WESTPORTS

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WESTPORTS HOLDINGS BERHAD (Company No.: 262761-A)

PROSPECTUS

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WESTPORTS

PROVEN. TRUSTED. FRIENDLY.

WESTPORTS HOLDINGS BERHAD

(Company No.: 262761-A)
(Incorporated in Malaysia under the Companies Act, 1965)

INITIAL PUBLIC OFFERING OF UP TO 813,190,000 ORDINARY SHARES OF RM0.10 EACH IN WESTPORTS HOLDINGS BERHAD ("**WHB**") ("**OFFER SHARES**") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE 3,410,000,000 ORDINARY SHARES OF RM0.10 EACH IN WHB ("**SHARES**") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING:

(I) INSTITUTIONAL OFFERING OF UP TO 710,890,000 OFFER SHARES TO MALAYSIAN AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("**INSTITUTIONAL PRICE**"); AND

(II) RETAIL OFFERING OF 102,300,000 OFFER SHARES TO THE MALAYSIAN PUBLIC, ELIGIBLE EMPLOYEES AND DIRECTORS OF WHB AND ITS SUBSIDIARIES ("**WHB GROUP**") AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE WHB GROUP, AT THE RETAIL PRICE OF RM2.50 PER OFFER SHARE ("**RETAIL PRICE**"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED HEREIN), IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AND THE OVER-ALLOTMENT OPTION (AS DEFINED HEREIN). THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF (I) THE RETAIL PRICE; AND (II) THE INSTITUTIONAL PRICE ("**FINAL RETAIL PRICE**").

Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Managing Underwriter and Joint Underwriter

Maybank Investment Bank

Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Global Coordinators and Joint Bookrunners for the Institutional Offering

CREDIT SUISSE

Credit Suisse (Singapore) Limited
(Company Registration No.: 197702363D)

Goldman Sachs

Goldman Sachs (Singapore) Pte.
(Company Registration No.: 198602165W)

Joint Bookrunners for the Institutional Offering

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
(Company Registration No.: S16FC0010A)

Merrill Lynch (Singapore) Pte. Ltd.
(Company Registration No.: 198602883D)

RHB Investment Bank Berhad
(Company Registration No.: 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriters for the Retail Offering

AmInvestment Bank Berhad
(Company Registration No.: 23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

RHB Investment Bank Berhad
(Company Registration No.: 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Hong Leong Investment Bank Berhad
(Company Registration No.: 10209-W)
(Formerly known as MIMB Investment Bank Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" IN SECTION 5 OF THIS PROSPECTUS.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

THIS PROSPECTUS IS DATED 19 SEPTEMBER 2013

OUR DIRECTORS, THE PROMOTERS AND THE SELLING SHAREHOLDERS (BOTH AS DEFINED HEREIN), HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

MAYBANK INVESTMENT BANK BERHAD ("**MAYBANK IB**") AS THE PRINCIPAL ADVISER, JOINT GLOBAL COORDINATOR AND JOINT BOOKRUNNER FOR THE INSTITUTIONAL OFFERING AND, MANAGING UNDERWRITER AND JOINT UNDERWRITER FOR THE RETAIL OFFERING IN RELATION TO OUR INITIAL PUBLIC OFFERING ("**IPO**"), ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR IPO.

IT IS TO BE NOTED THAT THE ROLES OF CREDIT SUISSE (SINGAPORE) LIMITED AND GOLDMAN SACHS (SINGAPORE) PTE. IN OUR IPO ARE LIMITED TO BEING A JOINT GLOBAL COORDINATOR AND A JOINT BOOKRUNNER FOR THE INSTITUTIONAL OFFERING OUTSIDE MALAYSIA ONLY. NONE OF THEM HAVE ANY ROLE IN, AND EACH OF THEM DISCLAIMS ANY RESPONSIBILITY FOR THE INSTITUTIONAL OFFERING AND RETAIL OFFERING IN MALAYSIA.

IT IS TO BE NOTED THAT THE ROLES OF THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH AND MERRILL LYNCH (SINGAPORE) PTE. LTD. IN OUR IPO ARE LIMITED TO BEING A JOINT BOOKRUNNER FOR THE INSTITUTIONAL OFFERING OUTSIDE MALAYSIA ONLY. NONE OF THEM HAVE ANY ROLE IN, AND EACH OF THEM DISCLAIMS ANY RESPONSIBILITY FOR THE INSTITUTIONAL OFFERING AND THE RETAIL OFFERING IN MALAYSIA.

THE SECURITIES COMMISSION MALAYSIA ("**SC**") HAS APPROVED OUR IPO AND A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS BY US. THE SC ALSO TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS THAT YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND THE INVESTMENT IN OUR SHARES. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS, BEFORE APPLYING FOR OUR SHARES.

OUR COMPANY HAS OBTAINED THE APPROVAL OF BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") FOR THE LISTING OF AND QUOTATION FOR OUR SHARES. OUR ADMISSION TO THE OFFICIAL LIST OF THE MAIN MARKET OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR IPO, OUR COMPANY OR OUR SHARES.

A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("**CMSA**").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING OUR IPO FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

OUR SHARES ARE CLASSIFIED AS SHARIAH-COMPLIANT BY THE SHARIAH ADVISORY COUNCIL OF THE SC ("**SAC OF THE SC**") BASED ON OUR LATEST AUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THIS CLASSIFICATION REMAINS VALID FROM THE DATE OF ISSUE OF THIS PROSPECTUS UNTIL THE NEXT SHARIAH COMPLIANCE REVIEW UNDERTAKEN BY THE SAC OF THE SC. UPDATES ON THE CLASSIFICATION WILL BE RELEASED IN THE UPDATED LIST OF SHARIAH-COMPLIANT SECURITIES ON THE LAST FRIDAY OF THE MONTH OF MAY AND NOVEMBER OF EACH YEAR.

YOU SHOULD NOTE THAT ANY AGREEMENT BY THE MANAGING UNDERWRITER AND THE JOINT UNDERWRITERS NAMED IN THIS PROSPECTUS TO UNDERWRITE OUR SHARES UNDER THE RETAIL OFFERING IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR SHARES BEING OFFERED.

THE DISTRIBUTION OF THIS PROSPECTUS AND OUR IPO ARE SUBJECT TO THE LAWS OF MALAYSIA. THIS PROSPECTUS WILL NOT BE DISTRIBUTED OUTSIDE MALAYSIA EXCEPT INSOFAR AS IT IS PART OF THE OFFERING MEMORANDUM DISTRIBUTED TO FOREIGN INSTITUTIONAL INVESTORS OUTSIDE MALAYSIA IN CONNECTION WITH OUR IPO. OUR COMPANY, THE PROMOTERS, THE SELLING SHAREHOLDERS, THE PRINCIPAL ADVISER, THE JOINT GLOBAL COORDINATORS, THE JOINT BOOKRUNNERS, THE MANAGING UNDERWRITER AND THE JOINT UNDERWRITERS NAMED IN THIS PROSPECTUS HAVE NOT AUTHORISED AND TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS OUTSIDE MALAYSIA EXCEPT INSOFAR AS IT IS PART OF THE OFFERING MEMORANDUM DISTRIBUTED TO FOREIGN INSTITUTIONAL INVESTORS OUTSIDE MALAYSIA IN CONNECTION WITH OUR IPO. NO ACTION HAS BEEN TAKEN TO PERMIT ANY OFFERING OF OUR SHARES BASED ON THIS PROSPECTUS IN ANY JURISDICTION OTHER THAN MALAYSIA. ACCORDINGLY, THIS PROSPECTUS MAY NOT BE USED FOR THE PURPOSE OF AND DOES NOT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OR INVITATION TO SUBSCRIBE FOR OR PURCHASE SHARES OFFERED UNDER OUR IPO IN ANY JURISDICTION OR IN ANY CIRCUMSTANCE IN WHICH SUCH AN OFFER IS NOT AUTHORISED OR LAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS PROSPECTUS AND THE SALE OF OUR SHARES OFFERED UNDER OUR IPO IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PROSPECTIVE INVESTORS WHO MAY BE IN POSSESSION OF THIS PROSPECTUS ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

THIS PROSPECTUS IS PUBLISHED SOLELY IN CONNECTION WITH OUR IPO. OUR SHARES BEING OFFERED IN OUR IPO ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED AND REPRESENTATIONS MADE IN THIS PROSPECTUS. OUR COMPANY, THE PROMOTERS, THE SELLING SHAREHOLDERS, THE PRINCIPAL ADVISER, THE JOINT GLOBAL COORDINATORS, THE JOINT BOOKRUNNERS, THE MANAGING UNDERWRITER AND THE JOINT UNDERWRITERS HAVE NOT AUTHORISED ANYONE TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS. ANY INFORMATION OR REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY OUR COMPANY, THE PROMOTERS, THE SELLING SHAREHOLDERS, THE PRINCIPAL ADVISER, THE JOINT GLOBAL COORDINATORS, THE JOINT BOOKRUNNERS AND THE MANAGING UNDERWRITER AND THE JOINT UNDERWRITERS OR ANY OF THEIR RESPECTIVE DIRECTORS OR ANY OTHER PERSONS INVOLVED IN OUR IPO.

THIS PROSPECTUS CAN BE VIEWED OR DOWNLOADED FROM THE WEBSITE OF BURSA MALAYSIA BERHAD AT www.bursamalaysia.com.

THIS PROSPECTUS HAS BEEN PREPARED IN THE CONTEXT OF AN IPO UNDER THE LAWS OF MALAYSIA. IT DOES NOT COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR BY ANY REGULATORY AUTHORITY OF ANY JURISDICTION OTHER THAN MALAYSIA.

OUR SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES OF AMERICA ("**US**") SECURITIES ACT OF 1933, AS AMENDED ("**US SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR TRANSFERRED WITHIN OR INTO THE US, EXCEPT PURSUANT TO AN EXEMPTION UNDER THE US SECURITIES ACT. OUR SHARES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT AND WITHIN THE UNITED STATES ONLY TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON RULE 144A UNDER THE US SECURITIES ACT.

OUR SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE US OR ANY OTHER US REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF OUR IPO OR CONFIRMED THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE US.

ELECTRONIC PROSPECTUS

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME. YOU MAY OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITES OF MALAYAN BANKING BERHAD AT www.maybank2u.com.my, CIMB INVESTMENT BANK BERHAD AT www.eipocimb.com, CIMB BANK BERHAD AT www.cimbclicks.com.my, RHB BANK BERHAD AT www.rhb.com.my, AFFIN BANK BERHAD AT www.affinOnline.com AND PUBLIC BANK BERHAD AT www.pbebank.com.

THE INTERNET IS NOT A FULLY SECURE MEDIUM. YOUR INTERNET SHARE APPLICATION (AS DEFINED HEREIN) MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS (AS DEFINED HEREIN). THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF THE ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US OR THE ISSUING HOUSE, A PAPER OR PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER OR PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER OR PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES ("**THIRD PARTY INTERNET SITES**"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

(I) WE DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF OR THE CONTENT OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;

(II) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, FILE OR OTHER MATERIAL PROVIDED IN THE THIRD PARTY INTERNET SITES; AND

(III) ANY DATA, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEMS OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILE OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, YOU ARE ADVISED THAT:

(I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES;

(II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURE MEDIUM; AND

(III) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, THAT YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

INDICATIVE TIMETABLE

An indicative timetable for our IPO is set out below:

Event	Date
Opening of the Institutional Offering(1)	19 September 2013
Issuance of Prospectus/Opening of the Retail Offering	10.00 a.m., 19 September 2013
Closing of the Retail Offering	5.00 p.m., 27 September 2013
Closing of the Institutional Offering	1 October 2013
Price Determination Date	1 October 2013
Balloting of applications for the Offer Shares under the Retail Offering	2 October 2013
Transfer of the Offer Shares to successful applicants	16 October 2013
Listing	18 October 2013

Note:

(1) Other than the Institutional Offering to the Cornerstone Investors. The master cornerstone placing agreement for the acquisition of the Offer Shares by the Cornerstone Investors was entered into on 6 September 2013.

Applications for the Offer Shares offered under the Retail Offering will close at the time and on the date stated above or such other date or dates as our Directors, the Selling Shareholders and the Managing Underwriter may decide in their absolute discretion. The Institutional Offering will close on the date stated above or such other date or dates as our Directors, the Selling Shareholders and the Joint Global Coordinators may decide in their absolute discretion.

In the event that the closing date and/or time of either the Institutional Offering or the Retail Offering is extended, the Price Determination Date and dates for the balloting, transfer of the Offer Shares and the Listing may be extended accordingly. Any extension will be announced in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

All terms used in this Prospectus are defined under "Presentation of Financial and Other Information", "Definitions" and "Glossary of Technical Terms" commencing on pages x, xiv and xxiii, respectively.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "our Company" or "WHB" in this Prospectus are to Westports Holdings Berhad. All references to "our Group" or "WHB Group" in this Prospectus are to our Company and our subsidiaries as a whole. References to "we", "us", "our" and "ourselves" are to our Company and where the context requires, our Company and our subsidiaries.

All references to the "Selling Shareholders" are to PRSB, DISB, SASB, SPIH and LVSB and all references to the "Promoters" are to PRSB, DISB, SASB, Tan Sri Datuk Gnanalingam a/l Gunanath Lingam and Ruben Emir Gnanalingam Bin Abdullah.

All references to "you" are to our prospective investors.

In this Prospectus, references to the "GOM" are to the Government of Malaysia and references to "RM" and "sen" are to the lawful currency of Malaysia. Any discrepancies in the tables between the amounts listed and totals in this Prospectus are due to rounding. Other abbreviations used herein are defined in the "Definitions" section and certain acronyms and technical terms used herein are defined in the "Glossary of Technical Terms" section. Words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall include companies and corporations.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to a time or date shall be a reference to Malaysian time and date, unless otherwise stated.

References to the "LPD" in this Prospectus are to 26 August 2013, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC. All of our operational data that are contained in this Prospectus is presented as at 30 June 2013 unless otherwise stated.

The information on our website or any website directly or indirectly linked to such website is not incorporated by reference into this Prospectus and should not be relied on.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate and our estimated market share in the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from the Executive Summary of the IMR Report prepared by Drewry Maritime Advisors for inclusion in this Prospectus. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate. However, we, the Promoters, Selling Shareholders, Principal Adviser, Joint Global Coordinators, Joint Bookrunners, Managing Underwriter and Joint Underwriters and their respective advisers have not independently verified these data and projections. None of our Company, the Promoters, Selling Shareholders, Principal Adviser, Joint Global Coordinators, Joint Bookrunners, Managing Underwriter and Joint Underwriters and their respective advisers make any representation as to the correctness, accuracy or completeness of such data and projections and accordingly, you should not place undue reliance on the statistical data and projections cited in this Prospectus.

Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurances are or can be given that the estimated figures will be achieved, and you should not place undue reliance on the third-party projections cited in this Prospectus.

"EBITDA", as well as the related ratios presented in this Prospectus, are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the IFRS and the MFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under the IFRS and the MFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with the IFRS and the MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS and non-MFRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and potential investors should not consider it in isolation from, or as a substitute for, analysis of our financial condition or results of operations, as reported under the IFRS and the MFRS. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

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FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to be materially different from any future result, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminologies such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- our future overall business development and operations;
- our future financial performance and financing plans;
- potential growth opportunities;
- our business strategies, trends and future plans;
- competitive position and effects of competition;
- objectives of our Company for future operations;
- the general industry environment, including the demand and supply for our services; and
- the regulatory environment and the effects of future regulation.

Actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors, including, without limitation:

- the continued availability of capital and financing;
- interest rates and foreign exchange rates;
- taxes and duties;
- fixed and contingent obligations and commitments;
- the competitive environment of the industry in which we operate;
- the activities and financial position of our customers, suppliers and other business partners;
- the general economic and business conditions;
- the political, economic and social developments, and demand and supply for our services;

- delays, cost overruns, shortages in skilled and unskilled resources or other changes that impact the execution of our expansion plans;
- significant capital expenditure requirements;
- future regulatory or government policy changes affecting us or the industry in which we operate;
- liability for remedial actions under environmental and/or health and safety regulations;
- the cost and availability of adequate insurance coverage;
- changes in accounting practices; and
- other factors which may or may not be within our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on "Risk Factors" and Section 12.2 of this Prospectus on "Management's Discussion and Analysis of Financial Condition, Results of Operations and Prospects". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD. Save as required by sub-section 238(1) of the CMSA and Paragraph 1.02 of the Prospectus Guidelines (Supplementary and Replacement Prospectus), we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Prospectus to reflect any changes in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Act	:	Companies Act, 1965, as amended, supplemented or modified from time to time and any re-enactment thereof
ADA	:	Authorised Depository Agent
AGM	:	Annual General Meeting
AmInvestment	:	AmInvestment Bank Berhad
Application Form	:	Application form for the application of the Offer Shares under the Retail Offering accompanying this Prospectus
ATM	:	Automated teller machine
Bank Pembangunan	:	Bank Pembangunan Malaysia Berhad
Board	:	Our Board of Directors
BofAML	:	Merrill Lynch (Singapore) Pte. Ltd.
Bonus Issue	:	Bonus issue of 183,000,000 Bonus Shares on the basis of approximately 1.56 Bonus Shares for every one (1) Pre-subdivided WHB Share, which were credited as fully paid-up by way of capitalising RM183,000,000 from our Company's retained earnings and share premium, undertaken as part of the Pre-Listing Exercise
Bonus Shares	:	New Pre-subdivided WHB Shares issued and credited as fully paid-up pursuant to the Bonus Issue
Bursa Depository or Central Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CAGR	:	Compounded annual growth rate
CDS	:	Central Depository System
CFO	:	Certificate of fitness for occupation or certificate of completion and compliance
CMSA	:	Capital Markets and Services Act, 2007, as amended, supplemented or modified from time to time and any re-enactment thereof
Construction	:	Revenue recorded in accordance with IC Interpretation 12 in relation to the construction of port related infrastructure under the Privatisation Agreement

