operating expenditure (excluding Construction Contract Cost) from 74.5% to 70.5% of total revenue (excluding Construction Contract Revenue).

7.2.5 Entrenched blue-chip customer base of global shipping lines, with container cargo business anchored by connection to the Gemini Cooperation

We have built and maintained strong relationships with a "blue-chip" customer base of leading global shipping lines including Maersk, Evergreen, Wan Hai, MSC, CMA CGM and Interasia.

Maersk group's 30.0% indirect ownership in PTPSB, our subsidiary which operates PTP, through A.P.Moller – Maersk A/S, has strengthened our position in the industry over the years as we work with and leverage on the expertise of one of the world's largest shipping liners. Since carriers prefer to use terminals where they have equity ownership, according to Drewry, the terminal's affiliation to an alliance partner is important to ensure stickiness of transshipment volume, such as through the Gemini Cooperation, a long-term operational collaboration launched in February 2025 by Maersk A/S and Hapag-Lloyd. The Gemini Cooperation operates on a hub-and-spoke transshipment model, comprising 340 vessels, aggregating around 3.7 million TEUs, and covers 57 services including mainliner and dedicated shuttle services. The Gemini Cooperation operates approximately 22.0% of global container capacity, according to Drewry. With the new alliance arrangements, the deep-sea weekly loop calls at PTP increased from 21 in the third quarter of 2024 to 25 in the first quarter of 2025, according to Drewry. As a result of its new role as the Gemini Cooperation westbound hub port, PTP has reliable significant transshipment volumes from both Maersk A/S and Hapag-Lloyd, which would have previously been transported directly from the loading port to the destination port in Europe.

PTP has more calls than any other Gemini Cooperation hub port, with seven deep-sea services routed via PTP to Europe, including one to North America and one to the Middle East, according to Drewry. According to Drewry, this indicates the critical role PTP plays within the Gemini Cooperation network. Consequently, according to Drewry, a higher proportion of containers on the Gemini Cooperation deep-sea loops are expected to be exchanged at PTP than was previously envisaged, which would result in larger volumes being discharged from and loaded on individual vessels. Since Gemini Cooperation vessel calling at PTP mainly transport cargo between Asia and Europe, they are expected to be relatively shielded from the impact of the U.S. tariffs, according to Drewry. Since the launch of the Gemini Cooperation, PTP's throughput has increased by 16.7% to 3.3 million TEUs in February to April 2025 compared to 2.85 million TEUs in the corresponding period in 2024.

7.2.6 Experienced management team with strong track record of port industry expertise

Our company is guided by an accomplished management team with proven expertise in the port industry. Led by Dato' Azman Shah bin Mohd Yusof, who serves as our Chief Executive Officer, our management team (see Section 9.3 for details) is equipped with extensive experience that spans global maritime and infrastructure operations, with particular depth in port operations, development, and management. Leveraging their industry relationships and expertise to guide our strategic growth, our management team has spearheaded digital transformation initiatives, transitioning us to an integrated enterprise resource planning system and terminal operating systems across our ports and drove operational improvements and economies of scale of our platform. Please refer to Sections 9.2 and 9.3 of this Prospectus for details of our Directors and key senior management.

Under the leadership of our management team, we have made investments to cultivate an engaged, productive and loyal workforce. We offer ongoing development programs and promote a positive working environment. We had launched multiple programs to enhance workers' productivities, including PTP's TVET and graduate development programs enabling career advancement and maintaining operational excellence. We are committed to occupational safety and have earned multiple accolades, including the Gold Class 1 award granted to PTP from the Malaysian Society for Occupational Safety and Health in 2023, as well as the Occupational Safety and Health Practitioner with Best Integrity granted to Northport from the Malaysian Institute of Integrity in 2024. We have achieved a 90.0% employee retention rate as at 31 March 2025 through structured career progression pathways and gender-equal opportunities, while engaging our workforce in sustainable initiatives that align with global standards. As at 31 December 2024, 42.5% of our senior management positions were filled through internal promotions, demonstrating our successful talent development strategy.

7.3 OUR FUTURE PLANS AND STRATEGIES

We aspire to extend our leadership as the largest container port operator in Malaysia and gain market share by capitalising on the Strait of Malacca's role as a vital node in trade between East Asia, the Middle East and Europe and leverage its geographical location as a strategic hub handling over 23.7% of global maritime trade and serving as a crucial link for trade between Asia, including China, and Europe. Our growth strategies focus on organic growth through capacity expansion, digitalisation and equipment enhancements, commercial optimisation and inorganic expansion through opportunistic investments. We have identified these strategic growth focus areas for their potential to accelerate our scale and produce synergies across our ports. Please refer to Section 7.5.4 of this Prospectus for details of our expansion projects and plans.

As a unified port platform, we believe that our future success will be driven by the following future plans and strategies.

7.3.1 Organic growth through strategic capacity expansion

We continue to expand our container and conventional capacity to meet the growing needs within the Strait of Malacca. We target to expand our container handling maximum capacity from approximately 24.0 million TEUs in 2024 to 26.9 million TEUs in 2029, and our conventional handling maximum capacity from approximately 51.4 million FWTs in 2024 to approximately 66.1 million FWTs in 2029. This growth in capacity can enable us to continue to gain market share amidst the wave of manufacturing regionalisation and reshoring and global supply chain reorganisation.

According to Drewry, Intra-Asia is one of the highest growth markets in terms of container shipping volumes among the major trade lanes, accounting for 15.0% market share (in terms of TEU) of the global container shipping volume in 2023. As our assets are well-positioned amidst the major trade lanes such as Intra-Asia as well as Asia-Europe, we intend to capture the global and Southeast Asian uptrend in container throughput which Drewry forecasts to grow at a CAGR of 2.5% and 2.6%, respectively, between 2024 and 2029. Drewry also expects regional trade agreements such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to boost intra-regional and Intra-Asian trade to new heights, which will help counterbalance predictions of declining global trade volumes and provide further opportunities for port operators in the region to enhance their operations and connectivity.

Domestically, Malaysia has demonstrated remarkable resilience and delivered uninterrupted growth since 2014, in contrast with the broader Southeast Asia region which grappled with volatility, according to Drewry. Even in the post-pandemic era between 2020 and 2024, Malaysia reported a CAGR of 3.6% for container throughput, surpassing Southeast Asia's average of 3.2%, further underscoring its competitive edge. Drewry forecasts Malaysia's container throughput to continue growing at a CAGR of 2.6% between 2024 and 2029, driven by its strategic location, strong domestic consumption and robust Intra-Asian trade.

We intend to make timely investments into the physical expansion of our ports through developing previously undeveloped land and reclamation of land. Please refer to each "current major/key expansion plans" subsection under Section 7.5.4 of this Prospectus for details. From FYEs 31 December 2025 to 2029, our respective ports have various development plans in the works, such as (i) the addition of a new berth (Berth 0) and container yard in an undeveloped land bank in PTP and the expansion of the Pelepas Free Zone, (ii) ongoing expansion of Johor Port's liquid cargo handling capacity by way of the construction of additional berths and rehabilitation of jetty structures within existing liquid jetties, (iii) wharf extension and upgrading and land reclamation for yard expansion at Northport; (iv) the expansion of berth and container yard in Penang Port, and (v) reclamation of land in Tanjung Bruas Port. These plans seek to match the growth in our capacity with increasing vessel sizes and frequency of calls to our port to reduce congestion within our ports.

7.3.2 Digitalisation and technological transformation and equipment rehabilitation and modernisation to maximise operational efficiency

As a port operator, we continue to invest in the rehabilitation of our equipment and leverage on modernisation and digitalisation of our platform ports to implement consistent renewal initiatives to enhance our operational capacity and efficiency. Ongoing renewals include (i) the rehabilitation of liquid terminal jetties and wharfs, (ii) conveyor structures and system, (iii) quay cranes and level luffing cranes, (iv) reach stackers and empty stackers, (v) crane rails, (vi) diesel and electrified RTGs, (vii) prime movers with electrification and (viii) the digitalisation and automation of wharf gates and gate operations. These endeavours equip us to continue delivering reliable services and quick turnaround of vessels for our customers.

In a dynamic and changing international port landscape, we recognise the limits of growing port capacity solely through land and facilities expansions and the need to continue improving port efficiency. Hence, we have established strategic cooperations with supply chain execution software service providers to develop port digitalisation solutions to optimise operational efficiency and maintain our track record of delivering operational efficiencies through modernisation and digitalisation of our ports. We intend to continue to implement these proven digitalisation initiatives at PTP across our port network to drive operational synergies. Please refer to each "current major/key expansion plans" subsection under Section 7.5.4, as well as Section 7.9 of this Prospectus for details.

7.3.3 Increase profitability by focusing on high margin cargo segments and services and cost management

We aim to increase cargo handling volume in segments that generate higher margins. For example, at Penang Port, we intend to focus on the dry and liquid bulk segments that generate greater revenue and margins, and we plan to engage directly with shippers and end users to source additional customers and cargo. We also intend to offer value-added services, such as storage and bulk handling to add and diversify revenue streams and to further entrench existing customers.

We are also optimising our land and warehouse spaces resources to ensure that we have sufficient rental capacity to meet demand. We are also optimising our storage rental spaces by encouraging long-term tenancies to strengthen our bargaining and pricing power, all while maintaining strict cost control measures. Moreover, we intend to leverage our ecosystem of integrated ports to share learnings, best practices and effective strategies across different ports to foster holistic synergies and enhance our operations.

7.3.4 Inorganic expansion – scaling through strategic endeavours and partnership

Besides growing our ports organically, we are also seeking opportunities to strengthen our platform and expand our capacity through the acquisition of port assets strategically situated in trade corridors that are projected to attract increasing shipping volumes. In our evaluation we assess the potential for the realisation of synergistic benefits with our existing port platform and ability to integrate with other port assets through multimodal connectivity. We seek to expand our capacity through the formation of joint venture partnerships. Through these potential partnerships, we also aim to be Malaysia's pioneer in adoption of new technologies to further modernise and digitise our port operations and unlock further port operational efficiencies. As at the LPD, we have not identified any new or additional acquisition, joint venture or partnership targets.

7.4 HISTORY, KEY MILESTONES AND AWARDS

The following table summarises the key milestones in the history of our business.

Year	Event
2015	• Through an acquisition and take-over offer by us, NCB Holdings became our 86.7%-owned subsidiary
2017	• We acquired a 70.0% interest in TBPSB • 25-year operatorship of the PETRONAS Pengerang Integrated Complex's solid product jetty awarded to our subsidiary, SPT Services • We acquired a 49.0% interest in PPSB
2018	• We acquired the remaining 51.0% interest in PPSB
2019	• We acquired JPB from MMC Corp
2020	• We acquired PTPSB from MMC Corp • We incorporated APSB as a new wholly-owned subsidiary
2021	• We acquired a 50.0% interest in Port Klang CT
2023	• NCB Holdings became our wholly-owned subsidiary following the completion of the selective capital reduction and repayment exercise by MMC Ports • We acquired Langkawi CT

The following table summarises the notable awards that our ports have received.

Year	Award
2022	• Northport received the IAPH 2022 Sustainability Award, under the Health, Safety and Security category at the IAPH 2022 World Ports Conference held in Vancouver, Canada. • Northport received three awards during the National Occupational Safety and Health Awards 2020/2021, namely the CEO of the Year (Private Sector) award, Business Services award and Mentor-Mentee (Mentor) award. • Johor Port received the Best TVET Training Provider (Ports & Logistics) Award at the Malaysian Education & TVET Awards 2022. • PPSB was awarded with GPAS 2022 by the APSN. • PPSB received a recognition award from Penang Development Corporation as one of the stakeholders involved in the port and logistics industries which plays a significant role in driving the development of Penang state economy. • PTP was named the Procurement Team of the Year (Small Organisation) by the CIPS at the Asia Excellence in Procurement Awards 2022. • PTP received the Terminal Operations Optimization Award at the Inspire Awards in Navis World 2022, San Francisco, United States.
2023	• Northport received the Premier Award (Key Point II category) for commendable security governance system among Malaysia's critical infrastructure installations at the Ministry of Home Affairs' 2023 Critical Target Star Rating Awards. • Northport received the International Safety Awards 2023 – Merit from the British Safety Council. • Northport received the Gold Award at the AIGA 2022 from the Malaysian Institute of Integrity. • Johor Port received the Gold Award in the Integrity, Governance and Anti-Corruption Awards 2022 from the Malaysian Institute of Integrity. • PPSB was awarded with third place in the category of employers with 1,000 to 4,999 employees during the Best Employers 2023 Ceremony by Employer Provident Fund, Seberang Jaya Branch. • PPSB was awarded with Gold Class 1 for Malaysian Society for Occupational Safety and Health Operational Safety and Health Award 2023. • PPSB was certified with ISO 37001:2016 Anti-Bribery Management System. • PTP was named the Best in Administration for Transshipment Terminal by the Malaysian Anti-Corruption Commission at the Konvensyen Integriti, Tadbir Urus dan Antirasuah 2023. • PTP received dual recognitions for Excellence in Graduate Development for Future Worker and Excellence in TVET at the Human Resource Development Corporation Awards 2023. • PTP recognised as the Winner of the Forward Faster Sustainability Award for Gender Equality and earned the Partnership for the Goals Recognition and Pioneer Sustainable Development Action Recognition from the UNGCMYB Forward Faster Sustainability Awards 2023. • PTP was recognised once again as the Procurement Team of the Year (Small Organisation) with a turnover of under £500 million by the CIPS at the Asia Excellence in Procurement Awards 2023.
2024	• PTP received the Anugerah Kecemerlangan Industri 2024 for Services Sector in Category Four from MITI. • PTP was named Supply Chain Innovator of the Year for Digital Transformation at the Supply Chain Awards 2024 from Supply Chain Asia. • PTP recognised as Leader of the Year by the CIPS at the Asia Excellence in Procurement Awards 2024. • PTP received the Business Excellence Awards 2024 as the Winner of the Outstanding ESG Category from the British Malaysian Chamber of Commerce. • PTP once again earned the Partnership for the Goals Recognition and Pioneer Sustainable Development Action Recognition from the UNGCMYB Forward Faster Sustainability Awards 2024. • PTP received the Distinguished Gold Award at Lembaga Pelabuhan Johor Sustainability Awards 2024.

Year	Award
	• Johor Port received the Best Employer Award 2024 from KWSP Johor. • Johor Port received the Asia Best Employer Brand Awards 2024 from the World HRD Congress. • Johor Port received the Bulk Commodities Port/Terminal of the Year Award from the Global Port Forum. • Northport received the "Occupational Safety and Health Practitioner with Best Integrity" Special Award and Gold Award at the AIGA 2023 from the Malaysian Institute of Integrity. • Northport received the International Safety Awards 2024 – Merit from the British Safety Council. • PPSB received the BrandLaureate Fast Moving Growing Sustainable Business & Brands Awards 2024. • PPSB received Silver Award at the AIGA 2023 from the Malaysian Institute of Integrity. • PPSB received three awards during the Digital Human Resources Transformation Summits & Awards 2024 organised by WEventz, namely, HR Innovation Excellent, Digital Transformation and Best HR Team of the Year. • Johor Port received the GPAS 2024 awarded by the APSN.

7.5 OUR PORTS AND CRUISE TERMINALS

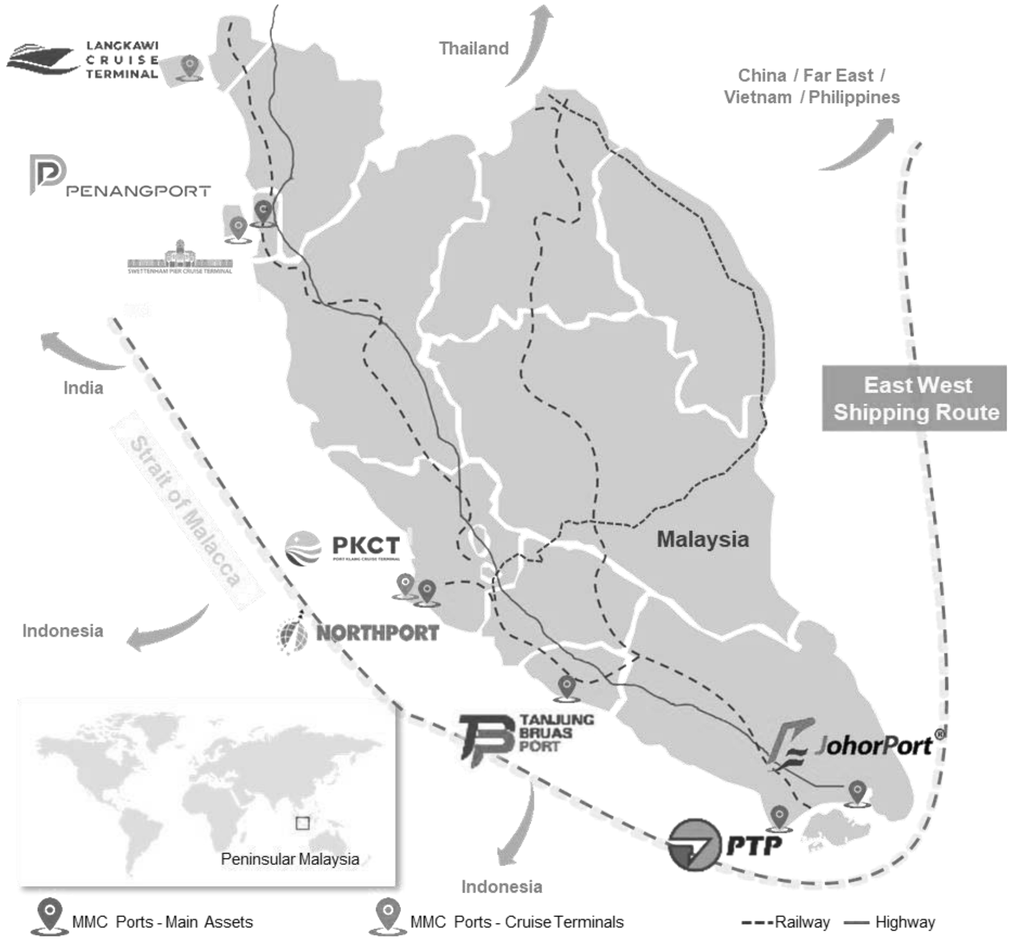
7.5.1 Our location

Each of our five sea ports, the offshore Yan STS Port where we conduct STS services and our three cruise terminals are strategically located along the Strait of Malacca on the west coast of Peninsular Malaysia.

The Strait of Malacca is the world's busiest shipping route, serving as the primary maritime route linking Asia, including China, to Europe, according to Drewry. It is a vital corridor for global maritime trade, connecting the Indian Ocean to the South China Sea.

The west coast of Peninsular Malaysia is densely populated with strong intermodal connections within the region and with neighbouring countries. Our ports connect to Malaysia's hinterlands via the North-South Expressway, North-South Expressway Central Link, Shah Alam Expressway and South Klang Valley Expressway. The North-South Expressway spans the length of Peninsular Malaysia from Bukit Kayu Hitam at the Malaysia-Thai border to the Johor Causeway in the south, covering a distance of 772 kilometres. This expressway along the west coast of Peninsular Malaysia together with the New Klang Valley Expressway and the Federal Highway Route 2, plays an important role in the distribution of import/export cargo through our ports. In addition to road, sea and air intermodal linkages, our ports are also connected to Malaysia's national railway network, which runs through Peninsular Malaysia from Singapore to Southern Thailand.

The following map shows the location of our ports and cruise terminals:



7.5.2 Our ports

We operate five sea ports, namely PTP, Johor Port, Northport, Penang Port and Tanjung Bruas Port.

These ports handle conventional and container cargo and provide marine services. Conventional cargo includes break bulk, dry bulk, liquid bulk and RORO cargo. We also offer other port services, including logistics services and other ancillary services. Our rights to operate, manage and develop our ports are held through long-term concessions until 2055 that have been granted by the Government and the relevant port authorities.

The following tables set forth our container and conventional cargo volume by our sea port for the Financial Years Under Review and from 1 January 2025 through the LPD.

	FYE 31 December			**1 January to LPD**
Container volume (million TEUs)	**2022**	**2023**	**2024**	**2025**
PTP				
Export	*0.3*	*0.3*	*0.4*	*0.2*
Import	*0.3*	*0.3*	*0.3*	*0.1*
Transshipment	*9.9*	*9.9*	*11.6*	*4.5*
Total	**10.5**	**10.5**	**12.3**	**4.8**
Johor Port				
Export	*0.4*	*0.4*	*0.5*	*0.2*
Import	*0.5*	*0.5*	*0.6*	*0.2*
Transshipment	*	*	*	*
Total	**0.9**	**0.9**	***1.1***	**0.4**
Northport				
Export	*0.8*	*0.7*	*0.9*	*0.3*
Import	*0.9*	*0.9*	*0.9*	*0.3*
Transshipment	*1.5*	*1.6*	*1.8*	*0.6*
Total	**3.2**	**3.2**	**3.7**	**1.2**
Penang Port				
Export	*0.6*	*0.7*	*0.7*	*0.2*
Import	*0.6*	*0.7*	*0.7*	*0.2*
Transshipment	*0.1*	*0.1*	*0.1*	*
Total	**1.3**	**1.4**	**1.4**	**0.4**
Tanjung Bruas Port				
Export	*	*	*	*
Import	*	*	*	*
Transshipment	-	-	-	-
Total	*****	*****	*****	*****
All sea ports (Total)				
Export	*2.2*	*2.3*	*2.5*	*0.9*
Import	*2.3*	*2.3*	*2.5*	*0.8*
Transshipment	*11.4*	*11.5*	*13.5*	*5.1*
Total	**15.9**	**16.1**	**18.5**	**6.8**

Notes:
* *Less than 0.1.*
\- *Nil.*

Conventional cargo volume (million FWTs)	FYE 31 December			1 January to LPD
	2022	**2023**	**2024**	**2025**
PTP				
Dry bulk	-	-	-	-
Liquid bulk	-	-	-	-
Break bulk	-	-	-	-
RORO	-	-	-	-
Total	**-**	**-**	**-**	**-**
Johor Port				
Dry bulk	*4.0*	*4.2*	*4.5*	*1.2*
Liquid bulk	*14.5*	*12.0*	*11.9*	*4.4*
Break bulk	*0.6*	*0.5*	*0.6*	*0.2*
RORO	-	-	-	-
Total	**19.1**	**16.7**	**17.0**	**5.8**
Northport				
Dry bulk	*3.5*	*3.5*	*3.7*	*1.4*
Liquid bulk	*3.1*	*3.2*	*3.7*	*1.1*
Break bulk	*3.1*	*3.4*	*4.0*	*1.3*
RORO	*1.4*	*1.3*	*1.3*	*0.5*
Total	**11.1**	**11.4**	**12.7**	**4.3**
Penang Port				
Dry bulk	*2.7*	*2.6*	*2.5*	*0.9*
Liquid bulk	*1.9*	*1.7*	*1.8*	*0.4*
Break bulk	*1.2*	*1.4*	*1.9*	*0.6*
RORO	-	-	-	-
Total	**5.8**	**5.6**	**6.2**	**1.9**
Tanjung Bruas Port				
Dry bulk	*0.1*	*0.1*	*0.1*	*0.1*
Liquid bulk	*	*	*	*
Break bulk	*0.4*	*0.4*	*0.4*	*0.1*
RORO	-	-	-	-
Total	**0.5**	**0.5**	**0.5**	**0.2**
All sea ports (Total)				
Dry bulk	*10.3*	*10.5*	*10.8*	*3.6*
Liquid bulk	*19.5*	*16.9*	*17.5*	*5.9*
Break bulk	*5.3*	*5.6*	*6.9*	*2.2*
RORO	*1.4*	*1.3*	*1.3*	*0.5*
Total	**36.5**	**34.3**	**36.5**	**12.2**

Notes:
* *Less than 0.1.*
\- *Nil.*

The following table describes the key operational data of each of our sea ports as at and for the FYEs 31 December 2022, 2023, 2024 and from 1 January 2025 to the LPD:

	FYE 31 December 2022					
Key operating data	**PTP**	**Johor Port**	**Northport**	**Penang Port**	**Tanjung Bruas Port**	**Total**
Container services						
Capacity (million TEUs) [(1)]	12.9	1.5	4.8	2.3	*	21.5
Capacity utilisation[(1)]	81.5%	61.2%	66.1%	56.5%	34.1%	73.9%
Throughput (million TEUs)	10.5	0.9	3.2	1.3	*	15.9
Transshipment: Import/Export ratio[(2)]	94:6	2:98	46:54	5:95	0:100	72:28
No. of vessel calls[(3)]	4,576	1,678	3,101	814	18	10,187
Area (hectare)	233.1	29.1	122.3	83.6	1.0	469.1
No. of container terminals	1	3	2	1	1	8
No. of berths	14	3	13	6	2[(7)]	38
Quay length (metres)	5,040.0	708.0	3,028.0	1,500.0	225.0	10,501
No. of ground slots[(4)]	48,291	6,255	13,647	10,466	322	78,981
Berth occupancy rate[(5)]	58.9%	55.6%	61.2%	36.4%	60.0	N/A
Productivity (Moves per hour)[(6)]	25.1	25.6	23.5	26.0	16.5	N/A
TEUs per crane	224,980	99,696	96,119	144,438	N/A[(7)]	N/A
TEUs per hectare	45,098	31,567	25,936	15,555	17,779	N/A
Conventional cargo services (excluding RORO cargo)						
Capacity (million FWTs) [(1)]	-	24.0	12.0	14.4	1.0	51.4
Capacity utilisation[(1)]	-	79.4%	80.8%	40.3%	46.8%	68.2%
No. of vessel calls[(3)]	-	2,191	1,425	1,144	102	4,862
No. of berths	-	21	15	15	2[(7)]	53
Quay length (metres)	-	4,184.0	2,362.0	2,122.0	225.0	8,893.0
RORO cargo services						
Throughput (Unit)	-	-	101,044	-	-	101,044
No. of vessel calls[(3)]	-	-	80	-	-	80

Key operating data	PTP	Johor Port	Northport	Penang Port	Tanjung Bruas Port	Total
	FYE 31 December 2023					
Container services						
Capacity (million TEUs) (1)	13.9	1.5	5.6	2.3	*	23.3
Capacity utilisation(1)	75.4%	62.7%	56.9%	62.8%	10.0%	68.8%
Throughput (million TEUs)	10.5	0.9	3.2	1.4	*	16.1
Transshipment: Import/Export ratio(2)	94:6	1:99	49:51	5:95	0:100	72:28
No. of vessel calls(3)	4,842	1,845	3,339	950	6	10,982
Area (hectare)	233.1	29.1	122.3	83.6	1.0	469.1
No. of container terminals	1	3	2	1	1	8
No. of berths	14	3	13	6	2(7)	38
Quay length (metres)	5,040.0	708.0	3,028.0	1,500.0	225.0	10,501.0
No. of ground slots(4)	48,291	6,477	15,754	10,466	322	81,310
Berth occupancy rate(5)	55.8%	62.0%	45.9%	39.9%	60.0%	N/A
Productivity (Moves per hour) (6)	27.1	25.5	28.7	27.0	16.5	N/A
TEUs per crane	232,770	103,986	106,152	160,389	N/A(7)	N/A
TEUs per hectare	44,960	32,340	26,039	17,273	5,194	N/A
Conventional cargo services (excluding RORO cargo)						
Capacity (million FWTs) (1)	-	24.0	12.0	14.4	1.0	51.4
Capacity utilisation(1)	-	69.8%	84.1%	39.0%	51.5%	64.2%
No. of vessel calls(3)	-	2,123	1,521	1,667	86	5,397
No. of berths	-	21	15	15	2(7)	53
Quay length (metres)	-	4,184.0	2,362.0	2,122.0	225.0	8,893.0
RORO cargo services						
Throughput (Unit)	-	-	95,080	-	-	95,080
No. of vessel calls(3)	-	-	89	-	-	89