Cornerstone Investors	:	Collectively, Permodalan Nasional Berhad, Kumpulan Wang Persaraan (Diperbadankan), Employees Provident Fund Board, RHB Investment Management Sdn Bhd, Hwang Investment Management Bhd, Hong Leong Assurance Berhad, AIA Bhd, Genesis Investment Management, LLP, Utilico Emerging Markets Ltd
Credit Suisse	:	Credit Suisse (Singapore) Limited
Customs	:	Royal Malaysian Customs Department
DISB	:	Dinamik Imbangan Sdn Bhd
Directors	:	Directors of our Company
Drewry Maritime Advisors	:	Drewry Maritime Services (Asia) Pte Ltd, an independent market researcher
EBITDA	:	Earnings before finance income and finance costs, taxation and depreciation and amortisation
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-Roms or floppy disks
Electronic Share Application	:	Application for the Offer Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Employees	:	Eligible employees of our Group
EPS	:	Earnings per share
EPU	:	Economic Planning Unit - Prime Minister's Department Malaysia
Equity Guidelines	:	Equity Guidelines issued by the SC, as amended, supplemented or modified from time to time
Facilitation Fund Agreement	:	The facilitation fund agreement dated 21 February 2012 (as supplemented and amended by a supplemental agreement dated 23 July 2012) between the GOM, Bank Pembangunan and WMSB
Final Retail Price	:	Final price per Offer Share to be paid by investors pursuant to the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
GOM	:	Government of Malaysia
Goldman Sachs	:	Goldman Sachs (Singapore) Pte.
HLIB	:	Hong Leong Investment Bank Berhad *(formerly known as MIMB Investment Bank Berhad)*
HPH	:	Hutchison Port Holdings Limited

HSBC	:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Hutchison Group	:	Collectively, HWL, its subsidiaries, associated companies and jointly controlled entities
HWL	:	Hutchison Whampoa Limited
IC 12	:	IC Interpretation 12 in relation to the construction of port related infrastructure under the Privatisation Agreement and is recognised based on the stage of completion of the work performed
ICULS	:	Irredeemable convertible unsecured loan stocks
IFRS	:	International Financial Reporting Standards
IMR Report	:	Independent market research report dated 26 August 2013 prepared by Drewry Maritime Advisors
Institutional Offering	:	Offering of up to 710,890,000 Offer Shares at the Institutional Price, subject to the clawback and reallocation provisions and the Over-Allotment Option, to be offered to the following: (i) Malaysian institutional and selected investors, including Bumiputera investors approved by the MITI; (ii) foreign institutional and selected investors outside the United States in reliance on Regulation S; and (iii) QIBs in the United States in reliance on Rule 144A or pursuant to an applicable exemption from registration under the US Securities Act
Institutional Price	:	Price per Offer Share to be paid by investors pursuant to the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
International Placement Agreement	:	Placement agreement to be entered into between our Company, the Selling Shareholders and the international placement managers named therein, in respect of the placement of the Offer Shares offered under the Institutional Offering to institutional and selected investors outside Malaysia
Internet Participating Financial Institution	:	The participating financial institution for the Internet Share Application
Internet Share Application	:	Application for the Offer Shares under the Retail Offering through an Internet Participating Financial Institution
IPO	:	Initial public offering comprising the Offer for Sale of up to 813,190,000 Offer Shares

IPO Trust Scheme	:	The trust scheme instituted by PRSB pursuant to a trust deed dated 5 September 2013 for the benefit of Eligible Employees who wish to participate in our IPO
ISPS Code	:	International Ship and Port Facility Security Code
Issuing House or MIH	:	Malaysian Issuing House Sdn Bhd
Joint Bookrunners	:	Collectively, Maybank IB, Credit Suisse, Goldman Sachs, BofAML, HSBC and RHB
Joint Global Coordinators	:	Collectively, Maybank IB, Credit Suisse and Goldman Sachs
Joint Underwriters	:	Collectively, Maybank IB, AmInvestment, RHB and HLIB
KNB	:	Khazanah Nasional Berhad
Lease Agreement	:	The lease agreement dated 25 July 1994 (as supplemented and amended by a supplemental lease agreement dated 27 March 1999 and a second supplemental lease agreement dated 25 April 2013) between PKA as the lessor and Kelang Multi Terminal Sdn Bhd (now known as WMSB) as the lessee
Listing	:	Listing of and quotation for the entire existing issued and paid-up share capital of our Company on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended, supplemented or modified from time to time
LME	:	London Metal Exchange
LPD	:	26 August 2013, being the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC
LVSB	:	Lankayan Ventures Sdn Bhd, a wholly-owned subsidiary of KNB
Malaysian Placement Agreement	:	Placement agreement to be entered into between our Company, the Selling Shareholders and the Malaysian placement managers named therein, in respect of the placement of the Offer Shares offered under the Institutional Offering to Malaysian institutional and selected investors, including Bumiputera investors approved by the MITI
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia but excludes the directors and the substantial shareholders of our Group, as well as their associates
Managing Underwriter	:	Maybank IB
Market Day	:	A day on which Bursa Securities is open for trading in securities

MAQIS	:	Malaysian Quarantine & Inspection Services
Maybank IB	:	Maybank Investment Bank Berhad
MCCG 2012	:	Malaysian Code on Corporate Governance 2012
MFRS	:	Malaysian Financial Reporting Standards
MITI	:	Ministry of International Trade and Industry
MOF Inc. or Special Shareholder	:	Minister of Finance, a body corporate established under the Minister of Finance (Incorporation) Act, 1957
MSA	:	The management services agreement dated 1 January 2001 between PRSB and Kelang Multi Terminal Sdn Bhd (now known as WMSB)
MSA Termination	:	The termination of the MSA in conjunction with our Listing, whereupon neither PRSB nor WMSB shall have any right against each other pursuant to the MSA
NA	:	Net assets
National Development Policy	:	A policy established by the GOM in 1991 which sets out economic initiatives and broad policies and strategies for the enhancement of Malaysia's economic development
NBV	:	Net book value
Noble Cotton	:	Noble Cotton Pte Ltd
Northport	:	A port situated in Port Klang and operated by Northport (Malaysia) Bhd, a wholly-owned subsidiary of NCB Holdings Berhad. The port includes Southpoint (formerly known as Southport)
Offer for Sale	:	Offer for sale of up to 710,890,000 Offer Shares under the Institutional Offering and 102,300,000 Offer Shares under the Retail Offering by the Selling Shareholders, subject to the terms and conditions of this Prospectus
Offer Shares	:	Existing WHB Shares to be offered by the Selling Shareholders pursuant to this IPO
Official List of the Main Market of Bursa Securities	:	A list specifying all securities listed on Bursa Securities
Over-Allotment Option	:	An over-allotment option granted by the Over-Allotment Option Providers to the Stabilising Manager (on behalf of the Placement Managers) as set out in Section 4.3.4 of this Prospectus
Over-Allotment Option Providers	:	Collectively, PRSB, SASB, SPIH and LVSB

Participating Financial Institution	:	A participating financial institution for the Electronic Share Application
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PINK Application Form	:	Application form for the application of the Offer Shares under the Retail Offering by the Eligible Employees, Directors and persons who have contributed to the success of our Group, accompanying this Prospectus
PKA	:	Port Klang Authority
PKFZ	:	Port Klang Free Zone
Placement Managers	:	Collectively, Maybank IB, Credit Suisse, Goldman Sachs, BofAML, HSBC and RHB
Placement Agreements	:	Collectively, the International Placement Agreement and the Malaysian Placement Agreement
Port Authorities Act	:	Port Authorities Act, 1963 as amended, supplemented or modified from time to time and any re-enactment thereof
Port Licence	:	The licence (including a supplemental licence) to operate, manage and maintain the port operations that was issued to WMSB by the PKA pursuant to the power and authority conferred to it under the Port Authorities Act and the Ports Privatisation Act
Ports Privatisation Act	:	Ports (Privatisation) Act, 1990 as amended, supplemented or modified from time to time and any re-enactment thereof
Pre-Listing Exercise	:	Collectively, the Bonus Issue, Subdivision of Shares, Special Dividend and Shares Subscription as set out in Section 6.2 of this Prospectus
Pre-subdivided WHB Shares	:	Ordinary shares of RM1.00 each in WHB
Price Determination Date	:	The date on which the Institutional Price and the Final Retail Price will be determined
Principal Adviser	:	Maybank IB
Privatisation Agreement	:	The privatisation agreement dated 25 July 1994 (as supplemented and amended by a supplemental agreement dated 27 March 1999 and a second supplemental agreement dated 15 January 2010) between the GOM, PKA and Kelang Multi Terminal Sdn Bhd (now known as WMSB)
Promoters	:	Collectively, PRSB, DISB, SASB, Tan Sri Datuk Gnanalingam a/l Gunanath Lingam and Ruben Emir Gnanalingam Bin Abdullah

Prospectus Guidelines	:	Prospectus Guidelines - Equity issued by the SC under section 377, paragraph 235(1)(f) and subsection 237(2) of the CMSA, as amended, supplemented or modified from time to time
PRSB	:	Pembinaan Redzai Sdn Bhd
Puspakom	:	Puspakom Sdn Bhd
QIBs	:	Qualified institutional buyers, as defined in Rule 144A
Record of Depositors	:	A record of securities holders established by Bursa Depository pursuant to the rules of Bursa Depository
Regulation S	:	Regulation S under the US Securities Act
Retail Offering	:	Offering of 102,300,000 Offer Shares at the Retail Price, subject to the clawback and reallocation provisions, to be allocated in the following manner: (i) 34,100,000 Offer Shares reserved for application by the Eligible Employees, Directors and persons who have contributed to the success of our Group; and (ii) 68,200,000 Offer Shares for application by the Malaysian Public, via balloting
Retail Price	:	The initial price of RM2.50 per Offer Share to be fully paid upon application under the Retail Offering subject to the adjustment as detailed in Section 4.7 of this Prospectus
Retail Underwriting Agreement	:	The retail underwriting agreement dated 6 September 2013 between our Company, the Selling Shareholders, the Managing Underwriter and the Joint Underwriters in relation to the underwriting of the Offer Shares under the Retail Offering
RHB	:	RHB Investment Bank Berhad
Rule 144A	:	Rule 144A under the US Securities Act
SAC of the SC	:	Shariah Advisory Council of the SC
SASB	:	Semakin Ajaib Sdn Bhd
SC	:	Securities Commission Malaysia
Scheme Shares	:	Up to 8,000,000 Shares set aside by PRSB with the Trustee to be held on trust and to be made available for the benefit of the Eligible Employees as beneficiaries under the IPO Trust Scheme
Selling Shareholders	:	Collectively, PRSB, DISB, SASB, SPIH and LVSB, being the parties undertaking the Offer for Sale

Share Lending Agreement	:	The agreement to be entered into by the Over-Allotment Option Providers and the Stabilising Manager under which the Over-Allotment Option Providers will lend Shares to the Stabilising Manager to cover over-allotments, if any
Shares Subscription	:	Subscription of 410,000,000 new Shares by PRSB and SPIH at an issue price of RM1.80 for each new Share, undertaken as part of the Pre-Listing Exercise
SICDA	:	Securities Industry (Central Depositories) Act, 1991, as amended, supplemented or modified from time to time and any re-enactment thereof
SIRIM	:	SIRIM Berhad
SMTN I	:	A 15-year Sukuk Musharakah Medium Term Note programme available for the issuance of an aggregate nominal value of RM800.0 million
SMTN II	:	A 20-year Sukuk Musharakah Medium Term Note programme available for the issuance of an aggregate nominal value of RM2.0 billion
SMTN Programmes	:	Collectively, the SMTN I and SMTN II
SPIH	:	South Port Investment Holdings Limited
Special Dividend	:	A special cash dividend payout by WHB of RM738,000,000 funded by the dividend income receivable from WMSB, undertaken as part of the Pre-Listing Exercise
Special Share	:	One (1) special share of RM1.00 in WMSB held by MOF Inc.
Sq m	:	Square metres
Stabilising Manager	:	Maybank IB
Subdivision of Shares	:	Subdivision of every one (1) Pre-subdivided WHB Share into ten (10) Shares, undertaken as part of the Pre-Listing Exercise
Trustee	:	Maybank Trustees Berhad
UK	:	United Kingdom
UKAS	:	Public Private Partnership Unit (Unit Kerjasama Awam Swasta) of the Prime Minister's Department
US Securities Act	:	United States Securities Act of 1933, as amended, supplemented or modified from time to time and any re-enactment thereof
US or United States	:	United States of America

Westports	:	An integrated port strategically located along the Asia-Europe and intra-Asian shipping lanes within the Straits of Malacca, one of the busiest waterways in the world located at Pulau Indah, Port Klang, approximately 40 kilometres west of Malaysia's capital city of Kuala Lumpur
Westports Development Plan	:	The plan as issued by the PKA from time to time which sets out the construction and development milestones for Westports
WHB or Company	:	Westports Holdings Berhad
WHB Group or Group	:	Collectively, WHB and its subsidiaries
WHB Shares or Shares	:	Ordinary shares of RM0.10 each in our Company
CURRENCY		
RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
US$ or US Dollar	:	United States Dollar, the lawful currency of the United States
SUBSIDIARIES		
WMSB	:	Westports Malaysia Sdn Bhd
VTCM	:	Vehicle Transit Centre (Malaysia) Sdn Bhd (In Liquidation)

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GLOSSARY OF TECHNICAL TERMS

CFS	:	Container freight station
COSMOS	:	The container terminal operating system developed by Cosmos N.V. and used by Westports
CT6	:	Container terminal with a 600-metre berth and 24.3 hectares of container yard, which became fully operational during the first quarter of 2013
CT6 Phase I	:	Initial segment of CT6 which began construction in September 2010 and was completed in October 2011
CT6 Phase II	:	Final segment of CT6 which began construction in March 2012 and was completed in March 2013
CT7	:	Additional planned 52.3 hectare container terminal with a 600-metre berth, currently expected to be fully operational in 2015
CT8	:	Additional planned 58.5 hectare container terminal with a 600-metre berth, the completion date for which is dependent on market conditions
CT9	:	Additional planned 58.7 hectare container terminal with a 600-metre berth, the completion date for which is dependent on market conditions
e-Terminal Plus	:	Westports' customer portal which is an interactive digital delivery system that allows customers to exchange information with Westports electronically
EDI system	:	Electronic data interchange system
EDI	:	Electronic data interchange
Fastport standard	:	Internally developed standards relating to conventional cargo created by WMSB to incentivise its employees to perform efficiently by rewarding employees if certain management-determined benchmarks are met or exceeded
IAPH	:	International Association of Ports and Harbors
Import/Export	:	Import/export cargo, also known as "local" or "gateway" traffic
IT	:	Information technology
MLO	:	Main line operator
Moves Per Hour	:	Moves per hour, where a "move" generally entails movement of cargo from either a vessel to the container yard or from the container yard to a vessel for subsequent transportation
NGCCS	:	New Generation Conventional Cargo System, Westports' IT solution to cover the automation of non-containerised cargo activities
OHSAS	:	Occupational Health and Safety Assessment Specification
reefer	:	Refrigerated container

GLOSSARY OF TECHNICAL TERMS *(cont'd)*

RORO	:	Roll-on roll-off cargo service
RTG	:	Rubber tyred gantry crane
TEU	:	Twenty-foot equivalent unit

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1. CORPORATE DIRECTORY

DIRECTORS

Name	Address	Nationality	Profession
Tan Sri Datuk Gnanalingam a/l Gunanath Lingam *(Non-Independent Executive Chairman)*	No. 8, Dalaman Tunku Bukit Tunku 50480 Kuala Lumpur Malaysia	Malaysian	Company Director
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil *(Independent Non-Executive Director)*	No. 5, Jalan Penaga Taman Bandaraya 59100 Kuala Lumpur Malaysia	Malaysian	Company Director
Ruben Emir Gnanalingam Bin Abdullah *(Chief Executive Officer)*	Unit 82, Kiara Hills No. 1 Jalan 32/70A Taman Sri Hartamas 50480 Kuala Lumpur Malaysia	Malaysian	Company Director
John Edward Wenham Meredith *(Non-Independent Non-Executive Director)*	15, Silver Terrace Road Bella Vista, House No. 1 A Kung Wan, New Territories Hong Kong	British	Company Director
Ip Sing Chi *(Non-Independent Non-Executive Director)*	29A Horizon Drive Chung Hom Kok Hong Kong	Chinese	Company Director
Chan Chu Wei *(Non-Independent Non-Executive Director)*	No. 7, Jalan TR 2/3 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Dato' Abdul Rahim Bin Abu Bakar *(Independent Non-Executive Director)*	45, Jalan H-13, Phase 5 Taman Melawati 53100 Kuala Lumpur Malaysia	Malaysian	Company Director
Dato' Yusli Bin Mohamed Yusoff *(Independent Non-Executive Director)*	49, Jalan Seri Beringin 2 Bukit Damansara 50490 Kuala Lumpur Malaysia	Malaysian	Company Director
Jeyakumar a/l T Palakrishnar *(Independent Non-Executive Director)*	7, Jalan SS3/60 47300 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Advocate & Solicitor and Company Director

1. CORPORATE DIRECTORY *(cont'd)*

DIRECTORS *(Cont'd)*

Name	Address	Nationality	Profession
Tan Sri Ismail Bin Adam *(Independent Non-Executive Director)*	No. 141, Jalan Athinahappan 1 Taman Tun Dr. Ismail 60000 Kuala Lumpur Malaysia	Malaysian	Company Director
Kim, Young So *(Independent Non-Executive Director)*	Kwangjang Apt #5-702 Yoido-Dong Youngdeungpo-Ku Seoul Korea	Korean	Company Director

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Name	Designation	Directorship
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil	Chairman	Independent Non-Executive Director
Dato' Abdul Rahim Bin Abu Bakar	Member	Independent Non-Executive Director
Ruben Emir Gnanalingam Bin Abdullah	Member	Chief Executive Officer

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Name	Designation	Directorship
Dato' Abdul Rahim Bin Abu Bakar	Chairman	Independent Non-Executive Director
Dato' Yusli Bin Mohamed Yusoff	Member	Independent Non-Executive Director
Jeyakumar a/l T Palakrishnar	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(cont'd)*

COMPANY SECRETARIES	:	Tai Yit Chan (MAICSA 7009143) Tan Ai Ning (MAICSA 7015852) Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Malaysia Telephone no.: +603 7720 1188 Fax. no.: +603 7720 1111
REGISTERED OFFICE	:	Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Malaysia Telephone no.: +603 7720 1188 Fax. no.: +603 7720 1111
HEAD/MANAGEMENT OFFICE	:	P.O. Box 266 Pulau Indah 42009 Port Klang Selangor Darul Ehsan Malaysia Telephone no.: +603 3169 4000 Fax. no.: +603 3169 4119 Website address: www.westportsmalaysia.com E-mail address: enquiries@westports.com.my
SELLING SHAREHOLDERS	:	Pembinaan Redzai Sdn Bhd 62C, Jalan SS21/62 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Malaysia Dinamik Imbangan Sdn Bhd 62C, Jalan SS21/62 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Malaysia Semakin Ajaib Sdn Bhd 62C, Jalan SS21/62 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Malaysia