Key operating data	FYE 31 December 2024 PTP	Johor Port	Northport	Penang Port	Tanjung Bruas Port	Total
Container services						
Capacity (million TEUs) [(1)]	13.9	1.5	6.2	2.3	*	23.9
Capacity utilisation[(1)]	88.2%	70.6%	59.1%	61.6%	27.6%	76.9%
Throughput (million TEUs)	12.3	1.1	3.7	1.4	*	18.5
Transshipment: Import/Export ratio[(2)]	95:5	1:99	50:50	5:95	0:100	73:27
No. of vessel calls[(3)]	4,669	1,790	3,285	1,086	22	10,852
Area (hectare)	233.1	29.1	122.3	83.6	1.0	469.1
No. of container terminals	1	3	2	1	1	8
No. of berths	14	3	13	6	2[(7)]	38
Quay length (metres)	5,040.0	708.0	3,028.0	1,500.0	225.0	10,501.0
No. of ground slots[(4)]	48,291	6,513	17,770	10,466	322	83,362
Berth occupancy rate[(5)]	61.9%	62.0%	53.8%	35.2%	60.0%	N/A
Productivity (Moves per hour)[(6)]	27.1	26.0	25.9	28.4	16.5	N/A
TEUs per crane	259,587	113,855	130,919	157,383	N/A[(7)]	N/A
TEUs per hectare	52,564	36,396	29,973	16,949	14,402	N/A
Conventional services (excluding RORO cargo)						
Capacity (million FWTs) [(1)]	-	24.0	12.0	14.4	1.0	51.4
Capacity utilisation[(1)]	-	70.9%	94.9%	43.5%	48.4%	68.4%
No. of vessel calls[(3)]	-	2,164	1,604	1,156	71	4,995
No. of berths	-	21	16	15	2[(7)]	54
Quay length (metres)	-	4,184.0	2,362.0	2,122.0	225.0	8,893.0
RORO cargo services						
Throughput (Unit)	-	-	92,051	-	-	92,051
No. of vessel calls[(3)]	-	-	105	-	-	105

Key operating data	1 January 2025 to LPD					
	PTP	**Johor Port**	**Northport**	**Penang Port**	**Tanjung Bruas Port**	**Total**
Container services						
Capacity (annual) (million TEUs) [(1)]	14.0	1.5	6.2	2.3	*	24.0
Capacity utilisation[(1)]	96.0%	68.4%	54.8%	59.1%	61.2%	80.1%
Throughput (million TEUs)	4.8	0.4	1.2	0.4	*	6.8
Transshipment: Import/Export ratio[(2)]	95:5	1:99	48:52	4:96	0:100	75:25
No. of vessel calls[(3)]	1,694	652	1,069	330	7	3,752
Area (hectare)	233.1	29.1	122.3	83.6	1.0	469.1
No. of container terminals	1	3	2	1	1	8
No. of berths	14	3	13	6	2[(7)]	38
Quay length (metres)	5,040.0	708.0	3,028.0	1,500.0	225.0	10,501.0
No. of ground slots[(4)]	48,291	6,513	17,770	10,466	322	83,362
Berth occupancy rate[(5)]	61.8%	66.5%	47.6%	36.1%	60.0%	N/A
Productivity (Moves per hour) [(6)]	27.6	25.5	27.6	26.3	16.5	N/A
TEUs per crane	97,505	47,406	42,857	53,364	N/A[(7)]	N/A
TEUs per hectare	20,382	12,467	9,812	5,747	11,297	N/A
Conventional services (excluding RORO cargo)						
Capacity (annual) (million FWTs) [(1)]	-	24.0	12.0	14.4	1.0	51.4
Capacity utilisation[(1)]	-	68.9%	89.5%	37.8%	50.9%	64.6%
No. of vessel calls[(3)]	-	768	509	346	24	1,647
No. of berths	-	21	16	15	2[(7)]	54
Quay length (metres)	-	4,184.0	2,362.0	2,122.0	225.0	8,893.0
RORO cargo services						
Throughput (Unit)	-	-	37,108	-	-	37,108
No. of vessel calls[(3)]	-	-	36	-	-	36

***Notes**:*

* *Less than 0.1.*

\- *Nil.*

(1) *Capacity utilisation is presented on an annual basis which is calculated as the number of TEUs/FWTs processed in the year divided by the maximum TEU/FWT capacity for the relevant calendar year multiplied by the number of days in such month. For period shorter than a year, the figure has been apportioned based on the number of days. The capacity shown in the table refers to the maximum capacity, which is the upper limit of cargo throughput a port can handle, considering full utilisation of all infrastructure and resources under ideal conditions with no disruptions. It reflects a scenario where port operations run continuously at peak efficiency, without delays from equipment maintenance, labor limitations or reasonable berth congestion.*

For information, PTP also reports safe operating capacity, which is the level of cargo throughput a port can handle efficiently and reliably under normal operating conditions, while maintaining service quality and operational stability. It reflects a scenario where port operations consider typical factors such as equipment maintenance, labor shifts and berth availability. This capacity level supports consistent and effective performance. PTP's capacity utilisation based on its save operating capacity is set out below:

	FYE 31 December			1 January to LPD
	2022	**2023**	**2024**	**2025**
Container services				
Capacity (million TEUs)................................	12.5	13.5	13.5	13.5
Capacity utilisation	84.1%	77.6%	90.8%	99.6%

(2) *Transshipment: Import/Export ratio is derived by calculating transshipment cargo throughput as a percentage of total container throughput and import/export cargo throughput as a percentage of total container throughput, multiplying each percentage by 100.0, and presenting those two products as a ratio of one to the other.*

(3) *A vessel call is one instance of a vessel berthing at a port to receive port-related services (for example, loading/unloading, maintenance). Where we perform both container and conventional cargo handling services on the same vessel during the vessel call, the vessel call is categorised as a container or conventional vessel call based on whether the majority of the vessel's cargo comprises container or conventional cargo. Total number of vessel calls excludes instances where we provide services (such as marine services) to a vessel that enters the water limit of one of our ports, but the vessel does not berth at our port for direct cargo handling services.*

(4) *Total number of ground slots include ground slots for both laden and empty containers.*

(5) *Berth occupancy rate is the percentage of total time that a container berth is occupied by vessels compared to the total available time.*

(6) *Productivity, which is a measure of cargo handling efficiency, is calculated as the total number of moves that are performed on a particular vessel during such vessel's port stay divided by the total working hours of all the cranes working on that particular vessel during the port stay. A "move" is a single instance of transferring or lifting a unit of cargo to unload or load a vessel. Allowable delays such as due to bad weather and shift breaks are excluded from total working hours.*

(7) *Tanjung Bruas Port has a total of two berths that handle both container and conventional services. Tanjung Bruas Port does not utilise quay crane; therefore, the data for TEU/crane is not applicable.*

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(i) *PTP*

PTP is located in Johor state on the eastern mouth of the Pulai River. PTP is operated by our 70.0%-owned subsidiary, PTPSB. A.P.Moller – Maersk A/S (listed on the NASDAQ Copenhagen Exchange, Denmark), through its wholly-owned subsidiary APM Terminals B.V., has held the remaining 30.0% stake in PTPSB since August 2000. The port became operational in October 1999 and was officially launched in March 2000. The port covers a land area of approximately 1,189.2 hectares. On 1 February 2025, Maersk A/S and Hapag-Lloyd launched the "Gemini Cooperation", a new long-term operational collaboration which has selected PTP as the primary Asian hub for their shipping alliance for hub-and-spoke services.

PTP is one of the key hubs for the "Gemini Cooperation", reinforcing its role as a pivotal regional trade gateway. PTP stands at the forefront of global ports and is currently ranked as the fifth most efficient port globally and first in Southeast Asia, according to the World Bank's Container Port Performance Index for 2023.

PTP is strategically located on the main East-West shipping lane, which allows it to serve major container lines with minimal deviation time. The port is situated in a sheltered bay with no tide restrictions. PTP is well-connected to the hinterland with roads linking it to the second Malaysia-Singapore expressway and Malaysia's North-South Highway. In addition to road, sea and air intermodal linkages, PTP is also connected to Malaysia's national railway network, which runs through Peninsular Malaysia, and is connected to strategic locations such as Port Klang and to Southern Thailand. The rail depot at PTP also provides direct access to Johor Port. As at the LPD, PTP is directly connected to 55 countries and 300 ports. As at the LPD, PTP had approximately 93 weekly vessel calls from various ships and received more than 82 weekly services from various container shipping lines.

PTP's core businesses are container, marine, and other services such as free zone and real estate. PTP's container services include (i) stevedoring services for lifting containers on and off vessels and (ii) storage services at its yard to facilitate delivery and receipt of cargo. PTP's marine services include (i) towage services, and (ii) pilotage services. Other value-added services that PTP offers include, amongst others, reefer storage for perishable goods that require temperature control, container repairs for the safe and efficient transport of goods, and warehousing and storage services. See Section 7.6 of this Prospectus for further details of our services.

PTP serves as a key transshipment hub for major shipping lines and box operators. From 1 January 2025 to the LPD, approximately 95.0% of shipments at PTP were for international transport. PTP's deep-water berths and modern facilities, including 14 berths and a quay length of approximately 5.0 kilometres, enable it to handle large container vessels with a terminal capacity of up to 14.0 million TEUs. As a testament to PTP's capacity to handle large-scale shipments, Ever Ace, one of Evergreen's largest container ships, called at PTP during its maiden voyage in Southeast Asia in 2021. In 2025, PTP achieved three consecutive monthly throughput records, handling 1,183,759 TEUs in March, 1,215,751 TEUs in April and 1,269,389 TEUs in May.

As at the LPD, PTP's berth length was 5.0 kilometres with a maximum depth of approximately 18.5 metres. As at the LPD, PTP serviced approximately 20 shipping lines with approximately 300 port connections. In accordance with the PTP Privatisation Agreement, PTPSB has, pursuant to the PTPSB's development master plan completed Phases 1 and 2. As at the LPD, PTP's facilities in Phases 1 and 2 of the Pelepas Free Zone consisted of two warehouses and covering 208,176 sq. ft.. PTPSB acts solely as a landlord for these warehouses for short term lease (less than three years) with third-party tenants and does not engage in direct warehouse operations.

Integrated with PTP is the Pelepas Free Zone, encompassing approximately 664.5 hectares across five phases, which facilitates integrated commercial and industrial activities around PTP. Phases 1 and 2, covering 294.8 hectares, have been developed with essential infrastructure such as electricity, water, telecommunications, roads and drainage. Over 90.0% of this land has been subleased to local and global companies as at the LPD. As at the LPD, PTP leased Phases 1 and 2 to approximately 40 tenants for use as warehouses and light manufacturing operations. We expect to complete the entire development of Phase 3 by mid-2030. There are no current plans to develop Phases 4 and 5 in the near term. The development master plan of PTP depends on the prevailing economic growth and market conditions in Malaysia and may be amended from time to time with approval of JPA.

The following table describes the key operational data of PTP (PTP's operations are primarily focused on container services) for the FYEs 31 December 2022, 2023, 2024 and from 1 January 2025 to the LPD:

	FYE 31 December			1 January to LPD
Key operating data	**2022**	**2023**	**2024**	**2025**
Container services				
Capacity (million TEUs) [(1)]	12.9	13.9	13.9	14.0
Capacity utilisation[(1)]	81.5%	75.4%	88.2%	96.0%
Throughput (million TEUs)	10.5	10.5	12.3	4.8
Transshipment: Import/Export ratio[(2)]	94:6	94:6	95:5	95:5
No. of vessel calls[(3)]	4,576	4,842	4,669	1,694
Area (hectare)	233.1	233.1	233.1	233.1
No. of container terminals	1	1	1	1
No. of berths	14	14	14	14
Quay length (metres)	5,040.0	5,040.0	5,040.0	5,040.0
No. of ground slots[(4)]	48,291	48,291	48,291	48,291
Berth occupancy rate[(5)]	58.9%	55.8%	61.9%	61.8%
Productivity (Moves per hour)[(6)]	25.1	27.1	27.1	27.6
TEUs per crane	224,980	232,770	259,587	97,505
TEUs per hectare	45,098	44,960	52,564	20,382

As at LPD:	
Size of terminal for existing expansion (hectare)	233.1
Size of terminal for future expansion (hectare)	363.2

***Notes**:*

(1) *Capacity utilisation is presented on an annual basis which is calculated as the number of TEUs processed in the year divided by the maximum TEU capacity for the relevant calendar year multiplied by the number of days in such month. For period shorter than a year, the figure has been apportioned based on the number of days. The capacity shown in the table refers to the maximum capacity, which is the upper limit of cargo throughput a port can handle, considering full utilisation of all infrastructure and resources under ideal conditions with no disruptions. It reflects a scenario where port operations run continuously at peak efficiency, without delays from equipment maintenance, labor limitations or reasonable berth congestion.*

For information, PTP also reports safe operating capacity, which is the level of cargo throughput a port can handle efficiently and reliably under normal operating conditions, while maintaining service quality and operational stability. It reflects a scenario where port operations consider typical factors such as equipment maintenance, labor shifts and berth availability. This capacity level supports consistent and effective performance. PTP's capacity utilisation based on its save operating capacity is set out below:

	FYE 31 December			1 January to LPD
	2022	**2023**	**2024**	**2025**
Capacity (million TEUs)	12.5	13.5	13.5	13.5
Capacity utilisation	84.1%	77.6%	90.8%	99.6%

(2) *Transshipment: Import/Export ratio is derived by calculating transshipment cargo throughput as a percentage of total container throughput and import/export cargo throughput as a percentage of total container throughput, multiplying each percentage by 100.0, and presenting those two products as a ratio of one to the other.*

(3) *A vessel call is one instance of a vessel berthing at a port to receive port-related services (for example, loading/unloading, maintenance). Where we perform both container and conventional cargo handling services on the same vessel during the vessel call, the vessel call is categorised as a container or conventional vessel call based on whether the majority of the vessel's cargo comprises container or conventional cargo. Total number of vessel calls excludes instances where we provide services (such as marine services) to a vessel that*

enters the water limit of one of our ports, but the vessel does not berth at our port for direct cargo handling services.

(4) Total number of ground slots include ground slots for both laden and empty containers.

(5) Berth occupancy rate is the percentage of total time that a container berth is occupied by vessels compared to the total available time.

(6) Productivity, which is a measure of cargo handling efficiency, is calculated as the total number of moves that are performed on a particular vessel during such vessel's port stay divided by the total working hours of all the cranes working on that particular vessel during the port stay. A "move" is a single instance of transferring or lifting a unit of cargo to unload or load a vessel. Allowable delays such as due to bad weather and shift breaks are excluded from total working hours.

(ii) *Johor Port*

Johor Port is located at the southern tip of Peninsular Malaysia. Johor Port is operated by our wholly-owned subsidiary, JPB. As the first port developed in Johor state, Johor Port has been operational since 1977 and covers a land area of 404.7 hectares as at the LPD.

Johor Port serves more than 30 industrial areas in Johor, Malaysia's third largest manufacturing state, including two large industrial areas, namely the Pasir Gudang Industrial Zone that covers a land area of 3,237 hectares and the Tanjung Langsat Industrial Complex that covers a land area of 2,023 hectares. These industrial areas contribute to a diversified hinterland cargo base, allowing stable cargo volumes for Johor Port. Johor Port also services the surrounding hinterland in Singapore and nearby islands in Indonesia. The rail depot at Johor Port also provides direct access to PTP.

Johor Port's water limit encompasses a vast area that extends from the coastline at the southernmost tip of Tanjung Penyusop, along the boundary of Malaysia's territorial waters, and reaches the eastern side of the Johor Causeway. This area includes the coastline extending eastward and the Johor River where third-party terminal operators are located. Within this area, there are various layup areas, anchorage points, and 26 private jetties under the governance of the JPA.

Johor Port is an integrated, multi-purpose port offering container, conventional cargo and marine services. It handles container cargo, dry bulk, break bulk cargo and liquid bulk cargo at its dedicated terminals. As a commodity hub, Johor Port serves as the main gateway for Johor state's numerous palm oil producers to markets around the world, and palm oil and palm kernel shells are among the main types of commodities handled by Johor Port. Johor Port is the largest palm oil terminal in the world, according to Drewry. While Johor Port may be indirectly affected by fluctuations in global palm oil demand, including reduced imports from certain markets and geopolitical developments, the impact is mitigated by its diversified cargo base and long-term customer relationships. Johor Port monitors market trends and engages with stakeholders to adapt to evolving demand patterns. At present, these factors are not expected to have a sustained material impact on Johor Port's overall performance. In addition, Johor Port provides warehousing facilities, which provides storage space for conventional cargo (such as cocoa, fertiliser, and rice) and hard commodities (such as cement, and transit cargo). We also provide dedicated warehouse space for the London Metal Exchange, a global commodities exchange established in 1877, which facilitates the transaction of non-ferrous metal futures business. Johor Port also offers offshore inspection, maintenance and repair services to the oil and gas industries through its one stop centre, which includes manpower, mobilisation, maintenance and repair works.

As at the LPD, Johor Port offers its services to approximately 27 shipping lines with approximately 55 port connections. As at the LPD, its terminal had 24 berths, 4,892.0 metres of berth length and a maximum depth of 13.5 metres. For storage and warehousing, Johor Port offers 32 warehouses for storage of conventional cargo. Johor Port is equipped with marine-loading arm facilities and has separate facilities for edible cargo and non-edible cargo, complemented by five liquid jetties that can accommodate nine vessels at any one time. Johor Port's facilities include a tank farm with a capacity of approximately 1.0 million MT as at the LPD. In 2004, Johor Port was accredited by the London Metal Exchange as an approved location for the handling and storing of non-ferrous metals.

Integrated with Johor Port is the Johor Port Free Zone, a 267-hectare area for industrial and commercial activities within a free zone environment. Johor Port has also developed a satellite terminal called "Terminal 2" in November 2016, located approximately seven kilometres away from the main port. Terminal 2 provides additional capacity for Johor Port and its customers and business partners, by providing space for warehousing and customs clearance.

The following table describes the key operational data of Johor Port for the FYEs 31 December 2022, 2023, 2024 and from 1 January 2025 to the LPD:

	FYE 31 December			**1 January to LPD**
Key operating data	**2022**	**2023**	**2024**	**2025**
Container services				
Capacity (million TEUs) [1]	1.5	1.5	1.5	1.5
Capacity utilisation[1]	61.2%	62.7%	70.6%	68.4%
Throughput (million TEUs)	0.9	0.9	1.1	0.4
Transshipment: Import/Export ratio[2]	2:98	1:99	1:99	1:99
No. of vessel calls[3]	1,678	1,845	1,790	652
Area (hectare)	29.1	29.1	29.1	29.1
No. of container terminals	3	3	3	3
No. of berths	3	3	3	3
Quay length (metres)	708.0	708.0	708.0	708.0
No. of ground slots[4]	6,255	6,477	6,513	6,513
Berth occupancy rate[5]	55.6%	62.0%	62.0%	66.5%
Productivity (Moves per hour)[6]	25.6	25.5	26.0	25.5
TEUs per crane	99,696	103,986	113,855	47,406
TEUs per hectare	31,567	32,340	36,396	12,467
As at LPD:				
Size of terminal for existing expansion (hectare)				4.1
Size of terminal for future expansion (hectare)				4.9
Conventional cargo services (excluding RORO cargo)				
Capacity (million FWTs) [1]	24.0	24.0	24.0	24.0
Capacity utilisation[1]	79.4%	69.8%	70.9%	68.9%
No. of vessel calls[3]	2,191	2,123	2,164	768
No. of berths	21	21	21	21
Quay length (metres)	4,184.0	4,184.0	4,184.0	4,184.0

Notes*:*

(1) Capacity utilisation is presented on an annual basis which is calculated as the number of TEUs/FWTs processed in the year divided by the maximum TEU/FWT capacity for the relevant calendar year multiplied by the number of days in such month. For period shorter than a year, the figure has been apportioned based on the number of days. The capacity shown in the table refers to the maximum capacity, which is the upper limit of cargo throughput a port can handle, considering full utilisation of all infrastructure and resources under ideal conditions with no disruptions. It reflects a scenario where port operations run continuously at peak efficiency, without delays from equipment maintenance, labor limitations or reasonable berth congestion.

(2) Transshipment: Import/Export ratio is derived by calculating transshipment cargo throughput as a percentage of total container throughput and import/export cargo throughput as a percentage of total container throughput, multiplying each percentage by 100.0, and presenting those two products as a ratio of one to the other.

(3) A vessel call is one instance of a vessel berthing at a port to receive port-related services (for example, loading/unloading, maintenance). Where we perform both container and conventional cargo handling services on the same vessel during the vessel call, the vessel call is categorised as a container or conventional vessel call based on whether the majority of the vessel's cargo comprises container or conventional cargo. Total number of vessel calls excludes instances where we provide services (such as marine services) to a vessel that enters the water limit of one of our ports, but the vessel does not berth at our port for direct cargo handling services.

(4) Total number of ground slots include ground slots for both laden and empty containers.
(5) Berth occupancy rate is the percentage of total time that a container berth is occupied by vessels compared to the total available time.
(6) Productivity, which is a measure of cargo handling efficiency, is calculated as the total number of moves that are performed on a particular vessel during such vessel's port stay divided by the total working hours of all the cranes working on that particular vessel during the port stay. A "move" is a single instance of transferring or lifting a unit of cargo to unload or load a vessel. Allowable delays such as due to bad weather and shift breaks are excluded from total working hours.

Solid product jetty

JPB's subsidiary, SPT Services, operates the solid product jetty terminal in Tanjung Setapa, located at the PETRONAS Pengerang Integrated Complex. The solid product jetty terminal is designed to handle the volume produced at the PETRONAS Pengerang Integrated Complex, ensuring the timely export of containerised polymer and bulk sulphur, and other oil and gas industry-related products to the market.

The solid product jetty terminal is accessible through major highways and expressways, such as the Senai Desaru Expressway, and connected to the North-South Expressway.

On 15 June 2017, PETRONAS' subsidiary, PRPC Utilities and Facilities Sdn Bhd, signed a 25-year Port Operatorship Agreement with SPT Services to operate, manage and maintain the facilities and equipment of the solid product jetty terminal in Tanjung Setapa at PETRONAS Pengerang Integrated Complex.

(iii) *Northport*

Northport is located in Port Klang in central Malaysia's Selangor state along the main shipping route in the Strait of Malacca. Northport is operated by our wholly-owned subsidiary, NMB. Northport comprises two ports, North Port and Southpoint (formerly known as Port Swettenham) and covers a land area of approximately 356.7 hectares as at the LPD.

Northport is strategically located in the central region of Malaysia, with seven major expressways connecting the port to numerous major industrial parks around Klang Valley and Nilai, including the Federal Highway, North-South Expressway Central Link, Shah Alam Expressway, South Klang Valley Expressway, New Klang Valley Expressway, Federal Highway Route 2, West Coast Expressway and Pulau Indah Expressway.

Northport is connected to Malaysia's national railway network through the KTMB West Coast Line, which connects Port Klang to Southern Thailand and down south to Johor Bahru. Additionally, Northport is set to be integrated into the upcoming ECRL, which would establish a land bridge connecting Kuantan Port to Port Klang. Furthermore, the ECRL segment between Jalan Kastam station and Northport is undergoing an upgrade to a double-track system, replacing the original single dual-gauge track. This enhancement is expected to improve rail capacity and efficiency for freight operations linked to Northport. Northport's location facilitates efficient cargo consolidation from the north, south and east coasts of Peninsular Malaysia. The area is surrounded by mature hinterland with various factories, shipping companies, customs brokers, container storage depots, and transport companies located within the vicinity.

Northport is a multi-purpose port offering container, conventional cargo, and marine services. Container services are provided through two container terminals within Northport. Conventional cargo is managed at the port's dry bulk terminal, which features extended footprint areas for additional capacity, designated warehouses for secure storage and open yards for large or bulky items, as well as at the Southpoint area, which includes facilities for handling liquid bulk (such as palm oil, petroleum products, liquefied petroleum gas, bitumen, etc.), dry bulk (such as grains, palm kernel extract, coal, biomass, etc.) and break bulk cargo (such as steel, project cargo, machinery and equipment, palletised cargo, etc.). Northport also provides port logistics and RORO services through a dedicated vehicle transit centre terminal. The types of RORO cargo handled by Northport include both new and reconditioned vehicles as well as high and heavy equipment.

A staggered port tariff increase has been approved for Port Klang, the first tariff adjustment for the port since 2015, with the first phase taking effect in July 2025. For more information, see Section 7.7. While the port tariff increases may result in higher charges to users, the impact on Northport's competitiveness is expected to be manageable. Northport remains strategically located along the Strait of Malacca with established infrastructure, connectivity, and service levels that continue to support its competitive position.

As at the LPD, Northport's berth length is 5.4 kilometres, with a depth ranging from approximately 10.0 metres to 17.0 metres. Northport serviced 38 shipping lines through 84 port connections as at the LPD. As at the LPD, Northport connects to all East Malaysia ports with over 11 vessel calls per week and to all major Intra-Asia ports (excluding Singapore) with 57 vessel calls per week among the ASEAN Economic Community. For storage and warehousing, Northport offers 32 warehouses with capacities ranging from 56,187 MT to 220,059 MT for storage of container and conventional cargo.

Northport maintains, develops, operates and administers a free commercial zone area at North Port and Southpoint spanning a total area of approximately 21.7 hectares for warehousing, distribution and freight forwarding in a free zone environment and 1.9 hectares outside of the free zone area.