1. CORPORATE DIRECTORY *(cont'd)*

SELLING SHAREHOLDERS *(Cont'd)*	:	South Port Investment Holdings Limited 10th Floor, Ebene Heights Building 34 Ebene Cybercity Ebene Mauritius Lankayan Ventures Sdn Bhd Level 33, Tower 2, Petronas Twin Towers Kuala Lumpur City Centre 50088 Kuala Lumpur Malaysia
PRINCIPAL BANKERS	:	AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Telephone no.: +603 2036 2633 Malayan Banking Berhad Lot C1-1-0 & C1-1-1, Phase 1F1 Lebuh Batu Nilam Bandar Bukit Tinggi 1 41400 Klang Selangor Darul Ehsan Malaysia Telephone no.: +603 3325 1004 Standard Chartered Bank Malaysia Berhad Level 13, Menara Standard Chartered P.O. Box 13570 50814 Kuala Lumpur Malaysia Telephone no.: +603 2117 7777
AUDITORS AND REPORTING ACCOUNTANTS	:	KPMG Level 10, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Malaysia Telephone no.: +603 7721 3388

1. CORPORATE DIRECTORY *(cont'd)*

LEGAL ADVISERS	:	*To our Company as to Malaysian law* Kadir Andri & Partners 8th floor, Menara Safuan 80 Jalan Ampang 50450 Kuala Lumpur Malaysia Telephone no.: +603 2078 2888 *To our Company as to United States and English law* Clifford Chance 28th Floor Jardine House One Connaught Place Hong Kong Telephone no.: +852 2825 8888 *To the Joint Global Coordinators, Joint Bookrunners, Managing Underwriter and Joint Underwriters as to Malaysian law* Albar & Partners 6th Floor, Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia Telephone no.: +603 2078 5588 *To the Joint Global Coordinators and Joint Bookrunners as to United States federal securities law* Baker & McKenzie.Wong & Leow 8 Marina Boulevard #05-01 Marina Bay Financial Center Tower 1 Singapore 018981 Telephone no.: +65 6338 1888
PRINCIPAL ADVISER/ MANAGING UNDERWRITER	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Malaysia Telephone no.: +603 2059 1888
JOINT GLOBAL COORDINATORS	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Malaysia Telephone no.: +603 2059 1888

1. CORPORATE DIRECTORY *(cont'd)*

JOINT GLOBAL COORDINATORS *(Cont'd)*	:	Credit Suisse (Singapore) Limited 1 Raffles Link #03/#04-01 South Lobby Singapore 039393 Telephone no.: +65 6212 2000 Goldman Sachs (Singapore) Pte. 1 Raffles Link #07-01 Singapore 039393 Telephone no.: +65 6889 1000
JOINT BOOKRUNNERS	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Malaysia Telephone no.: +603 2059 1888 Credit Suisse (Singapore) Limited 1 Raffles Link #03/#04-01 South Lobby Singapore 039393 Telephone no.: +65 6212 2000 Goldman Sachs (Singapore) Pte. 1 Raffles Link #07-01 Singapore 039393 Telephone no.: +65 6889 1000 The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch 21 Collyer Quay #09-02 HSBC Building Singapore 049320 Telephone no.: +65 6216 9008 Merrill Lynch (Singapore) Pte. Ltd. 50 Collyer Quay #14-01, OUE Bayfront Singapore 049321 Telephone no.: +65 6678 0000

1. CORPORATE DIRECTORY *(cont'd)*

JOINT BOOKRUNNERS *(Cont'd)*	:	RHB Investment Bank Berhad Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Telephone no.: +603 9287 3888
JOINT UNDERWRITERS	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Malaysia Telephone no.: +603 2059 1888 AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Telephone no.: +603 2036 2633 RHB Investment Bank Berhad Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Telephone no.: +603 9287 3888 Hong Leong Investment Bank Berhad *(formerly known as MIMB Investment Bank Berhad)* Level 23, Menara HLA, No. 3 Jalan Kia Peng, 50450 Kuala Lumpur Malaysia Telephone no.: +603 2168 1168
SHARE REGISTRAR	:	Boardroom Corporate Services (KL) Sdn Bhd Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Malaysia Telephone no.: +603 7720 1188

1. CORPORATE DIRECTORY *(cont'd)*

INDEPENDENT MARKET RESEARCHER	:	Drewry Maritime Services (Asia) Pte Ltd 15 Hoe Chiang Road #13-02 Tower Fifteen Singapore 089316 Telephone no.: +65 6220 9890
TRUSTEE	:	*For the IPO Trust Scheme* Maybank Trustees Berhad 8th Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Malaysia Telephone no.: +603 2070 8833
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Telephone no.: +603 7841 8000
LISTING SOUGHT	:	Main Market of Bursa Securities
SHARIAH STATUS	:	Approved by the SAC of the SC

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2. INTRODUCTION

This Prospectus is dated 19 September 2013.

Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.

We have registered this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Form, with the Registrar of Companies Malaysia who takes no responsibility for their contents.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as a "prescribed security". Consequently, our Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealing in our Shares will be carried out in accordance with the SICDA and the rules of Bursa Depository. We will not issue any share certificates to successful applicants.

On 20 August 2013, approval was obtained from the SC in respect of our IPO and the Listing. The approval of the SC shall not be taken to indicate that the SC recommends our IPO or assumes responsibility for the correctness of any statement made or opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of our Shares being offered for investment. The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. On 26 July 2013, the SAC of the SC classified our Shares as Shariah compliant based on our latest audited consolidated financial information for the financial year ended 31 December 2012. This classification will remain valid from the date of this Prospectus until the next Shariah compliance review is undertaken by the SAC of the SC. Updates on the classification will be released in the updated list of Shariah-compliant securities on the last Friday of the month of May and November of each year.

You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of our IPO and an investment in our Company.

We have obtained the approval of Bursa Securities on 2 September 2013 for the admission of our Shares to the Official List of the Main Market of Bursa Securities and the listing of and quotation for our Shares, including the Offer Shares which are the subject of this Prospectus, on the Main Market of Bursa Securities. Our Shares will be admitted to the Official List of the Main Market of Bursa Securities and official quotation will commence upon receipt of confirmation from Bursa Depository that all the Offer Shares have been credited into the respective CDS accounts of the successful applicants and the notices of allotment have been despatched to all successful applicants. Admission to the Official List of the Main Market of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares or our IPO.

Pursuant to the Listing Requirements, at least 25% of the total number of Shares for which listing is sought must be held by at least 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing. We expect to achieve this at the time of our Listing. If this requirement is not met, we may not be allowed to proceed with our Listing. In such event, monies paid in respect of all applications will be returned in full without interest and if such monies are not returned in full within 14 days after the Selling Shareholders becomes liable to do so, the provisions of sub-sections 243(2) and 243(6) of the CMSA shall apply accordingly.

In the case of an application by way of Application Form, you should state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you must open a CDS account with an ADA before making an application for our Shares. For an application by way of Electronic Share Application, only an applicant who has a CDS account number can make an Electronic Share Application and you should furnish your CDS account number to a Participating Financial Institution by way of keying in your CDS account number if the instructions on the ATM screen at which you submit your Electronic Share Application requires you to do so. In the case of an application by way of Internet Share Application, only an applicant who has a CDS account opened with an Internet Participating Financial Institution can make an Internet Share Application. Your CDS account number will automatically appear in the electronic IPO online Application Forms. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application or Internet Share Application.

IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS BEFORE APPLYING FOR OUR SHARES.

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3. SUMMARY

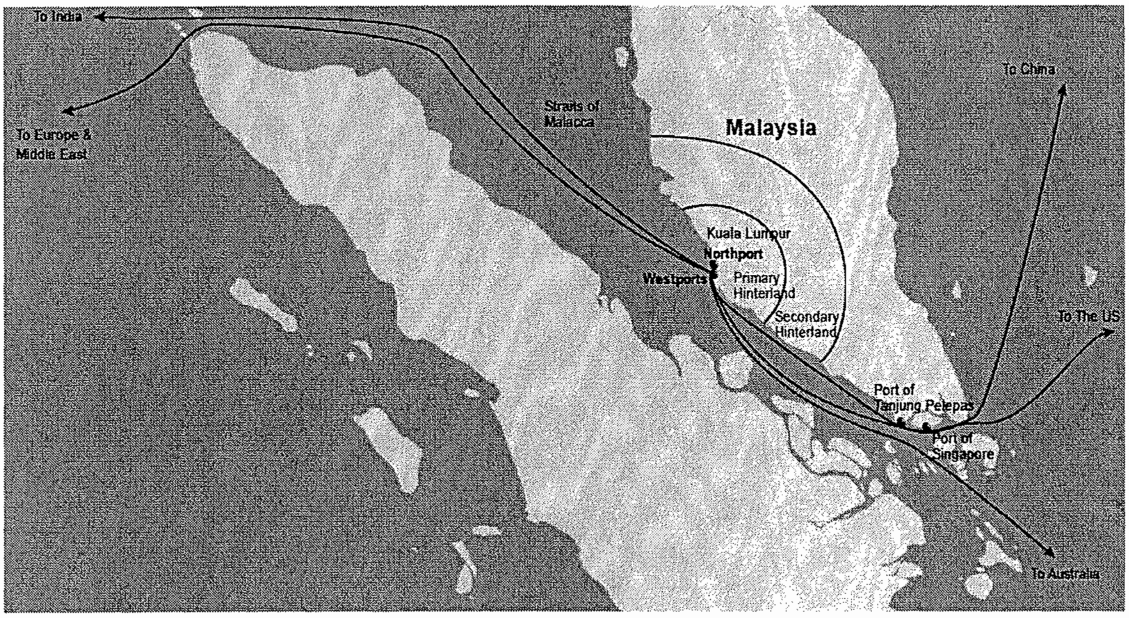
This summary highlights selected information from this Prospectus and may not contain all of the information about our Company and our IPO which may be important to you. You should read and understand the whole Prospectus before deciding whether to invest in our Shares. You are advised to read the risk factors described in Section 5 of this Prospectus for an understanding of the risks associated with the investment in our Company.

3.1 Overview

We are the operator of Westports. We handle container and conventional cargo, and also provide a wide range of port services, including marine services, rental services and other ancillary services.

In the Straits of Malacca, the main ports that handle Import/Export and/or transhipment container cargo and compete with Westports are namely Northport, Port of Tanjung Pelepas and Port of Singapore. All these ports are located in close proximity to the main shipping route along the Straits of Malacca. Other than Northport, these ports have natural deep water berths which allow them to accommodate large vessels. The southern approach into Port Klang where Westports is located, has a channel of at least 17 metres, which is deeper than the northern approach where Northport is located, which is only 12 metres deep. According to Drewry Maritime Advisors, the deviation of Port Klang, Port of Tanjung Pelepas and Port of Singapore from the main shipping route along the Straits of Malacca is approximately 12, 15 and nine (9) nautical miles, respectively. The lower the deviation, the more suitable a port's location is to operate as a transhipment hub.

The location of Westports and its competitors along the Straits of Malacca can be seen below:



As shown above, there are two (2) port operators in Port Klang, namely WMSB and the operator for Northport and by virtue of their location, WMSB and the operator for Northport also provide container services for Import/Export and conventional cargo from the central Peninsular Malaysia hinterland.

Our container business has grown rapidly in the last decade, from handling approximately 2.0 million TEUs in 2002 to approximately 6.9 million TEUs in 2012, representing a CAGR of 13.2%, compared with a CAGR of 8.3% in global gross container throughput over the same period, according to Drewry Maritime Advisors. For the six (6) months ended 30 June 2013, we handled 3.6 million TEUs of container cargo.

Since we began operations in 1996, we have grown our market share to 69% of container traffic and 79% of the transhipment traffic in Port Klang in 2012 and 33% of container traffic in Malaysia in 2012, according to Drewry Maritime Advisors, with transhipment of containers comprising a majority of our traffic. Apart from our strategic position at the south of Port Klang and the natural deep water channel that we benefit from which makes us attractive to MLOs sailing large container ships, with our deep natural harbour and container berths in a contiguous straight line, we can flexibly berth and handle containers for the largest vessels in the world with capacities of up to 18,000 TEUs. The growth in our market share is also enabled by our relative operating efficiency and reliability as our container terminals routinely exceed 35 Moves Per Hour per crane for large vessels (vessels over 300 metres in length). Further, we offer established global and regional connectivity to more than 350 ports around the world with approximately 75 main line services calling at our port, complemented by approximately 65 feeder services, all of which are independently operated by 48 lines.

Our port facilities include a total of 25 berths with an aggregate length of approximately 6,642 metres, of which 18 berths are contiguously connected in a straight line extending to approximately 4,800 metres. The straight line arrangement of the berths allows for greater flexibility in berthing vessels, thus resulting in higher berth utilisation. It also allows for the ability to handle large vessels (vessels over 300 metres in length). We are expanding our facilities further with an additional container terminal, CT7. We have also commenced land reclamation and development work for two (2) additional container terminals, CT8 and CT9, respectively.

With the completion of construction and commencement of operations in all areas of CT6 in March 2013, we currently have a handling capacity of approximately 9.5 million TEUs per annum, which is expected to increase to approximately 11.0 million TEUs per annum in 2015 once CT7 is fully operational. We also have the potential to increase our handling capacity to approximately 16.0 million TEUs per annum upon the completion of CT8 and CT9. Our conventional terminals handled approximately 10.2 million tonnes and 5.3 million tonnes of bulk cargo in 2012 and the six (6) months ended 30 June 2013, respectively (excluding RORO cargo).

For the years ended 31 December 2010, 2011 and 2012, we generated total operational revenue (total revenue excluding Construction revenue) of RM975.0 million, RM1,115.3 million and RM1,226.2 million, respectively, and PAT of RM284.9 million, RM316.5 million and RM361.0 million, respectively. For the six (6) months ended 30 June 2012 and 2013, we generated total operational revenue of RM600.5 million and RM642.8 million, respectively, and PAT of RM161.9 million and RM198.4 million, respectively.

Refer to Sections 6 and 7 of this Prospectus for further information on our Group.

3.2 Competitive strengths

3.2.1 Strategically located to handle both transhipment traffic in the Straits of Malacca serving Asia-Europe and intra-Asia shipping lanes, as well as Import/Export traffic for Peninsular Malaysia.

3.2.2 Advantageous geographic attributes.

3.2.3 Leading market position in Port Klang, with secured long-term concession and strong expansion potential.

3.2.4 Established global and regional connectivity.

3.2.5 Strong track record of operational excellence and financial profitability.

3.2.6 Long-term relationships with customers and other stakeholders, and differentiated quality service ensuring customer satisfaction and loyalty.

3.2.7 Experienced management team with proven track record, backed by reputable shareholders.

Refer to Section 7.2 of this Prospectus for further information on our competitive strengths.

3.3 Strategies and future plans

3.3.1 Increase throughput to our port by:

(i) capitalising on continued growth in container traffic through the Straits of Malacca;

(ii) attracting transhipment activities of key shipping line customers and growing the regional feeder network to further improve connectivity and drive growth in transhipment volumes;

(iii) strengthening our position as the preferred gateway of Malaysia;

(iv) enhancing overall customer value proposition and customer satisfaction to promote customer loyalty; and

(v) anchoring the distribution hub activities of shippers globally within or near Westports to increase cargo flow.

3.3.2 Increase capacity and improve operational efficiency, financial profitability and long-term sustainability of business by:

(i) making timely investments in new infrastructure, equipment and technologies to increase throughput capacity, improve productivity and cost efficiencies, and enhance our capability to handle increasing vessel sizes;

(ii) focusing on optimising operating efficiency and employee productivity to ensure sustainable and profitable growth;

(iii) achieving a more flexible cost structure through selective outsourcing; and

(iv) continuing to invest in training and succession planning, and offer excellent career development opportunities to our staff to be the employer of choice in the port industry.

Refer to Section 7.3 of this Prospectus for further information on our strategies and future plans.

3.4 Risk factors

Before investing in our Shares, you should pay particular attention to the fact that, to a large extent, our Group and our operations are governed by the legal, regulatory and business environment in Malaysia, which may in some aspects differ from those which prevail in other countries. Our business is subject to a number of factors, many of which are beyond our control. Prior to making an investment decision, you should carefully consider, along with the other matters set out in this Prospectus, the risks and investment considerations set out below. The risks and investment considerations set out below are not an exhaustive list of all the risks and challenges that we are currently facing or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material and adverse effect on us or our Shares.

3.4.1 Risks relating to our business

(i) Our business is highly dependent on global trading volumes, regional and global economic, financial and political conditions.

(ii) We are dependent on a small number of customers for a significant portion of our business.

(iii) We may face risks associated with debt financing and the debt covenants which could limit or affect our operations.

(iv) We are exposed to credit risk with respect to our customers and our business could be adversely affected if our customers default on their obligations.

(v) Our business requires significant periodic capital expenditure and we may not be able to secure funding as necessary or on desirable terms.

(vi) We are exposed to certain risks in respect of the expansion of our existing terminals and port facilities and the development and construction of new terminals and port facilities.

(vii) We face significant competition in the container terminal industry which could adversely affect our ability to maintain or increase our market share and profitability.

(viii) Our results of operations may fluctuate significantly as a result of the seasonality of the shipping industry.

(ix) Our inability to successfully implement our expansion plans and effectively manage our growth strategy could have an adverse effect on our business, results of operations and financial condition.

(x) Rising costs of fuel and electricity may affect us.

(xi) Increases in our costs may materially and adversely affect our operating results if we are unable to pass on such increases to our customers through an increase in tariffs in a timely manner.

(xii) Our operations are dependent on the availability of good road and rail connectivity and any disruption in the operation of or delays in the improvements to the road and rail network may have an adverse effect on our business and results of operations.

(xiii) Changes in technology or improper maintenance may render our current equipment obsolete or require us to make substantial capital investments.

(xiv) Our IT systems which operate the terminal facilities may be subject to failure, which could result in delays to our operations.