The following table describes the key operational data of Northport for the FYEs 31 December 2022, 2023, 2024 and from 1 January 2025 to the LPD:

	FYE 31 December			**1 January to LPD**
Key operating data	**2022**	**2023**	**2024**	**2025**
Container services				
Capacity (million TEUs) (1)	4.8	5.6	6.2	6.2
Capacity utilisation(1)	66.1%	56.9%	59.1%	54.8%
Throughput (million TEUs)	3.2	3.2	3.7	1.2
Transshipment: Import/Export ratio(2)	46:54	49:51	50:50	48:52
No. of vessel calls(3)	3,101	3,339	3,285	1,069
Area (hectare)	122.3	122.3	122.3	122.3
No. of container terminals	2	2	2	2
No. of berths	13	13	13	13
Quay length (metres)	3,028.0	3,028.0	3,028.0	3,028.0
No. of ground slots(4)	13,647	15,754	17,770	17,770
Berth occupancy rate(5)	61.2%	45.9%	53.8%	47.6%
Productivity (Moves per hour)(6)	23.5	28.7	25.9	27.6
TEUs per crane	96,119	106,152	130,919	42,857
TEUs per hectare	25,936	26,039	29,973	9,812
As at LPD:				
Size of terminal for existing expansion (hectare)				3.0
Size of terminal for future expansion (hectare)				3.0
Conventional cargo services (excluding RORO cargo)				
Capacity (million FWTs) (1)	12.0	12.0	12.0	12.0
Capacity utilisation(1)	80.8%	84.1%	94.9%	89.5%
No. of vessel calls(3)	1,425	1,521	1,604	509
No. of berths	15	15	16	16
Quay length (metres)	2,362.0	2,362.0	2,362.0	2,362.0
RORO cargo services				
Throughput (Unit)	101,044	95,080	92,051	37,108
No. of vessel calls(3)	80	89	105	36

***Notes**:*

(1) Capacity utilisation is presented on an annual basis which is calculated as the number of TEUs/FWTs processed in the year divided by the maximum TEU/FWT capacity for the relevant calendar year multiplied by the number of days in such month. For period shorter than a year, the figure has been apportioned based on the number of days. The capacity shown in the table refers to the maximum capacity, which is the upper limit of cargo throughput a port can handle, considering full utilisation of all infrastructure and resources under ideal conditions with no disruptions. It reflects a scenario where port operations run continuously at peak efficiency, without delays from equipment maintenance, labor limitations or reasonable berth congestion.

(2) Transshipment: Import/Export ratio is derived by calculating transshipment cargo throughput as a percentage of total container throughput and import/export cargo throughput as a percentage of total container throughput, multiplying each percentage by 100.0, and presenting those two products as a ratio of one to the other.

(3) A vessel call is one instance of a vessel berthing at a port to receive port-related services (for example, loading/unloading, maintenance). Where we perform both container and conventional cargo handling services on the same vessel during the vessel call, the vessel call is categorised as a container or conventional vessel call based on whether the majority of the vessel's cargo comprises container or conventional cargo. Total number of vessel calls excludes instances where we provide services (such as marine services) to a vessel that enters the water limit of one of our ports, but the vessel does not berth at our port for direct cargo handling services.

(4) Total number of ground slots include ground slots for both laden and empty containers.

(5) Berth occupancy rate is the percentage of total time that a container berth is occupied by vessels compared to the total available time.

(6) Productivity, which is a measure of cargo handling efficiency, is calculated as the total number of moves that are performed on a particular vessel during such vessel's port stay divided by the total working hours of all the cranes working on that particular vessel during the port stay. A "move" is a single instance of transferring or lifting a unit of cargo to unload or load a vessel. Allowable delays such as due to bad weather and shift breaks are excluded from total working hours.

(iv) *Penang Port*

Penang Port is located in Penang state in the northern part of the west coast of Malaysia. Penang Port is operated by our wholly-owned subsidiary, PPSB. The port covers a land area of approximately 240.6 hectares as at the LPD.

Penang Port serves as the primary maritime gateway for Kedah, Perlis, Penang and Perak in Northern Malaysia. Penang's throughput largely reflects import-export activities of the local economy and the key trading partners, such as Southern Thailand, according to Drewry. Its strategic location on the Strait of Malacca provides access to the emerging markets of the Bay of Bengal, making it a crucial gateway for Northern Malaysia, Southern Thailand, and the Indonesia-Malaysia-Thailand Growth Triangle. It is directly accessible by the North-South Expressway which is connected to the Penang Bridge and Sultan Abdul Halim Muadzam Shah Bridge linking the Penang Port to Penang Island. It is connected to Malaysia's national railway network through the Butterworth railway station and other national highways in Malaysia and the southern part of Thailand.

As a multi-purpose port, Penang Port operates across dedicated terminals and wharves that offer container, conventional cargo and marine services, including the North Butterworth Container Terminal, Butterworth Deep Water Wharves, Vegetable Oil Tanker Pier, Prai Wharf, and Prai Bulk Cargo Terminal. Penang Port handles conventional cargo such as break bulk cargo, dry and liquid bulk cargo, including dangerous goods in both liquid and gaseous states. Key types of cargo handled by Penang Port include solar panels and related raw materials, steel coils, paper products, paper waste, completely knocked down industrial products, sugar, maize, metallurgical coke, animal feed, soya beans, vegetable oils, sawn timber, wood mouldings, latex and rubber products. Penang Port has a dedicated vegetable oil tanker pier where edible oils such as crude palm oil, crude palm kernel oil and refined palm oil can be directly piped to nearby storage facilities that Penang Port leases to private companies. Additionally, Penang Port offers ancillary services such as pilotage, towage, bunkering, auxiliary police, fire and rescue, and occupational safety, health, and environment services. It also offers cruise services for passengers embarking and disembarking through a dedicated cruise terminal, SPCT, as well as ferry services for pedestrians and two-wheelers. See Section 7.5.3 of this Prospectus for more details of our cruise terminal.

As at the LPD, Penang Port's berth length is 3.6 kilometres with a maximum depth of approximately 12.0 metres. As at the LPD, Penang Port was directly connected to 184 countries and 600 ports, and the port serviced 25 shipping lines through 19 port connections and received more than 17 weekly services from various shipping lines. For storage and warehousing, Penang Port offers 33 warehouses with capacity of approximately 750,000 MT for storage of conventional cargo.

Penang Port maintains, develops, operates and administers free commercial zones at its North Butterworth Container Terminal with a total area of approximately 83.6 hectares and its Butterworth Deep Water Wharves with a total area of approximately 56.6 hectares.

Penang Port also operates ferry terminals at *Pangkalan Raja Tun Uda* and *Pangkalan Sultan Abdul Halim.* See Section 7.6 of this Prospectus for more details.

The following table describes the key operational data of Penang Port for the FYEs 31 December 2022, 2023, 2024 and from 1 January 2025 to the LPD:

	FYE 31 December			1 January to LPD
Key operating data	**2022**	**2023**	**2024**	**2025**
Container services				
Capacity (million TEUs) [(1)]	2.3	2.3	2.3	2.3
Capacity utilisation[(1)]	56.5%	62.8%	61.6%	59.1%
Throughput (million TEUs)	1.3	1.4	1.4	0.4
Transshipment: Import/Export ratio[(2)]	5:95	5:95	5:95	4:96
No. of vessel calls[(3)]	814	950	1,086	330
Area (hectare)	83.6	83.6	83.6	83.6
No. of container terminals	1	1	1	1
No. of berths	6	6	6	6
Quay length (metres)	1,500.0	1,500.0	1,500.0	1,500.0
No. of ground slots[(4)]	10,466	10,466	10,466	10,466
Berth occupancy rate[(5)]	36.4%	39.9%	35.2%	36.1%
Productivity (Moves per hour)[(6)]	26.0	27.0	28.4	26.3
TEUs per crane	144,438	160,389	157,383	53,364
TEUs per hectare	15,555	17,273	16,949	5,747
As at LPD:				
Size of terminal for existing expansion (hectare)				96.0
Size of terminal for future expansion (hectare)				322.8
Conventional cargo services (excluding RORO cargo)				
Capacity (million FWTs) [(1)]	14.4	14.4	14.4	14.4
Capacity utilisation[(1)]	40.3%	39.0%	43.5%	37.8%
No. of vessel calls[(3)]	1,144	1,667	1,156	346
No. of berths	15	15	15	15
Quay length (metres)	2,122.0	2,122.0	2,122.0	2,122.0

***Notes**:*

(1) Capacity utilisation is presented on an annual basis which is calculated as the number of TEUs/FWTs processed in the year divided by the maximum TEU/FWT capacity for the relevant calendar year multiplied by the number of days in such month. For period shorter than a year, the figure has been apportioned based on the number of days. The capacity shown in the table refers to the maximum capacity, which is the upper limit of cargo throughput a port can handle, considering full utilisation of all infrastructure and resources under ideal conditions with no disruptions. It reflects a scenario where port operations run continuously at peak efficiency, without delays from equipment maintenance, labor limitations or reasonable berth congestion.

(2) Transshipment: Import/Export ratio is derived by calculating transshipment cargo throughput as a percentage of total container throughput and import/export cargo throughput as a

percentage of total container throughput, multiplying each percentage by 100.0, and presenting those two products as a ratio of one to the other.

(3) A vessel call is one instance of a vessel berthing at a port to receive port-related services (for example, loading/unloading, maintenance). Where we perform both container and conventional cargo handling services on the same vessel during the vessel call, the vessel call is categorised as a container or conventional vessel call based on whether the majority of the vessel's cargo comprises container or conventional cargo. Total number of vessel calls excludes instances where we provide services (such as marine services) to a vessel that enters the water limit of one of our ports, but the vessel does not berth at our port for direct cargo handling services.

(4) Total number of ground slots include ground slots for both laden and empty containers.

(5) Berth occupancy rate is the percentage of total time that a container berth is occupied by vessels compared to the total available time.

(6) Productivity, which is a measure of cargo handling efficiency, is calculated as the total number of moves that are performed on a particular vessel during such vessel's port stay divided by the total working hours of all the cranes working on that particular vessel during the port stay. A "move" is a single instance of transferring or lifting a unit of cargo to unload or load a vessel. Allowable delays such as due to bad weather and shift breaks are excluded from total working hours.

(v) *Tanjung Bruas Port*

Tanjung Bruas Port is located in Malacca state on the west coast of Peninsular Malaysia, fronting the narrowest point of the Strait of Malacca. Tanjung Bruas Port is operated by our subsidiary, TBPSB, which is 70.0% owned by us, and 30.0% owned by Kumpulan Melaka Berhad, a Malacca state-owned entity. As at the LPD, the port covers a land area of approximately 6.1 hectares.

Tanjung Bruas Port serves as the main gateway port to Malacca state and the main port for outbound cargo from Indonesia's Riau Province. It is accessible by the North-South Expressway and is approximately 156 kilometres by road from Kuala Lumpur and 90 kilometres from the Kuala Lumpur International Airport. The nearest city to the Tanjung Bruas Port is Malacca City located about 10.0 kilometres to the south of the port. The port is surrounded by hinterland spanning Malacca, southern part of Negeri Sembilan and northern part of Johor. It connects with over 500 companies in diversified industries in Malacca such as food processing, semiconductors, metal, solar panels, floated glass, garments and the electrical and electronic sectors. Tanjung Bruas Port is directly connected to four countries and seven ports as at the LPD.

Tanjung Bruas Port is a multi-purpose port that provides container, conventional cargo, and other services such as storage and warehousing services among other things. The port handles various conventional and break bulk cargo such as steel coil, wood pellets, wood chips, palm kernel shells, silica sand, ammonia gas, various oil products, solar panels and float glass.

Tanjung Bruas Port features an L-shape jetty that can accommodate vessels up to 180.0 metres in size with a ship draft of 10.5 metres. For storage and warehousing, Tanjung Bruas Port offers five warehouses with capacities ranging from 7,000 MT to 150,000 MT for storage of conventional cargo.

As at the LPD, Tanjung Bruas Port offers its services to one shipping line with four port connections. As at the LPD, its terminal has two berths, 225.0 metres of quay length and a maximum depth of 10.5 metres. All of the shipments received at Tanjung Bruas Port is delivered locally and internationally to China, Japan, Korea and Indonesia.

The following table describes the key operational data of Tanjung Bruas Port for the FYEs 31 December 2022, 2023, 2024 and from 1 January 2025 to the LPD:

	FYE 31 December			1 January to LPD
Key operating data	**2022**	**2023**	**2024**	**2025**
Container services				
Capacity (million TEUs) [(1)]	*	*	*	*
Capacity utilisation[(1)]	34.1%	10.0%	27.6%	61.2%
Throughput (million TEUs)	*	*	*	*
Transshipment: Import/Export ratio[(2)]	0:100	0:100	0:100	0:100
No. of vessel calls[(3)]	18	6	22	7
Area (hectare)	1.0	1.0	1.0	1.0
No. of container terminals	1	1	1	1
No. of berths	2[(7)]	2[(7)]	2[(7)]	2[(7)]
Quay length (metres)	225.0	225.0	225.0	225.0
No. of ground slots[(4)]	322	322	322	322
Berth occupancy rate[(5)]	60.0	60.0%	60.0%	60.0%
Productivity (Moves per hour)[(6)]	16.5	16.5	16.5	16.5
TEUs per crane	N/A[(7)]	N/A[(7)]	N/A[(7)]	N/A[(7)]
TEUs per hectare	17,779	5,194	14,402	11,297
As at LPD:				
Size of terminal for existing expansion (hectare)				1.0
Size of terminal for future expansion (hectare)				6.1
Conventional cargo services (excluding RORO cargo)				
Capacity (million FWTs) [(1)]	1.0	1.0	1.0	1.0
Capacity utilisation[(1)]	46.8%	51.5%	48.4%	50.9%
No. of vessel calls[(3)]	102	86	71	24
No. of berths	2[(7)]	2[(7)]	2[(7)]	2[(7)]
Quay length (metres)	225.0	225.0	225.0	225.0

***Notes**:*

* *Less than 0.1.*

(1) Capacity utilisation is presented on an annual basis which is calculated as the number of TEUs/FWTs processed in the year divided by the maximum TEU/FWT capacity for the relevant calendar year multiplied by the number of days in such month. For period shorter than a year, the figure has been apportioned based on the number of days. The capacity shown in the table refers to the maximum capacity, which is the upper limit of cargo throughput a port can handle, considering full utilisation of all infrastructure and resources under ideal conditions with no disruptions. It reflects a scenario where port operations run continuously at peak efficiency, without delays from equipment maintenance, labor limitations or reasonable berth congestion.

(2) Transshipment: Import/Export ratio is derived by calculating transshipment cargo throughput as a percentage of total container throughput and import/export cargo throughput as a percentage of total container throughput, multiplying each percentage by 100.0, and presenting those two products as a ratio of one to the other.

(3) A vessel call is one instance of a vessel berthing at a port to receive port-related services (for example, loading/unloading, maintenance). Where we perform both container and conventional cargo handling services on the same vessel during the vessel call, the vessel call is categorised as a container or conventional vessel call based on whether the majority of the vessel's cargo comprises container or conventional cargo. Total number of vessel calls excludes instances where we provide services (such as marine services) to a vessel that enters the water limit of one of our ports, but the vessel does not berth at our port for direct cargo handling services.

(4) Total number of ground slots include ground slots for both laden and empty containers.

(5) Berth occupancy rate is the percentage of total time that a container berth is occupied by vessels compared to the total available time.

(6) Productivity, which is a measure of cargo handling efficiency, is calculated as the total number of moves that are performed on a particular vessel during such vessel's port stay divided by the total working hours of all the cranes working on that particular vessel during the port stay. A "move" is a single instance of transferring or lifting a unit of cargo to unload or load a vessel. Allowable delays such as due to bad weather and shift breaks are excluded from total working hours.

(7) Tanjung Bruas Port has a total of two berths that handle both container and conventional services. Tanjung Bruas Port does not utilise quay crane; therefore, the data for TEU/crane is not applicable.

(vi) *Yan STS Port*

Yan STS Port is located at sea approximately five nautical miles from Pulau Bunting, which is an island adjacent to Yan district in Kedah state.

Yan STS Port consists of ten at-sea coordinates within a designated water limit where we are permitted to perform STS services. These approved at-sea locations have water depths of up to 27.5 metres and can accommodate STS for a wide range of vessels, including large crude carriers and membrane-type liquefied natural gas carriers. We are developing Yan STS Port as a hub for STS transfer operations, leveraging its strategic location along the international shipping lane in the northern section of Strait of Malacca. We completed our first STS transfer at sea in 2023.

We are permitted to engage in STS activities at ten coordinates within Yan STS Port at a maximum depth of 30.0 metres. The approved STS activities include break bulk transfer for petrochemical products, emergency STS and lightering (primarily, the transfer of cargo from a larger vessel to a smaller one). We currently intend to submit an application for renewal of our operating approval in the first quarter of 2026.

7.5.3 Our cruise terminals

We provide port facilities and service for cruise ships through our three cruise terminals, namely SPCT, PKCT and LCT. Our cruise terminals are equipped to accommodate a wide range of cruise ships and ferries, and offer amenities such as waiting lounges, retail outlets, and dining options.

The following table describes the key operational data of each of our cruise terminals for the Financial Years Under Review and from 1 January 2025 to the LPD:

	FYE 31 December 2022			
Key operating data	**SPCT**	**PKCT**	**LCT**	**Total**
Cruise terminal services				
Throughput (million passengers)	0.8	0.3	< 0.1	1.1
No. of berths......................	3	3	2	8
No. of cruise vessel calls	711	141	44	896

	FYE 31 December 2023			
Key operating data	**SPCT**	**PKCT**	**LCT**	**Total**
Cruise terminal services				
Throughput (million passengers)	1.5	0.6	< 0.1	2.1
No. of berths......................	3	3	2	8
No. of cruise vessel calls	857	195	13	1,065

	FYE 31 December 2024			
Key operating data	**SPCT**	**PKCT**	**LCT**	**Total**
Cruise terminal services				
Throughput (million passengers)	1.0	0.5	< 0.1	1.5
No. of berths......................	3	3	2	8
No. of cruise vessel calls	893	168	44	1,105

	1 January 2025 to LPD			
Key operating data	**SPCT**	**PKCT**	**LCT**	**Total**
Cruise terminal services				
Throughput (million passengers)	0.3	< 0.1	< 0.1	0.3
No. of berths......................	3	3	2	8
No. of cruise vessel calls	52	53	16	121

(i) *SPCT*

PPSB began operating SPCT in 1994. PPSB became our wholly-owned subsidiary in May 2018. Under our management, SPCT expanded in 2021 following a major rebuild.

It features a main berth that is 820.0 metres in length with a water depth of 11.0 metres, allowing it to handle two mega cruise vessels simultaneously with a combined passenger capacity of up to 12,000 at any given time. It also has two inner berths in the north and south. The north inner berth accommodates vessel up to 270.0 metres in length with a depth of 8.5 metres, while the south inner berth accommodates vessels up to 100.0 metres in length with a depth of 5.5 metres.

Located in Penang Island, SPCT is approximately 200.0 metres from George Town, a tourist destination within the UNESCO World Heritage Site, and is approximately 17.0 kilometres from Penang International Airport.

SPCT is equipped with facilities and amenities for passengers and terminal users including check-in counters, customs and immigration facilities, foreign exchange counters, a selection of retail shops, souvenir and gift shops and information centres to assist tourists. It also includes parking spaces for taxis, buses and car rentals. The on-site port police station and port fire and rescue stations provide security and immediate emergency response.

(ii) *PKCT*

PKCT is located in Port Klang, Selangor state and provides port facilities and services for cruise ships and navy vessels. It is a 50:50 joint venture between us and Westports Holdings Berhad. It operates three berths and is equipped with facilities and amenities for passengers and terminal users including five-storey air-conditioned buildings, link bridges for embarkation and disembarkation, covered walkways connecting the wharf side and terminal, automated teller machines, foreign exchange counters, food and beverage outlets, souvenir and gift shops, and duty-free outlets. Open parking space is also available for cars and buses as well as counters for taxi service.

PKCT is located in Port Klang and is in close proximity to Kuala Lumpur, the capital city of Malaysia. It is approximately 72.0 kilometres away from the Kuala Lumpur International Airport and is accessible from Kuala Lumpur via the North-South Express Central Link and the Shah Alam Expressway (the KESAS Expressway).

As at the LPD, PKCT had three berths, including a 450.0 metres-long main berth with a water depth of 14.0 metres from chart datum capable of hosting the large cruise ships. It also has two inner berths, which are 210.0 metres and 195.0 metres in length with depths of 10.0 metres from chart datum. These inner berths are also used for smaller passenger vessels.

(iii) *LCT*

LCT is a cruise terminal for cruise ships travelling to Langkawi and the nearby central area in Kuah.

LCT is located near the town of Kuah on Langkawi Island, which is part of the state of Kedah in Malaysia. It is approximately 13.1 kilometres away from the Langkawi International Airport and is accessible via the Jalan Padang Matsirat, Jalan Pantai Kok, and Jalan Kuala Muda roads. The terminal serves as a key entry point for cruise passengers visiting the island, offering access to Langkawi's beaches, natural attractions, and cultural sites.

We acquired Langkawi CT in February 2023, and as at the LPD, it had a main berth that is 370.0 metres in length, with a water depth of 11.0 metres making it capable of handling large cruise vessels. Its facilities include cruise jetty for berthing of cruise ships and passenger walkways. It also has one inner berth which is 270.0 metres in length for smaller passenger vessels.

7.5.4 Our expansion projects and plans

As a port operator, we focus on maintaining and increasing capacity and efficiency through regular maintenance and upgrading of our port infrastructure, equipment, and system. From time to time, we also pursue new development projects within our port areas.

Across our ports, we are investing in new equipment, including RTGs and quay cranes, to enhance our handling capabilities, operation efficiency and reduce environmental impact. For instance, PTP has a fleet of electrified RTGs, demonstrating a commitment to sustainability and operational efficiency.

We have also been making investments in technology, such as the upgrading and enhancement of terminal operating systems, and implementation of group-wide enterprise resource planning systems (covering human resource, accounting and procurement functions), implementation of a vessel traffic management information system, a facilities supervisory control and data acquisition system including automatic meter reader for monitoring consumption data from various utility meters, and the use of CCTVs and drones for port surveillance. These initiatives are designed to further enhance efficiency of our operations as well as safety and operational oversight across our ports.

Described below are the major/key expansion projects at each of our ports during the Financial Years Under Review and our major/key current expansion plans:

(i) *PTP*

Major/key expansion projects during the Financial Years Under Review

During the Financial Years Under Review, PTP carried out equipment replacement and additions for its crane units. PTP replaced seven quay cranes in FYE 31 December 2022 and three in FYE 31 December 2023. PTP also replaced 11 electrified RTGs in FYE 31 December 2022 and retired nine units of RTGs in 2024. Additionally, 25 electrified RTGs were added in FYE 31 December 2024, increasing the handling capacity of PTP by 0.7 million TEUs per annum, to accommodate the projected additional vessels. Total capital expenditure spent for the aforesaid equipment replacement and additions was approximately RM663.7 million, which was funded by internally generated funds from operations.

In the FYE 31 December 2022, PTP also completed expansion projects at three blocks in its container yard, resulting in the addition of 12,240 TEUs of storage capacity. The cost of this project was RM37.0 million, which was funded by internally generated funds from operations.

Additionally, PTP invested approximately RM8.1 million up to FYE 31 December 2024 in its terminal operating system and digitalisation solutions, which was funded entirely through internally generated funds from operations.

Current major/key expansion plans

PTP's expansion strategy is focused on optimising its current footprint to achieve a maximum capacity of 16.3 million TEUs by 2029 through the purchase of port equipment and the construction of a new berth. Other capacity expansion initiatives include the development of Pelepas Free Zone's Phase 3.

An additional 15 quay cranes, where six units are scheduled for delivery in FYE 31 December 2025 and nine units for delivery in FYE 31 December 2026, to provide flexibility in supporting ultra large container vessels and feeder vessels. A further 58 electrified RTGs are scheduled for delivery between 2025 and 2026. The full delivery of 15 quay cranes and 58 electrified RTGs are expected to increase the capacity of PTP to 15.1 million TEUs (from the safe operating capacity of 13.5 million TEUs for the FYE 31 December 2024). Additionally, PTP is scheduled to replace 48 electrified RTGs, which will be delivered in batches during the FYEs 31 December 2025 and 31 December 2026. There will also be an addition of prime movers and trailers. The estimated cost for this port equipment upgrade is approximately RM2.8 billion.

PTP plans to add a new berth to its port, referred to as "Berth 0", in an area of undeveloped land bank at PTP. The berth is planned to span approximately 360 metres and 6.0 hectares of container yard and offer similar facilities as the existing PTP terminal. Berth 0 is expected to increase PTP's handling capacity by 0.9 million TEUs. Construction is planned to commence in the first quarter of 2026. In total, upon the full delivery of the aforementioned cranes and completion of Berth 0, we expect PTP's total handling capacity to increase from its current safe operating capacity of 13.5 million TEUs to 15.9 million TEUs. The estimated cost of this project is approximately RM537.9 million.

The new development of the Pelepas Free Zone's Phase 3 aims to cater to the demand for business expansion from both existing and new customers. The target segments include customers such as warehouse operators and manufacturers with high container volumes. We anticipate completing Phase 3 of the Pelepas Free Zone's development by mid-2028 for plot 1, mid-2029 for plot 2, and mid-2030 for plot 3. The estimated cost of the new development is approximately RM366.9 million.

Other than the above, PTP has planned a series of infrastructure improvements through to 2029 to support its overall expansion initiatives. These improvements encompass upgrades such as container yard blocks, wharf road enhancements, expansions to RTG maintenance bays and workshop, as well as sedimentation works and various other facility enhancements. In addition, as part of its ongoing technology and digitalisation initiatives, PTP plans to invest RM70.3 million over the next five years to further enhance its operating systems and digitalisation solutions. Further, the estimated total cost of these aforesaid plans is approximately RM1.2 billion.

The expected cost of the above initiatives under this section of current major/key expansion plans is approximately RM4.9 billion, which is expected to be funded through internally generated funds from operations and Sukuk issuances in approximately equal proportion. It is expected to incur approximately RM2.1 billion by FYE 31 December 2025, approximately RM1.5 billion in FYE 31 December 2026, with the remaining amount to be incurred thereafter.

Pelepas Free Zone also comprises areas referred to as Phase 4 and Phase 5, which cover 156.4 hectares and 101.2 hectares, respectively. These areas are not the subject of current expansion plans and are held for future development.

(ii) *Johor Port*

Major/key expansion projects during the Financial Years Under Review

Johor Port's expansion projects during the Financial Years Under Review included initiatives that were primarily focused on expanding the port's container yard and acquisition of additional handling equipment, including quay cranes, RTGs, and terminal tractors implemented between the FYEs 31 December 2020 and 2023.

Johor Port completed yard expansions in FYE 31 December 2021 and acquired additional handling equipment such as quay cranes, RTGs, and terminal tractors between FYE 31 December 2020 and FYE 31 December 2023. Together, these projects increased Johor Port's container handling capacity from 1.2 million TEUs to 1.5 million TEUs per annum. The cost of these projects was approximately RM89.0 million, which was funded through internally generated funds from operations.

In the container yard expansion, 660 new ground slots were added across 2.0 hectares, increasing the port's total ground slots to 6,513. Additionally, 72 new power sockets were added in the reefer container yard, increasing the total to 216 power sockets. For wharf operations, one new quay crane was added to increase the port's total quay cranes to nine units. To bolster the wharf-to-yard transfer operations, 20 new terminal tractors were introduced, expanding the port's fleet to 62 units. Finally, four new RTGs were added, bringing the port's total to 30 RTGs as at the LPD.

In the FYE 31 December 2023, Johor Port further increased its storage capacity by merging several of its existing warehouses resulting to 104,000 sq. ft. of additional warehouse space. This increased the port's total warehouse space to 3.17 million sq. ft.. The cost of this project was RM14.0 million, which was funded through internally generated funds from operations.

<u>Current major/key expansion plans</u>

Johor Port is expanding its liquid cargo handling capacity by constructing two additional berths extending from the existing jetties. The project is expected to increase the port's capacity from 15.0 million to 20.0 million FWTs per annum at an estimated cost of RM140.0 million. The project commenced in 2023 and completed in June 2025.