(xv) We rely on third party vendors for certain port operations which may be subject to interruption.

(xvi) We may not maintain sufficient insurance coverage for the risks associated with the operation of our business.

(xvii) Upgrading or repairs to the container terminals may disrupt our operations.

(xviii) We are required to have a number of approvals, licences, registrations, permits and property rights for our business from various regulatory authorities as well as under the Privatisation Agreement, and the failure to obtain or renew them in a timely manner may adversely affect our operations.

(xix) Our inability to maintain the Privatisation Agreement may adversely affect our financial condition and results of operations.

(xx) Our operations are subject to extensive environmental, health, safety and other related regulations.

(xxi) We may handle goods that are hazardous, which could result in spills and/or environmental damage.

(xxii) Our business and facilities may be adversely affected by severe weather conditions or natural disasters in Malaysia or elsewhere.

(xxiii) Our operations depend on the adequate and timely supply of spare parts and equipment at acceptable prices and quality.

(xxiv) We are exposed to certain operational risks relating to work stoppages.

(xxv) Certain tax incentives or exemptions from the GOM may no longer be available to us in the future.

(xxvi) Fluctuations in currency exchange rates may have an adverse effect on our results of operations.

(xxvii) Our key management team and other key personnel in our business units are critical to our continued success and the loss of, or the inability to attract and retain, such personnel in the future could harm our business.

(xxviii) The GOM (through MOF Inc.) by virtue of the Special Share may have interests which conflict with those of our shareholders.

(xxix) Any change in government control or regulations may have an adverse effect on our financial condition.

(xxx) The pro forma financial information contained in this Prospectus may not accurately reflect our historical financial position, results of operations and cash flows.

(xxxi) Forward-looking statements in this Prospectus may not be accurate and are subject to uncertainties and contingencies.

(xxxii) Terrorist acts and other catastrophic events may affect our operations.

(xxxiii) Certain of our structures that we currently use do not have the requisite CFOs, which may adversely affect our operations.

Refer to Section 5.1 of this Prospectus for further information on risks relating to our business.

3.4.2 Risks relating to the port industry

(i) We rely on security procedures carried out at other port facilities and by our shipping line customers, which are outside our control.

(ii) Additional security requirements may increase our operating costs and restrict our ability to conduct our business.

Refer to Section 5.2 of this Prospectus for further information on risks relating to the port industry.

3.4.3 Risks relating to our Shares

(i) Future issuance or sales, or market perception of sales, of substantial amounts of our Shares or other securities relating to our Shares in the public market could materially and adversely affect the prevailing market price of our Shares following our IPO.

(ii) Ownership and control by our existing shareholders.

(iii) There has been no prior market for our Shares and it is uncertain whether a market will ever develop or, if a market does develop, whether it will be sustained.

(iv) Our Share price and trading volume may be volatile.

(v) We cannot assure you that we will declare and distribute any dividends in the future.

(vi) There may be a delay in our Listing or failure to list our Shares.

(vii) Because the Retail Price and the Institutional Price are higher than our NA value per Share, purchasers of our Shares will experience immediate and substantial dilution and purchasers of our Shares may experience further dilution if we issue additional Shares in the future.

(viii) Future fundraising may dilute shareholders' equity or restrict our operations.

Refer to Section 5.3 of this Prospectus for further information on risks relating to our Shares.

3.5 Summary historical consolidated financial data

The following summary historical audited consolidated financial data for the three (3) years ended 31 December 2010, 2011 and 2012 and for the six (6) months ended 30 June 2013 and our unaudited consolidated financial data for the six (6) months ended 30 June 2012 have been extracted from our consolidated financial statements. Our consolidated financial statements are prepared in accordance with MFRS and IFRS.

The following summary historical consolidated financial data should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition, Results of Operations and Prospects" in Section 12.2 of this Prospectus and the Accountants' Report in Section 13 of this Prospectus.

The summary historical consolidated financial data included in this Prospectus does not reflect our Group's results of operations, financial position and cash flows in the future, and our Group's past operating results are not indicative of our Group's future operating performance.

	Audited			Unaudited	Audited
	Year ended 31 December			Six (6) months ended 30 June	
	2010	2011	2012	2012	2013
	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
Profit or loss and other comprehensive income data:					
Revenue[1]	998,548	1,387,374	1,492,262	629,775	750,084
Cost of sales[1]	(434,756)	(782,757)	(823,489)	(301,181)	(402,182)
Gross profit	563,792	604,617	668,773	328,594	347,902
Other income	39,944	14,591	13,734	7,763	35,982
Administrative expenses	(68,074)	(81,504)	(72,585)	(35,920)	(41,206)
Other expenses	(107,420)	(124,754)	(125,509)	(62,221)	(67,267)
Results from operating activities	428,242	412,950	484,413	238,216	275,411
Finance income	7,196	6,977	7,119	3,697	4,789
Finance costs	(49,845)	(54,873)	(56,859)	(28,612)	(28,256)
Profit before tax	385,593	365,054	434,673	213,301	251,944
Tax expense	(100,737)	(48,581)	(73,713)	(51,388)	(53,548)
Profit for the year/period	284,856	316,473	360,960	161,913	198,396
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Fair value of available-for-sale financial assets	-	1,643	(1,643)	(1,643)	-
Total comprehensive income attributable to owners of the Company	**284,856**	**318,116**	**359,317**	**160,270**	**198,396**
Other summary financial data:					
EBITDA[2]	545,801	527,968	597,646	293,169	336,258
Gross profit margin (including Construction revenue) (%)	56.5	43.6	44.8	52.2	46.4
Gross profit margin (excluding Construction revenue) (%)	57.8	54.2	54.5	54.7	54.1
PBT margin (%)	38.6	26.3	29.1	33.9	33.6
PAT margin (%)	28.5	22.8	24.2	25.7	26.4
EBITDA margin (including Construction revenue) (%)	54.7	38.1	40.0	46.6	44.8
EBITDA margin (excluding Construction revenue) (%)	56.0	47.3	48.7	48.8	52.3

3. SUMMARY *(cont'd)*

	Audited			Unaudited	Audited
	Year ended 31 December			Six (6) months ended 30 June	
	2010	2011	2012	2012	2013
	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
No. of ordinary shares of RM1.00 each in issue ('000)	117,000	117,000	117,000	117,000	117,000
NA	1,311,837	1,328,314	1,488,029	1,387,257	1,515,623
NA per share (RM)	11.21	11.35	12.72	11.86	12.95
Gross EPS[(3)] (sen)	329.57	312.01	371.52	182.31	215.34
Net EPS[(4)] (sen)	243.47	270.49	308.51	138.39	169.57
Net dividends per share (RM)	1.1	2.6	1.7	0.9	1.5

Notes:

(1) The following table sets forth the breakdown of revenue and cost of sales after taking into account the revenue and cost attributable to Construction:

	Audited			Unaudited	Audited
	Year ended 31 December			Six (6) months ended 30 June	
	2010	2011	2012	2012	2013
	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
Revenue (including Construction revenue)	998,548	1,387,374	1,492,262	629,775	750,084
Cost of sales (including Construction cost)	(434,756)	(782,757)	(823,489)	(301,181)	(402,182)
Revenue (excluding Construction revenue)	974,954	1,115,330	1,226,165	600,545	642,758
Cost of sales (excluding Construction cost)	(411,162)	(510,713)	(557,392)	(271,951)	(294,856)

(2) EBITDA represents earnings before finance income and finance costs, taxation, depreciation and amortisation. The table below sets forth a reconciliation of our profit for the year to EBITDA.

	Audited			Unaudited	Audited
	Year ended 31 December			Six (6) months ended 30 June	
	2010	2011	2012	2012	2013
	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
PAT	284,856	316,473	360,960	161,913	198,396
Tax expense	100,737	48,581	73,713	51,388	53,548
PBT	385,593	365,054	434,673	213,301	251,944
Finance income	(7,196)	(6,977)	(7,119)	(3,697)	(4,789)
Finance costs	49,845	54,873	56,859	28,612	28,256
Depreciation and amortisation	117,559	115,018	113,233	54,953	60,847
EBITDA	**545,801**	**527,968**	**597,646**	**293,169**	**336,258**

EBITDA, as well as the related ratios presented in this Prospectus, are supplemental measures of our performance and liquidity that are not required by or presented in accordance with MFRS and IFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under MFRS and IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with MFRS and IFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

(3) Computed based on the PBT of our Group divided by 117,000,000 ordinary shares of RM1.00 each in WHB.

(4) Computed based on the PAT of our Group divided by 117,000,000 ordinary shares of RM1.00 each in WHB.

3.6 Summary pro forma consolidated statement of financial position data

The summary pro forma consolidated statement of financial position data has been derived from the pro forma consolidated financial information set out in Section 12.5 of this Prospectus, using historical financial statements that were prepared in accordance with MFRS and IFRS and in a manner consistent with both the format of the financial statements and the accounting policies of our Company and, where appropriate, of our subsidiaries, except as disclosed in Section 12.5 of this Prospectus.

The summary pro forma consolidated statement of financial position data as at 30 June 2013 has been prepared for illustrative purposes only to show the effects on our historical consolidated statement of financial position as at 30 June 2013 based on the assumption that the MSA Termination (the effects of which have been recognised on 1 January 2013), the recognition of the interim single tier dividend amounting to RM148,590,000 in respect of the year ending 31 December 2013 and the following transactions have been effected as at 30 June 2013:

(i) the Pre-Listing Exercise;

(ii) the IPO; and

(iii) the Listing.

The summary pro forma consolidated statement of financial position data should be read in conjunction with the Reporting Accountants' Letter on the Pro Forma Consolidated Financial Information as at 30 June 2013 and the notes thereto as set out in Section 12.5 of this Prospectus.

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3. SUMMARY *(cont'd)*

	Historical (Audited)	Pro Forma I	Pro Forma II	Pro Forma III
	As at 30 June 2013	After MSA Termination	After Pro Forma I, interim dividend[2] and Pre-Listing Exercise	After Pro Forma II and our IPO
	(RM '000)	(RM '000)	(RM '000)	(RM '000)
NON-CURRENT ASSETS				
Property, plant and equipment	1,051,105	1,051,105	1,051,105	1,051,105
Concession assets	1,698,498	1,698,498	1,698,498	1,698,498
TOTAL NON-CURRENT ASSETS	2,749,603	2,749,603	2,749,603	2,749,603
CURRENT ASSETS				
Trade and other receivables	224,084	224,084	224,084	224,084
Cash and cash equivalents	212,328	226,596	78,006	66,002
TOTAL CURRENT ASSETS	436,412	450,680	302,090	290,086
TOTAL ASSETS	3,186,015	3,200,283	3,051,693	3,039,689
EQUITY				
Share capital	117,000	117,000	341,000	341,000
Share premium	34,000	34,000	697,000	697,000
Reserves	1,364,623	1,386,766	351,176	339,172
TOTAL EQUITY	1,515,623	1,537,766	1,389,176	1,377,172
NON-CURRENT LIABILITIES				
Borrowings	700,000	700,000	700,000	700,000
Employee benefits	9,589	9,589	9,589	9,589
Deferred tax liabilities	230,292	230,292	230,292	230,292
Provision for concession liability	413,950	413,950	413,950	413,950
TOTAL NON-CURRENT LIABILITIES	1,353,831	1,353,831	1,353,831	1,353,831
CURRENT LIABILITIES				
Trade and other payables	244,172	228,916	228,916	228,916
Tax payable	23,323	30,704	30,704	30,704
Provision for concession liability	49,066	49,066	49,066	49,066
TOTAL CURRENT LIABILITIES	316,561	308,686	308,686	308,686
TOTAL LIABILITIES	1,670,392	1,662,517	1,662,517	1,662,517
TOTAL EQUITY AND LIABILITIES	3,186,015	3,200,283	3,051,693	3,039,689
NA attributable to equity holders of our Company per ordinary share (RM)[1]	12.95	13.14	0.41	0.40

Notes:

(1) Computed based on the NA attributable to equity holders of our Company over number of shares.

(2) The interim single tier dividend amounting to RM148,590,000 in respect of the year ending 31 December 2013 paid from the cash and bank balances of our Company.

3.7 Capitalisation and indebtedness

The following information should be read in conjunction with the Reporting Accountants' Letter on the Pro Forma Consolidated Financial Information as at 30 June 2013 and the notes thereto and the Accountants' Report set out in Sections 12.5 and 13 of this Prospectus, respectively.

The following table sets out our historical consolidated and pro forma capitalisation and indebtedness information as at 30 June 2013 based on our historical consolidated statement of financial position and our pro forma consolidated financial information as at 30 June 2013 as set out in Sections 13 and 12.5 of this Prospectus, respectively. The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 30 June 2013 and is provided for illustrative purposes only.

	Historical (Audited)	Pro Forma I	Pro Forma II	Pro Forma III
	As at 30 June 2013	After MSA Termination	After Pro Forma I, interim dividend[2] and Pre-Listing Exercise	After Pro Forma II and our IPO
	(RM '000)	(RM '000)	(RM '000)	(RM '000)
Indebtedness				
Long-term debt				
Secured				
SMTN II	700,000	700,000	700,000	700,000
Total indebtedness	**700,000**	**700,000**	**700,000**	**700,000**
Total shareholders' equity	**1,515,623**	**1,537,766**	**1,389,176**	**1,377,172**
Total capitalisation and indebtedness	**2,215,623**	**2,237,766**	**2,089,176**	**2,077,172**
Gearing ratio (times)[1]	**0.46**	**0.46**	**0.50**	**0.51**

Notes:

(1) Computed based on total indebtedness over total shareholders' equity.

(2) The interim single tier dividend amounting to RM148,590,000 in respect of the year ending 31 December 2013 paid from the cash and bank balances of our Company.

3.8 Particulars of our IPO

IPO	:	Comprising the Institutional Offering and the Retail Offering.
Institutional Offering	:	Offering of up to 710,890,000 Offer Shares at the Institutional Price, to the following: (i) Malaysian institutional and selected investors (including Bumiputera investors approved by the MITI); (ii) foreign institutional and selected investors outside the United States in reliance on Regulation S; and (iii) QIBs in the United States in reliance on Rule 144A or pursuant to applicable exemption from registration under the US Securities Act.
Retail Offering	:	Offering of 102,300,000 Offer Shares at the Retail Price to the Eligible Employees, Directors and persons who have contributed to the success of our Group and the Malaysian Public.

Refer to Section 4.3 of this Prospectus for further information on our IPO.

3.9 Utilisation of proceeds

As our Company will not be issuing any new Shares under our IPO, we will not receive any proceeds from our IPO. Our Board is of the view that our Company presently does not require additional equity funding for our business. Refer to Sections 12.2.6(i) and 12.2.9 of this Prospectus for details on our Group's sources and availability of funds for our business operations and expansion plan.

The gross proceeds from our IPO of up to RM2.03 billion (on the assumption that the Institutional Price is equivalent to the Retail Price) will accrue entirely to the Selling Shareholders and will be utilised by the Selling Shareholders.

3.10 Dividend policy

It is the policy of our Board in recommending dividends to allow shareholders to participate in our profits, as well as to retain adequate reserves for our future growth.

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subject to our shareholders' approval. However, our ability to pay dividends or make other distributions to our shareholders will depend upon a number of factors, including:

(i) the level of our cash, gearing, return on equity and retained earnings;

(ii) our expected financial performance;

(iii) our projected levels of capital expenditure and other investment plans;

(iv) our working capital requirements; and

(v) our existing and future debt obligations.

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

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

As we are a holding company and we conduct substantially all of our operations through WMSB, our Company's income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from WMSB. The ability of WMSB to pay dividends or make other distributions to us in the future will depend upon its distributable profits, operating results, earnings, capital expenditure plans, general financial condition, compliance with certain financial covenants under certain debt facilities entered into by WMSB and other factors that the board of directors of WMSB deem relevant. Dividends may only be paid out of distributable reserves and under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from WMSB.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future. Refer to Section 5.3.5 of this Prospectus for the factors which may affect or restrict our ability to pay dividends.

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4. DETAILS OF OUR IPO

4.1 Opening and closing of applications

Application for the Offer Shares under the Retail Offering will open at 10.00 a.m. on 19 September 2013 and will remain open until 5.00 p.m. on 27 September 2013 or such other date or dates as our Directors, the Selling Shareholders and the Managing Underwriter may decide in their absolute discretion.

4.2 Indicative timetable

An indicative timetable for our IPO is set out below:

Event	Date
Opening of the Institutional Offering[1]	19 September 2013
Issuance of Prospectus/Opening of the Retail Offering	10.00 a.m., 19 September 2013
Closing of the Retail Offering	5.00 p.m., 27 September 2013
Closing of the Institutional Offering	1 October 2013
Price Determination Date	1 October 2013
Balloting of applications for the Offer Shares offered under the Retail Offering	2 October 2013
Transfer of the Offer Shares to successful applicants	16 October 2013
Listing	18 October 2013

Note:

(1) Other than the Institutional Offering to the Cornerstone Investors. The master cornerstone placing agreement for the acquisition of the Offer Shares by the Cornerstone Investors was entered into on 6 September 2013.

Applications for the Offer Shares under the Retail Offering will close at the time and on the date as stated above or such other date or dates as our Directors, the Selling Shareholders and the Managing Underwriter may decide in their absolute discretion. The Institutional Offering will close on the date as stated above or such other date or dates as our Directors, the Selling Shareholders and the Joint Global Coordinators may decide in their absolute discretion.

In the event that the closing date and/or time of either the Institutional Offering or the Retail Offering is extended, the Price Determination Date and dates for the balloting, transfer of the Offer Shares and the Listing may be extended accordingly. Any extension will be announced in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

4.3 Particulars of our IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the Offer Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions and the Over-Allotment Option as set out in Sections 4.3.3 and 4.3.4 of this Prospectus respectively.

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 813,190,000 Offer Shares. For the avoidance of doubt, the Offer Shares offered under the Institutional Offering and the Retail Offering do not include the Shares to be offered under the Over-Allotment Option.

4.3.1 Institutional Offering

The Selling Shareholders are offering up to 710,890,000 Offer Shares, representing up to 20.8% of the issued and paid-up share capital of our Company, to be allocated in the following manner:

(i) 392,150,000 Offer Shares, representing 11.5% of the issued and paid-up share capital of our Company to Bumiputera investors approved by the MITI;

(ii) 318,740,000 Offer Shares, representing 9.3% of the issued and paid-up share capital of our Company to the following persons:

   (a) Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI);

   (b) foreign institutional and selected investors outside the United States in reliance on Regulation S; and

   (c) QIBs in the United States in reliance on Rule 144A or pursuant to applicable exemption from registration under the US Securities Act.

As part of the Institutional Offering, the Company and the Selling Shareholders had on 6 September 2013 entered into a master cornerstone placing agreement with the Cornerstone Investors whereby the Cornerstone Investors have agreed to acquire from the Selling Shareholders, subject to the terms of the individual cornerstone placing agreements, an aggregate of 340,000,000 Shares, representing approximately 10% of the issued and paid-up share capital of our Company at the price as stipulated under the individual cornerstone placing agreements.

The cornerstone placing agreements are conditional upon, *inter alia*, the Retail Underwriting Agreement and the Placement Agreements being entered into and not having been terminated pursuant to the respective terms.

4.3.2 Retail Offering

The Selling Shareholders are offering 102,300,000 Offer Shares, representing 3.0% of the issued and paid-up share capital of our Company, to be allocated in the following manner:

(i) 34,100,000 Offer Shares, representing 1.0% of the issued and paid-up share capital of our Company have been reserved for application by the Eligible Employees, Directors and persons who have contributed to the success of our Group. Details of the allocation to Eligible Employees, Directors and persons who have contributed to the success of our Group are set out in Section 4.3.5 of this Prospectus; and

(ii) 68,200,000 Offer Shares, representing 2.0% of the issued and paid-up share capital of our Company will be made available for application by the Malaysian Public.

In summary, the Offer Shares will be allocated subject to the clawback and reallocation provisions and the Over-Allotment Option as set out in Sections 4.3.3 and 4.3.4 of this Prospectus respectively, in the following manner:

	Offer for Sale	
Categories	**No. of Offer Shares**	**% of existing share capital**
Retail Offering		
Malaysian Public (via balloting):		
- Bumiputera	34,100,000	1.0
- Non-Bumiputera	34,100,000	1.0
Eligible Employees, Directors and persons who have contributed to the success of our Group	34,100,000	1.0
Sub-total	**102,300,000**	**3.0**
Institutional Offering		
Bumiputera investors approved by the MITI	392,150,000	11.5
Other Malaysian and foreign institutional and selected investors	318,740,000	9.3
Sub-total	**710,890,000**	**20.8**
Total	**813,190,000**	**23.8**

The completion of the Retail Offering and the Institutional Offering are inter-conditional and is subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.5 of this Prospectus.

4.3.3 Clawback and reallocation

The Institutional Offering and the Retail Offering shall be subject to the following clawback and reallocation provisions:

(i) if the Offer Shares allocated to Bumiputera investors approved by the MITI are not fully taken up, the Offer Shares which are not taken up will be made available to other institutional and selected investors under the Institutional Offering;

(ii) subject to Section 4.3.3(i) above, if there is an over-subscription in the Retail Offering and an under-subscription in the Institutional Offering, the Offer Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and

(iii) if there is an under-subscription in the Retail Offering and an over-subscription in the Institutional Offering, the Offer Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription in both the Institutional Offering and the Retail Offering.

Any Offer Shares not taken up by the Eligible Employees, Directors and persons who have contributed to the success of the WHB Group ("**Excess Allocated Shares**") shall be made available for application by the Eligible Employees, Directors and persons who have contributed to the success of the WHB Group who have applied for Excess Allocated Shares on top of their pre-determined allocation ("**Eligible Individuals**") and shall be allocated on a fair and equitable basis and in the following manner:

(i) firstly, the allocation will be carried out on a pro-rata basis based on the number of pre-determined Offer Shares allocated to the Eligible Individuals who have applied for the Excess Allocated Shares; and

(ii) secondly, to minimise the odd lots.

Our Board reserves the right to allocate to the Eligible Individuals who have applied for Excess Allocated Shares on top of their pre-determined allocation in such manner as it deems fit and expedient in the best interest of our Company. Our Board also reserves the right to accept any Excess Allocated Shares application, in full or in part, without assigning any reason thereof.

Thereafter, any Excess Allocated Shares unallocated to the Eligible Individuals will be made available for application by the Malaysian Public under the Retail Offering, with any remaining Offer Shares thereafter underwritten by the underwriters, subject to the clawback and reallocation provisions.

4.3.4 Over-Allotment Option

The Over-Allotment Option Providers may grant an Over-Allotment Option to the Stabilising Manager (on behalf of the Placement Managers) and may appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may at their absolute discretion, over-allot Shares (on behalf of the Placement Managers) and subsequent thereto, effect transactions which may stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market. Such transactions consist of bids or purchases to peg, fix or maintain the price of our Shares. If the Stabilising Manager creates a short position in our Shares in connection with the Institutional Offering, the Stabilising Manager may reduce that short position by purchasing our Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-Allotment Option.

If granted, the Over-Allotment Option will be exercisable in whole or in part by the Stabilising Manager, on one (1) or more occasions, by giving written notice to the Over-Allotment Option Providers at any time, within 30 days from the date of Listing to purchase from the Over-Allotment Option Providers up to an aggregate of 81,319,000 Shares at the Institutional Price for each Share, representing up to approximately 10% of the total number of Offer Shares offered, solely for purposes of covering over-allotments of our Shares (if any).

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the Placement Managers) enter into the Share Lending Agreement with the Over-Allotment Option Providers to borrow up to an aggregate of 81,319,000 Shares to cover over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Over-Allotment Option Providers either through the purchase of our Shares in the open market by the Stabilising Manager in the conduct of stabilisation activities or through the exercise of the Over-Allotment Option by the Stabilising Manager, or a combination of both. The exercise of the Over-Allotment Option will not increase the total number of Shares issued.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market of Bursa Securities and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder. The number of Shares that the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may buy to undertake stabilising action shall not exceed an aggregate of 81,319,000 Shares, representing up to approximately 10% of the total number of Offer Shares offered. There is no obligation for the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) to undertake any such stabilising action. Such stabilising actions may commence on or after the commencement of trading of our Shares on the Main Market of Bursa Securities and, if commenced may be discontinued at any time and cannot be effected after the earliest of (i) the date falling 30 days from the commencement of trading of our Shares on the Main Market of Bursa Securities; or (ii) the date when the Stabilising Manager has bought, on the Main Market of Bursa Securities, an aggregate of 81,319,000 Shares representing up to approximately 10% of the total number of Offer Shares offered, to undertake stabilising action.

Neither our Company, the Over-Allotment Option Providers nor the Stabilising Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Shares. In addition, neither our Company, the Over-Allotment Option Providers nor the Stabilising Manager makes any representation that the Stabilising Manager will engage in such transactions, or that such transactions once commenced, will not be discontinued without notice (unless such notice is required by law).

4.3.5 Details of allocation to Eligible Employees, Directors and persons who have contributed to the success of our Group

The Eligible Employees, Directors and persons who have contributed to the success of our Group are allocated 34,100,000 Offer Shares, representing 1.0% of the issued and paid-up share capital of our Company under the Retail Offering, which was approved by our Board.

The summary of allocation of 34,100,000 Offer Shares as described above is set out below:

Eligible person	No. of eligible persons	Aggregate number of Offer Shares allocated
Eligible Employees[1] and Directors	3,639	30,565,500[2]
Persons who have contributed to the success of our Group[3]	254	3,534,500
Total	**3,893**	**34,100,000**

Notes:

(1) *The criteria for allocation are based on their length of service, job grade and their contribution to our Group.*

(2) *The allocation includes both the Scheme Shares (the details of which are set out in Section 15.4 of this Prospectus) and the Offer Shares to be subscribed for via the PINK Application Form.*

(3) *The criteria for allocation are based on, amongst others, their current and past contribution to our Group, nature, terms and duration of their relationship with our Group.*

4.4 Classes of shares and ranking

As at the date of this Prospectus, we only have one (1) class of shares, being ordinary shares of RM0.10 each.

The Offer Shares rank equally in all respects with our existing issued and paid-up Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, upon allotment and issue, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Articles of Association after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. On a show of hands, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one (1) vote. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one (1) vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.5 Minimum subscription level

There is no minimum subscription level in terms of the proceeds to be raised by the Selling Shareholders from our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of Offer Shares will be the number of Offer Shares required to be held by the public shareholders of our Company to comply with the public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

In the event that the public shareholding spread requirement is not met pursuant to our IPO and/or if we and the Selling Shareholders decide in our absolute discretion not to proceed with the Listing, monies paid in respect of any application for the Offer Shares will be returned in full without interest and if such monies are not returned in full within 14 days after the Selling Shareholders become liable to do so, then the Selling Shareholders and the officers of the Selling Shareholders shall be jointly and severally liable to return such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC from the expiration of that period until the full refund is made.

4.6 Selling Shareholders

Our Selling Shareholders who are offering the Offer Shares and their material relationship with our Group within the past three (3) years are as follows:

Selling Shareholders	Material relationship with our Group	Before our IPO		Shares offered pursuant to our IPO		After our IPO[1]	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
PRSB	Substantial shareholder and Promoter of our IPO	1,533,070,000	44.96	56,420,000	1.65	1,476,650,000	43.30
DISB	Substantial shareholder and Promoter of our IPO	256,465,000	7.52	256,465,000	7.52	-	-
SASB	Substantial shareholder and Promoter of our IPO	256,465,000	7.52	137,115,000	4.02	119,350,000	3.50
SPIH	Substantial shareholder	1,107,535,000	32.48	276,884,000	8.12	830,651,000	24.36

Selling Shareholders	Material relationship with our Group	Before our IPO		Shares offered pursuant to our IPO		After our IPO[(1)]	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
LVSB	Substantial shareholder	256,465,000	7.52	86,306,000	2.53	170,159,000	4.99

Note:

(1) Assuming the Over-Allotment Option is not exercised.

4.7 Basis of arriving at the price of the Offer Shares and refund mechanism

4.7.1 Retail Price

The Retail Price of RM2.50 per Offer Share was determined and agreed upon between our Directors, the Selling Shareholders, the Principal Adviser, the Joint Global Coordinators and the Managing Underwriter, after taking into consideration the following factors:

(i) our operating history and financial performance as described in Sections 7, 12 and 13 of this Prospectus, respectively;

(ii) our expected future dividend payouts. We have declared an interim single tier dividend amounting to RM148,590,000 in respect of the year ending 31 December 2013 representing a dividend payout ratio of 75% for the six (6) months ended 30 June 2013 which is consistent with our dividend policy as disclosed in Sections 3.10 and 12.6 of this Prospectus;

(iii) our competitive strengths, strategies and future plans as outlined in Sections 7.2 and 7.3 of this Prospectus;

(iv) overview and future outlook of the port industry as described in Section 8 of this Prospectus; and

(v) prevailing market conditions which include, among others, market performance of key global indices and companies which are in businesses similar to ours listed on other exchanges, as well as investors' sentiments.

Based on our pro forma comprehensive income attributable to the owners of our Company of RM401.65 million for the financial year ended 31 December 2012 and a dividend payout ratio of 75% pursuant to our dividend policy as disclosed in Sections 3.10 and 12.6 of this Prospectus, the Retail Price of RM2.50 per Offer Share represents a dividend yield of 3.53%. Further, based on our EPS of 11.78 sen which was arrived at based on our pro forma comprehensive income attributable to the owners of our Company of RM401.65 million for the financial year ended 31 December 2012 and our issued and paid-up share capital of 3,410,000,000 Shares, the Retail Price of RM2.50 per Offer Share represents a price-earnings multiple of approximately 21.22 times. As at 31 December 2012 and 30 June 2013, our pro forma consolidated NA per Share is RM0.39 and RM0.40 respectively, based on our issued and paid-up share capital of 3,410,000,000 Shares.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be the lower of:

(i) the Retail Price of RM2.50 per Offer Share; and

(ii) the Institutional Price,

subject to rounding to the nearest sen.

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to successful applicants, without any interest thereon. Further details on the refund mechanism are set out in Section 4.7.3 of this Prospectus.

Prospective retail investors should be aware that the Final Retail Price will not, in any event, be higher than the Retail Price of RM2.50 per Offer Share.

The Final Retail Price and the Institutional Price are expected to be announced within two (2) Market Days from the Price Determination Date via the Bursa Listing Information Network (Bursa LINK). In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for the Offer Shares.

Applicants should also note that the vagaries of market forces and other uncertainties may affect the market price of our Shares after Listing.

4.7.2 Institutional Price

The Institutional Price will be determined by way of a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of Offer Shares that they would be prepared to acquire and the price that they would be prepared to pay for such Offer Shares. This bookbuilding process commenced on 19 September 2013 and will end on 1 October 2013 or such other date or dates as our Directors, the Selling Shareholders and the Joint Global Coordinators may decide in their absolute discretion. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Joint Global Coordinators on the Price Determination Date.

If the Institutional Price is not fixed or agreed upon by our Directors and all the Selling Shareholders on the Price Determination Date, in consultation with the Joint Global Coordinators, our IPO and Listing will not proceed.

4.7.3 Refund mechanism

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to successful applicants without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address of the successful applicants maintained with Bursa Depository for applications made via Application Form or by crediting into the accounts of the successful applicants with the Participating Financial Institution for applications made via Electronic Share Application or Internet Share Application, within ten (10) Market Days from the date of the final ballot of applications, at the successful applicants' own risk.

Please refer to Sections 16.10 and 16.11 of this Prospectus for further details on the refund mechanism.

4.7.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon Listing would be approximately RM8.53 billion.

4.8 Objectives of our IPO

The objectives of our IPO are as follows:

(i) to enhance our profile to market our services;

(ii) to establish liquidity for our Shares; and

(iii) to provide an opportunity for the investing community including the Eligible Employees, Directors and persons who have contributed to the success of our Group to participate in the continuing growth of our Group by way of equity participation.

4.9 Dilution

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail and institutional and selected investors for our Shares. Our pro forma consolidated NA per Share represents the equity attributable to the shareholders of our Company over the number of Shares outstanding immediately prior to our IPO. Our pro forma consolidated NA per Share as at 30 June 2013 before adjusting for our IPO was RM0.41, based on 3,410,000,000 Shares.

As illustrated in the selected pro forma consolidated statement of financial position data as set out in Section 12.4 of this Prospectus, our pro forma consolidated NA per Share would be RM0.40 pursuant to the implementation of our IPO. This represents an immediate decrease in NA per Share of RM0.01 to our existing shareholders and an immediate dilution in NA per Share of RM2.10, representing approximately 84.0% of the Retail Price and the Institutional Price (assuming the Institutional Price and the Final Retail Price will be the Retail Price), to the retail, institutional and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

	(RM)
Retail Price / Institutional Price	2.50
Pro forma consolidated NA per Share as at 30 June 2013 after the MSA Termination, interim single tier dividend amounting to RM148,590,000 in respect of the year ending 31 December 2013 and Pre-Listing Exercise but before adjusting for our IPO	0.41
Pro forma consolidated NA per Share as at 30 June 2013 after adjusting for our IPO	0.40
Decrease in NA per Share to our existing shareholders	(0.01)
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors	2.10
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors as a percentage of the Retail Price	84.0%

Save as disclosed below and in Section 9.4.1 of this Prospectus, and our Shares issued pursuant to the Pre-Listing Exercise, none of our substantial shareholders, our Directors, our key management or persons connected to them have acquired and/or subscribed for shares in our Company in the past three (3) years up to the date of this Prospectus:

	No. of Pre-subdivided WHB Share	Consideration (RM)	Average price per Pre-subdivided WHB Share (RM)
LVSB*	10,000,000	90,000,000	9.00

Note:

* *These shares were transferred to LVSB by KNB.*

4.10 Utilisation of proceeds

As our Company will not be issuing any new Shares under our IPO, we will not receive any proceeds from our IPO. Our Board is of the view that our Company presently does not require additional equity funding for our business. Refer to Sections 12.2.6(i) and 12.2.9 of this Prospectus for details on our Group's sources and availability of funds for our business operations and expansion plan.

The gross proceeds from our IPO of up to RM2.03 billion (on the assumption that the Institutional Price is equivalent to the Retail Price) will accrue entirely to the Selling Shareholders and will be utilised by the Selling Shareholders.

4.11 Estimated expenses of our IPO

The expenses of our IPO to be borne by our Company are estimated to be RM15.8 million comprising the following:

	(RM '000)
Estimated professional fees	8,906.5
Estimated fees to authorities	1,168.5
Other fees and expenses such as printing, advertising, travel and road show expenses incurred in connection with the Listing	3,143.0
Miscellaneous expenses and contingencies	2,582.0
Total estimated Listing expenses	**15,800.0**

The Selling Shareholders will bear their own professional fees, brokerage, underwriting fee and placement fee, as well as other miscellaneous expenses in respect of our IPO, which is estimated to be approximately RM39.0 million.

Further details of the brokerage, underwriting fee and placement fee are set out in Section 4.12 below.

4.12 Brokerage, underwriting fee and placement fee

4.12.1 Brokerage

The Selling Shareholders will pay brokerage in respect of the sale of the Offer Shares under the Retail Offering at the rate of 1.0% of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Global Coordinators and the Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us nor the Selling Shareholders.

4.12.2 Underwriting fee

As stipulated in the Retail Underwriting Agreement, the Selling Shareholders will pay the Managing Underwriter and the Joint Underwriters an underwriting fee of 1.6% of the Retail Price multiplied by the total number of Offer Shares underwritten pursuant to the Retail Offering (subject to the clawback and reallocation provisions between the Retail Offering and the Institutional Offering).

4.12.3 Placement fee

The Selling Shareholders will utilise the proceeds raised from the Offer For Sale to pay the Placement Managers the following fees in accordance with the terms of the Placement Agreements:

(a) a placement fee of 1.6% of the amount equal to the Institutional Price multiplied by the number of Offer Shares sold pursuant to the Institutional Offering to Malaysian and foreign institutional and selected investors; and

(b) a discretionary fee of up to 0.5% of the amount equal to the Institutional Price multiplied by the number of Offer Shares sold pursuant to the Institutional Offering to Malaysian and foreign institutional and selected investors (other than the Bumiputera investors approved by the MITI).