Johor Port is also rehabilitating the jetty structures at its existing liquid jetties. The conditional assessment and repair schemes have been completed, and the tender process for rehabilitation work is currently in progress. The estimated cost of the project is RM55.0 million.

Johor Port also expects to receive two new quay cranes in August 2025 to replace existing units at a cost of approximately RM66.7 million. Additionally, the expected upgrade of its terminal operating system by the end of 2026 and the implementation of its enterprise resource planning system in February 2025 are expected to cost approximately RM23.0 million.

In addition, Johor Port also plans to replace other existing aging equipment from FYEs 31 December 2025 to 2029, such as luffing cranes, one bulk gantry crane, two container reach stackers, three quay cranes, one continuous unloader, and 14 RTGs for a total cost of RM372.0 million approximately. The pipe conveyor system and wharf conveyor system also are expected to be upgraded with an estimated cost of RM63.0 million. Additionally, Johor Port plans to develop a new container yard at a cost of approximately RM130.0 million; and to construct a new custom export examination area, to undertake rehabilitation works of marine structure at container terminal wharves, maintenance of dredging and rehabilitate existing roads for a total cost of approximately RM150.0 million.

From FYEs 31 December 2025 to 2029, Johor Port has anticipated capital expenditure in the amount of RM1.0 billion, including the above initiatives under this section of current major/key expansion plans. Johor Port expects to fund these capital expenditures through Sukuk issuances of approximately RM400.0 million and bank borrowings of approximately RM160.0 million, with the remaining amount to be covered by internally generated funds from operations. It is expected to incur approximately RM252.0 million by FYE 31 December 2025, approximately RM270.0 million in FYE 31 December 2026, with the remaining amount to be incurred thereafter.

(iii) *Northport*

Major/key expansion projects during the Financial Years Under Review

In the FYE 31 December 2023, Northport completed the expansion of container yard block "J", which increased container capacity from 5.0 million to 5.6 million TEUs per annum. During the year, 11 new electrified RTGs and 23 diesel RTGs were delivered to replace aging units and further increase capacity. The cost of these projects was RM347.8 million, which was funded through internally generated funds from operations.

In the FYE 31 December 2024, Northport completed the expansion of container yard block "K", which increased container capacity from 5.6 million to 6.2 million TEUs per annum. As part of the expansion, Northport is acquiring 12 new electrified RTGs through the end of the second quarter of 2025. The cost of these projects was RM189.8 million, which was funded through internally generated funds from operations.

Current major/key expansion plans

For the FYEs 31 December 2025 to 2029, Northport's expansion plan includes projects such as wharf extension and upgrading and land reclamation for yard expansion, which is expected to provide additional capacity of 400,000 FWTs per annum once completed by 2027. The estimated cost of this project is RM383.7 million.

Additionally, the plan involves the purchase of new equipment to replace aging units, including quay cranes, level luffing cranes, reach stackers, empty stackers, RTGs, prime movers with electrification, trailers and the digitalisation and automation of wharf and gate operations. The estimated cost of this initiative is approximately RM1.4 billion.

The expected cost of these projects under this section of current major/key expansion plans is RM1.7 billion, which is expected to be funded through Sukuk issuances (up to RM1.0 billion available), with the remaining amount of RM0.7 billion to be funded by internally generated funds from operations. It is expected to incur approximately RM302.7 million by FYE 31 December 2025, approximately RM475.5 million in FYE 31 December 2026, with the remaining amount to be incurred thereafter.

(iv) *Penang Port*

Major/key expansion projects during the Financial Years Under Review

During the Financial Years Under Review, Penang Port upgraded and modernised terminals and introduced a new fleet of ferries. Penang Port launched four new combined-mode ferries, namely *Teluk Bahang*, *Teluk Kumbar*, *Teluk Kampi*, and *Teluk Duyung*, which cater to both foot passengers and light vehicles such as motorcycles. These ferries began operations on 7 August 2023. The cost of these four new ferries amounted to RM69.0 million, with RM39.0 million funded through internally generated funds from operations and a RM30.0 million grant from the Government.

To facilitate these new ferry services, Penang Port undertook terminal modifications and upgrades at *Pangkalan Raja Tun Uda* and *Pangkalan Sultan Abdul Halim*. These modifications included upgrading terminal buildings, berths and amenities to ensure passengers comfort and the new ferries, as well as installing new ticketing machines, air-conditioned waiting area, free WIFI and CCTVs. The overall upgrading works were completed in the FYE 31 December 2023, with a total cost of RM29.2 million and funded through internally generated funds from operations.

Current major/key expansion plans

PPSB is undertaking port equipment and IT system upgrades to enhance service levels and meet growing demands. This includes the purchase of four hybrid RTGs as part of the RTG replacement program, with an approximate capital expenditure of RM39.4 million. These units were delivered in June 2025 and were funded through internally generated funds from operations.

PPSB is investing an approximate RM35.0 million in both a new enterprise resource planning system and terminal operating system, which are targeted to go live in 2026 and 2027, respectively, funded through internally generated funds from operations.

Additionally, from FYEs 31 December 2025 to 2029, Penang Port plans to undertake the following key projects:

(a) to increase the berth capacity at its container terminal from 2.3 million to 2.7 million TEUs by purchasing two quay cranes at an estimated cost of RM80.0 million;

(b) to construct and develop a new container yard and port land to complement the increase in berth capacity to 2.7 million TEUs at an estimated cost of RM440.0 million;

(c) to further increase its operational capacity at Prai Bulk Cargo Terminal by purchasing two units of electrified mobile harbour cranes at an estimated cost of RM30.0 million, to support the anticipated increase in conventional cargo maximum capacity from 14.4 million FWTs to 16.9 million FWTs; and

(d) to provide the electrical power to the aforesaid two units of electrified mobile harbour crane, Penang Port is undertaking an infrastructure upgrade for electrification project at Prai Bulk Cargo Terminal at an estimated cost of RM14.0 million.

The total estimated cost of the above projects (a) to (d) of RM564.0 million is expected to be funded primarily through internally generated funds from operations and potential Sukuk issuances. It is expected to incur approximately RM1.0 million by FYE 31 December 2025, approximately RM14.0 million in FYE 31 December 2026, with the remaining amount to be incurred thereafter.

(v) *Tanjung Bruas Port*

Major/key expansion projects during the Financial Years Under Review

At the end of the FYE 31 December 2021, Tanjung Bruas Port completed the extension of its 50-metre jetty at a cost of RM14.4 million funded through bank borrowings, increasing its capacity from handling of one to two vessels simultaneously.

In FYE 31 December 2022, Tanjung Bruas Port completed the development project of a new container yard. As a result, the port added 172 container ground slots for a total of 322 ground slots, which increased the yard storage capacity from 22,800 TEUs to 52,200 TEUs per annum. The cost of these projects was RM2.2 million, which was funded through internally generated funds from operations.

Current major/key expansion plans

From FYEs 31 December 2025 to 2029, Tanjung Bruas Port's anticipated capital expenditure totals RM29.1 million for its overall expansion. In FYE 31 December 2025, RM22.1 million in capital expenditure is planned for port development, which consists of the construction of an open yard and a warehouse, each 50,000 sq. ft. in size. In addition, RM3.0 million is budgeted for the refurbishment of a warehouse used for coal storage. From FYEs 31 December 2025 to 2029, the total budgeted maintenance capital expenditure is RM1.3 million, which includes fender replacement, renovation of office blocks, roof replacement, upgrading main switch substation, upgrading storage room for storage filling, upgrading of the drainage system and underground services, and rehabilitation of existing container platform. From FYEs 31 December 2025 to 2029, Tanjung Bruas Port has also budgeted capital expenditure for equipment, cargo handling equipment, IT system and infrastructure, and the purchase of others small value capital expenditures amounting to approximately RM2.7 million in total.

The estimated cost of these projects under this section of current major/key expansion plans is RM29.1 million which is expected to be funded through a mixture of internal generated funds and external financing facility. It is expected to incur approximately RM6.9 million by FYE 31 December 2025, approximately RM21.3 million in FYE 31 December 2026, with the remaining amount to be incurred thereafter.

(vi) *SPCT*

Major/key expansion projects during the Financial Years Under Review

There were no capital expenditures for major/key expansion projects for the Financial Years Under Review, as SPCT recently completed a major expansion project in the FYE 31 December 2021 to extend the length of its berth at a cost of RM100.0 million.

Current major/key expansion plans

SPCT is undertaking an existing terminal building upgrade project. The project is estimated to cost up to RM55.0 million, which is expected to be funded through internally generated funds. The project is still in the preliminary stage and is targeted for completion by early 2028.

SPCT is also in the initial stages of developing a shore-power system and redeveloping the surrounding areas at SPCT. These projects are in their initial planning stages.

(vii) *PKCT*

Major/key expansion projects during the Financial Years Under Review

There were no capital expenditures for major/key expansion projects at PKCT for the Financial Years Under Review.

Current major/key expansion plans

As at the LPD, there is no major/key expansion plan being implemented at PKCT.

(viii) *LCT*

Major/key expansion projects during the Financial Years Under Review

There were no capital expenditures for major/key expansion projects at LCT for the Financial Years Under Review.

Current major/key expansion plans

As at the LPD, there is no major/key expansion plan being implemented or contemplated at LCT.

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Summarised below are the major/key expansion projects at each of our ports during the Financial Years Under Review and our major/key current expansion plans:

No.	Major/key expansion projects or plans	Year/expected year of commencement	Year/expected year of completion	Cost	Source of funding	Expected increase in throughput/ improvements
		FYE 31 December	FYE 31 December	RM		
	PTP					
1.	Equipment replacement and additions for its crane units - Seven quay cranes - Three quay cranes - 11 electrified RTGs - 25 electrified RTGs	 2021 2022 2021 2022	 2022 2023 2022 2024	663.7 million	Internally generated funds from operations	Increased container handling capacity of PTP by 0.7 million TEUs per annum
2.	Expansion projects at three blocks in its container yard	2021	2022	37.0 million		Addition of 12,240 TEUs of storage capacity
3.	Terminal operating system and digitalisation solutions	2024	2024	8.1 million		Supporting overall operations
4.	Equipment replacement and additions for its crane units - 15 quay cranes - 58 electrified RTGs - 48 electrified RTGs - Prime movers and trailers	 2024 2025 2023 2024	 2025 - 2026 2025 – 2026 2025 – 2026 2025 – 2026	2.8 billion	Internally generated funds from operations and Sukuk issuances in approximately equal proportion	Upon the full delivery of the aforementioned cranes and completion of Berth 0, PTP's total handling capacity expected to increase from its current maximum capacity of 14.0 million TEUs to 16.3 million TEUs
5.	To add a new berth to its port, referred to as "Berth 0"	2026	2028	537.9 million		
6.	To develop Pelepas Free Zone's Phase 3	2026	2030	366.9 million		To cater to the demand from both existing and new customers
7.	Various infrastructure improvements and continuous enhancing of terminal operating systems and digitalisation solutions	2024	2029	1.2 billion		Supporting overall operations
	Johor Port					
8.	- Completed yard expansions - Additional handling equipment including a quay crane, four RTGs, and 20 terminal tractors	2020 2019	2021 2020 - 2023	89.0 million	Internally generated funds from operations	Increased container handling capacity from 1.2 million TEUs to 1.5 million TEUs per annum

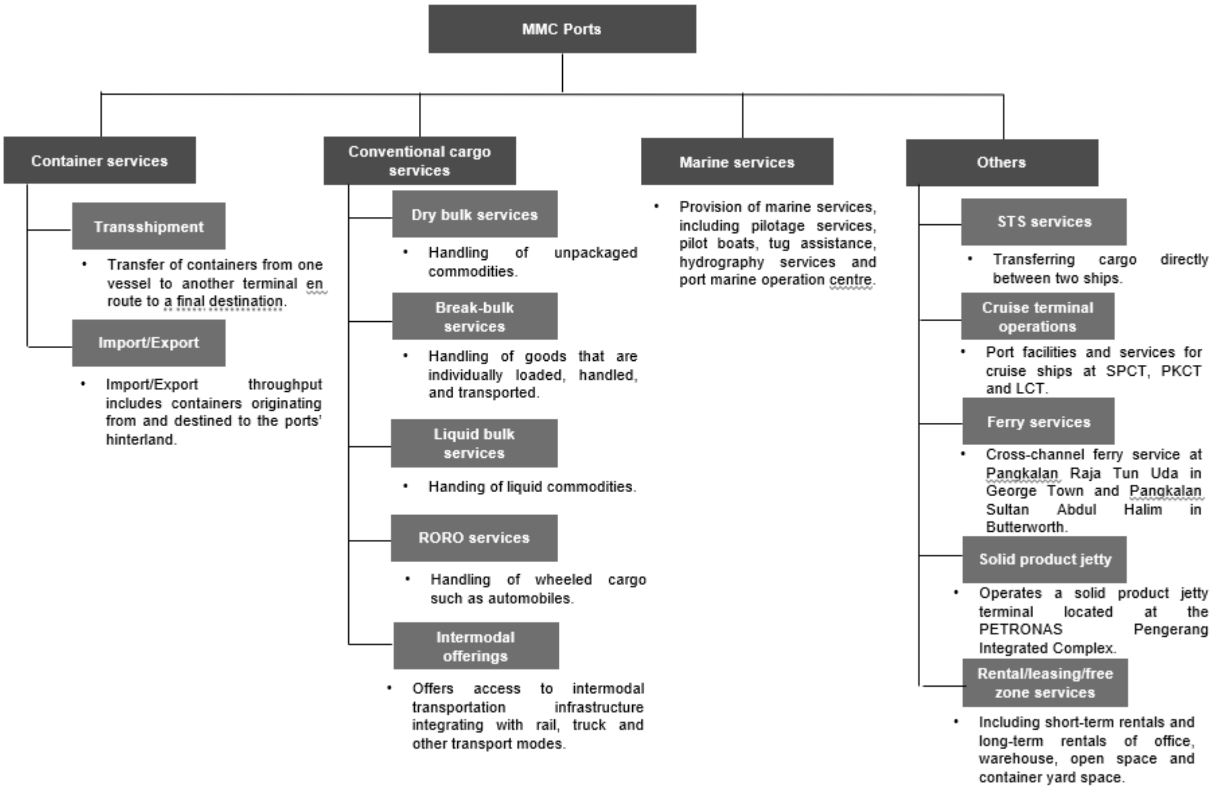
No.	Major/key expansion projects or plans	Year/expected year of commencement	Year/expected year of completion	Cost	Source of funding	Expected increase in throughput/ improvements
		FYE 31 December	FYE 31 December	RM		
9.	Merged several of its existing warehouses	2022	2023	14.0 million	Internally generated funds from operations	104,000 sq. ft. of additional warehouse space
10.	Constructed two additional berths	2023	2025	140.0 million	Internally generated funds from operations, Sukuk issuances and bank borrowings	Increased capacity from 15.0 million to 20.0 million FWTs per annum
11.	Rehabilitating the jetty structures at its existing liquid jetties	2026	2028	55.0 million		Not applicable as they are rehabilitation
12.	Replacement of two quay cranes	2024	2025	66.7 million		Not applicable as they are replacement
13.	Upgrade of its terminal operating system and implementation of enterprise resource planning system	2022	2026	23.0 million		Supporting overall operations
14.	Replacement of other existing aging equipment from FYEs 31 December 2025 to 2029, such as luffing cranes, one bulk gantry crane, two container reach stackers, three quay cranes, one continuous unloader, and 14 RTGs	2025	2029	372.0 million		Not applicable as they are replacement
15.	Upgrade of pipe conveyor system and wharf conveyor system	2025	2026	63.0 million		Not applicable as they are upgrade
16.	To develop a new container yard	2025	2029	130.0 million		The container yard expansion is expected to increase container handling capacity from 1.5 million TEUs to 1.8 million TEUs
17.	To construct a new custom export examination area, rehabilitation works of marine structure at container terminal wharves, maintenance dredging and rehabilitation of existing roads	2025	2029	150.0 million		Supporting overall operations

No.	Major/key expansion projects or plans	Year/expected year of commencement	Year/expected year of completion	Cost	Source of funding	Expected increase in throughput/ improvements
		FYE 31 December	FYE 31 December	RM		
	Northport					
18.	- Completed expansion of container yard block "J" - Addition of 11 electrified RTGs and 23 diesel RTGs	2022 2021	2023 2023	347.8 million	Internally generated funds from operations	Increased container handling capacity from 5.0 million to 5.6 million TEUs per annum
19.	- Completed expansion of container yard block "K" - Addition of 12 electrified RTGs	2023 2023	2024 2025	189.8 million	Internally generated funds from operations	Increased container handling capacity from 5.6 million to 6.2 million TEUs per annum
20.	Wharf extension and upgrading and land reclamation for yard expansion	2025	2027	383.7 million	Sukuk issuance and internally generated funds from operations	Expected to increase additional capacity of 400,000 FWTs per annum
21.	New equipment to replace aging units, including quay cranes, level luffing cranes, reach stackers, empty stackers, RTGs, prime movers with electrification, trailers and the digitalisation and automation of wharf and gate operations	2025	2029	1.4 billion		Not applicable as they are replacement
	Penang Port					
22.	Upgraded and modernised terminals and launched four new combined-mode ferries	2022	2023	69.0 million	Internally generated funds from operations and grant from the Government	Modernisation of terminals for service reliability
23.	Terminal modifications and upgrades at *Pangkalan Raja Tun Uda* and *Pangkalan Sultan Abdul Halim*	2022	2023	29.2 million	Internally generated funds from operations	Upgraded terminal for passengers comfort
24.	Addition of four hybrid RTGs	2023	2025	39.4 million	Internally generated funds from operations	Not applicable as they are replacement

No.	Major/key expansion projects or plans	Year/expected year of commencement	Year/expected year of completion	Cost	Source of funding	Expected increase in throughput/ improvements
		FYE 31 December	FYE 31 December	RM		
25.	A new enterprise resource planning system and terminal operating system	2020	2026 – 2027	35.0 million	Internally generated funds from operations	Supporting overall operations
26.	Addition of two quay cranes	2027	2028	80.0 million	Internally generated funds from operations and potential Sukuk issuances	Expected to increase container handling capacity from 2.3 million to 2.7 million TEUs per annum
27.	To develop a new container yard	2028	2031	440.0 million		To support the increase in container handling capacity as mentioned in previous item
28.	Addition of two electrified mobile harbour cranes	2025	2027	30.0 million		To support the increase in conventional cargo capacity from 14.4 million FWTs to 16.9 million FWTs
29.	Infrastructure upgrade for electrification project	2026	2027	14.0 million		Supporting overall operations
	Tanjung Bruas Port					
30.	Completed the extension of its 50-metre jetty	2020	2021	14.4 million	Bank borrowings	Increased its capacity from handling of one to two vessels simultaneously
31.	Completed the development project of a new container yard	2022	2022	2.2 million	Internally generated funds from operations	Increased the yard storage capacity from 22,800 TEUs to 52,200 TEUs per annum
32.	Construction of an open yard and a warehouse	2025	2026	22.1 million	Internal generated funds and external financing facility	Each 50,000 sq. ft. in size
33.	General maintenance capital expenditure	2025	2025	1.3 million		Supporting overall operations
34.	Refurbishment of a warehouse used for coal storage	2025	2025	3.0 million		Not applicable as it is refurbishment
35.	Capital expenditure for equipment, cargo handling equipment, IT system and infrastructure, and the purchase of others small value capital expenditures	2025	2029	2.7 million		Supporting overall operations

7.6 OUR SERVICES

We offer the following business services at our ports and cruise terminals: (i) container services, (ii) conventional cargo services, (iii) marine services, and (iv) other services.



As part of both our container and conventional cargo services, we provide the following services:

- Shipper services – Support functions to shippers, including freight forwarding, customs brokerage, cargo handling, documentation, insurance, and tracking.

- Port operation services – Cargo movement services within the terminal, freight station services, storage, inter-terminal transfers, and on-dock depots.

- Security– Port security services by a dedicated police auxiliary force through 24/7 surveillance systems, security patrols, marine patrol vessels, and aerial drone monitoring.

- Fire and rescue – Emergency response services, including firefighting, rescue, paramedic, fire prevention services and ambulances.

- Stevedoring – Loading, unloading and storing cargo on or off a ship in a port.

- Fresh water supply – Supply of fresh water upon request by the vessel.

The following table shows our revenue by segment for the Financial Years Under Review.

	FYE 31 December					
	2022		**2023**		**2024**	
	RM'000	**(%)**	**RM'000**	**(%)**	**RM'000**	**(%)**
Container	2,596,468	64.0	2,539,425	64.1	2,873,006	66.0
Conventional	402,621	9.9	402,011	10.2	438,553	10.1
Marine	467,055	11.5	492,481	12.4	511,394	11.7
Others[(1)]	189,885	4.7	195,029	4.9	209,679	4.8
Port and terminal operating revenue	**3,656,029**	**90.1**	**3,628,946**	**91.6**	**4,032,632**	**92.6**
Construction contracts[(2)]	187,243	4.6	114,249	2.9	227,228	5.2
Logistics and freight forwarding[(3)]	140,700	3.5	140,665	3.6	26,665	0.6
Rental income[(4)]	74,106	1.8	77,180	1.9	69,982	1.6
Total revenue	**4,058,078**	**100.0**	**3,961,040**	**100.0**	**4,356,507**	**100.0**

Notes:

(1) Other revenue primarily includes revenue from STS services and cruise, ferry and solid product jetty terminal.

(2) Included in revenue is Construction Contract Revenue and this relates to revenue recorded in accordance with MFRS 15 – Revenue from Contract with Customers as stated in IC Interpretation 12 in relation to the construction or upgrade of the port and terminal infrastructure under concession. In accordance with IC Interpretation 12, because we do not have right to control the use of the ports and terminals, and instead have access to operate the ports and terminals pursuant to long-term concession arrangements, the ports and terminals infrastructure within the scope of IC Interpretation 12 shall not be recognised as property, plant and equipment on our consolidated statements of financial position. Instead, as the operator of the ports and terminals under concession arrangements, we have the right to charge our customers for using the ports and terminals infrastructure, as such, the construction or upgrade of the port and terminal infrastructure under concession are to be recognised on our consolidated statements of financial position as concession assets, being intangible asset received for the right to charge users. As we perform the construction of ports/terminals developments or upgrades, we recognise Construction Contract Revenue in our consolidated statements of comprehensive income in amounts that generally correspond to increased concession assets. We engage third parties to carry out most of our developments or upgrading works, and therefore our Construction Contract Revenue reported approximates our Construction Contract Costs.

(3) Refers to revenue from its former subsidiary, Kontena Nasional, which was fully divested on 29 February 2024.

(4) Rental income relates to the leasing of other warehouses to the tenants.

7.6.1 Container services

We provide container services at all five of our sea ports. In particular, PTP's operations are primarily focused on container services. Our container services offering is designed to facilitate the efficient handling and management of containerised cargo by loading and unloading of containers between vessels and the port. All of our ports include container yards for storage of containers.

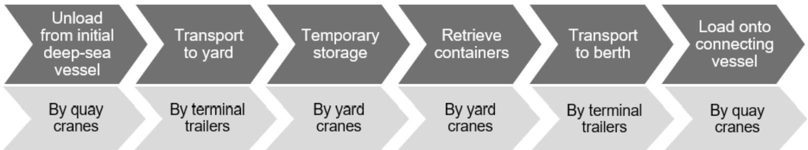
We offer customs clearance services that comply with international and local regulations. We also provide port logistics and supply chain support for our port customers and provide an area for logistics services outside our ports.

In the FYEs 31 December 2022, 31 December 2023, and 31 December 2024, our container services accounted for approximately 64.0%, 64.1%, and 66.0% of our total revenue, respectively.

(i) *Transshipment*

We provide transshipment services at PTP, Johor Port, Northport and Penang Port. Transshipment refers to the transfer of containers from one vessel to another at the terminal en route to a final destination. There are broadly two types of transshipment flow: (i) vessel-to-vessel transshipment, which involves the transfer of containers from one deep-sea container vessel to another; and (ii) vessel-to-barge transshipment, which involves the transfer of containers from deep-water container vessels to barges or smaller feeder vessels, or vice versa. Transshipment throughput is critical to utilisation, particularly to ports located in a region with high volume vessel access, such as the Strait of Malacca.

The flow of vessel-to-vessel transshipment is illustrated below:



The flow of vessel-to-barge transshipment is illustrated below:

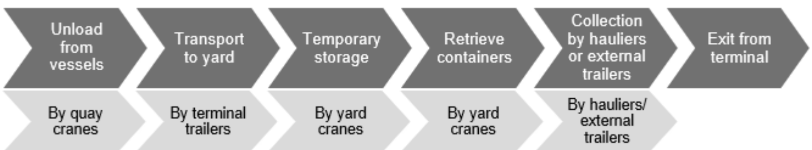
(ii) Import/Export

We handle import/export throughput at all five ports. Import/export throughput includes containers originating from and destined to the ports' hinterland and differs from transshipment throughput. Import throughput is usually handled by a terminal close to the point of consumption or production and is typically meant for local consumption, while export throughput is products that are being produced locally and exported to other markets. Import/export generally provides higher tariffs per move than transshipment and provides better margins for the container terminal operator. In addition, there is also the potential for earning incremental revenue from ancillary services such as inspection, fumigation, delivery, cleaning and repair for import/export containers.

- *Import of containers*

  Import containers are unloaded from vessels by quay cranes and placed on terminal trailers which operate within our terminals. These trailers transport the containers to the yard, and the containers are placed by yard cranes into temporary storage. The containers remain in storage until the yard cranes retrieve them for collection by hauliers, or external trailers, in service of the shippers, which transport these containers out of our terminals.

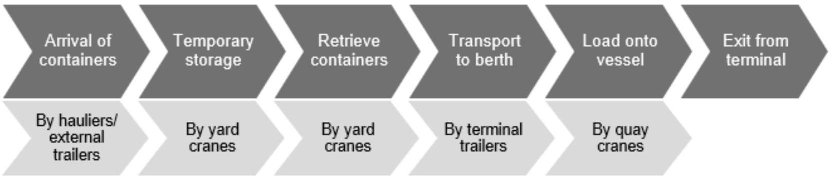
  The flow of import containers is illustrated below:



- *Export of containers*

  Export containers generally follow the same sequence as import containers but in reverse. The containers arrive on hauliers or external trailers through the terminal gate and are held in temporary storage until their designated vessel arrives. Thereafter, these containers are retrieved from storage, taken by terminal trailers to the berth and loaded by the quay cranes onto vessels.

  The flow of export containers is illustrated below:



7.6.2 Conventional cargo services

We primarily offer conventional cargo services at Johor Port, Northport, Penang Port and Tanjung Bruas Port. Our various types of conventional cargo services are described below.

(i) *Dry bulk services*

A significant portion of our dry bulk cargo throughput is driven by international trade, particularly imports into Malaysia. Factors such as cargo type, berthing operations, port traffic, and equipment capacity influence berth utilisation and overall cargo handling. We manage large volumes of unpackaged commodities, including fertilisers, coal, cement, grains, minerals, and cocoa, supported by our on-site storage facilities.

(ii) *Break bulk services*

Break bulk services cater specialised break bulk cargo handling services as part of port operations. Break bulk cargo refers to goods that are individually loaded, handled, and transported, typically including items like steel, timber, machinery, and other oversized or heavy-lift cargo that cannot be containerised. We have storage areas designed to accommodate these oversized and irregularly shaped goods, typically at our open yard storage facilities.

(iii) *Liquid bulk services*

Our liquid bulk services focus on the safe transportation of liquid commodities, including oil, chemicals, and liquefied natural gas. We provide the berth and basic infrastructure such as pipeline racks for our tank farm operators to ensure efficient transfer from/to their tank farm facilities. By leveraging advanced technologies and stringent safety protocols, we deliver reliable solutions that minimise risk and maximise efficiency. We adhere to applicable safety and environmental protocols to manage the risks associated with handling hazardous liquids. We also offer liquid bulk storage at certain ports.

(iv) *RORO services*

We offer RORO services to our customers. Our RORO facilities are designed to accommodate vessels that carry wheeled cargo, such as automobiles. The RORO terminal facilities cater to vehicles such as cars, trucks and excavators which are not containerised.

(v) *Intermodal offerings*

We also offer access to intermodal transportation infrastructure, integrating with rail, truck, and other transport modes to facilitate cargo movement. Utilising tracking and monitoring technologies, we offer updates on container locations and status, for operational transparency and efficiency.

In the FYEs 31 December 2022, 31 December 2023, and 31 December 2024, our conventional services accounted for approximately 9.9%, 10.2%, and 10.1% of our total revenue, respectively.

7.6.3 Marine services

We provide marine services, including 24-hour pilotage and coordination of all necessary port services to ensure the safe and efficient movement of vessels within the port limits. We offer pilotage services with experienced pilots who are knowledgeable about local conditions, guiding ships safely into and out of the port and within the port water limits. We provide tug assistance via tugboats, which aid in manoeuvring large vessels during berthing, unberthing, and navigation within restricted areas. At PTP, two anchorage areas are available for vessel anchorage. In Johor Port, we also provide anchorage and layup areas. In Tanjung Bruas Port, we provide support services for STS through two dedicated tugboats as at the LPD.

Our mooring services ensure vessels are securely fastened to berths. We also provide bunkering services, supplying various types of fuel to ships while ensuring strict compliance with environmental regulations. Our waste management services handle the collection and treatment of waste generated by vessels, including oil and sewage, in adherence to environmental standards.

We provide a range of marine services to ensure the safe and efficient movement of vessels within our port limits as set out below.

(i) *Pilotage services*

Each vessel arriving or departing at the port is guided by our trained and knowledgeable staff, who are familiar with local waters, tidal patterns, and navigational challenges. These pilots use real-time data and local expertise to ensure safe navigation, avoiding hazards and adhering to operational schedules.

(ii) *Pilot boats*

Pilotage operations are supported by pilot boats designed for the safe transfer of pilots to and from ships. These boats are maintained to facilitate the effective execution of pilotage services and help vessels adhere to schedules.

(iii) *Tug assistance*

A fleet of tugboats is available at several of our ports to assist with vessel handling during berthing, unberthing, and movements within restricted waters. Operated by trained crews, these tugboats assist various vessel types, including container ships, tankers, and cruise liners, ensuring safe and efficient operations.

(iv) *Hydrography services*

The hydrography unit conducts hydrographic surveys using multibeam echosounders. Monthly terminal surveys, quarterly channel surveys, and additional surveys as needed are performed to ensure safe navigation and operational efficiency within port limits.

(v) *Port marine operation centre*

The port marine operation centre (referred to as vessel traffic management system at PTP) operates 24/7 to coordinate vessel movements, monitor maritime traffic, and ensure compliance with safety and regulatory requirements. This central hub supports operational efficiency and real-time decision-making for port operations.

In the FYEs 31 December 2022, 31 December 2023, and 31 December 2024, our marine services accounted for approximately 11.5%, 12.4%, and 11.7% of our total revenue, respectively.

7.6.4 Other services

Our other services include (i) STS services; (ii) cruise terminal operations; (iii) ferry services; (iv) solid product jetty operations; and (v) rental/leasing/free zone services.

(i) *STS services*

We offer STS services at Tanjung Bruas Port and Yan STS Port. STS refer to the process of transferring cargo directly between two ships rather than unloading the cargo to a terminal or port facility.

(ii) *Cruise terminal operations*

We provide port facilities and services for cruise ships at SPCT, PKCT and LCT, catering to the needs of passenger vessels to assist them in providing services to tourists.

Our facilities are equipped to accommodate a wide range of cruise ships and ferries, offering seamless docking and efficient turnaround times. We provide modern terminals with amenities such as waiting lounges, retail outlets, and dining options.

Our services include embarkation and disembarkation processes, supported by security and customs procedures to ensure a smooth flow of passengers. We also offer logistical support for cruise operators, including provisioning, waste management, and maintenance services, ensuring vessels are fully equipped and ready for their journeys. .

(iii) *Ferry services*

PPSB operates a cross-channel ferry service between George Town on the island of Penang and Butterworth on the mainland, as a complement to the two existing bridges connecting the two terminals of *Pangkalan Raja Tun Uda* in George Town and *Pangkalan Sultan Abdul Halim* in Butterworth.

As at the LPD, our ferry service utilises four new ferries acquired in 2023, providing rides lasting 10 to 12 minutes between the above-mentioned locations. The ferries are built to carry 150 people and 50 two-wheelers and are equipped with air-conditioned passenger saloons.

(iv) *Solid product jetty*

JPB's subsidiary, SPT Services, operates the solid product jetty terminal in Tanjung Setapa, located at the PETRONAS Pengerang Integrated Complex. The solid product jetty terminal is designed to handle the volume produced at the PETRONAS Pengerang Integrated Complex, ensuring the timely export of containerised polymer and bulk sulphur, and other oil and gas industry-related products to the market.

(v) *Rental / leasing / free zone services*

We offer office, warehouse, open space and container yard space for rent on a short-term and long-term basis.

Short-term rentals are no more than three years and long-term rentals are three years or more. Long-term rentals or more often referred to as sub-lease arrangements, are agreements where the sub-lessee shall sub-lease a parcel of land and commit to capital expenditures to develop own operation facilities, minimum volume throughput and a predetermined level of productivity.

PTP, Johor Port, Northport and Penang Port have free zone areas that provide businesses with a dedicated area that facilitates trade and logistics operations under special regulatory conditions. We rent out warehouses for distribution centres, and office spaces in these areas, which can be customised to meet our customers' business needs. We offer customers flexible rental terms and scalable facilities, giving them the potential for seamless expansion to adapt to market demands.

These free zones are designed to enhance efficiency and cost-effectiveness for companies engaged in trading and transloading activities. Businesses operating within the freezone benefit from streamlined customs procedures, reduced tariffs, and tax incentives, fostering an environment conducive to international trade.

7.7 TARIFFS AND FEES

The tariffs and fees which we may charge for our services are set with reference to the tariff gazetted by the Government, our concession agreements or other contracts that we enter with the Government and the relevant port authorities or local regulatory bodies. Those tariff levels serve as a key reference point for negotiating pricing terms with our customers.

For container operations, charges billed mainly comprise terminal handling charges and storage charges and are billed either per 20-foot container, 40-foot container or container exceeding 40 feet. Charges vary depending on whether a container is laden or empty and whether it is a transshipment box or a local container. Other container-related charges may include reefer charges, extra movement charges and other miscellaneous charges.

The following table sets forth the maximum published tariffs for container cargo for each of our sea ports as at the LPD.

	As at LPD	
Container size	**Transshipment**	**Import/export**
	(RM per move)	(RM per move)
PTP		
20 feet		
- *Laden*	200.00	300.00
- *Empty*	200.00	234.00
40 feet		
- *Laden*	300.00	450.00
- *Empty*	300.00	351.00
>40 feet		
- *Laden*	335.00	507.00
- *Empty*	335.00	390.00
Johor Port		
20 feet		
- *Laden*	128.00	284.00
- *Empty*	128.00	206.00
40 feet		
- *Laden*	187.00	408.00
- *Empty*	187.00	317.00

Container size	As at LPD	
	Transshipment	**Import/export**
	(RM per move)	(RM per move)
>40 feet		
- *Laden*	202.00	442.00
- *Empty*	202.00	343.00
Northport		
20 feet		
- *Laden*	182.00	300.00
- *Empty*	180.00	250.00
40 feet		
- *Laden*	273.00	450.00
- *Empty*	270.00	375.00
>40 feet		
- *Laden*	312.00	546.00
- *Empty*	300.00	457.00
Penang Port		
20 feet		
- *Laden*	175.00	270.00
- *Empty*	175.00	230.00
40 feet		
- *Laden*	263.00	405.00
- *Empty*	263.00	345.00
>40 feet		
- *Laden*	316.00	486.00
- *Empty*	316.00	414.00
Tanjung Bruas Port		
20 feet		
- *Laden*	Not applicable*	210.00
- *Empty*	Not applicable*	160.00
40 feet		
- *Laden*	Not applicable*	450.00
- *Empty*	Not applicable*	375.00
>40 feet		
- *Laden*	Not applicable*	Not applicable*
- *Empty*	Not applicable*	Not applicable*

Note:
** Tanjung Bruas Port is not involved in transshipment services or in handling container cargo larger than 40 feet.*

For conventional cargo, charges mainly apply to wharfage, stevedores, wharf handling and pipeline use (for liquid bulk). Storage charges are also levied depending on the duration of stay of the cargo in the port. The maximum published tariffs for conventional cargo by port involves highly granular and technical rate structures that vary by cargo type, ship category and operational scenario. For example, wharfage and stevedoring fees differ based on whether the cargo is break bulk, dry bulk, or liquid bulk, while storage charges are tiered by duration (e.g., 1–15 days, 16 days and beyond) and vary between import and export flows. These publish tariff rates are readily accessible through the websites of the respective ports.

Vessel calling at the port are subject to applicable port dues and marine charges (including pilotage, towage and mooring operations charges). Dockage charges, where applicable, are levied on the vessels depending on berthing hours (i.e. their length of stay) and overall vessel length, in accordance to the respective ports' tariff schedules.

Our port operating companies must submit an application to the port authorities, whereby the application typically includes, among others, details on the tariff increase for tariffs gazetted by the Government, justification, cost analysis and prevailing market conditions. If the port authority agrees to consider the proposal, it will present the application for the recommendations for the tariff hike to their board of directors for approval. Subsequent to receiving approval from the relevant port authorities, the approval of MOT is required prior to the publication of the Federal Government Gazette.

Our sea ports have not been subject to any tariff adjustments during the Financial Years Under Review up to the LPD. Notwithstanding this, for completeness, historical tariff adjustments implemented prior to the Financial Years Under Review are also set out below.

- PTP's container cargo tariffs was increased by 15.0% in 2019 and 15.0% in 2021 (applied on 2019 tariff rates as part of a two-phase increase, with the first 15.0% increase having been applied in 2019).

- Northport's various container cargo tariffs were increased by between 7.0% and 85.0% in 2012, by 15.0% in 2015 and 15.0% in 2019 (applied on 2015 tariff rates as part of a two-phase increase, with the first 15.0% increase having been applied in 2015). In addition, a staggered port tariff increase has been approved for Port Klang, the first tariff adjustment for the port since 2015, comprising: 15.0%, 10.0% and 5.0% increases taking effect on 15 July 2025, 1 January 2026 and 1 January 2027, respectively.

- Johor Port's various container cargo and conventional cargo tariffs were increased by 10.0% in 2011 and 30.0% in 2021.

- Penang Port's container cargo tariffs were increased by 19.0% in 2007, 8.2% in 2015 and 19.6% in 2021. Its conventional cargo tariffs increased by 21.0% in 2007 and 13.1% in 2015.

- Tanjung Bruas Port has not been subject to any tariff increases.

7.8 MATERIAL PROPERTIES, PLANT AND EQUIPMENT

Details of our material properties, plant and equipment owned and leased or occupied by our Group are set out in Annexure C of this Prospectus.

7.9 TECHNOLOGY

We integrate advanced technologies to enhance operational efficiency, improve service delivery and drive sustainability. Key systems like the terminal operating system streamlines container handling, while enterprise resource planning system optimises processes across supply chain management, finance and human resources. Real-time data access enables swift decision-making, enhancing operational performance and market responsiveness. All our invoices are generated in the terminal operating system and are integrated in our other internal systems, providing statistical reports that help us to monitor port operational efficiencies.

Our digitalisation efforts include several notable initiatives, which are implemented in some of our ports, such as a gate access control system, a mobile application, open-payment platform solutions, a paperless electronic gate pass system, and a prime route system. These innovations streamline operations and improve the overall efficiency of port activities. We intend to incorporate these innovations in all of our ports in the future.

Some of our ports have adopted technologies such as the IoT, artificial intelligence, and machine learning. Our IoT infrastructure gathers real-time data, offering valuable insights into operations. We maintain a data lake that consolidates large volumes of data for advanced analytics, further enhancing decision-making and uncovering opportunities for continuous improvement. Robust cybersecurity measures, including centralised monitoring and driver fatigue detection systems, safeguard both operations and workforce. Additionally, CCTV surveillance and Access Control Systems provide critical infrastructure protection through real-time monitoring.

PTP has achieved significant international recognition, ranking fifth globally and first in Southeast Asia in the World Bank's Container Port Performance Index (CPPI) 2023. This index evaluates the efficiency of container ports worldwide, focusing on the duration of port stays for container vessels. PTP has embraced digitalisation by integrating artificial intelligence and machine learning systems, which facilitate proactive management, enhance performance, and support data-driven decision-making for improved operational outcomes. The implementation of Asset Digitalisation allows for comprehensive simulation and analysis of port operations, providing real-time virtual representations that enable flexible optimisation. PTP's technology infrastructure also includes terminal operating system and smart applications to manage port equipment facilities, container handling, berth facilities, quayside, and the container yard. These smart applications optimise planning, visibility and asset utilisation of twist locks, reefers, hatch clerks and lashing.

For security operations, PTP employs intelligent systems comprising Integrated Access Control and advanced CCTV surveillance system, ensuring continuous monitoring and strengthening operational safety and regulatory compliance across key areas. Additionally, PTP utilises centralised monitoring and safe driving management systems to safeguard operations and workforce. Additionally, PTP has employed augmented reality and virtual reality platforms for immersive safety training and simulations, enhancing safety protocols in critical areas such as fire safety, hand injury prevention, and working at heights. At Northport, we have drone technology to bolster workplace safety. This involves automating hazardous tasks, minimising human risk through drones for visual inspection of buildings and drainage.

Sustainability remains central to our strategy. We employ solutions such as a fuel management system, prime mover autonomous testing, and a supervisory control and data acquisition system for utilities management aimed at reducing environmental impact. We also focus on employee development, utilising simulators and continuous learning tools to enhance safety and technology adaptation. These efforts seek to not only optimise operations but also generate long-term value for stakeholders and shareholders, fostering sustainable growth while ensuring the security and efficiency of port operations.

7.10 RESEARCH AND DEVELOPMENT

We do not have any formal research and development facilities and systems or policies in place. As such, we have not incurred any material research and development expenditure during the Financial Years Under Review and from 1 January 2025 to the LPD. However, we routinely conduct market research through desktop research or by speaking with our key shipping line customers to further understand the latest developments within the shipping industry to the extent necessary, which enables us to develop strategies to meet the needs of our customers. Furthermore, we conduct various discussions, programs and trainings throughout the year to improve the systems and operations of our Company.

7.11 MARKETING ACTIVITIES AND DISTRIBUTION CHANNEL

Our commercial and business development team at each port is responsible for soliciting new customers and negotiating contracts and for customer service and management, in addition to finding ways to increase revenues from such existing customers. In order to project business demand in terms of volume, our commercial and business development team at each port operating companies gathers historical data, monitors latest trade and market developments, and communicates with our customers on a regular basis to better gauge and adjust to our business demands. We generally rely on organic marketing to drive new customer acquisition, in particular our commitment to providing superior productivity, as well as offering flexible, volume-based rates and negotiated incentives to attract new customers and strengthen long-term partnerships.

7.12 SOURCE AND AVAILABILITY OF RAW MATERIALS OR INPUTS

Due to the nature of our business, we do not conduct any raw material sourcing activities that are material to our business.

7.13 COMPETITION

We face competition from container terminal operators in the region and, to a lesser extent, container terminal operators globally. The main port competing for transshipment traffic with us in the Strait of Malacca is Westports due to its close proximity to the main shipping route along the Strait of Malacca, as well as Port of Singapore.

We face competition for non-containerised cargo within Malaysia. Northport competes with Westports for Import/Export traffic as they share the same hinterland given that both ports are in close proximity to the capital city of Kuala Lumpur and have a number of industrial parks and suburban zones in the immediate vicinity, and they are also situated in close proximity to each other. In terms of non-containerised cargo, we compete with Bintulu Port Holdings Berhad and Kuantan Port Consortium Sdn Bhd. Johor Port competes with ports in Singapore, particularly for chemical and oil cargoes, however Johor Port offers significantly lower costs, giving it a competitive advantage, according to Drewry.

In addition, a majority of our customers who are shipping lines are increasingly investing in ports and in their own dedicated terminal facilities, thereby reducing the need for shipping lines to use third party terminals in which they have no previous investment or financial relationship.

Meanwhile, in our cruise terminal operations, we face competition primarily from cruise terminals in Thailand and Singapore and Bintulu Port in Malaysia.

For details on the industry overview, refer to Section 8 of this Prospectus.

7.14 SEASONALITY

Our business is generally not affected by seasonality, as our cargo throughput is supported by a broad mix of cargo types and customers across multiple industries and the five seaports we operate. This diversity helps ensure a stable flow of cargo throughout the year, minimising the impact of seasonal variations in specific sectors or markets.

7.15 BUSINESS INTERRUPTIONS

There has not been any material interruption to our business activities and the business activities of our associates during the past 12 months prior to the date of this Prospectus.

7.16 OUR MAJOR CUSTOMERS

Our top five major customers, which are global shipping lines, and their contribution to our revenue, for the financial years indicated are as follows:

FYE 31 December 2022

Customer	Types of services/ products supplied	Length of relationship with MMC Ports Group as at the LPD[(1)]	Revenue	% of Group's revenue
		years	RM'000	%
Maersk companies	Port services	9	957,134	23.6
MSC	Port services	9	419,718	10.3
Evergreen	Port services	9	214,278	5.3
Wan Hai	Port services	9	209,757	5.2
CMA CGM SA	Port services	9	114,560	2.8
			1,915,447	**47.2**

FYE 31 December 2023

Customer	Types of services/ products supplied	Length of relationship with MMC Ports Group as at the LPD(1)	Revenue	% of Group's revenue
		years	RM'000	%
Maersk companies	Port services	9	985,509	24.9
MSC	Port services	9	378,124	9.5
Wan Hai	Port services	9	244,631	6.2
Evergreen	Port services	9	198,542	5.0
Interasia	Port services	9	69,354	1.8
			1,876,160	**47.4**

FYE 31 December 2024

Customer	Types of services/ products supplied	Length of relationship with MMC Ports Group as at the LPD(1)	Revenue	% of Group's revenue
		years	RM'000	%
Maersk companies	Port services	9	1,262,854	29.0
MSC	Port services	9	385,958	8.8
Wan Hai	Port services	9	259,458	6.0
Evergreen	Port services	9	218,615	5.0
Interasia	Port services	9	85,623	2.0
			2,212,508	**50.8**

Note:

(1) This refers to the length of relationship since the formation of our Group, with the earliest traceable point being when NCB Holdings became our 86.7% subsidiary in December 2015.

As at the LPD, none of our Directors, Promoters and/or substantial shareholders had any interest, direct or indirect, in any of our major customers.

During the FYEs 31 December 2022, 2023 and 2024, our Group's revenue was concentrated with the aforementioned major customers, which accounted for 47.2%, 47.4% and 50.8% of our total revenue, respectively. However, we were not dependent on any single customer during the Financial Years Under Review, as demonstrated by the following:

(i) according to Drewry, the strategic location of our ports along the Strait of Malacca, the world's busiest shipping route, has contributed to our ranking as the largest port operating group in Malaysia. This geographic advantage ensures that, even if any customer were to cease using our port services, surplus capacity would be filled by other shipping lines, taking into consideration not only the strategic location but also port infrastructure, operational efficiency and connectivity. During the Financial Years Under Review, we have not experienced any material adverse impact on our financial performance from customers discontinuing their relationship with us or choosing not to use our port services;

(ii) we believe that key factors affecting customers' decisions when selecting a port operator include, amongst others, our commitment in providing a fixed day berthing slot and high productivity rates. These are areas in which we believe we are well positioned to deliver due to our operational efficiency. Our typical approach is to foster long-term relationships with customers, ensuring stable and continued revenue contribution;

(iii) while we maintain close relationships with our existing customers, this is not an indication of dependency. Instead, such relationships serve as an effective safeguard against over-reliance on major customers, as they promote continuity of business, enhance customer retention and support long-term partnerships. These long-standing relationships are a natural result of our operations as our ports are strategically located and attract steady flow of trade, while we maintain quality services to meet our customers' needs. As such, we do not actively seek new customers solely to replace the current ones. Instead, we focus on nurturing these relationships, which enhances customer stickiness and reduces the likelihood of sudden volume loss that is typically an adverse outcome associated with dependency on major customers. This approach ensures that any changes in customer engagement do not adversely affect our overall business; and

(iv) while the Maersk companies accounted for 23.6%, 24.9% and 29.0% of our total revenue for the Financial Years Under Review, respectively, we believe that this revenue concentration is an indication of customer engagement and trust, as well as a byproduct of Maersk's 30.0% equity ownership. We have a diversified portfolio of sea ports with varied cargo handling capabilities including containers, break bulk, liquid bulk, dry bulk and RORO. Our ports are strategically located in close proximity to the main shipping route along the Strait of Malacca, serving as important transshipment hubs in Southeast Asia. This location along one of the world's busiest shipping routes, combined with our diversified cargo handling capabilities, positions us as Southeast Asia's key gateway to global trade, with connectivity to Intra-Asia, Transpacific, and Asia-Europe routes. This provides strong operational resilience to potential short-term shifts in customer demand from any one customer, including the Maersk companies.

7.17 OUR MAJOR SUPPLIERS

Our top five major suppliers and their contribution to our purchases for the financial years indicated are as follows:

FYE 31 December 2022

Supplier	Types of services/ products supplied	Length of relationship with MMC Ports Group as at the LPD	Purchases	% of Group's purchases
		years	RM'000	%
PetDag	Fuel, diesel, diesel tank and lifter	9[(1)]	263,224	21.4
TNB	Electricity	9[(1)]	103,134	8.4
Kejora	Tugboats services	4	35,869	2.9
K.S.P.	Tugboats services	5	35,108	2.9
Terberg	Maintenance of prime movers	9[(1)]	34,643	2.8
			471,978	**38.4**

FYE 31 December 2023

Supplier	Types of services/ products supplied	Length of relationship with MMC Ports Group as at the LPD	Purchases	% of Group's purchases
		years	RM'000	%
PetDag	Fuel, diesel, diesel tank and lifter	9[(1)]	210,958	18.6
TNB	Electricity	9[(1)]	124,431	10.9
Terberg	Maintenance of prime movers	9[(1)]	39,943	3.5
K.S.P.	Tugboats services	5	36,131	3.2
Kejora	Tugboats services	4	33,847	3.0
			445,310	**39.2**

FYE 31 December 2024

Supplier	Types of services/ products supplied	Length of relationship with MMC Ports Group as at the LPD	Purchases	% of Group's purchases
		years	**RM'000**	**%**
PetDag	Fuel, diesel, diesel tank and lifter	9[(1)]	205,226	18.3
TNB	Electricity	9[(1)]	135,002	12.0
K.S.P.	Tugboats services	5	43,314	3.8
Kejora	Tugboats services	4	34,992	3.1
Terberg	Maintenance of prime movers	9[(1)]	31,352	2.8
			449,886	**40.0**

Note:

(1) This refers to the length of relationship since the formation of our Group, with the earliest traceable point being when NCB Holdings became our 86.7% subsidiary in December 2015.

As at the LPD, none of our Directors, Promoters and/or substantial shareholders have any interest, direct or indirect, in any of our major suppliers.

Our Group was not dependent on any suppliers during the Financial Years Under Review or from 1 January 2025 to the LPD. Our Group has entered into agreements and arrangements in the ordinary course of business with our top five major suppliers for our operations and we generally have alternative suppliers available to provide such services or goods if the need arises. We have established business relationships with our suppliers and have not faced any material supply disruptions and/or major delays from our major suppliers. In the event that we are unable to procure fuel-related products from PetDag, we are able to obtain similar products from other suppliers.

Further, TNB is the nation's primary electricity generation enterprise in Peninsular Malaysia. We have not experienced any material electricity supply disruptions.

7.18 MATERIAL TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS

Save as disclosed in Annexure A of this Prospectus, we do not have any material trademarks, brand names and other intellectual property rights.

7.19 EMPLOYEES

As at the LPD, our Group employed a total workforce of 11,554 (11,356 as at 31 December 2024) employees, out of which 9,290 (9,296 as at 31 December 2024) are permanent employees while the remaining 2,264 (2,060 as at 31 December 2024) were contractual employees. Further, we have 1,153 (1,199 as at 31 December 2024) foreign employees, all of whom possess valid work permits and/or documentations. All of our employees are based in Malaysia, as we operate only in the country.

The breakdown of our employees by positions as at 31 December 2024 and as at the LPD are as follows:

	Total number of employees as at 31 December 2024					
Categories	**Senior management (General Manager and above)**	**Middle management (Senior Manager & Assistant General Manager)**	**Middle management (Manager)**	**Executive (Executive to Assistant Manager)**	**Non-executive**	**Total**
Key senior management	7	-	-	-	-	**7**
Port operation staff	18	68	161	791	8,629	**9,667**
Non-port operation staff	49	90	126	564	853	**1,682**
Total	**74**	**158**	**287**	**1,355**	**9,482**	**11,356**

	Total number of employees as at the LPD					
Categories	**Senior management (General Manager and above)**	**Middle management (Senior Manager & Assistant General Manager)**	**Middle management (Manager)**	**Executive (Executive to Assistant Manager)**	**Non-executive**	**Total**
Key senior management	7	-	-	-	-	**7**
Port operation staff	18	68	168	801	8,812	**9,867**
Non-port operation staff	46	92	131	565	846	**1,680**
Total	**71**	**160**	**299**	**1,366**	**9,658**	**11,554**

As at the LPD, 4,494 of our employees belong to trade unions, namely Kesatuan Pekerja-Pekerja Johor Port Berhad, Kesatuan Kakitangan Northport (Malaysia) Bhd, Northport (Malaysia) Bhd Executive Association, Kesatuan Pekerja-Pekerja Penang Port Sdn Bhd, Persatuan Pegawai-Pegawai Kanan Penang Port Sdn Bhd, Kesatuan Pekerja-Pekerja Pelabuhan Tanjung Pelepas Sdn Bhd and Kesatuan Eksekutif Pelabuhan Tanjung Pelepas Sdn Bhd.

We have not experienced any strikes or other disruptions due to labour disputes. We have also not experienced any material union disputes in the past three years.

7.20 INSURANCE

Our operations are subject to normal hazards of operational and geographic risks, including accidents, fire and weather-related perils. We maintain various types of insurance policies to protect against the financial impact arising from unexpected events when the amount of the potential loss would be significant enough to materially affect normal business operations. The purchase of these policies is handled with applicable limits, coverage, scope and deductibles that we, with the advice of our insurance advisors, believe are reasonable and prudent after all means of controlling or preventing the risk have been considered. For details on risks relating to our insurance coverage, refer to Section 5.1.32 of this Prospectus.