4.13 Details of the underwriting, placement and lock-up arrangements

4.13.1 Underwriting

Pursuant to the Retail Underwriting Agreement, the Managing Underwriter and Joint Underwriters have agreed to severally but not jointly underwrite 102,300,000 Offer Shares under the Retail Offering subject to the clawback and reallocation provisions set out in Section 4.3.3 of this Prospectus and upon the terms and conditions of the Retail Underwriting Agreement for the underwriting fee as set out in Section 4.12.2 above, whilst the salient terms of the Retail Underwriting Agreement are as follows:

For the purposes of this Section,

(i) "**Admission**" means the admission of our Company's entire issued share capital (including the Offer Shares) to the Official List of the Main Market of Bursa Securities and the listing, quotation and trading of our Shares on the Main Market of Bursa Securities becoming effective in accordance with the Listing Requirements;

(ii) "**Business Day**" means a day (other than a Saturday, Sunday or a public holiday in Kuala Lumpur) on which Bursa Securities is open for trading in securities, and banks are open for business in Kuala Lumpur;

(iii) "**Closing Date**" means the last day and time for the acceptance of and payment for the Retail Offering in accordance with this Prospectus and the Application Form or any such date as may be extended from time to time by our Company and/or the Selling Shareholders with the agreement of the Managing Underwriter in writing;

(iv) "**Force Majeure**" means an event, condition or circumstance or its effect which, in the reasonable opinion of the Joint Underwriters:
writers:

(I) is unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation; and

(II) causes such party to be incapable of performing its obligations under the Retail Underwriting Agreement despite all reasonable efforts of such party claiming it as a Force Majeure to prevent it or mitigate its effects,

subject to satisfying the foregoing criteria, a Force Majeure includes without limitation acts of war, acts of warfare, hostilities, invasion, incursion by armed force, act of hostile nation or enemy, government, strikes, lockouts, civil war or commotion, acts of war, hijacking, terrorism, sabotage, riot, uprising against constituted authority, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power, or natural catastrophe including but not limited to fire, explosion, earthquakes, floods, fire, storm, lightning, tempest, explosions, epidemics or other acts of God;

(v) "**Lock-Up Letters**" means the lock-up letters to be issued by our Company, and the Selling Shareholders in favour of the Joint Global Coordinators in the form and manner as agreed by the Joint Global Coordinators, the Selling Shareholders and our Company;

(vi) "**Material Adverse Effect**" means a material adverse effect on:-

(I) the condition (financial or otherwise), prospects, earnings, business or operations of our Company or our Group, taken as a whole; or

(II) the ability of our Company or the Selling Shareholders to perform its or their respective obligations under the Retail Underwriting Agreement, or any of the Retail Underwriting Agreement, the Placement Agreements and the Lock-Up Letters; and

(vii) "**Majority Underwriters**" means such Joint Underwriters (which shall include the Managing Underwriter) whose underwriting commitment collectively represent not less than 60% of the aggregate underwriting commitment of all the Joint Underwriters;

(viii) "**Retail Offer Document**" means this Prospectus, and the Application Form, and where the context so permits or requires, either this Prospectus or the Application Form.

The Managing Underwriter acting under the instruction in writing of the Majority Underwriters may at any time before the date of the Listing, by notice in writing to our Company and the Selling Shareholders, terminate their respective underwriting commitment under the Retail Underwriting Agreement in the event of any of the following:

(a) there shall have been a material breach by our Company or the Selling Shareholders of any of the representations and warranties contained in the Retail Underwriting Agreement which is not capable of remedy or, if capable of remedy, is not remedied within 15 days from receipt of the notice of such breach being given to our Company and the Selling Shareholders by the Managing Underwriter or by the Closing Date, whichever is the earlier;

(b) there shall have been a material breach by our Company or the Selling Shareholders of any of the covenants or obligations contained in the Retail Underwriting Agreement which is not remedied within 15 days from receipt of the notice of such breach being given to our Company and the Selling Shareholders by the Managing Underwriter or by the Closing Date, whichever is the earlier;

(c) the Placement Agreements, Lock-Up Letters and agreements with Cornerstone Investors, if any, or any one (1) or more of them, shall have been terminated in accordance with their terms and/or any of the Selling Shareholders shall have failed to perform their obligations thereunder;

(d) SC or Bursa Securities suspends or revokes any approval for our IPO or makes any ruling (or revokes any ruling previously made), the effect of which is to prevent our Listing or quotation of our Shares on Bursa Securities;

(e) trading of all securities on Bursa Securities has been suspended or materially limited on, or by Bursa Securities, as the case may be for a period exceeding three (3) consecutive Market Days due to exceptional financial circumstances or otherwise;

(f) any new law or regulation or change in law, regulation, directive, policy or ruling in any jurisdiction which in the reasonable view of the Managing Underwriter and the Joint Underwrites has/is likely to have a Material Adverse Effect which is material in the context of our IPO or which in the reasonable opinion of the Managing Underwriter and the Joint Underwriters may prejudice the success of our Listing or which would have the effect of making it impracticable to enforce contracts to allot and/or transfer the Offer Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;

(g) there shall have been any other material adverse change, in national or international monetary, financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market or currency exchange rates or foreign exchange controls), political, legal, regulatory, taxation, industrial or economic conditions which in the reasonable opinion of the Joint Underwriters is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

   (i) on or after the date of the Retail Underwriting Agreement; and

   (ii) prior to the date of Listing,

   lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least five (5) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;

(h) our Company or the Selling Shareholders withholds any material information from the Managing Underwriter and the Joint Underwriters, which, in the reasonable opinion of the Managing Underwriter and the Joint Underwriters, is likely to have a Material Adverse Effect;

(i) there shall have occurred any outbreak or escalation of hostilities, epidemic, acts of terrorism, acts of God, accidents or interruptions, or any calamity or crisis or other event or series of events in the nature of Force Majeure that, in the reasonable judgment of the Managing Underwriter and Joint Underwriters, is material and adverse and which, singly or together with any other event specified in this clause, makes it, in the reasonable judgment of the Managing Underwriter and Joint Underwriters, impracticable or inadvisable to proceed with the offer, sale or delivery of the Offer Shares on the terms and in the manner contemplated in each Retail Offer Document;

(j) any government requisition or other occurrence of any nature whatsoever which would have a Material Adverse Effect or affect the success of our IPO;

(k) any commencement of legal proceedings or action against any member of our Group or the Selling Shareholders, which in the reasonable opinion of the Managing Underwriter and the Joint Underwriters, would have a Material Adverse Effect or make it impracticable to enforce contracts to allot and/or transfer the Offer Shares;

(l) any of the approvals by Bursa Securities or the SC is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have a Material Adverse Effect in the reasonable opinion of the Managing Underwriter;

(m) our IPO is cancelled by our Company or the Selling Shareholders; or

(n) Admission has not been completed by 9:00 am (Kuala Lumpur time) on 31 October 2013 (or such later date as is agreed between our Company, the Selling Shareholders and the Managing Underwriter).

4.13.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreements with the Placement Managers in relation to the placement of 318,740,000 Offer Shares under the Institutional Offering, subject to the clawback and reallocation provisions and the Over-Allotment Option as set out in Sections 4.3.3 and 4.3.4 of this Prospectus, respectively. We and each of the Selling Shareholders will be requested, on a several basis, to give various representations, warranties and undertakings, and to indemnify the Placement Managers against certain liabilities in connection with our IPO.

4.13.3 Lock-up arrangements

In connection with the Placement Agreements, we have entered into a lock-up agreement with the Joint Bookrunners on 6 September 2013 ("**Lock-up Date**") under which we agree that for a period beginning on the date of listing of our Shares on the Main Market of Bursa Securities ("**Listing Date**") until the date falling 180 days from the Listing Date ("**Lock-up Period**"), we will not, and shall procure that our affiliates and nominees or trustees holding Shares on trust for or on our behalf shall not, subject to certain exceptions, without the prior written consent of the Joint Bookrunners,

(a) offer, pledge, sell, contract to sell, mortgage, charge, assign, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or create any encumbrance, lend, hypothecate or otherwise transfer or dispose of, directly or indirectly, conditionally or unconditionally, our Shares (or any securities convertible into or exercisable or exchangeable for or representing a beneficial interest in our Shares),

(i) held by us as at the Lock-up Date; and

(ii) acquired by us after the Lock-up Date and until and including the Listing Date,

other than the Shares being offered and sold by the Selling Shareholders in connection with our IPO and certain other Shares as described in the lock-up agreements (collectively, the "**Relevant Shares**");

(b) enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, our Shares);

(c) agree to do or announce any intention to do any of the above; or

(d) sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by us which is directly, or through another company or other entity indirectly, the beneficial owner of the Relevant Shares.

In connection with the Placement Agreements, each of the Selling Shareholders have entered into a lock-up agreement with the Joint Bookrunners on the Lock-up Date under which it agrees that during the Lock-up Period, it will not, and shall procure that each of its shareholders, affiliates and nominees or trustees holding Shares on trust for or on its behalf shall not, subject to certain exceptions, without the prior written consent of the Joint Bookrunners,

(aa) offer, pledge, sell, contract to sell, mortgage, charge, assign, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or create any encumbrance, lend, hypothecate or otherwise transfer or dispose of, directly or indirectly, conditionally or unconditionally, our Shares (or any securities convertible into or exercisable or exchangeable for or representing a beneficial interest in our Shares),

(i) held by it as at the Lock-up Date; and

(ii) acquired by it after the Lock-up Date and until and including the Listing Date,

other than the Relevant Shares;

(bb) enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, our Shares);

(cc) agree to do or announce any intention to do any of the above; or

(dd) sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by it which is directly, or through another company or other entity indirectly, the beneficial owner of the Relevant Shares.

The Cornerstone Investors are subject to lock-up arrangements pursuant to which they have agreed that during the Lock-up Period, they will not, without the prior written consent of our Company, the Selling Shareholders and the Joint Bookrunners,

(aaa) offer, pledge, sell, transfer, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any Offer Shares acquired by the Cornerstone Investors from the Selling Shareholders and any shares or other securities of our Company which are derived therefrom pursuant to any rights issue, capitalisation issue or other form of capital reorganisation of our Company ("**Cornerstone Investors Lock-Up Shares**") or warrants or any securities convertible into or exercisable or exchangeable for the Cornerstone Investors Lock-Up Shares or warrants; or

(bbb) enter into any swap or any other agreement or any transaction that transfers, in whole or in part the economic consequence of ownership of the Cornerstone Investors Lock-Up Shares or warrants; or

(ccc) enter into any transaction with the same economic effect as any transaction described in (aaa) to (bbb) above; or

(ddd) agree or contract to, or publicly announce any intention to enter into, any transaction described in (aaa) to (ccc) above.

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4.14 Trading and settlement in secondary market

Upon our Listing, the Offer Shares will be traded through Bursa Securities and settled by book-entry settlement through CDS, which is operated by Bursa Depository. This will be effected in accordance with the rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to the subscribers or purchasers of the Offer Shares.

Beneficial owners of our Shares are required under the rules of Bursa Depository to maintain the Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors will be treated as our shareholders in respect of the number of Shares credited to their respective securities accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate a corporate restructuring process;

(iv) where a body corporate is removed from the Official List of the Main Market of Bursa Securities;

(v) to facilitate a rectification of any error; and

(vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot market. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately 12 Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfers to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

5. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that, to a large extent, our Group and our operations are governed by the legal, regulatory and business environment in Malaysia, which may in some aspects differ from those which prevail in other countries. Our business is subject to a number of factors, many of which are beyond our control. Prior to making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations set forth below. The risks and investment considerations set forth below are not an exhaustive list of all the risks that we are currently facing or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material and adverse effect on us or our Shares.

5.1 Risks relating to our business

5.1.1 Our business is highly dependent on global trading volumes, regional and global economic, financial and political conditions

Our core business consists of the development, management and operations of container terminals and the provision of cargo handling and other port-related services and our results of operations are affected by the volume of our business, which in turn depends on worldwide trade volumes as well as the import and export trade volumes of the region in which we operate. Global trade volumes and the import and export trade volumes of the region in which we operate are significantly affected by changes in economic, financial and political conditions regionally or globally that are beyond our control, including sanctions, boycotts and other measures as a result of trade barriers, trade disputes and work stoppages, particularly in the transportation services industry, and acts of war, hostilities, terrorism, natural disasters or epidemics.

The global economic crisis had an adverse effect on the operation of ports and related services in 2008 and 2009. The ports and related services sector saw a significant decline in global throughput and increased pricing pressure in the fourth quarter of 2008 compared to the third quarter of 2008, which continued into 2009. According to Drewry Maritime Advisors, the market recovered in 2010, with a 14.6% increase in global container throughput over 2009 and 4.4% growth over the previous peak in 2008 and in 2012, global container throughput increased by 4.5% over 2011 to reach 621.0 million TEUs. In addition to a general decrease in global import and export activity, the global credit crunch has also adversely affected the global shipping industry, as liquidity problems in the international banking sector have reduced the availability of credit, making the financing of shipments more difficult.

Furthermore, there may be excess capacity in the container shipping industry. According to Drewry Maritime Advisors, the number of new container ships on order as of June 2013 was equivalent to 19.7% of the then-existing global fleet capacity. As a result of this large order book, there may be an excess of capacity over demand in the container shipping industry over the next few years. Should the projected excess capacity in the container shipping industry trigger a fall in freight rates, shipping lines may attempt to reduce costs by pressuring container terminal operators to provide a reduction in rates relating to stevedoring or other services. However, the effectiveness of any such attempt would be affected by the balance between supply and demand for regional container terminal capacity. Any future deterioration in regional and global economic conditions could have an adverse effect on our business, financial condition and results of operations, as well as future growth.

5.1.2 We are dependent on a small number of customers for a significant portion of our business

Our largest customer, CMA CGM Group, contributed more than 10% of our total revenue for the years ended 31 December 2010, 2011 and 2012 and six (6) months ended 30 June 2013 and our five (5) largest customers accounted for an average of approximately 40.4% of our total revenue over those same periods. For details on our customers, refer to Section 7.12 of this Prospectus.

Our major customers are regional and global shipping companies and there can be no assurance that, if we were to lose all, or a significant portion of the business from one (1) or more of these major customers, we would be able to obtain any business from other customers in an amount sufficient to replace any such lost revenue or, even if we were able to obtain business from other customers, that it would be on commercially reasonable terms. Any non-renewal or entering into agreements on terms and conditions unfavourable to us may adversely affect our results of operations and profitability.

Additionally, we expect that a significant portion of our container revenue will continue to be attributable to a limited number of customers in the foreseeable future and if any of these customers reduce their business with us, it may result in lower capacity utilisation of our resources, which could adversely affect our profitability and results of operations.

5.1.3 We may face risks associated with debt financing and the debt covenants which could limit or affect our operations

As of 30 June 2013, we have in place approximately RM700.0 million outstanding in borrowings relating to the SMTN Programmes, of which SMTN I is secured over the amount maintained in certain deposits with certain licensed banks. As of 30 June 2013, the pledged deposits as securities for the borrowings relating to the SMTN Programmes amounted to RM27.1 million.

We are subject to risks associated with debt financing, including the risk that our cash flows will be insufficient to meet the required payments, including payments relating to redemption and profit rate, under our SMTN Programmes. For details on our borrowings and liquidity risk, refer to Sections 12.2.6(iii) and 12.2.14(iii) of this Prospectus, respectively.

If we are not able to meet all of our obligations to repay amounts outstanding on our SMTN Programmes or any future borrowings through our cash flow from operations, we may be required to repay maturing debt with funds from additional debt, equity financing or both. There can be no assurance that such financing will be available, or if so, on acceptable terms. If we fail to make payments under our SMTN Programmes or any future borrowings, the lenders may be able to declare a default and initiate enforcement proceedings and acceleration of payment, which may have an adverse effect on our business, financial condition and results of operations.

In addition, we may also be subject to certain covenants that may limit or otherwise adversely affect our operations. In particular, covenants contained in our current or future financing agreements may restrict us from undertaking capital expenditure in amounts and at times that we deem necessary or desirable or when specified by construction timelines for new container terminal facilities. For instance, under the SMTN Programmes, we are prohibited from making sales of certain assets and we are also required to adhere to certain financial covenants and to maintain certain financial ratios. Such financial covenants may restrict our ability to operate Westports or undertake capital expenditures and may require us to set aside funds for maintenance or repayment of security deposits. The triggering of any of such covenants may have an adverse effect on our business, financial condition, results of operations and prospects.

5.1.4 We are exposed to credit risk with respect to our customers and our business could be adversely affected if our customers default on their obligations

While we seek to limit our credit risk by setting credit limits for individual customers, taking financial guarantees from certain customers and monitoring outstanding receivables, our customers may in the future default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Our credit risk is increased by the fact that our largest customers operate in the same industry and therefore may be similarly affected by changes in economic and other conditions. Delayed payment, non-payment or non-performance on the part of one (1) or more of our major customers, or a number of our smaller customers, could have a material adverse effect on our business, financial condition, results of operations and prospects. For details on our credit risk, refer to Section 12.2.14(ii) of this Prospectus.

5.1.5 Our business requires significant periodic capital expenditure and we may not be able to secure funding as necessary or on desirable terms

We operate in a capital intensive industry that requires substantial amounts of capital and other long-term expenditures including those relating to the development of new container terminal facilities. We recently completed the construction and began full operations of CT6 in March 2013, and intend to continue the expansion of Westports' capacity with the construction of three (3) new container terminals, CT7, CT8 and CT9. We expect CT7 to be completed and become fully operational in 2015 while the timing and construction of CT8 and CT9 will depend on market conditions. Currently, we intend to fund the expansion through cash flows generated from operations and proceeds from the issuance of sukuk under the SMTN II. In the future, however, we may not be able to fund capital expenditure solely from cash provided by our financing facilities or from cash flows from operations, thereby requiring us to obtain additional equity or debt financing. Our ability to arrange external financing and the cost of such financing are dependent on numerous factors, including our future financial condition, contractual restrictions applicable to us, general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investors' confidence in us, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. We cannot assure you that we will be able to arrange any such external financing on commercially reasonable terms, if at all.

If we are unable to generate or obtain funds sufficient to make, or are otherwise restricted from making necessary or desirable capital expenditure and other investments, we may be unable to grow our business, which may have a material adverse effect on our financial condition, results of operations and prospects.