We maintain insurance policies in line with industry practice, covering business interruption and property damage to both our real and personal properties, including but not limited to, assets and equipment material to our business. We also maintain terminal operators' liability insurance policy to cover liability to a third party due to any negligence as a port operator.

7.21 GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing the business of our Group, which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made.

(i) PAA 1963

The PAA 1963 provides for the establishment of port authorities, for the functions of such authorities and for matters relating to operation and otherwise maintenance of the ports in respect of which it is established.

(a) The PKA and JPA

The PKA and the JPA are statutory corporations established on 1 July 1963 and 1 January 1975 respectively under the PAA 1963 to operate and manage, amongst others, Port Kelang, Pasir Gudang Port and Tanjung Pelepas Port, respectively.

(b) The MPA

The functions, powers, duties and jurisdiction of PKA were extended to Port of Malacca (the limits of which as declared under Section 6 of the *Merchant Shipping Ordinance 1952*) pursuant to the Kelang Port Authority (Extension of Functions to Port of Malacca) Order 1983, made by virtue of Section 47A of the PAA 1963. In carrying out its functions in respect of the Port of Malacca, the PKA was styled as the MPA.

The PKA, JPA and MPA have the power to do all things reasonably necessary for or incidental to the discharge of its functions which includes among others:

(a) to undertake or grant licence on such conditions as the authority may think fit to any company, firm, person or persons to undertake, any activities in the port as may appear to the authority to be necessary;

(b) to promote the improvement and development of the port;

(c) to undertake all or any work of every description of or in connection with the loading, unloading and storing of goods or cargo in the port, or authorise by way of licence any company, firm, person or persons to undertake such work, subject to such regulations or by-laws as the authority may from time to time make, and such licence may contain conditions which include a condition that such work shall be undertaken under contract to the authority;

(d) to construct, maintain, repair and use wharves, docks, piers and bridges within the limits of the lands vested in it, with all necessary and convenient arches, drains, culverts, fences, roads, railways and approaches;

(e) subject to the PAA 1963, to levy such port dues and such general charges upon goods or cargo loaded and discharged in the port as it may deem necessary for the maintenance, improvement or development of the port;

(f) to construct and maintain and within the limits of the lands vested in it, to operate railways, warehouses, sheds, engines, cranes, scales and other appliances for conveying, receiving, handling and storing goods to be landed or shipped or otherwise dealt with by the authority; and

(g) to erect or cause to be erected houses and buildings on lands vested in the authority.

(ii) PPCA 1955

The PPC is a statutory corporation established on 1 January 1956 under the PPCA 1955 to operate and manage the port of Penang (the limits of which as declared under Section 6 of the *Merchant Shipping Ordinance 1952)*. It shall be the duty of the PPC to, among others:

(a) maintain, or provide for the maintenance of, adequate and efficient port services and facilities including ferry services at reasonable charges for all users of the port consistent with the best public interest;

(b) provide pilotage services within the limits of the port and the approaches to the port;

(c) co-ordinate the activities of the port;

(d) promote the improvement and development of the port; and

(e) execute such works as may be necessary to the performance of the duties prescribed in paragraphs (a) to (d) above.

For the purposes of carrying out its duties, the PPC may, among others:

(a) construct, procure, maintain, repair and use, within the limits of the lands vested in it, railways, warehouses, sheds, engines, cranes and other appliances for conveying, receiving, handling and storing goods to be landed or shipped or otherwise dealt with;

(b) construct, maintain, repair and use wharves, docks, piers and bridges within the limits of the lands vested in it, with all necessary and convenient arches, drains, culverts, fences, roads, railways and approaches; and

(c) erect, or procure to be erected, houses and buildings on the lands vested in it.

(iii) Ports PA 1990

The Ports PA 1990 is the principal legislation which regulates the licensing of port operators and only operators licensed under the Ports PA 1990 may undertake or manage port undertakings that have been privatised under the Ports PA 1990.

All licences issued under the Ports PA 1990 stipulate terms and conditions under the licence, including the duration of the licence, the types of services and facilities to be provided by the licensee, the annual licence fee payable by the licensee, the particular duties of the licensee in respect of the services or facilities and any other conditions as the port authority thinks fit.

A breach of any condition of the licence or any failure to comply with any provision of the Ports PA 1990 or any regulations or by-laws made thereunder may result in administrative sanctions, including the suspension or revocation of the licence, prosecution of the licensee and/or the imposition of penalties. Where a licence is suspended or revoked and the port authorities consider that such revocation or suspension would materially affect the operations of the port, the port authority may take temporary possession of the port, manage port operations and in doing so may engage any employee of the operator.

Every licensed operator has reporting requirements and is required to submit a report of its operations and financial statements at the end of each financial year. A licensed operator shall also submit any statistical information and cargo forecast as may be required by the port authority and any future development plans relating to any service it is required to provide under its licence. A licensed operator shall also immediately inform the port authority of certain matters affecting its operations such as, amongst others, any industrial accident or mishap involving any employee of the licensed operator, any theft or pilferage within its premises or involving any cargo, any proceedings or claims made against the licensed operator which may affect its ability to perform any condition under the licence.

The salient terms attached to our port licences are set out in Annexure B of this Prospectus.

(iv) OSHA

Under the OSHA, we have a general duty to ensure, so far as is practicable, the safety, health and welfare at work of all our employees, including among others:

(a) providing and maintaining our plants and systems of work that are, so far as is practicable, safe and without risks to health;

(b) making arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plants and substances;

(c) providing information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health of our employees at work;

(d) maintaining any place of work under our control, in a condition that is safe and without risks to health and providing and maintaining the means of access to and egress from it that are safe and without such risks;

(e) providing and maintaining a working environment for our employees that is, so far as is practicable, safe, without risks to health, and adequate as regards to facilities for their welfare at work;

(f) developing and implementing procedures for dealing with emergencies that may arise in the course of the employees' work; and

(g) formulating and implementing safety and health policies which are revised as often as it may be appropriate and duly bringing the same to the notice of all employees.

Breaches of general duties may result in a fine not exceeding RM500,000 or imprisonment for a term not exceeding two years or both.

An occupier of a workplace that has been gazetted as requiring a safety and health officer must appoint a person who is competent to act as a safety and health officer to ensure the due observance of the provisions of the OSHA and any related regulations, and for promoting safe work conduct at the workplace. A person shall be appointed as a safety and health officer for one workplace at a time, unless otherwise authorised by the Director General of Occupational Safety and Health. Employers who have five or more employees at the other workplaces that has not be so gazetted, are required to appoint an employee to act as an occupational safety and health coordinator to coordinate occupational safety and health issues at the workplace.

Any person who contravenes any of the above will be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding six months or to both.

Every employer is required to establish a safety and health committee if there are 40 or more persons employed at the place of work or if directed by the Director General of Occupational Safety and Health, failing which the employer shall be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or to both. The safety and health committee will, among others, keep under review the measures taken to ensure the safety and health of persons at the workplace.

The OSHA also prescribes standards for the certification and inspection of plants, ensuring their operational safety and compliance, and the Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 and the Occupational Safety and Health (Licensed Person) Order 2024 detail requirements for plant operations and certifications.

Any person who operates or causes or permits any plant requiring a certificate of fitness to be operated must ensure that the plant has a valid certificate of fitness, failing which such person will be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or both.

(v) EQA 1974

The EQA 1974 restricts pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters without a licence, prohibits the discharge of oil into Malaysian waters without a licence, discharge of wastes into Malaysian waters without a licence and prohibits open burning.

Unless compounded by the Director-General of Environment, in the event of non-compliance, an offender shall be liable on conviction to:

(a) a fine not exceeding RM100,000 or imprisonment for a term not exceeding five years or to both and to a further fine not exceeding RM1,000 a day for every day that the offence continues for contravention of Environmental Quality (Sewage) Regulations 2009; and

(b) a fine of not less than RM5,000 and not exceeding RM250,000 or imprisonment for a term not exceeding two years or both for the contravention of the EQA 1974 or any regulation made thereunder for where no penalty is expressly provided.

(vi) Regulatory framework for port premises/buildings/structures of our Group

Further to the Port Regulations, the relevant port authorities are established to construct, operate and otherwise maintain the ports and exercise its functions relating to port activities including matters relating to the construction and maintenance of the port facilities. As such, the approving authority for port structures and buildings is the port authorities.

Premises/ buildings/ structures under concession were initially built and operated by the respective port authorities before being leased to our Group and shall remain the property of the port authorities under the terms of the respective Privatisation Agreements and Lease Agreements, as set out in Section 7.23 of this Prospectus.

Port wharves and government buildings operate under strict regulations, particularly relating to public safety, environmental standards, and operational functionality. When properties at the port are leased to a concessionaire, there is no change to the ownership of the properties which remains with the port authorities. However, the buildings and infrastructure continue to operate under the same regulatory framework.

Port wharves and government buildings that were built and in operation before privatisation, even though the properties were leased to the concessionaires, are still considered compliant with previous regulations if they were constructed in accordance with the requirements as may be imposed by the government authorities and used for their intended purposes (that was as designed prior to privatisation). This is particularly relevant since these properties had passed inspections and met safety or operational standards before leasing of the properties. Government projects typically go through various approval channels within government departments, involving compliance with internal design and safety standards, similar to the CCC or CF application process.

Port wharves and government buildings, for example, are often subject to a more complex regulatory framework, including maritime, safety, and environmental regulations. Local authorities may decide that buildings having been previously in use and in operation by the authorities may continue to be in use if no modifications or changes occur upon the privatisation of the operation. The regulatory body might take into account the continuity of the facility's purpose and its ongoing compliance with safety and operational standards. The respective port authorities do periodic/ regular inspections at the port areas and to-date, the port companies have not received any penalties/ notices from the port authorities regarding the state of the premises/ buildings/ structures.

Port wharves and government buildings are typically subject to rigorous inspection and compliance standards before they are put into service. The privatisation is unlikely to trigger a requirement for a new CCC or CF since the properties were built under stringent public sector regulations and were already compliant with safety, health, and operational standards. This is especially relevant in cases where the building or port infrastructure was already in active use under public ownership and no major structural or operational changes are being made post-privatisation.

Insofar as the administration of MMC Ports' ports is concerned, the Port Regulations are as follows:

The PAA 1963 (which regulates the operation of, among others, Northport, Tanjung Bruas Port, Johor Port and PTP) and the PPCA 1955 (which regulates the operation of Penang Port) outline the relevant port authorities' power to do all things reasonably necessary for or incidental to the discharge of its functions which includes among others:

(a) to undertake or grant licence on such conditions as the authority may think fit to any company, firm, person or persons to undertake, any activities in the port as may appear to the authority to be necessary;

(b) to promote the improvement and development of the port;

(c) to undertake all or any work of every description of or in connection with the loading, unloading and storing of goods or cargo in the port, or authorise by way of licence any company, firm person or persons to undertake such work, subject to such regulations or by-laws as the authority may from time to time make, and such licence may contain conditions which include a condition that such work shall be undertaken under contract to the authority;

(d) to construct, maintain, repair and use wharves, docks, piers and bridges within the limits of the lands vested in it, with all necessary and convenient arches, drains, culverts, fences, roads, railways and approaches;

(e) subject to the relevant PAA 1963 and PPCA 1955, to levy such port dues and such general charges upon goods or cargo loaded and discharged in the port as it may deem necessary for the maintenance, improvement or development of the port; and

(f) to construct and maintain and within the limits of the lands vested in it, to operate railways, warehouses, sheds, engines, cranes, scales and other appliances for conveying, receiving, handling and storing goods to be landed or shipped or otherwise dealt with by the authority.

Pursuant to Section 6 of the Ports PA 1990, the port authority's undertakings (being their responsibilities - including facilities, services, and related assets - under the provisions of the law) will be transferred to an operator as soon as practicable after the MOT, being the relevant Minister charged with the responsibility for ports, approves the privatisation plan, the necessary agreement is executed, and the operator is licensed under the Ports PA 1990. Nevertheless, the transfer of port undertakings does not constitute the transfer of ownership of the assets, which will continue to belong to the Government (via port authorities). Further, Section 7(2) of the Ports PA 1990 provides that the liabilities of the port undertakings shall remain the liabilities of the port authorities, except to the extent of any written agreement to the contrary.

Under the Privatisation Agreements, the port entities were granted rights to operate port facilities during the concession period. Upon the expiry or termination of these agreements, the demised properties, including the land, buildings and structures erected thereon, shall be surrendered to the port authorities, as they are the owners of the properties. Pursuant to the port licences issued to the port entities under the relevant Privatisation Agreements, these entities are authorised to operate, maintain, manage, and control the port, as well as provide facilities and services to port users.

Further, the Ports PA 1990 provides that every licensed operator shall submit to the port authority future development plans relating to any service or facility which it is bound to provide under the conditions of the licence and a report of its operations on a timely basis. As such, prior written approval is required from the relevant port authorities pursuant to the terms and conditions of the relevant Privatisation Agreements of the port entities for any new development or changes to the approved development plan. Any future extensions/ expansion/ renovation to be undertaken by our Group on any premises/ buildings/ structures which are not part of the approved development plan will be subject to these Privatisation Agreements.

Compliance with the relevant laws, regulations, rules and requirements governing the conduct of the operations of our Group

As at the LPD, we are in compliance with the relevant laws, regulations, rules or requirements governing the conduct of our Group's business and environmental issues which may have a material impact to our Group's business, operations or financial conditions.

7.22 MAJOR CERTIFICATES, LICENCES, PERMITS AND APPROVALS

We have various major certificates, licences, permits and approvals for our operations in Malaysia. Details of our major licences, certificates, permits and approvals are set out in Annexure B of this Prospectus.

7.23 MATERIAL DEPENDENCY ON COMMERCIAL OR FINANCIAL CONTRACTS, INTELLECTUAL PROPERTY RIGHTS, LICENCES AND PERMITS OR PRODUCTION OF BUSINESS PROCESSES

As at the LPD, there are no commercial or financial contracts, intellectual property rights, licences, permits or production of business processes which our Group's business or profitability is materially dependent on save for the following:

7.23.1 Privatisation Agreements

The Privatisation Agreements were entered into between (1) the respective port companies; (2) the Government; and (3) the relevant port authorities.

(i) PTP Privatisation Agreement

On 24 March 1995, Seaport Terminal entered into a privatisation agreement with the government and JPA for the construction and development of PTP. Simultaneously and via a novation agreement, Seaport Terminal novated most of its rights under the PTP Privatisation Agreement to PTPSB as the operator of PTP. As consideration for PTPSB accepting the concession and undertaking to operate PTP, the Government sold its entire issued ordinary share capital of JPB to Seaport Terminal. The concession period for PTP was for an initial period of 30 years, which expired on 23 March 2025 and was automatically extended to 23 March 2055.

The PTP Privatisation Agreement grant PTPSB the rights and licence to plan, design, and construct PTP; supply and install all equipment and materials used or to be used in the conduct of its port business; lease the port area of PTP (as delineated in the PTP Privatisation Agreement) and manage, operate, and maintain PTP in accordance with the terms and conditions of the port licence pursuant to the PTP Privatisation Agreement; charge port users for services or facilities provided; and develop PTP during the concession period in accordance with the development master plan of PTP pursuant to the PTP Privatisation Agreement.

Subject to the terms and conditions of the PTP Privatisation Agreement, PTPSB is also required to pay JPA an annual licence fee of RM100,000. Pursuant to the PTP Privatisation Agreement, PTPSB also undertakes to the Government and JPA that it shall ensure that not less than 30.0% of the equity shares in PTPSB shall at all times be held by Bumiputra interests. PTPSB also undertakes that it shall not undertake any other activity or business other than the port business.

PTPSB may enter into construction work contracts with any persons (including foreign companies and non-citizens) provided that Bumiputra contractors (a contractor registered as a Bumiputra construction contractor with the Contractor Service Centre, Ministry of Entrepreneur Development and Cooperatives) are awarded at least 30.0% of the aggregate contract value of the construction works.

Further to the above, PTPSB is also required to comply (among others) with the following terms pursuant to the PTP Privatisation Agreement:

(a) PTPSB should comply with the development master plan of PTP, the policies of the Government and JPA and that its management and employment structures is to be in line with the aspirations of the National Development Policy.

(b) PTPSB is required to comply with all relevant laws, standards, criteria and Government policies on matters relating to the conservation of the existing environment in carrying out their port business and in all matters relating to the PTP Privatisation Agreement. PTPSB is also required to take every reasonable precaution necessary to prevent pollution and adhere to all environmental requirements pertaining to pollution controls, discharge of effluent and like matters which are required by any laws, rules or regulations.

(c) PTPSB is to maintain a good working and commercial relationship with its neighbouring ports and shall comply with any understanding or agreement between the Government and the government of Singapore with respect to boundary, maritime, navigation and aviation matters, as well as any understanding or agreement between the various port authorities in Malaysia or between any port authority in Malaysia and the Maritime and Port Authority of Singapore on joint technical, safety and navigation matters.

The PTP Privatisation Agreement may be terminated by JPA if PTPSB goes into liquidation or receivership, or if PTPSB breaches any of its material obligations under the PTP Privatisation Agreement, the PTP Lease Agreement or the port licence granted to PTPSB. On the other hand, PTPSB is entitled to terminate the PTP Privatisation Agreement if the Government or JPA wholly or partly revokes the right and authority of PTPSB granted under the PTP Privatisation Agreement during the concession period or if the Government or JPA fails, neglects or refuses to make available the on-shore land (as delineated in the PTP Privatisation Agreement) for purposes of development of PTP.

Upon termination or expiry of the concession, JPA or the Government will then appoint an entity to substitute PTPSB as the operator of PTP and to purchase and subsequently assume PTPSB's rights, titles, interests and assets in relation to PTP pursuant to the PTP Privatisation Agreement and the PTP Lease Agreements. PTPSB shall cease to manage, operate and maintain PTP and shall remove its personnel and vacate PTP. PTPSB's rights in respect of the port operation and port area shall revert to and vest in JPA and the PTP Lease Agreement and port licence will be terminated. PTPSB will then hand over its port business including all equipment and materials (including fixtures and fittings), in operational condition, to JPA.

Notwithstanding the foregoing, the Government may terminate the concession by expropriating PTP, the port business or PTPSB, by giving not less than three months' notice to that effect to PTPSB if the Government, in its absolute discretion, considers that such expropriation is in the national interest or security.

In the event of termination, JPA shall then pay to any existing financiers of PTPSB within 180 days from the date of termination or expropriation, an amount equal to the aggregate amount owing to such financiers or shall otherwise assume the liabilities and obligations of PTPSB to its financiers within this period.

If the termination arose from a default of PTPSB, Seaport Terminal shall also transfer to the Government, all its rights in respect of JPB as at the date of termination including all its shares in JPB in consideration of the payment by the Government of an amount per share transferred equal to the purchase price per share paid by Seaport Terminal or at the prevailing market value per share, whichever is the lower.

PTPSB shall also indemnify and protect the Government and JPA from any actions, claims, losses, damages, or expenses (including legal costs) arising from: (a) negligent use, misuse or abuse by PTPSB; (b) any loss, damage, or injury related to PTPSB's use of the port area of PTP, unless caused by the Government's or JPA's negligence or misconduct; or (c) any loss, damage, or injury within the port area of PTP caused by PTPSB.

(ii) Johor Port Privatisation Agreement

JPB entered into the Johor Port Privatisation Agreement with the Government and JPA for the purpose of carrying out the business of operating, maintaining, managing and providing the port operation at the Johor Port throughout the concession period. The concession period for JPB was for an initial period of 30 years, which expired on 31 December 2022 and was automatically extended to 31 December 2052. It was subsequently, further extended to 23 March 2055.

In consideration and subject to the terms and conditions of the Johor Port Privatisation Agreement, JPB is required to pay JPA an annual licence fee of RM100,000 and the additional annual rental: (a) RM1 per TEU for each additional TEU exceeding 500,000 TEUs of containerised cargo calculated annually from 1 January 2022 until 31 December 2052; and (b) 10 sen for every additional tonne exceeding 12 million tonnes of uncontainerised cargo calculated annually from 1 January 2022 until 31 December 2052.

JPB has also provided the following covenants and undertaking, among others, pursuant to the Johor Port Privatisation Agreement:

(a) to bear the costs of maintaining the navigational aids currently maintained by JPA;

(b) to comply with management performance standards established by JPA in respect of standards of facilities and services to be provided by JPB;

(c) to ensure JPB's compliance with JPA and Government policies, the port development plans and other directives and that its management and other employment structure shall be in line with the national aspirations of the national development policy; and

(d) to take all reasonable precautions which are necessary or expedient to prevent pollution and shall adhere to environmental requirements, regulations and by-laws governing control of pollution, discharge, effluents and like matters which are required by the law.

The Johor Port Privatisation Agreement may be terminated by JPA under the following circumstances: (a) if JPB is in default or breaches any provision, obligation, covenant, warranty or undertaking under the Johor Port Privatisation Agreement, the lease, the licence, the sale of business agreement or management agreement; (b) if JPB resolves or proposes to go into voluntary liquidation; (c) if upon the presentation of a petition to wind up JPB and JPB knowingly or wilfully refuses to defend such petition and which petition shall not have been withdrawn within 60 days of its filing; (d) if any execution or distress is levied or made against the assets and property of JPB and not remedied within 60 days; or (e) if a compulsory winding up order has been made against JPB.

Under the above circumstances, JPA is entitled to, by notice to JPB, declare the Johor Port Privatisation Agreement to be terminated. JPB shall then pay JPA damages for all losses suffered by JPA and all other moneys paid to JPA or earned by JPA pursuant to the provisions of the sale of business agreement, the licence and the lease shall be forfeited to JPA. JPB will then cease to manage, operate and maintain Johor Port, remove all its personnel and hand over all lands and all immovable assets of Johor Port in operational condition and at no cost to JPA.

The Johor Port Privatisation Agreement allows the Government to terminate the Johor Port Privatisation Agreement by providing at least a three months' notice to JPB 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, JPB is entitled to compensation which is to be determined by an independent auditor appointed by the Government after due consultation with JPB.

JPA is also entitled to be indemnified by JPB against any claims, losses, or damages resulting from the use, operation, possession, negligence, default, or misuse of the assets of Johor Port by JPB or any third party. This indemnity covers all related costs and remains in effect even after the termination of the agreement. JPA is not responsible for any defects, quality, or fitness issues of Johor Port and holds no liability for any resulting loss, injury, or damage, including third-party claims against JPB.

(iii) Northport Privatisation Agreement

Pursuant to the Northport Privatisation Agreement, NMB was granted the right to operate Northport, consisting of North Port and Southpoint, under a single concession.

The initial concession period for both North Port and Southpoint was 30 years expiring on 30 November 2043. Subsequently, through the second supplementary of the Northport Privatisation Agreement, the concession period for North Port was extended to 23 March 2055, while the concession period for Southpoint remained unchanged, expiring on 30 November 2043.

In consideration of NMB, among others, providing and carrying out the operation, maintenance, management and control of the port and providing facilities and services to port users at North Port and Southpoint of Port Klang throughout the concession period, and subject to the terms and conditions of the Northport Privatisation Agreement, NMB is required to pay to PKA an annual licence fee of RM100,000. Additionally, NMB is required to pay an additional payment in the form of profit sharing: (a) RM1 per TEU for containerised cargo exceeding 3,000,000 TEU calculated annually from 1 December 2013 until 30 November 2023; (b) RM1 per TEU for containerised cargo exceeding 3,500,000 TEU calculated annually from 1 December 2023 until the expiry of the concession period; and 10 sen per tonne for conventional cargo calculated annually from 1 December 2013 until the expiry of the concession period.

The Northport Privatisation Agreement imposed certain terms and conditions on NMB, that throughout the concession period NMB shall, among others:

(a) perform and carry out its obligations under Northport Privatisation Agreement diligently and efficiently in accordance with the performance standard;

(b) maintain all necessary books, accounts and records and ensure that proper records are maintained at all times and that such records are at all reasonable times available for inspection by the authorised officers or auditors of the Government and/or PKA; and

(c) provide suitably qualified personnel for the implementation of the concession.

Additionally, where NMB enters into contracts with third parties, both local and international, for supplies, services and works, the Bumiputera content shall be at least 30.0% of the aggregate value of the supplies, services or works as the case may be, and that third parties shall not related or associated directly or indirectly with NMB or the shareholders of NMB. NMB is also prohibited from appointing any foreign professionals or foreign companies as consultants unless the Government is satisfied the services sought to be procured from such foreign professionals or companies as consultant are not presently available in Malaysia.

NMB undertakes and covenants with the Government and PKA that for the duration of the Northport Privatisation Agreement it shall not carry on or undertake any business other than the concession.

There are several circumstances pursuant to which the Northport Privatisation Agreement may be terminated. These include, if NMB: (a) fails to carry out port operation in accordance with the development plan or performance standard prescribed in the Northport Privatisation Agreement; (b) suspends or abandons the whole or any part of port operations for a continuous period of 30 days; (c) refuses, fails or neglects to pay: (i) the annual lease rentals and/or annual contractual sub-lease rentals for the demised property as set out in the Northport Privatisation Agreement; (ii) licence fee; or (iii) additional payment in the form of profit sharing as set out in the Northport Privatisation Agreement; or (d) is in breach of any of its obligations or fails to comply with any other provision, obligation, covenant, warranty or undertaking under the Northport Privatisation Agreement.

Under the above circumstances, PKA is then entitled to give notice in writing to NMB specifying the relevant default and requiring NMB to remedy the default within a period specified in the default notice taking into account the nature of the remedy to be carried out.

PKA also has the right to immediately terminate the Northport Privatisation Agreement by giving notice to that effect to NMB, if NMB:

(a) causes the port licence granted to NMB to be revoked in accordance with the provisions of the Ports PA 1990;

(b) assigns the rights and benefits of the Northport Privatisation Agreement without the prior written consent of PKA;

(c) causes the lease agreement and/or contract to sub-lease to be terminated due to its default under the said agreements;

(d) is subject to an order made against it or a resolution passed for the winding up of NMB, except for the purpose of reconstruction or amalgamation;

(e) enters into liquidation or receivership whether compulsorily or voluntarily; or

(f) cause the execution of judgement to be levied against a substantial portion of NMB's assets, unless it has instituted proceedings in good faith to set aside such execution.

On the other hand, if PKA, without reasonable cause, fails to perform or fulfil any of its obligations which adversely affect the right and authority of NMB to perform the concession, then NMB may give notice to PKA of its intention to terminate the concession by giving six months' notice or such other period as may be agreed by the parties provided always notwithstanding NMB's right to give notice, PKA may request for an extension of time to rectify its default or remedy such breach thereof, in which case NMB shall grant such reasonable extension for a period to be mutually agreed by the parties thereto.

If PKA fails to remedy the relevant event of default within the period of six months or such other period as may be agreed by the parties, NMB may by written notice, for so long as the relevant default or event is continuing, terminate the Northport Privatisation Agreement and the termination shall take effect 30 days after the date of such written notice.

Notwithstanding any provision in the Northport Privatisation Agreement, the Government may at any time during the concession period, terminate the Northport Privatisation Agreement by expropriating the concession by giving not less than six months written notice to that effect to NMB if the Government considers that such expropriation is in the national or public interest or national security.