5.1.6 We are exposed to certain risks in respect of the expansion of our existing terminals and port facilities and the development and construction of new terminals and port facilities

Our new projects contemplated or currently under development include the construction of three (3) new container terminals as well as additional infrastructure to support the new terminals. Such expansion and construction projects, typically require substantial capital expenditure throughout the development, construction and upgrading phases and may take months or years before they become operational, during which time we are subject to a number of construction, financing, operating and other risks beyond our control, including, but not limited to:

(i) shortages of materials, equipment and labour;

(ii) adverse weather conditions and natural disasters;

(iii) adverse changes in demand for our services;

(iv) labour disputes and/or disputes with sub-contractors;

(v) inadequate infrastructure, including as a result of failure by third parties to fulfill their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;

(vi) failure to complete projects according to specification;

(vii) accidents;

(viii) changes in governmental priorities; and

(ix) an inability to obtain and maintain project development permission or requisite governmental licences, permits or approvals.

We are in the process of expanding our existing terminals and port facilities and expect to develop and construct new terminals and port facilities. Delays with respect to these projects may negatively affect our ability to complete our current or future projects on schedule, if at all, or within the estimated budget and may prevent us from achieving the projected revenues, internal rates of return or increased capacity associated with such projects. In addition, there can be no assurance that our revenues generated upon the completion of our projects will be sufficient to cover the associated construction and development costs.

In addition, the timing and speed of commencement of revenue-generating operations from our projects and capital expenditures, such as the expansion of our container terminal capacity or the addition of other services, may vary considerably from our expectations based upon the size and complexity of the project being implemented. These factors may make it difficult to replace anticipated income that we do not receive as a result of delays in implementing our services or due to losses of customers, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

5.1.7 We face significant competition in the container terminal industry which could adversely affect our ability to maintain or increase our market share and profitability

The container terminal industry in the region in which we operate is highly competitive. We face significant competition from other ports in the region, such as Northport, Port of Tanjung Pelepas and Port of Singapore for trade volume and throughput. Some of our competitors have greater financial resources, greater capacity, larger facilities and other capabilities, including better connectivity, which generally results in better cost and other efficiencies for customers. As a result, there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that our business, financial condition, results of operations and prospects will not be adversely affected by increased competition.

The container terminal industry has been characterised in recent years by the consolidation of participants to create global terminal operators, which enable them to offer global networks to their customers, which are themselves consolidating. According to Drewry Maritime Advisors, the top ten (10) international container terminal operators collectively accounted for more than 63% of global throughput for the year ended 31 December 2011. Industry consolidation has created increased competition for us as other global terminal operators are able to offer their shipping line customers alternative global networks and, in some cases, leverage existing relationships with shipping lines in one (1) region to support growth in other regions. The container shipping industry has also experienced significant consolidation as the major shipping lines seek to capitalise on economies of scale and enhance their global presence. This trend has reduced the number of potential customers for the container terminal industry and increased the impact that losing an existing customer or gaining a new customer could have on a terminal operator's business. For instance, if a current customer of ours merges or forms an alliance with a customer of a competitor port, there is no guarantee that the newly merged entity or newly formed alliance will use our port services rather than our competitors. In addition, shipping lines, which are our major customers, are increasingly investing in seaports and in their own dedicated terminal facilities and to the extent that these customers make such investments in the Straits of Malacca, they may prefer to use these facilities over ours. In addition to consolidation through mergers and acquisitions, shipping lines have increasingly entered into various forms of intra-industry cooperative arrangements, including the creation of liner alliances designed to increase the number of times ships sail on certain routes and broaden geographic coverage. These alliances provide terminal operators with the potential to align themselves as network or preferred terminal operators and thereby mirror the growth of, and make network propositions with respect to, such alliances. We expect that this trend will benefit the largest container terminal operators because of the high investment costs associated with maintaining a portfolio with the geographic scope necessary to offer a network proposition to the major shipping lines. Consolidation within the container terminal and container shipping industries, and the various intra-industry cooperative arrangements has also had the effect of both strengthening the business of our competitors and reducing the number of shipping customers available to us. We cannot assure you that consolidation within or between the container terminal and container shipping industries will not become more prevalent or that our competitors will not undertake additional mergers and acquisitions to increase their capacity, economies of scale and financial and market strength.

There can be no assurance that we will be able to retain our customers in the face of increased competition. For details on competition, refer to Section 7.10 of this Prospectus. If we are unable to compete effectively against our competitors, we may not be able to maintain or increase our market share and may lose customers or be forced to offer better incentives to retain customers, which could have a material adverse effect on our financial condition, results of operations and prospects.

5.1.8 Our results of operations may fluctuate significantly as a result of the seasonality of the shipping industry

The container port industry has historically experienced monthly variations in revenue as a result of various holiday seasons. In the past decade, these variations have resulted in monthly volatility in our operating results with revenues generally growing throughout the course of the year with increases during certain holiday seasons. In 2012, Westports' throughput experienced steady growth throughout the year as a result of increased cargo shipments from Asia and the Middle East, which peaked as a result of the Chinese New Year and the month of Ramadan, which in turn had caused an increase in throughput at various times throughout the year. As a result, our results of operations may fluctuate significantly and comparisons of operating results between different periods within a single financial year, or between different periods in different financial years, may not necessarily be meaningful and should not be relied upon as an indicator of our overall performance.

5.1.9 Our inability to successfully implement our expansion plans and effectively manage our growth strategy could have an adverse effect on our business, results of operations and financial condition

We have experienced considerable growth in our revenue over the past three (3) financial years. Our operational revenue for the years ended 31 December 2010, 2011 and 2012 was approximately RM975.0 million, RM1,115.3 million and RM1,226.2 million, respectively. Similarly, we have experienced growth in our operational revenue from RM600.5 million for the six (6) months ended 30 June 2012 to RM642.8 million for the six (6) months ended 30 June 2013. Our future prospects will depend upon our ability to grow our business and operations further. There can be no assurance that we will be able to grow our business and operations at the expected levels or at all, and accordingly, we cannot assure you that our operating revenue will continue to achieve a growth rate similar to those achieved in recent years.

Further, there can be no assurance that we will be able to effectively manage growth in business levels pursuant to the implementation of our expansion plans. In order to manage the growth effectively, we must also implement and improve our operating systems, IT platforms, procedures and internal controls on a timely basis. If we fail to implement such systems, procedures and controls or if there is any weakness in our internal controls, we may not be able to meet our customers' needs, hire and retain new employees, pursue new businesses, complete future strategic agreements or operate our business effectively.

There can be no assurance that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or to establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business, financial condition, results of operations and prospects.

5.1.10 Rising costs of fuel and electricity may affect us

Fuel and electricity costs account for a significant portion of our operating expenses. Any increase in the costs of fuel and electricity as a result of market forces or inflationary pressure may adversely affect our business, financial condition, results of operations and prospects. For example, our fuel cost increased by 55.6% from the year ended 31 December 2010 as compared to the year ended 31 December 2011 which was primarily due to, among others, the increase in fuel price, which increased by 40.0% from an average of US$90.05 per barrel in 2010 to an average of US$126.06 per barrel in 2011. Fuel and electricity costs accounted for 15.8%, 18.9% and 19.1% of our total operational cost of sales for the years ended 31 December 2010, 2011 and 2012, respectively. Fuel and electricity costs accounted for 19.5% and 17.5% of our total operational cost of sales for the six (6) months ended 30 June 2012 and 2013, respectively.

5.1.11 Increases in our costs may materially and adversely affect our operating results if we are unable to pass on such increases to our customers through an increase in tariffs in a timely manner

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

Tariff increases have been implemented in phases and thus there may be time lags between the events that caused us to petition for an increase and the actual increase in the tariff, which could negatively affect our results of operations. If we are unable to raise tariffs in a timely manner to cover increased expenses or to respond to changes in market conditions, our business, financial condition and results of operations may be adversely affected. For details on tariffs and fees, refer to Section 7.6.5 of this Prospectus.

5.1.12 Our operations are dependent on the availability of good road and rail connectivity and any disruption in the operation of or delays in the improvements to the road and rail network may have an adverse effect on our business and results of operations

Port Klang's South Port connects to Westports via rail which connects Westports to inland depots such as Ipoh Cargo Terminal in Perak, Nilai Inland Port in Negeri Sembilan, Padang Besar (at the Malaysian-Thailand border) and Segamat Inland Port in Johor. Through the Port Klang – Kuala Lumpur railway line, Westports is linked to the entire Malayan Railways network (also known as Keretapi Tanah Melayu railway network). Additionally, the North-South Expressway, North-South Expressway Central Link, Shah Alam Expressway and South Klang Valley Expressway all provide transport connectivity between Westports and the rest of Malaysia. As we are planning for capacity expansion, there can be no assurance that the existing system can cater for the increase in traffic resulting from increased throughput at our expanded facilities.

In addition, we are working with the local authorities to improve transportation links to the Klang Valley and the rest of Peninsular Malaysia. For example, we are currently in negotiations with the relevant authorities to approve additional funding to expand the access road to Pulau Indah from the current two (2) lanes to three (3) lanes in each direction. In addition, we expect that the South Klang Valley Expressway, certain sections of which are still under construction and expected to be operational by 2014, will provide additional access and reduce transportation time for cargo to and from South Klang Valley. However, there can be no assurance that existing or planned supporting road, highway and railway infrastructure near Westports will be completed or will not be closed, relocated, terminated or delayed. Such an occurrence would adversely impact the accessibility of Westports and our appeal and marketability to customers. This, in turn, may have an adverse effect on our business, financial condition, results of operations and prospects.

5.1.13 Changes in technology or improper maintenance may render our current equipment obsolete or require us to make substantial capital investments

Our business operations depend on key pieces of technologically advanced equipment and machinery, including cranes and yard handling equipment which are essential to our operations. We may be unable to ensure that such equipment and machinery are in line with the latest technological advances. The operation of such equipment and machinery may result in customers using competitor ports equipped with more advanced and efficient equipment resulting in a loss of revenue which may have an adverse effect on our business, financial condition and results of operations. For example, the increasing containerisation of cargoes in recent years has resulted in the construction of larger container vessels, which benefit from lower operating and voyage unit costs, such as fuel, port and canal fees, manning, repairs, insurance and ship management costs. According to Drewry Maritime Advisors, the average container vessel size has tripled over the past 20 years and will continue to grow as approximately 76% of the current containership order book is composed of ships in excess of 8,000 TEUs. The increasing number of relatively large ships puts pressure on container terminal operators to offer facilities with deepwater access and develop sophisticated shipping and port-related technology to meet the demands of these larger vessels (over 300 metres in length).

Further, a significant part of the equipment which we use requires regular maintenance, upgrading, revamping or replacement. Despite our planned operating and capital expenditure, there can be no assurance that the equipment will not suffer material damage through wear and tear, natural disasters or industrial accidents, or will not require further significant capital improvements or maintenance in the future. Additionally, we may fail to maintain sufficient financing and budgetary controls, planning and monitoring systems, procurement coordination, scheduling for equipment upgrading and maintenance and efficient use of hired services with respect to our equipment, all of which may increase the cost of operations which could have an adverse effect on our business, financial condition, results of operations and prospects.

5.1.14 Our IT systems which operate the terminal facilities may be subject to failure, which could result in delays to our operations

Our business spans a wide range of activities that are subject to rapid and significant changes in technology. We currently use our IT systems to facilitate a smooth flow of traffic and transactions, all of which adhere to current standards. We operate a variety of software programs and systems that control various aspects of Westports' operations. Examples of such systems are COSMOS, which controls every aspect of Westports' operations and our e-Terminal Plus, which provides an interface to the entire port community and integrates many of our operations to benefit our customers. In addition to these primary IT systems, we utilise other types of software and IT to ensure that there are no interruptions to Westports' operations. We have had temporary outages of our software systems in the past, and any material failure or breakdown in these systems in the future could interrupt normal business operations and result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown. Any prolonged failure or breakdown could significantly impact our ability to offer services to our customers, which may have an adverse effect on our business, financial condition, results of operations and prospects. Similarly, any significant delays or interruptions in our IT systems could cause delays and interruptions in the loading or unloading of customer cargo which could negatively impact our reputation as an efficient and reliable terminal operator.

5.1.15 We rely on third party vendors for certain port operations which may be subject to interruption

We rely on certain third party vendors to supply and maintain much of our equipment and IT systems as well as provide marine tug boat services, pilotage services and prime mover fleet services. In the event that one (1) or more of such third party vendors cease operations or become unable or unwilling to meet our needs, for example, due to work stoppage or labour unrest, there can be no assurance that we would be able to replace any such vendors promptly or on commercially reasonable terms. Delay or failure in finding suitable replacements could adversely affect our business, financial condition, results of operations and prospects.

5.1.16 We may not maintain sufficient insurance coverage for the risks associated with the operation of our business

Though we maintain insurance policies covering both assets and employees on terms common to the industry, our operations may be affected by a number of risks, including terrorist acts and war-related events, for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions or potential damage to our facilities, property and equipment caused by inclement weather, human error, pollution and labour disputes, as well as risks relating to our provision of services to customers, including, with respect to our container terminal operations, damage to customers' property, delays, misrouting of cargo and documentation errors, may result in losses or expose us to liabilities in excess of our insurance coverage or significantly impair our reputation. There can be no assurance that our insurance coverage will be sufficient to cover the loss arising from any or all such events or that we will be able to renew our existing insurance cover on commercially reasonable terms, if at all.

Should an incident occur in relation to which we have no insurance cover or inadequate insurance cover, we could lose the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed and, in certain cases, we may remain liable for financial obligations related to the impacted property. Similarly, in the event that any assessments are made against us in excess of any related insurance cover that we may maintain, our assets could be subject to attachment, confiscation or restraint under various judicial procedures. Any of these occurrences could have an adverse effect on our business, financial condition, results of operations and prospects.

Additionally, we are required to obtain insurance as per the terms of the Port Licence granted under the Privatisation Agreement and have secured insurance such as industrial all risk insurance, equipment all risk insurance, public liability insurance, corporate liability insurance and statutory insurances. If we fail to maintain sufficient levels of insurance, PKA may obtain such insurance policies on our behalf and PKA will be entitled to recover cost and expenses incurred in doing so with interest chargeable at an agreed rate, which may adversely affect our business, financial condition and results of operations. For details on our insurance policies, refer to Section 7.8 of this Prospectus.

5.1.17 Upgrading or repairs to the container terminals may disrupt our operations

Our container terminals may need to undergo upgrading or redevelopment works from time to time and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. Our business and operations may suffer some disruptions and it may not be possible to continue operations on areas affected by such upgrading or redevelopment works.

In addition, physical damage to the container terminals resulting from fire, severe weather or other causes may lead to a significant disruption to the business and operations of Westports and, together with the foregoing, may impose unforeseen costs and may have an adverse effect on our business, financial condition, results of operations and prospects.

5.1.18 We are required to have a number of approvals, licences, registrations, permits and property rights for our business from various regulatory authorities as well as under the Privatisation Agreement, and the failure to obtain or renew them in a timely manner may adversely affect our operations

We require a number of approvals, licences, registrations and permissions for operating our business, *inter alia*, approvals from various government entities such as for a Port Licence and Lease Agreement from the PKA, a licence for the management, operation and maintenance of information assets and information systems from CyberSecurity Malaysia, an agency under the Ministry of Science, Technology and Innovation, and certificates of fitness for our hoisting machines and unfired pressure vessels from the Department of Occupational Safety and Health, some of which may have expired and for which we have either made or are in the process of making an application for obtaining approval or renewal. However, there can be no assurance that such approval or renewal will be obtained, which could have a material adverse effect on our operations. For further details on our major licenses and permits, refer to Section 7.9 and Annexure B of this Prospectus.

We are also required to obtain approval from the GOM for various activities under the Privatisation Agreement. Under the Privatisation Agreement and the Port Licence, we are required to ensure that Westports complies with all plans, policies and directives of the GOM and the PKA, including the Malaysian National Port Policy and the Westports Development Plan, and to ensure that Westports remains equipped to provide and maintain a full range of competitive and adequate port services. Furthermore, we are required to ensure that Westports' facilities and services are profitable and effectively managed, and are required to allow the GOM and/or the PKA to conduct operational and financial audits throughout the concession period. We are also required to comply with all laws and the GOM policies on the conservation and preservation of the environment within Westports and to take all reasonable precautions to prevent pollution and adhere to all laws and regulations pertaining to pollution and discharge of effluent matters.

Our Port Licence may be suspended or revoked if the Privatisation Agreement or the Lease Agreement is terminated (for whatsoever reason). In this regard, we cannot assure you that such agreements will not be prematurely terminated (with or without cause) by the GOM or PKA, respectively.

Additionally, any expansion of the scope of the regulations governing the environmental obligations, in particular, would likely involve substantial additional costs, including costs relating to maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of our ability to address environmental incidents or external threats.

Our failure to obtain or comply with any of these or any other required approvals or licences, registrations, permits or renewals thereof, in a timely manner, or at all, could lead to substantial penalties, including criminal or administrative penalties, other punitive measures and/or increased regulatory scrutiny, trigger a default under one (1) or more of our financing agreements or invalidate and/or increase the cost of the insurance that we maintain for our business. For the most serious violations, we may also be forced to suspend operations until we obtain such certifications, permits or licences or otherwise bring our operations into compliance. If we are unable to control the costs involved in complying with these and other laws and regulations, or recover the full amount of such costs from our customers, our business, financial condition, results of operations and prospects may be adversely affected.

Furthermore, we may not be able to renew our Lease Agreement on the same terms upon expiration. Any revision or alteration of the terms of the Lease Agreement could adversely affect our business, financial condition, results of operations and prospects.

5.1.19 Our inability to maintain the Privatisation Agreement may adversely affect our financial condition and results of operations

The Privatisation Agreement with the GOM and PKA contains clauses that allow the GOM or PKA to terminate the Privatisation Agreement if we do not comply with any provision, obligation, covenant, warranty or undertaking as stipulated in the Privatisation Agreement or our Port Licence, which includes compliance with any policy of the GOM and PKA and other directives of the GOM. Additionally, the GOM may terminate the Privatisation Agreement without any reason if the GOM 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. The GOM via UKAS, in granting its consent to our IPO and the Listing, had imposed a condition that 51% of the equity shareholding in WMSB must be held by Malaysian citizens at all times after the Listing.

To the extent the level of shareholdings of Malaysians in WHB falls below 51%, remedial measures may include: (i) undertaking a proposal involving the issuance of new WHB Shares to Malaysians subject to regulatory and shareholders' approvals being obtained; (ii) seeking the assistance of our Malaysian major shareholders to increase their shareholding in our Company; and (iii) seeking indulgence from the GOM, via UKAS, for an extension of time to comply with the said condition whilst we formulate other potential remedial measures to address any shortfall. We cannot assure you that the GOM will grant us an extension of time to comply or address the equity shareholding condition or that our Malaysian major shareholders would lend any assistance, and there can also be no assurance that the Company would be able to complete such an issuance of Shares and any issuance may dilute our Company's then existing shareholders.