Upon termination of the Northport Privatisation Agreement, the right and licence granted to NMB to carry out port operation on Northport shall expire. NMB shall cease its operations of Northport and NMB's rights in respect of the port operation shall revert to and vest in the Government and PKA. The lease agreement and contract to sub-lease shall automatically be terminated and Northport shall revert to PKA at no cost to PKA.

PKA is then entitled to take over port operations at Northport on its own or appoint a new port operator. All buildings and other structures erected on the demised property and/or excluded land by NMB, whether wholly or partly completed, shall revert to PKA without compensation to NMB and PKA shall be entitled to utilise such buildings and other structures for its own benefit. NMB is also required to settle all outstanding dues with PKA and vacate and hand over Northport, including any relevant documents and intellectual property, as well as remove its personnel and any equipment specified by PKA. Any subsisting third party contracts shall also be terminated at NMB's own expense.

Pursuant to the Northport Privatisation Agreement, NMB shall also keep PKA and the Government indemnified from and against, among others, all actions, suits, claims or demands, liabilities, proceedings, losses, damages, compensation, costs (including legal costs), charges and expenses whatsoever to which the Government and/ or PKA shall or may be or become liable in respect of or arising from, among others, the design, construction, occupation, operation, maintenance and/or use of Northport by NMB resulting in accident, damage, injury or death, any loss, damage, death or injury of whatsoever nature and kind and howsoever or whenever sustained or caused or contributed to any person by carrying out the concession by NMB or the use of any technology, article or appliances or violation of any third party intellectual property rights.

(iv) Penang Port Privatisation Agreement

PPSB entered into the Penang Port Privatisation Agreement for the purpose of carrying out the business of operating, maintaining, managing and providing the port operation at Penang Port throughout the concession period. The concession period for PPSB was for an initial period of 30 years, which expired on 1 January 2024 and was extended to 31 December 2041. It was subsequently further extended to 23 March 2055.

In consideration of PPSB carrying out the business of operating, managing, maintaining, providing services and facilities, and the development of the port undertakings in Penang Port, and subject to terms and conditions of the Penang Port Privatisation Agreement, PPSB is required to pay to PPC (a) annual licence fee of RM100,000; (b) the lease rental and threshold rent pursuant to the lease agreements entered into between PPSB and PPC; and (c) passenger fee of RM1 for each and every passenger handled through SPCT for that year as certified by the auditor of PPSB from the effective date of the second supplemental of the Penang Port Privatisation Agreement.

PPSB is also required to pay to PPC, for a period commencing 1 January 2042 until 23 March 2055, a profit sharing for every tonne of conventional cargo and every TEU container handled through the port annually as certified by the auditor of PPSB.

Pursuant to the Penang Port Privatisation Agreement, PPSB covenants and undertakes to, among others:

(a) grant reasonable access to the port to all third parties in the execution and performance of their duties or services under their respective agreements or licences with PPC;

(b) allocate and contribute an annual sum to be determined by the Government from time to time which shall be used by the Government for the development and running of training programmes for ports in the region;

(c) at its own cost and expense, maintain the buildings and other structures erected on the demised property in good repair and operating condition and in accordance with good engineering practice;

(d) bear the costs for all dredging of the harbour and channel of the port in accordance with the development plan. PPSB shall ensure that such dredging works are carried out by a third party appointed by the Government and are in accordance with the development plan or as directed by the Government;

(e) provide a total capital injection amounting to RM200,000,000 throughout the concession period; and

(f) ensure a capital expenditure amounting to RM155,000,000 for the purpose of developing, operating and maintaining cruise services in SPCT.

The Penang Port Privatisation Agreement also imposes a duty on PPSB to ensure a minimum Bumiputra participation rate of at least 30.0% of the aggregate value of the supplies, services, or works in its contracts with third parties, both local and international, for supplies, services and works. Such third parties shall not be related or associated directly or indirectly with PPSB or the shareholders of PPSB.

Any consulting engineering firms or consulting architect firms appointed by PPSB for such related works shall also be registered in accordance with the requirements of the respective professional statutory bodies in Malaysia and registered with the MOF. PPSB is also prohibited from appointing any foreign professionals or foreign companies as consultants under the Penang Port Privatisation Agreement unless the Government is satisfied the services sought to be procured from such foreign professionals or companies as consultant are not presently available in Malaysia.

There are several circumstances pursuant to which the Penang Port Privatisation Agreement may be terminated. These include, if PPSB: (a) fails to carry out the business in accordance with the development plan or the performance; (b) suspends or abandons the whole of the business or any part thereof for a continuous period of six months; (c) assigns the rights and benefits of the Penang Port Privatisation Agreement without the prior written consent of PPC; (d) caused the lease agreement, sub-lease agreement or management of property agreement to be terminated due to its default under the said agreements; or (e) breaches any of its obligations or fails to comply with any other provisions of the Penang Port Privatisation Agreement.

Under the above circumstances, PPC shall be entitled to give notice in writing to PPSB specifying the relevant default and requiring PPSB to remedy the default within a period specified in the default notice taking into account the nature of the remedy to be carried out.

If PPSB fails to remedy the relevant default within the remedy period or such other period as may be determined by PPC, PPC shall have the right to terminate the Penang Port Privatisation Agreement with immediate effect by giving notice to that effect to PPSB. If PPSB, or any of its personnel is convicted by a court of law for corruption or unlawful or illegal activities in relation to the Penang Port Privatisation Agreement or any other agreement that PPSB may have with PPC, PPC shall be entitled to terminate the agreement at any time, by giving immediate written notice to that effect to PPSB. PPC shall then be entitled to be indemnified by PPSB for all losses, costs, damages, and expenses (including any incidental costs and expenses) incurred by PPC arising from such termination.

The Penang Port Privatisation Agreement also allows the Government to terminate the Penang Port Privatisation Agreement by giving not less than six calendar months' notice to PPSB 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.

In the event the agreement is terminated, PPSB's rights to carry out its port business on Penang Port shall cease and PPC shall on its own, or in consultation with the Government appoint another party to take over and carry out the port business as it deems fit. All buildings and other structures erected thereon Penang Port shall vest absolutely in PPC without any compensation to PPSB.

PPSB shall at no cost and expense to PPC, hand over the business and all structures and facilities on Penang Port in a well-maintained and operational working condition within a period as specified by PPC and at PPSB's own cost vacate and remove from Penang Port all its personnel as well as equipment, machineries, and materials as PPC then may specify, within one month from the date of termination. PPSB shall also transfer to PPC all relevant documents and intellectual property as well as terminate all third-party contracts, with no liability to PPC.

The Penang Port Privatisation Agreement also provides for indemnity to PPC by PPSB for and against any damage, expense, liability, loss, claim or proceedings in respect of any personal injury to or death of any person, or injury or damage of any kind to any property real or personal, arising out of the execution of the port business of Penang Port provided such loss is also caused by any action, negligence or omission of PPC or its servants or agents.

(v) Tanjung Bruas Port Privatisation Agreement

TBPSB entered into the Tanjung Bruas Port Privatisation Agreement for the purpose of carrying out the business of operating, managing and providing the port operation at the Tanjung Bruas Port. The concession period for the Tanjung Bruas Port was for an initial period of 30 years and shall expire on 20 November 2046. It was subsequently extended to 23 March 2055.

In consideration of TBPSB carrying out the business of operating, managing and providing the port operation at the Tanjung Bruas Port throughout the concession period, and subject to the terms and conditions of the Tanjung Bruas Port Privatisation Agreement, TBPSB is required to pay MPA: (a) annual lease rentals or annual sub-lease rentals (as the case may be) for the demised property as set out in the Tanjung Bruas Port Privatisation Agreement; (b) annual licence fee as stipulated in the licence; (c) annual threshold payment as set out in the Tanjung Bruas Port Privatisation Agreement; (d) a one-off payment of RM5,000,000 as agreed by TBPSB and MPA; (e) a payment of RM86,432.96 being the value of the assets as set out in the Tanjung Bruas Port Privatisation Agreement; and (f) a payment of RM151,566.80 being the cost of major improvement works to the Tanjung Bruas Port as set out in the Tanjung Bruas Port Privatisation Agreement.

The Tanjung Bruas Privatisation Agreement imposed certain terms and conditions on TBPSB, that throughout the concession period, TBPSB shall, among others:

(a) perform and carry out its obligations under the Tanjung Bruas Port Privatisation Agreement diligently and efficiently in accordance with the performance standard;

(b) maintain all necessary books, accounts and records and ensure that proper records are maintained at all times and that such records are at all reasonable times available for inspection by the authorised officers or auditors of the Government and/or MPA; and

(c) provide suitably qualified personnel for the implementation of the concession.

Additionally, where TBPSB enters into contracts with third parties, both local and international, for supplies, services and works, the Bumiputera contents shall be at least 30.0% of the aggregate value of the supplies, services or works as the case may be, and that third parties shall not be related or associated directly or indirectly with TBPSB or the shareholders of TBPSB. TBPSB is also prohibited from appointing any foreign professionals or foreign companies as consultants unless the Government is satisfied the services sought to be procured from such foreign professionals or companies as consultant are not presently available in Malaysia.

TBPSB undertakes and covenants with the Government and MPA that for the duration of the Tanjung Bruas Port Privatisation Agreement, it will not carry on or undertake any business other than the concession.

There are several circumstances pursuant to which the Tanjung Bruas Port Privatisation Agreement may be terminated. These include, if TBPSB:

(a) fails to carry out the port operation in accordance with the development plan or the performance standard;

(b) suspends or abandons the whole or any part of the port operation for a continuous period of three months;

(c) refuses, fails or neglects to pay:

    (i) the annual lease rental for the demised property as set out in the Tanjung Bruas Port Privatisation Agreement;

    (ii) licence fee; or

    (iii) annual threshold payment as set out in the Tanjung Bruas Port Privatisation Agreement; or

(d) is in breach of any of its obligations or fails to comply with any other provision, obligation, covenant, warranty or undertaking under the Tanjung Bruas Port Privatisation Agreement.

Under the above circumstances, MPA is then entitled to give notice in writing to TBPSB specifying the relevant default and requiring TBPSB to remedy the default within a period specified in the default notice taking into account the nature of the remedy to be carried out. If TBPSB fails to remedy the relevant default within the remedy period or such other period as may be determined by MPA, MPA shall have the right to terminate the Tanjung Bruas Port Privatisation Agreement with immediate effect by giving notice to that effect to TBPSB.

MPA also has the right to immediately terminate the Tanjung Bruas Port Privatisation Agreement by giving notice to that effect to TBPSB, if TBPSB:

(a) causes the port licence granted to TBPSB to be revoked in accordance with the provisions of the Ports PA 1990;

(b) assigns the rights and benefits of the Tanjung Bruas Port Privatisation Agreement without the prior written consent of MPA;

(c) causes the lease agreement or sub-lease agreement to be terminated due to its default under the said agreements;

(d) is subject to an order made against it or a resolution passed for the winding up of TBPSB, except for the purpose of reconstruction or amalgamation;

(e) enters into liquidation or a receivership whether compulsorily or voluntarily;

(f) makes an assignment for the benefit of its creditors or does any act which adversely affects its ability to fulfil its obligations under Tanjung Bruas Port Privatisation Agreement; or

(g) cause the execution to be levied against a substantial portion of TBPSB's assets, unless it has instituted proceedings in good faith to set aside such execution.

On the other hand, if MPA, without reasonable cause, fails to perform or fulfill any of its obligations which adversely affect the right and authority of TBPSB to perform the concession, then TBPSB may give notice to MPA of its intention to terminate the concession by giving six months' notice or such other period as may be agreed by the parties and that effect to MPA, provided always notwithstanding TBPSB's right to give notice, MPA may request for an extension of time to rectify its default or remedy such breach thereof, in which case TBPSB shall grant such reasonable extension for a period to be mutually agreed by the parties.

If MPA fails to remedy the relevant event of default referred to above within the period of six months or such other period as may be agreed by the parties, TBPSB may by written notice, for so long as the relevant default or event is continuing, terminate the Tanjung Bruas Port Privatisation Agreement which shall take effect 30 days after the date of such written notice.

Notwithstanding any provision in the Tanjung Bruas Port Privatisation Agreement, the Government may at any time during the concession period, terminate the Tanjung Bruas Port Privatisation Agreement by expropriating the concession by giving not less than six months' notice to that effect to TBPSB if the Government considers that such expropriation is in the national or public interest or national security.

Upon termination of the Tanjung Bruas Port Privatisation Agreement, the right and licence granted to TBPSB to carry out port operation on Tanjung Bruas Port shall expire. TBPSB shall cease its operations of Tanjung Bruas Port and TBPSB's rights in respect of the port operation shall revert to and vest in the Government and MPA. The lease agreements and sub-lease agreements shall automatically be terminated and Tanjung Bruas Port shall revert to MPA at no cost to MPA.

MPA is then entitled to take over port operations at Tanjung Bruas Port on its own or appoint a new port operator. All buildings, structures and assets erected on Tanjung Bruas Port, whether wholly or partly completed, shall revert to MPA without compensation to TBPSB. TBPSB is also required to settle all outstanding dues with MPA and vacate and hand over Tanjung Bruas Port, including any relevant documents and intellectual property, as well as remove its personnel and any equipment specified by MPA. Any subsisting third party contracts shall also be terminated at TBPSB's own expense.

Pursuant to the Tanjung Bruas Port Privatisation Agreement, TBPSB shall also keep MPA and the Government indemnified for and against (among others) all actions, suits, claims or demands, liabilities, proceedings, losses, damages, compensation, costs (including legal costs), charges and expenses whatsoever to which the Government and/or MPA shall or may be or become liable in respect of or arising from the port operations of Tanjung Bruas Port.

7.23.2 Lease Agreements

The Privatisation Agreements also designate the Concession Lands to be leased by the respective port companies. Pursuant to the Privatisation Agreements, the Lease Agreements were entered into between (1) the respective port companies; and (2) the relevant port authorities for the lease of the Concession Lands. The port companies are generally required to register such lease pursuant to the National Land Code, 1965 of Malaysia.

(i) PTP Lease Agreement

Further to the PTP Privatisation Agreement, PTPSB has also entered into the PTP Lease Agreement with JPA, for the port area of PTP (as delineated in the PTP Privatisation Agreement). The period of the lease is co-terminus with the concession period pursuant to the PTP Privatisation Agreement.

Pursuant to the PTP Lease Agreement, a total lease rental of approximately RM806.9 million is required to be paid by PTPSB to JPA during the concession period, taking into account an increment at the rate of 10.0% per annum of the preceding annual lease rental for every five years from 2010 onwards.

In addition to the lease rental payable specified above, PTP is also required to pay to JPA an additional annual rental of: (a) RM1 per TEU for each and every additional TEU exceeding 4,500,000 TEUs handled through PTP's port annually; and (b) 50 sen for each and every additional tonnes exceeding 500,000 tonnes of uncontainerised cargo handled through PTP annually.

There are several circumstances pursuant to which the PTP Lease Agreement may be terminated. Such circumstances include (amongst others) the following events:

(a) If the PTP Port Privatisation Agreement is terminated.

(b) If JPA in the national interest at any time requires the port area of PTP or any part thereof, JPA may determine the lease by giving a notice of at least 12 months in writing to PTPSB, and upon the expiration of such notice, this lease shall cease and be determined. JPA shall then compensate PTPSB for the remaining period of the unexpired term of the lease at a valuation mutually agreed upon between the parties.

(c) Subject to the relevant provisions of the National Land Code or its amendments from time to time, if:

(1) PTPSB fails to pay the lease rental as per the PTP Lease Agreement;

(2) PTPSB breaches any of its obligations under the PTP Lease Agreement;

(3) the port licence issued to PTPSB pursuant to the PTP Privatisation Agreement is terminated or revoked;

(4) PTPSB discontinues its operations on the land or cease to use the land for the purposes covenanted pursuant to the PTP Lease Agreement (save where such discontinuance and cessation is brought about by force majeure);

(5) PTPSB goes into liquidation or insolvent or is wound up (except for the purposes of reconstruction or amalgamation); or

(6) execution is levied against PTPSB's business, goods or property which materially affects PTP's business.

Under the above circumstances, JPA is entitled to re-enter upon the port area of PTP and thereupon the PTP Lease Agreement shall be determined.

Upon the expiry of the concession period or termination of the PTP Lease Agreement, all buildings and fixtures erected within the port area of PTP will become the property of JPA. PTPSB is also required to hand over the port area of PTP, together with all fixtures, in good working condition to JPA.

Pursuant to the PTP Lease Agreement, PTP shall, among others, indemnify and keep indemnified JPA from and against all actions, proceedings, claims, demands, damages, losses, expenses, and costs to which JPA may be subjected to in any manner arising out of the occupation and use of the land by PTP.

(ii) Johor Port Lease Agreement

Further to the Johor Port Privatisation Agreement, JPA and JPB has entered into the Johor Port Lease Agreement whereby JPB was granted a lease on the lands designated as the port area of Johor Port (as annexed as a schedule in the Johor Port Privatisation Agreement). The term for the lease of the lands is subject to the continued existence of the concession granted by the Government and the licence granted by JPA to JPB pursuant to the Johor Port Privatisation Agreement. Although the Johor Port Lease Agreement is not co-terminus with the extended concession period of the Johor Port Privatisation Agreement, JPB and JPA will enter into a tenancy or supplemental agreement to align the lease term with the extended concession period in accordance with the terms of the Johor Port Privatisation Agreement.

Pursuant to the Johor Port Lease Agreement, the total lease rental required to be paid by JPB to JPA during the concession period is approximately RM1.3 billion. The annual rental sum for the lands is subject to an increase at the rate of 10.0% per annum of the preceding annual rental sum for every five years.

There are several circumstances pursuant to which the lease agreement may be terminated. Such circumstances include (amongst others) the following events:

(a) If the Johor Port Privatisation Agreement is terminated.

(b) If JPA at any time requires the land or any part thereof, for any purpose whatsoever, JPA may determine the lease in respect of the Land or any part thereof, by giving a notice of not less than 12 months in writing to JPB, and upon the expiration of such notice, this lease shall cease and be determined. In such event, JPA shall pay JPB the value to be determined by an independent auditor appointed by the Government after due consultation with JPB.

(c) Subject to the relevant provisions of the National Land Code or its amendments from time to time, if:

    (1) JPB fails to pay the lease rental as per the Johor Port Lease Agreement;

    (2) JPB breaches any of its obligations under the Johor Port Lease Agreement;

    (3) JPB discontinues its operations on the land and/or cease to use the land for the purposes covenanted pursuant to the Johor Port Lease Agreement for a continuous period of six months (save where such discontinuance and cessation is brought about by force majeure);

    (4) a resolution is passed or an order is made for the winding up of JPB (except for the purposes of reconstruction or amalgamation not involving the realisation of assets in which the interest of the creditors are protected);

    (5) JPB goes into liquidation or receivership; or

    (6) execution is levied against a substantial portion of JPB's assets, unless it has instituted proceedings in good faith to set aside such execution.

    Under the above circumstances, JPA shall be entitled to give notice in writing to JPB specifying the relevant default and requiring JPB to remedy the default within 30 days (or such longer period as JPA may agree). If JPB fails to remedy the relevant default within the remedy period or such other period as may be determined by JPA, JPA will have the right to terminate the lease agreement at any time by giving notice to that effect to JPB.

(d) Notwithstanding any other provisions in the Johor Port Lease Agreement, JPB may, at any time during the lease period, terminate the lease by giving a notice of at least 12 months in writing to JPA, and upon the expiration of such notice, this lease will cease and be determined.

Upon the expiry of the concession period or termination of the Johor Port Lease Agreement, the land and/or any interest thereof will revert to or be vested in JPA at no cost and expense to JPA. JPB will then redeem any mortgage, charge or any encumbrance created on the land as at the date of the termination at no cost to JPA and JPB shall transfer the lease to JPA free from any mortgage, charge or any other encumbrance. All buildings, structures and fixtures erected by JPB on the land shall become the property of JPA and handed over in good condition.

Pursuant to the JPB Lease Agreement, JPB shall, among others, indemnify JPA (including the parties hereto and their agents, officers, employees, or workmen) from and against suits, actions, claims, demands, damages, losses, expenses, and costs of every kind and description to which JPA may be subjected to in any manner arising out of the occupation and use of the land by JPB and/or the act or negligence of JPA.

(iii) Northport Lease Agreement

NMB entered into the Northport Lease Agreement for the lease on the port area of Northport for a period of 30 years expiring on 30 November 2043. Pursuant to the Northport Lease Agreement, NMB is required to pay PKA a total lease rental of approximately RM3.1 billion, taking into account a triennial increment of 10.0%. The Northport Lease Agreement is co-terminus with the extended concession period, and for such extended period, the lease value shall be determined by the Valuation and Property Services Department (a department of the MOF) at the prevailing market value and at a date no later than 12 months before 1 December 2043.

There are several circumstances pursuant to which the lease agreement may be terminated. Such circumstances include (amongst others) the following events:

(a) Subject to the relevant provisions of the National Land Code or its amendments from time to time, if:

   (1) NMB fails to pay the annual lease rental as per the Northport Lease Agreement;

   (2) NMB breaches any of its obligations under the Northport Lease Agreement;

   (3) NMB discontinues its operations or ceases to use the demised property for the purposes covenanted pursuant to the Northport Lease Agreement for a continuous period of six months (save where such discontinuance and cessation is brought about by force majeure);

   (4) NMB assigns the whole or any part of the lease agreement save and except in relation to the assignment pursuant to the lease agreement;

   (5) a resolution is passed or an order is made for the winding up of NMB (except for the purposes of reconstruction or amalgamation not involving the realisation of assets in which the interest of the creditors are protected);

   (6) NMB goes into liquidation or receivership; or

   (7) execution is levied against a substantial portion of NMB's assets, unless it has instituted proceedings in good faith to set aside such execution.

Under the above circumstances, PKA is entitled to give notice in writing to NMB specifying the relevant default and requiring NMB to remedy the default within 30 days (or such longer period as PKA may agree) from the date of receipt of the said notice.

(b) If NMB fails to remedy the relevant default within the 30 days period (or such longer period as PKA may agree), PKA may terminate the Northport Lease Agreement at any time thereafter by giving notice to that effect to PKA.

(c) In the event the privatisation agreement or the licence granted pursuant to the privatisation agreement is terminated or revoked, the Northport Lease Agreement shall be forthwith terminated.

(d) PKA may terminate the lease agreement by written notice giving at least 30 days' notice to that effect to NMB (without any obligation to give any reason thereof) if PKA considers that such termination is necessary for national interest.

Upon expiry of the concession period or termination of the Northport Lease Agreement, the demised property and/or any interest thereof shall revert to or be vested in PKA at no cost and expense to PKA, and all buildings, structures and fixtures erected by NMB on the demised property shall without any payment, costs, compensation or damages whatsoever to NMB become the property of PKA at the expiry of the lease and shall be handed over to PKA good tenantable repair and condition.

Pursuant to Northport Lease Agreement, NMB shall, among others indemnify PKA, (including the parties thereto and their agents, officers, employees or workmen) from and against suits, actions, claims, demands, damages, losses, expenses and costs of every kind and description to which PKA may be subjected to in any manner arising out of the occupation and use of the demised property by NMB and/or the act of default of PKA.

(iv) Penang Port Lease Agreement

PPSB and PPC had entered into the Penang Port Lease Agreement for the lease of the lands (namely the cargo area, ferry area, SPCT area and additional cargo area of Penang Port). The lease period is co-terminus with the concession period of the Penang Port Privatisation Agreement and includes any extension as may be granted by PPC from time to time.

Pursuant to the Penang Port Lease Agreement, the total lease rental required to be paid by PPSB to PPC during the concession period is approximately RM980.6 million, subject to a further determination and mutual agreement on the lease rental of 2024 and onwards between PPSB and PPC. The annual lease rental is based on the prevailing market value as determined by the Valuation and Property Services Department.

In addition to the lease rental, a threshold rent is also required to be paid by PPSB to PPC as follows:

(a) from 21 November 2013 until 31 December 2023, 5 sen for each tonne of cargo exceeding 20 million tonnes handled through the port annually as certified by the auditor of PPSB; and

(b) from 1 January 2024 until 31 December 2041, an amount to be determined by PPC in consultation with PPSB for each tonne of cargo exceeding 20 million tonnes handled through port annually as certified by the auditor of PPSB.

A passenger fee of RM1 is also required to be paid for each and every passenger handled through the SPCT for those years as certified by the auditor of PPSB.

There are several circumstances pursuant to which the lease agreement may be terminated. Such circumstances include (amongst others) the following:

(a) Subject to the National Land Code and its amendments from time to time, if:

(1) PPSB fails to pay the annual lease rental as per the Penang Port Lease Agreement;

(2) PPSB breaches any of its obligations under the lease;

(3) PPSB discontinues its operations or ceases to use the demised property for purposes covenanted therein the Penang Port Lease Agreement for a continuous period of six months (save where such discontinuance and cessation is brought about by force majeure);

(4) a resolution is passed or an order is made for the winding up of PPSB (except for the purposes of reconstruction or amalgamation not involving the realisation of assets in which the interest of the creditors are protected);

(5) PPSB goes into liquidation or receivership; or

(6) execution is levied against a substantial portion of PPSB's assets, unless it has instituted proceedings in good faith to set aside such execution,

then PPC shall be entitled to give notice in writing to PPSB specifying the relevant default and requiring PPSB to remedy the default within 30 days (or such longer period as PPC may agree) from the date of receipt of the said notice.

(b) If PPSB fails to remedy the relevant default within the 30 days period (or such longer period as PPC may agree), PPC may terminate the lease agreement at any time thereafter by giving notice to that effect to PPSB.

(c) If PPC at any time during the lease period requires the demised property or any part thereof, for any purpose whatsoever, then PPC may, at any time during the lease period, determine the lease in respect of the demised property or any part thereof by giving not less than 12 months prior notice in writing to PPSB and upon the expiration of such notice the lease shall cease and be determined. PPC may also terminate the lease by giving not less than 30 days notice to that effect to PPSB in the event that the privatisation agreement is terminated for national interest. Upon PPC exercising its rights of such early termination, PPSB shall be entitled to compensation.

(d) PPSB may, at any time during the term of the lease, terminate the lease agreement in respect of the demised property or any part thereof, by giving notice of not less than 12 months in writing to PPC and upon the expiration of such notice the lease agreement shall cease and be determined.

(e) In the event the Penang Port Privatisation Agreement or the licence granted pursuant to the Penang Port Privatisation Agreement is terminated or revoked, the Penang Port Lease Agreement shall also be forthwith terminated.

Upon expiry of the concession period or termination of the Penang Port Lease Agreement, the demised property and/or any interest thereof will revert to or be vested in PPC at no cost and expense to PPC; and all buildings, structures and fixtures erected by PPSB on the demised property will without any payment, costs, compensation or damages whatsoever to PPSB become the property of PPC at the expiry of PPC and be handed over to PPC in good condition.

Pursuant to Penang Port Lease Agreement, PPSB shall indemnify PPC (including the parties hereto and their agents, officers, employees or workmen) from and against suits, actions, claims, demands, damages, losses, expenses and costs of every kind and description to which PPC may be subjected to in any manner arising out of the occupation and use of the demised property by PPSB under the lease agreement and/or the act of negligence of PPC.

(v) Tanjung Bruas Port Lease Agreement

TBPSB entered into the Tanjung Bruas Port Lease Agreement with MPA for the lease on the lands identified therein as the demised property of Tanjung Bruas Port. The lease period of the lands are co-terminus with the concession period pursuant to the Tanjung Bruas Port Privatisation Agreement.

The total lease rental required to be paid by TBPSB to MPA is approximately RM64.8 million. The lease rental is subjected to an increment of 10.0% for an interval of every three years.

In the event that TBPSB defaults in paying the lease rental within the stipulated due date referred to in the Tanjung Bruas Port Lease Agreement, TBPSB shall be liable to pay to MPA a late payment interest at the rate of 8.0% per annum on any outstanding lease rental calculated on a daily basis from the due date until the date of actual payment for the full amount of the said outstanding amount in addition to such lease rental due and owing to MPA.

There are several circumstances pursuant to which the Tanjung Bruas Port Lease Agreement may be terminated. These include, subject to the National Land Code and its amendments from time to time, if:

(a) TBPSB fails to pay the annual lease rental as per the Tanjung Bruas Port Lease Agreement.

(b) TBPSB breaches any of its obligations under the Tanjung Bruas Port Lease Agreement.

(c) TBPSB discontinues its operations or ceases to use the demised property for purposes covenanted therein the Tanjung Bruas Port Lease Agreement for a continuous period of six months (save where such discontinuance and cessation is brought about by force majeure).

(d) TBPSB assigns the whole or any part of the Tanjung Bruas Port Lease Agreement save and except in relation to the assignment pursuant to the Tanjung Bruas Port Lease Agreement.

(e) A resolution is passed or an order is made for the winding up of TBPSB (except for the purposes of reconstruction or amalgamation not involving the realisation of assets in which the interests of the creditors are protected).

(f) TBPSB goes into liquidation or receivership.

(g) Execution is levied against a substantial portion of TBPSB's assets, unless it has instituted proceedings in good faith to set aside such execution.

Under the above circumstances, MPA shall be entitled to give notice in writing to TBPSB specifying the relevant default and requiring TBPSB to remedy the default within 30 days (or such longer period as MPA may agree) from the date of receipt of the default notice. If TBPSB fails to remedy the relevant default within the 30 days period (or such longer period as MPA may agree), MPA may terminate the Tanjung Bruas Port Lease Agreement at any time thereafter by giving notice to that effect to TBPSB.

In the event the Tanjung Bruas Port Privatisation Agreement or the licence granted pursuant to the Tanjung Bruas Port Privatisation Agreement is terminated or revoked as the case may be, the Tanjung Bruas Port Lease Agreement shall be forthwith terminated.

Upon expiry of the concession period or termination of the Tanjung Bruas Port Lease Agreement, the demised property and/or any interest thereof shall revert to or be vested in MPA at no cost and expense to MPA, and all buildings, structures and fixtures erected by TBPSB on the demised property shall without any payment, costs, compensation or damages whatsoever to TBPSB become the property of MPA and be handed over to MPA in good tenable repair and condition.

Pursuant to the Tanjung Bruas Port Lease Agreement, TBPSB shall, among others indemnify MPA (including the parties thereto and their agents, officers, employees and workmen) from and against suits, actions, claims, demands, damages, losses, expenses and costs of every kind and description to which MPA may be subjected to in any manner arising out the occupation and use of the demised property by TBPSB and/or the act of default of MPA.

7.24 ENVIRONMENTAL MATTERS

During the Financial Years Under Review and from 1 January 2025 to the LPD, there has not been any environmental issues which may materially affect our Group's operations and usage of properties tenanted by our Group.

7.25 ESG PRACTICES AND INITIATIVES

We view sustainability as an essential part of our business strategy, and we are committed to integrating sustainable practices throughout our Group. This includes executing well-defined framework and strategies to advance our ESG agenda.

Our Group's ESG practices strive to align with Malaysian and international standards, amongst others, MCCG and the recognised standards set by the International Sustainability Standards Board. Our Group intends to report our progress and performance of our ESG practices in line with the Malaysia's National Sustainability Reporting Framework (NSRF) and IFRS Sustainability Disclosure Standards set by the International Sustainability Standards Board, specifically IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

We strive to adhere to good ESG practices, and some of the key aspects of these practices are outlined below.

7.25.1 Governance

Our Board is committed to achieving and sustaining a high standard of corporate governance. We have implemented practices in line with the MCCG focusing on board leadership and effectiveness, effective audit and risk management, and integrity in corporate reporting, while fostering meaningful stakeholder relationships. As at the date of the prospectus, we have met the MCCG's recommendations by ensuring at least 30.0% of our directors are female and maintaining a majority of independent directors. Reinforcing our ESG focus, our Board and Chief Executive Officer provide strategic oversight and guidance on sustainability initiatives, supported by our Group's ESG Committee and a dedicated ESG strategy and disclosure lead, with sustainability-related key performance indexes embedded in our Chief Executive Officer's annual performance reviews. At the operational level, each port maintains a dedicated sustainability team responsible for managing critical ESG domains, including climate and energy management, human development and labour rights, and ESG progress, disclosures, and communications, with progress regularly reported to their respective operating company's board of directors for oversight and guidance.

We have adopted policies to guide our Group's business activities, ensuring widespread acceptance and understanding of our ideals and goals. These include policies such as our Code of Ethics, Directors' Fit and Proper Policy, Committees' Terms of Reference, Related Party Transactions Policies and Procedures, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy. All operating companies have embedded sustainability and environmental practices into their health, safety, security and environment policy, aiming to protect the environment and minimise impact by adhering to relevant standards, laws, and regulations. PTPSB has established its sustainability framework and targets, while JPB, NMB, and PPSB are in the process of drafting and finalising theirs. These frameworks and targets are designed to guide the implementation of sustainability initiatives, address material issues raised by stakeholders, and ultimately enhance non-financial performance.

Our Group strictly condemns all forms of corruption and bribery in all levels of our organisation. The Anti-Bribery and Anti-Corruption Policy serves as a guideline for our Group's integrity and governance structure, which allows the implementation of necessary measures for preventing corruption and bribery, and to maintain compliance with the Malaysian Anti-Corruption Commission Act 2009. Our Group also conducts a corruption risk assessment process to identify main processes and areas throughout our business structure that are vulnerable to corruption risks. For each identified risk, our Group establishes mitigation measures and assigns them a risk rating. This rating is properly registered for monitoring and quarterly review by the risk owners, mitigation owners, and control owners before approval by the relevant heads of department. Our employees are regularly provided with training to equip them with the knowledge and skills to uphold integrity.

Our Code of Ethics is a foundational framework that sets clear expectations for ethical business conduct, guiding employees on how to maintain the highest standards of professionalism and integrity in all business interactions. It covers several key topics, including professional standards of conduct, the process and values of disciplinary actions, our approach towards gifts and sponsorships, the importance of confidentiality, and procedures for handling discrimination and sexual harassment.

To promote our internal corporate governance and transparency, we have established a Whistleblowing Policy, allowing individuals to safely and confidentially report instances of improper conduct, such as fraud, corruption, and bribery.

Data privacy and security are critical components of our governance framework, with stringent measures in place to protect customer information, resulting in no reported breaches in the Financial Years Under Review. These governance initiatives reflect our commitment to maintaining high ethical standards, transparency, and accountability, ensuring trust and integrity in all operations.

The ports' focus on ethical supply chain management and adherence to international standards further underscores their dedication to maintaining high governance standards. Through these detailed initiatives, we aim to demonstrate our leadership in sustainable port management, balancing environmental stewardship, social responsibility, and strong governance to drive long-term success and resilience.

Succession planning is an important aspect of organisational growth. It ensures smooth transitions in leadership within our Group, addressing vacancies due to retirements, promotions, or unexpected events. This strategic planning allows us to retain talent and preserve our Group's tacit knowledge. We take a committed approach towards succession planning that identifies and nurtures employees with suitable qualities. Employees are provided with development programme to take on more advanced roles within our Group.

7.25.2 Environmental

We believe that adopting a responsible approach to the environment is important not only for the long-term viability of our Group but also for the welfare of our stakeholders. We recognise the unique environmental challenges and responsibilities inherent in our industry and are actively pursuing measures to reduce the environmental impact of our operations.

We review the productivity of our business operations against our overall environmental impact. This involves measuring the environmental impact, particularly carbon emissions, electricity, and water consumption, against our revenue. By doing this, we are able to determine its overall environmental footprint, while helping us to track our operational efficiency and highlight areas for potential improvement. During FYE 31 December 2023 (which is the last year for which data is available as of the date of this Prospectus), our carbon emissions intensity was approximately 0.295 tonnes of carbon dioxide equivalent per RM1,000 of revenue, our electricity intensity was approximately 213.56 kWh per RM1,000 of revenue, and our water intensity was approximately 3.646 m^3 per RM1,000 of revenue.

We have integrated certain environmentally sustainable principles, policies and practices into the operations. For example, Penang Port has implemented Environmental Management System (EMS). Additionally, specific waste management frameworks guide operations and fosters consistency and regulatory alignment.

7.25.2.1 Energy consumption

The primary energy sources in our business are fossil fuel and electricity. Fossil fuel, especially diesel, is a common power source in our industry generally. This is because most machinery, equipment, and vehicles run on diesel. We also have vehicles that run on petrol. Grid electricity is the primary source of energy for buildings within our port areas. Certain machines and equipment also rely on electricity to operate. The emissions generated from this energy consumption consists of direct emissions resulting from energy consumption within our company (including consumption of fossil fuels), indirect emissions from our energy consumption that are not generated on site (for example, emissions from power plants located elsewhere to provide grid electricity) and other indirect emissions (encompassing a wide range of emissions not directly produced by us but resulting from our operations (for example, emissions across our supply chain).

We approach energy management by focusing on optimising the efficiency of existing equipment and transitioning to more energy-efficient alternatives. One initiative that we have adopted is to gradually shift from traditional RTG cranes to hybrid models. This reduces their reliance on fossil fuels and cuts emissions for greener port operations. Alongside equipment changes, there is a concentrated effort to increase the use of renewable energy. This includes installing solar panels within our premises to supplement energy consumption with solar energy.

Each of our ports takes an active role in managing its own energy consumption. Each port has tailored its energy management strategies to align with its operational needs and sustainability goals, focusing on energy efficiency, renewable energy adoption, and compliance with relevant regulations. PTP has conducted a baseline study to establish a carbon inventory and has developed a decarbonisation framework and roadmap. The port is focused on comprehensive adoption of decarbonisation strategies throughout its operations. In collaboration with the authorities and energy suppliers, PTP has facilitated the refuelling of ships with renewable fuels such as liquified natural gas bunkering at the anchorage, SIMOPS (Simultaneous Operations) liquified natural gas bunkering at berth, 100.0% pure (B100) biodiesel bunkering, and methanol bunkering. Johor Port has adopted the Quality, Health, Safety, and Environmental Policy and Johor Port Authority's Green Port Policy. The port is focused on reducing diesel usage intensity by optimising equipment usage and increasing reliance on renewable energy generation to supplement energy consumption. Northport complies with the Efficient Management of Electrical Energy Regulations (EMEER) 2008. The port ensures verification and approval of electrical energy data before submission to the Energy Commission every six months. Penang Port is committed to 'greening' port equipment and adopting renewable energy to optimise energy consumption. The port is developing an Integrated Environmental Management System, which includes a Quality Management System, Occupational Health and Safety System, Anti-Bribery System, and a new Environmental Management System. This integrated system aims to streamline processes, enhance environmental performance, and ensure compliance, providing a holistic view of the port's operations. Energy management at Tanjung Bruas Port is covered under the Health, Safety, and Environment (HSE) Policy. The port is looking into the optimisation of energy consumption.

We prioritise energy efficiency and the integration of renewable energy across our facilities. At PTP, we believe that the transition to electrified RTGs is a pivotal step in reducing diesel consumption, complemented by ongoing solar energy projects aimed at supplementing power needs. Through the digitalisation of its assets, PTP has enhanced operational efficiency, leading to reduced diesel consumption. In FYE 31 December 2024, PTP achieved a 15.0% reduction in carbon intensity compared to its baseline in FYE 31 December 2021 by optimising operational efficiency. Johor Port has successfully installed solar photovoltaic systems on its warehouse rooftops, generating over 1,200 Megawatt-hours of electricity. Additionally, Johor Port has enhanced energy efficiency through the implementation of LED lighting and a supervisory control and data acquisition system for energy management. Northport has installed solar panels on warehouse rooftops, introduced electric vehicle motorcycles and patrol cars, replaced conventional bulbs with LED lighting to enhance energy efficiency, procured electrified RTGs and is actively pursuing ISO 14001 certification to further enhance its energy management practices. Northport also plans to pursue ISO 50001 certification to improve its environmental performance through more efficient use of resources and reduction of waste. Northport also has a control room equipped with artificial intelligence analytics to enhance operational efficiency.

7.25.2.2 Carbon emissions

Climate change poses significant risks to us, impacting our operations and exposing us to environmental risk. These range from disruptions due to extreme weather events to regulatory concerns about greenhouse gas emissions. In response, we aligned themselves with international climate agreements, like the Paris Agreement, as well as Malaysia's national climate ambitions.

A key strategy in climate management is energy efficiency, as almost all our emissions come from energy consumption. We can greatly reduce their carbon footprint by optimising energy and shifting to renewable sources. More information on this can be referred to Section 7.25.2.1 above.

In addition, we are addressing carbon emissions through various strategic initiatives. PTP has established a decarbonisation framework and roadmap, aiming for comprehensive adoption of decarbonisation strategies. Johor Port is focused on achieving a reduction in emission intensity for direct and certain indirect emissions. Northport and Penang Port have established their own respective decarbonisation targets. Additionally, some ports, such as Northport, are conducting baseline carbon footprint studies to establish emissions source inventories, while PTP is conducting climate risk assessments to better manage risks posed by climate change.

7.25.2.3 Water consumption

We are committed to responsible water management throughout our operations. Conserving water is not only vital for the natural environment but also for ensuring the viability of industries and communities.

We value water efficiency and aim to minimise wastage. This, in turn, drives our environmental sustainability strategy while allowing for cost reduction throughout operations. We rely almost exclusively on municipal water sources for their supply. While there are instances when other sources, such as seawater or recycled water, are used, municipal water is the main source of water used for internal consumption and provided to vessels. To optimise this consumption, each of our seaports has its own water management strategy and water management plan. This allows them to monitor progress and identify opportunities for improvement. Northport, Penang Port and Johor Port are currently implementing non-revenue water management projects. In addition, Northport is undertaking a monitoring project to explore the need for rainwater harvesting systems to minimise wastage. PTP is planning to establish a water recycling centre, aiming for 50.0% recycled water usage on-site by the FYE 31 December 2040. Marine water quality analysis is being conducted by Northport, and Johor Port has focused on efficient water consumption through rainwater entrapment and drip irrigation systems.

Our ports that receive effluents from vessels, such as Northport, do so through on-site port reception facility. Effluents, including sewage waste, are treated according to environmental standards before being discharged. This discharged water is also regularly monitored and assessed to ensure compliance with regulatory standards.

Rainwater harvesting systems is also implemented at certain of our ports to conserve water and decrease reliance on municipal water sources. Captured and recycled rainwater is used for non-potable functions such as general cleaning and landscaping. This conserves water and saves costs by reducing the need for municipal piped water.

7.25.2.4 Waste management

Water management is a critical focus. Our approach to waste management is led by each port's commitment to transitioning to a circular economy model. This involves minimising consumption and waste while promoting reuse, recycling, and resource recovery. Waste, including those collected from vessels, is typically segregated on-site in accordance with reuse, recycle and recover principles. We take care to ensure waste handling, storage, and disposal are done in adherence to the guidelines set by Malaysia's Department of the Environment. This waste is collected and sent to disposal by certified third-party contractors.

Waste management practices are robust, with PTP achieving approximately 74.8% waste efficiency by FYE 31 December 2024 through initiatives such as the "Single Use Plastic" campaign and community recycling centre. Regarding hazardous waste materials such as oily sludge, used chemicals, and contaminated containers, which require careful handling and disposal to prevent environmental and health hazards, Johor Port has established a set of standard operating procedures for the handling and management of such scheduled wastes, in compliance with the Environmental Quality (Scheduled Wastes) Regulations of 2005. Additionally, in order to centralise the management and storage of scheduled wastes produced by ports, Johor Port will send the scheduled wastes to the dedicated port reception facilities established within its port area. At Johor Port, such waste is documented using systems such as the electronic scheduled waste information system, ensuring compliance with the Environmental Quality (Amendment) Act 2024 and other regulatory requirements. Waste is carefully contained on-site before being collected by waste collectors licensed by the Department of Environment of Malaysia and transported to certified disposal facilities. Liquid waste, including wastewater, is managed through specialised facilities such as oil interceptors and sewage treatment plants. This includes Northport's Port Reception Facilities, which were established in 2020, and Port Reception Facilities at Johor Port, which underwent testing and commissioning at the end of the FYE 31 December 2024 and are scheduled to begin operations by the third quarter of the FYE 31 December 2025. These facilities are expected to serve as pre-treatment facilities for waste from ships and ports, further enhancing waste management capabilities and proper disposal of maritime waste. Penang Port has also implemented a set of environmental policies in accordance with ISO140001:2015 to handle and manage the hazardous waste. As part of our commitment to environmental stewardship and climate resilience, we are partnering with the Johor National Park Corporation to restore 13.4 hectares of mangroves in Tanjung Piai (Johor) National Park.

7.25.2.5 Bioversity

As part of our commitment to environmental stewardship, we recognise the importance of preserving biodiversity across our operations. While many of our ports are situated in heavily industrialised areas, we remain vigilant about the potential impacts on nearby ecosystems, such as mangroves and seagrass beds. To address this, we conduct biodiversity assessments as needed, often as part of environmental management plans or as independent evaluations to identify potential risks. These assessments guide us in implementing appropriate management measures, ensuring that our operations do not inadvertently harm local biodiversity. For instance, Northport integrates biodiversity management into its Health, Safety, Security, and Environment Policy, reflecting our dedication to safeguarding the natural habitats around us. By taking these proactive steps, we committed to ensuring that our business activities coexist harmoniously with the environment.

7.25.2.6 Climate

PTPSB conducted climate-related scenario analyses in May 2024, aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Coastal flooding represents the most significant climate risk for PTP at present and in the future. Modelling indicates that a 1-in-500-year flood event (low probability but high impact) could result in water depths exceeding three metres. Nonetheless, the current elevation between sea level and the berth platform is assessed to be sufficient to accommodate such an event. Projected temperature increases are expected to intensify risks over time. Under a low-emission scenario, extreme heat is anticipated to present a moderate risk by 2030 and 2050, escalating to a high risk by 2050 under a high-emission scenario. Other physical hazards are expected to have comparatively lower impact. Extreme rainfall flooding and extreme winds/storms are projected to pose minimal and low risks respectively across all scenarios and time horizons, while other identified hazards are assessed to have negligible influence on PTP's operations. The analysis, among others, considered the potential impacts of temperature changes and water level fluctuations.

The conclusion from these assessments is that, even under high-risk scenarios, it is unlikely that PTP's operations will be adversely affected, mainly on the basis that the current port infrastructure and elevation levels have been assessed to be adequate to withstand the aforesaid flood event scenario; that the overall level of other assessed climate risks is generally low to moderate across most scenarios and time horizons; and that appropriate measures are in place, primarily the ongoing monitoring and inspection of identified climate-related risks. These measures are supported by ongoing actions, including, but not limited to: enhancements to ventilation systems designed to facilitate the removal of heat; ongoing upgrades to port infrastructure to ensure it meets the standards required to accommodate effective water drainage; proper grading and sloping of land to divert water away from critical areas; the installation of submersible pumps; and improvements to the overall drainage network.

7.25.3 Social, health and safety

We prioritise the importance of nurturing relationships and fostering the development of our human capital, which includes both employees and other stakeholders. Our commitment extends to multiple dimensions of social contribution, covering areas such as privacy, community engagement, health and safety, and the pursuit of product and service excellence.

7.25.3.1 Human & labor rights

We believe that human rights are universal and that every employee should be treated with dignity and fairness, with their interests given equal consideration. We recognise international standards on human rights, such as the United Nations Guiding Principles on Business and Human Rights, the United Nations Declaration of Human Rights, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. In addition, we strictly adhere to the essential provisions outlined in local regulations, namely the Children and Young Persons (Employment) (Amendment) Act 2010 and the latest version of the Employment Act (Amendment) 2023. These standards and regulations guide our firm stance on opposing child labour, forced and involuntary labour, and trafficking of people under any circumstances in all the areas it operates. Within our Group, we believe that all employees are treated equally and receive fair compensation based on merit and productivity, with the same standards applied to the Group's supply chain. For the Financial Years Under Review, we reported no incidents of human rights violations across our Group's operations.

We do not tolerate any form of discrimination and attempt to create an equitable work environment. We believe that a diverse workforce enriches it by bringing innovative ideas from various perspectives that, ultimately, enhance the experience and knowledge of the entire workforce. Our Group's approach to fostering an inclusive workplace is strengthened by our Code of Ethics and Whistleblowing Policy.

7.25.3.2 Hiring, diversity and attrition

Our hiring process is conducted with fairness and transparency, focusing on the candidate's merit and suitability for the job. We are committed to selecting the best-fit candidate without bias or discrimination towards age, religion, gender, or disability. For senior management roles and above, however, we are mindful to give opportunities to local applicants where possible to boost local employment. Regarding age and race, Johor Port maintains an open recruitment policy with no limitations, ensuring equal opportunities for all talents.

We place a strong emphasis on fostering a positive work environment and engaging with local communities. Regular health and wellness programmes are conducted to ensure the well-being of employees, including health checks and awareness sessions. Team-building activities, such as sports tournaments and festive celebrations, are organised to enhance employee morale and collaboration.

Once hired, new employees go through an onboarding program aimed to bring the new joiners up to speed in getting connected and familiar with our organisation. It also provides the opportunity to build their first network with colleagues within our Group. In the case that an employee decides to leave, we strive to ensure their contributions are valued. As part of the resignation process, departing employees attend an exit interview. While the interview itself is kept confidential, their input is valuable to improving our workplace practices.

We do not tolerate any form of discrimination and attempt to create an equitable work environment. We believe that a diverse workforce enriches it by bringing innovative ideas from various perspectives that, ultimately, enhance the experience and knowledge of the entire workforce. The Our approach towards fostering an inclusive workplace is strengthened by our Code of Ethics, Whistleblowing Policy and sexual harassment policy. There has historically been a natural skew towards male employees in our operations. However, we have attempted to balance this skew through an active awareness to hire more women as opportunities arise.

Recognising the physically demanding nature of certain roles within our operations, we are committed to fostering a more gender-inclusive workforce. We actively seek to balance gender representation by hiring individuals of all genders for various roles, including operations, executive and management-related positions. PTP has made progress towards gender equality in the workplace. Historically, the port's workforce was predominantly male, but over the past five years, PTP has increased employment of women across various roles, including engineering and marine piloting. Looking ahead, PTP aims to achieve a workforce comprising 30.0% women by FYE 31 December 2030. At Johor Port, as part of the gender diversity initiative, the human resource department has set a goal to increase the percentage of female employees by 2.0% to 3.0% through hiring efforts. Similarly, Penang Port has introduced apprenticeship and internship programs in partnership with educational institutions to attract women to careers in port operations, engineering, and logistics, and supports an inclusive workplace through appropriate facilities and awareness programs. These goals underscore our commitment to enhancing gender diversity and promoting workplace equality.

7.25.3.3 Occupational health and safety

We value the health and safety of our employees. We ensure that new employees are advised of our safety and health policy, and we provide them with in-house training. Each employee is briefed and granted access to our employee handbook, which describes our and the employee's responsibilities for employee health and safety.

Occupational health and safety is managed at the individual port level with broad guidance from our Group. While the board and senior management team of each port maintains full oversight of occupational health and safety matters, performance is a regular agenda during our Group's management and Board meetings. This allows for Group-level coordination and monitoring of occupational health and safety matters.

To ensure the quality of occupational health and safety performance, we ensure that all operational practices are in accordance with relevant regulatory requirements. The respective ports conduct routine audits and workplace inspections to ensure full adherence to our occupational health and safety policies.

7.25.2.3 Workforce training

We believe that consistent training and development programmes are necessary to ensure our Group's workforce remains up-to-date with the latest skills and knowledge required to operate in our industry. During FYE 31 December 2023 (which is the last year for which data is available as of the date of this Prospectus), we logged more than 450,000 employee training hours across our Group.

Occupational health and safety training is regularly conducted across our Group. This includes health and safety awareness sessions, safety and toolbox talks, and knowledge sharing from incidents that occur.

Our operating companies have established inclusive policies and dedicated young talent programmes. At PTP, the Young Engineer Programme and the Port Operations Planning Apprentice Programme (POPA) are being offered with the goal of equipping young talents with specialised skills. Additionally, PTP has various initiatives to integrate foreign workers into the workforce, such as cultural training and other engagement programmes. At Penang Port, the Young Executive Talent Programme is designed to cultivate future leaders by nurturing high-potential young professionals. Northport recently launched the Northport Apprentice Programme, which aims to develop apprentices with both soft skills and familiarity with the port's operations, while nurturing them towards later joining the port on a permanent basis.

7.25.4 Contribution to community development

As a responsible corporate entity, we endeavour to make a positive contribution to the economy through the services we provide. Our goal is to achieve economic sustainability and profitability while ensuring responsible environmental and social management.

We believe that corporate social responsibility initiatives primarily contribute to societal and environmental well-being, and also enhance our reputation, strengthen stakeholder relationships, and drive long-term business success. By integrating corporate social responsibility into our core operations, our Group demonstrates our dedication to building trust among our stakeholders and ultimately contributing to a more sustainable future. We contribute to the economic development of the communities around the areas where we operate, as well as to improve social and environmental well-being. This is done through the distribution of the economic values we creates to stimulate indirect economic value for our communities.

Community development initiatives are integral to our social strategy, with Johor Port, PTP and Northport actively participating in educational visits, relief aid distribution, and environmental awareness programmes. We believe that these initiatives not only support community welfare but also strengthen our relationship with stakeholders, enhancing its reputation as a socially responsible entity. We have generated more than RM8.0 million of direct economic value to our communities during the Financial Years Under Review (excluding FYE 31 December 2024 for which data is not available as of the date of this Prospectus).

Johor Port's involvement in educational programmes for local schools, PTP's support for community events, and Northport's engagement in humanitarian missions and environmental outreach demonstrate a commitment to fostering positive relationships and contributing to local development.

We recognise the importance of supporting local suppliers for economic growth and environmental sustainability. This refers to sourcing products and services from businesses which are local to where our operations are located. Aside from benefitting these communities directly, local procurement has an added economic and environmental advantage. Local products often require less transportation time, which generally results in a lower cost and lower wait times for us while at the same time reducing the amount of emissions or potential for pollution resulting from our operations. During the Financial Years Under Review (excluding FYE 31 December 2024 for which data is not available as of the date of this Prospectus), we have spent more than RM3.5 million on procurement from our communities, with more than 85.0% of PTP's suppliers based locally and more than 90.0% of suppliers for our other seaports based locally.