There can be no assurance that the Privatisation Agreement will not be prematurely terminated (with or without cause) or that we will not be penalised (with or without cause) by the GOM. If we are unable to maintain the Privatisation Agreement, our business, results of operations, financial condition and prospects may be adversely affected.

In addition, under the terms of the Privatisation Agreement, WMSB attained the right to develop and operate Westports for a period of 30 years until 31 August 2024. The GOM has agreed to extend this period by another 30 years to 31 August 2054, subject to the fulfilment of the following conditions: (i) the completion of the reclamation of the land and incidental works for CT6 to CT9 on or before 1 January 2014; and (ii) the completion of construction works for CT6 to be fully operational on or before 1 January 2014. In March 2013, the construction works for CT6 were completed and CT6 commenced full operations. In September 2012, land reclamation and incidental works for CT7 was completed. Furthermore, as at the LPD, approximately 91% of the land reclamation and incidental works for CT8 and CT9 have been completed and are expected to be fully completed by 31 December 2013. If we fail to satisfy the remaining conditions for the extension by the prescribed date and such condition cannot be extended, waived or amended, we may not be able to extend the concession beyond 31 August 2024, which may have an adverse effect on our business, results of operations, financial condition and prospects.

5.1.20 Our operations are subject to extensive environmental, health, safety and other related regulations

We, like other port operators globally and regionally, are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as accidents, damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal. These laws, rules and regulations also prescribe the punishments for any violations. In addition, we are subject to the ISPS Code which places additional security, safety and other such obligations on us. Any such additional compliance would require substantial investment in time on behalf of our management and staff, which may adversely affect our business and results of operations. Further, if we fail to adhere to such newly enacted or newly applicable laws, rules or regulations, we may lose accreditation and our operations may be disrupted. For details on safety, health and environment and quality assurance, refer to Section 7.7 of this Prospectus.

While we believe that our facilities are in compliance in all material respects with the applicable environmental laws and health and safety regulations and we have obtained the requisite permissions and clearances, we may incur additional costs and liabilities in relation to environmental concerns and compliance with these laws and regulations or any remedial measures in relation thereto. These additional costs and liabilities could be the result of penalties, fines, remedial measures and clean up liabilities or due to failing to adequately comply with more onerous laws or regulations. Any non-compliance with such laws and regulations may force us to close Westports' operations until we are in compliance with these laws and regulations, and in that event, our business, results of operations, financial condition and prospects may be adversely affected.

5.1.21 We may handle goods that are hazardous, which could result in spills and/or environmental damage

Certain of our customers are involved in the transportation of hazardous materials. The transportation of these materials, which are handled by us or our third-party operators, such as petroleum or chemicals, is subject to the risk of leaks and spills, which may cause environmental damage. Furthermore, our customers may ship undeclared hazardous cargo to avoid surcharges for which we may be held accountable. Although our management believes that our container terminals do not handle or store these hazardous chemicals in quantities that are in violation of any applicable regulations, there can be no assurance that they have not in the past or will not in the future violate applicable environmental regulations. Violations of environmental regulations may subject us to fines and penalties or result in the closure or temporary suspension of our operations. If we are found to have violated any environmental regulations because of the cargo handled and stored or required to discontinue handling such cargo, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

5.1.22 Our business and facilities may be adversely affected by severe weather conditions or natural disasters in Malaysia or elsewhere

Our business and operating facilities may be adversely affected by severe weather conditions, such as heavy rain and flooding, haze, dense fog and low visibility, climatic changes or natural disasters such as earthquakes, tremors, tsunamis and hurricanes. Such severe weather conditions, climatic changes or natural disasters may force us to temporarily suspend operations at our terminals. In some cases, we may temporarily suspend operations based on warnings from local and national meteorological departments. If weather conditions, climatic changes or natural disasters of any type were to force the terminals to close for an extended period of time, our facilities and our business may be adversely affected. In addition, any weather condition, climatic change or natural disaster, including but not limited to severe monsoons or flooding, affecting ports that serve as starting points or final destinations for shipping lines calling at Westports may have an adverse effect on our business.

Additionally, natural disasters in Malaysia or in Southeast Asia may lead to a disruption of transportation networks, information systems and communication service on which we rely for sustained periods of time. Further prolonged spells of natural calamities could have a negative impact on the Malaysian economy, adversely affecting our business. We may also be liable to our customers for disruption in our operations resulting from such damage or destruction. Furthermore, prolonged disruption of port operations may entitle our customers to terminate their contracts. Any such disruptions may have an adverse effect on our business, financial condition, results of operations and prospects.

5.1.23 Our operations depend on the adequate and timely supply of spare parts and equipment at acceptable prices and quality

Our successful operations depend on our ability to obtain spare parts and equipment from suppliers at commercially acceptable prices and quality in a timely manner. We are exposed to the market risk of price fluctuations for certain spare parts and equipment. The prices and availability of such items may vary significantly from period to period due to factors such as consumer demand, production capacity, market conditions and costs of raw materials.

The supply of spare parts and equipment required for our operations to a large extent depends on the economic, natural and other conditions of the region where we operate our business. As such, we cannot assure you that we will be able to continue to obtain sufficient spare parts or equipment at commercially acceptable prices, in a timely manner, or at all. Furthermore, if we are forced to acquire such items at commercially acceptable prices, we may be prevented from passing on any cost increases to our customers. Any failure to obtain adequate spare parts and equipment in a timely manner or to do so on commercially acceptable terms, may materially and adversely affect our business, results of operations and financial condition.

5.1.24 We are exposed to certain operational risks relating to work stoppages

We may experience disruptions to our operations due to labour disputes or other labour unrest and are exposed to the risk of formation of unions, which may adversely affect our business, financial condition, results of operations and prospects. Any disruptions of transportation services or the vendors of our outsourced services due to strikes, or other events could also impair our customers' ability to use any of our terminals. Such disruptions may adversely affect our business, financial condition, results of operations and prospects.

5.1.25 Certain tax incentives or exemptions from the GOM may no longer be available to us in the future

We are eligible for certain tax incentives and exemptions granted by the GOM relating to capital expenditure allowances. For us to benefit from these tax incentives and exemptions, certain conditions must be satisfied during the period in which these tax incentives are in effect. For details on our tax benefits and tax expense, refer to Sections 12.2.2(v) and 12.2.4(x) of this Prospectus, respectively. To the extent that these conditions are not met before their respective expiry dates, these tax incentives and exemptions may no longer be available to us. If GOM authorities choose to discontinue the tax benefits we currently receive, either due to our failure to meet certain conditions necessary for such renewal or due to a change in law, our results of operations and financial position may be adversely affected.

5.1.26 Fluctuations in currency exchange rates may have an adverse effect on our results of operations

Although our revenue is denominated in RM, we are exposed to fluctuations in foreign currency exchange rates in relation to purchases in currencies other than RM. We have incurred, and expect to continue to incur, expenses, such as purchases of machineries and parts, which are denominated mainly in US Dollar. For the six (6) months ended 30 June 2013, approximately RM76.3 million of our purchases were denominated in foreign currencies. Further, our purchase of fuel, although denominated in RM, is exposed to fluctuations in foreign currency exchange rates as our fuel cost is also dependent on the global fuel price. As a result, currency fluctuations may have an impact on our results of operations. A depreciation of RM against US Dollar could increase the costs of fuel, machineries and parts necessary for the operation of our business. Conversely, an appreciation of RM against US Dollar may reduce the costs of fuel and such equipment in RM terms. Furthermore, an appreciation of the RM against other currencies may reduce our revenues due to a reduction in our competitiveness as the tariffs charged for our services may be more costly as compared against other currencies charged by our competitors. For details on currency risk, refer to Section 12.2.14(iv) of this Prospectus.

5.1.27 Our key management team and other key personnel in our business units are critical to our continued success and the loss of, or the inability to attract and retain, such personnel in the future could harm our business

Our success substantially depends on the continued service and performance of our key management team and other key personnel for the management and running of port operations and the planning and execution of our business strategy. Our ability to implement our business strategy will depend, in large part, on our ability to attract, train, motivate and retain highly skilled personnel. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in the port industry and if we lose the services of any of these key individuals to competitors and are unable to find suitable replacements in a timely manner, our ability to implement and realise our strategic objectives could be impaired.

The loss of services of some of our senior management team may adversely affect our business, results of operations and prospects. For details on our key management, refer to Section 9.6 of this Prospectus.

5.1.28 The GOM (through MOF Inc.) by virtue of the Special Share may have interests which conflict with those of our shareholders

Pursuant to the Privatisation Agreement, WMSB is required to ensure that one (1) Special Share is held by the GOM through the MOF Inc. The Special Share is currently held by the MOF Inc. but may be transferred to its successor or any minister of the GOM, representative or any person acting on behalf of the GOM. The MOF Inc. as the holder of the Special Share ("**Special Shareholder**") or any person acting on behalf of the Special Shareholder shall be entitled to receive notice of and to attend and speak at all general meetings or any other meeting of any class of shareholders of WMSB, but the Special Share shall carry no right to vote or any other rights at such meeting. The Special Shareholder shall be entitled to nominate one (1) director to be on the board of directors of WMSB.

Certain matters, including the alteration of the Articles of Association of WMSB relating to the rights of the Special Shareholder, proposed dissolution of WMSB, issuance of new shares (when aggregated with all other existing issued shares of WMSB, carry the right to cast on a poll more than 10% of the right to vote by all members at a general meeting of WMSB) or any substantial disposal of assets or any proposals affecting national interests, require the prior consent of the Special Shareholder. There can be no assurance that the interests of the GOM-appointed board member or the representative of the Special Shareholder will be aligned with those of our shareholders, in particular on matters involving national interests. For the terms of the Special Share held by the MOF Inc., refer to Section 6.5 of this Prospectus.

5.1.29 Any change in government control or regulations may have an adverse effect on our financial condition

The growth of the shipping and logistics industry moves in tandem with the growth of the manufacturing industry. Therefore, any government control or regulations imposed on either the shipping industry or the manufacturing industry could adversely affect our future growth and level of profitability.

The GOM does, from time to time, adopt policies and implement guidelines that may affect business in Malaysia, such as methods of taxation, currency exchange controls, licensing regulations and other regulations. However, there can be no assurance that any change or amendments to the laws, policies and regulations by the GOM will not adversely affect our business, financial condition, results of operations and prospects.

5.1.30 The pro forma financial information contained in this Prospectus may not accurately reflect our historical financial position, results of operations and cash flows

The pro forma financial information as of and for the years ended 31 December 2010, 2011 and 2012 and the six (6) months ended 30 June 2013 included elsewhere in this Prospectus have been prepared incorporating adjustments to reflect the MSA Termination and its related tax effects at the statutory tax rate of 25%. As the pro forma financial information is prepared for illustrative purposes only, such information, because of its nature, may not give a true picture of the effects of the adjustments on our financial position, results of operations or cash flows had the MSA Termination actually occurred on the stated date of such pro forma financial information. Further, such information does not purport to predict our future financial condition, results of operations, prospects or cash flows.

As a result, your ability to understand our financial condition, results of operations or cash flows based on our historical consolidated financial statements or pro forma financial information may be limited.

5.1.31 Forward-looking statements in this Prospectus may not be accurate and are subject to uncertainties and contingencies

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future result, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminologies such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, among others, general economic and business conditions, competitive environment of the industry in which we operate, the impact of future regulatory or government policy changes affecting us or the industry in which we operate, the continued availability of capital and financing and other factors beyond our control.

In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved and we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Prospectus to reflect any changes in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

5.1.32 Terrorist acts and other catastrophic events may affect our operations

Our business operations could be adversely affected or disrupted by terrorist attack, natural disasters (such as earthquakes, floods, tsunamis, hurricanes, hydrologic and climatic patterns, fires or typhoons) or other catastrophic or otherwise disruptive events, including, but not limited to:

(i) invasion, piracy, sabotage, rebellion, revolution, insurrection, military or usurped power, war and radioactive or other material environmental contamination;

(ii) riots or other forms of civil disturbance;

(iii) any recurrence of severe acute respiratory syndrome or outbreak of Avian Flu or other contagious disease, which may adversely affect global or regional trade volumes or customer demand with respect to cargo transported to or from affected areas or lead to any imposition of quarantines;

(iv) denial of the use of any railway, port, airport, shipping service or other means of public transport; and

(v) strike or lock-out or other industrial action by workers or employers.

5.1.33 Certain of our structures that we currently use do not have the requisite CFOs, which may adversely affect our operations

Our development applications for our port facilities which are in accordance with the Westports Development Plan are submitted to the PKA for their approval prior to the development of our port facilities. Our port facilities that are constructed and completed as at the date of this Prospectus have all been issued with certificates of practical completion. These certificates of practical completion were issued by the independent consulting engineer in-charge of the construction and development of our port facilities.

Notwithstanding this, certain wharves and structures that we are currently utilising do not have the requisite CFOs and in view of this, we have submitted the applications for some of the CFOs on 31 January 2013 and 14 August 2013, respectively. As at the LPD, there are certain applications for the CFOs which have not been made and we have not yet obtained the CFOs for applications which had been made on the aforementioned dates. Refer to Annexure A of this Prospectus for details of the wharves and structures which are pending the said CFOs.

Although we are taking necessary steps to obtain the CFOs for these wharves and structures, there can be no assurance that we will receive the CFOs and neither can we assure you that we will not be penalised for utilising the said wharves or structures without a CFO. Further, there can be no assurance that we will be able to submit the aforesaid outstanding applications in a timely manner as such applications are dependent upon various GOM agencies' inspection and/or approval.

Our failure to obtain these CFOs in a timely manner, or at all, could lead to the imposition of penalties and/or other punitive measures. In addition, there can be also no assurance that our business, financial condition, results of operation and prospects will not be adversely affected as a result of any imposition of penalties and/or other punitive measures or our failure to obtain the CFOs in a timely manner, or at all.

5.2 Risks relating to the port industry

5.2.1 We rely on security procedures carried out at other port facilities and by our shipping line customers, which are outside our control

We inspect the physical condition and the seals of containers that enter Westports in accordance with our own practices and the inspection procedures prescribed by, and under the authority of the PKA charged with oversight of Westports. We also rely on the security procedures carried out by shipping line customers and the port facilities that containers have previously passed through to supplement our own inspection to varying degrees.

However, there can be no assurance that the cargo that passes through Westports will not be affected by breaches in security or acts of terrorism, either directly or indirectly, in other areas of the supply chain, which would have an impact on us. A security breach or act of terrorism that occurs at one (1) or more of the facilities, or at a shipping line or other port facility that has handled the cargo prior to the cargo arriving at our facilities, could subject us to significant liability, including the risk of litigation and damage to our reputation.

In addition, a major security breach or act of terrorism that occurs at one of the facilities or one of our competitors' facilities may result in a temporary shutdown of the container terminal industry and/or the introduction of additional or more stringent security measures and other regulations affecting the container terminal industry, including us. The costs associated with any such outcome may have an adverse effect on our business, financial condition, results of operations and prospects.

5.2.2 Additional security requirements may increase our operating costs and restrict our ability to conduct our business

In recent years, various international bodies and governmental agencies and authorities have implemented numerous security measures that affect container terminal operations and the costs associated with such operations. Examples of recent security measures include the ISPS Code, which was implemented in 2004, and, to the extent that we handle cargo destined for the United States, the global security initiatives emanating from the US Safe Ports Act of 2006, specifically the Container Security Initiative and the Secure Freight Initiative, which require us to work with US Customs and Border Protection agents to identify high risk containers prior to shipment to the United States. Failure to comply with the security requirements applicable to us or to obtain relevant security-related certifications may, among other things, prevent certain shipping line customers from using our facilities and result in higher insurance premiums, which could have an adverse effect on our business, financial condition, results of operations and prospects.

The costs associated with existing and any additional or updated security measures will negatively affect our operating income to the extent that we are unable to recover the full amount of such costs from our customers, who generally also have faced increased security-related costs. Similarly, additional security measures that require us to increase the scope of our screening procedures may effectively reduce the capacity of, and increase congestion at, Westports, which may negatively affect our business, financial condition, results of operations and prospects.

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5.3 Risks relating to our Shares

5.3.1 Future issuance or sales, or market perception of sales, of substantial amounts of our Shares or other securities relating to our Shares in the public market could materially and adversely affect the prevailing market price of our Shares following our IPO

Future sales by our shareholders of substantial amounts of our Shares or other securities relating to our Shares in the open market after the IPO, or the perception that these sales may occur, could adversely affect the market prices of our Shares prevailing from time to time. The market price of our Shares may decline as a result of future sales of substantial amounts of our Shares or other securities relating to our Shares in the open market, the issuance of new Shares or other securities relating to our Shares, or the perception that such sales or issuances may occur. This could also materially and adversely affect our ability to raise capital at a time and at a price we deem appropriate.

5.3.2 Ownership and control by our existing shareholders

Our controlling shareholders, PRSB and SASB (being a person connected to PRSB), will collectively hold in aggregate approximately 46.80% (on the assumption that the Over-Allotment Option is not exercised) of our issued and paid-up share capital upon Listing, of which, as at the LPD, 30,612,245 Pre-subdivided WHB Shares have been pledged with AmBank (M) Berhad as security for bank facilities granted to PRSB. As a result, the controlling shareholders will be able to influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. We cannot assure you that the views of our controlling shareholders will be aligned with that of management or of our other shareholders.

5.3.3 There has been no prior market for our Shares and it is uncertain whether a market will ever develop or, if a market does develop, whether it will be sustained

There has been no prior market for our Shares and it is uncertain whether a market will ever develop or, if a market does develop, whether it will be sustained. There can be no assurance as to the liquidity of any market that may develop for our Shares, the ability of our shareholders to sell their Shares or the prices at which holders would be able to sell their Shares.

Our Shares could trade at prices that may be lower than the Final Retail Price and/or Institutional Price depending on many factors, including prevailing economic and financial conditions in Malaysia, our operating results and the markets for similar securities. In addition, markets for securities in emerging markets have been subjected to disruptions that have caused intense volatility in the prices of securities similar to our Shares. There can be no assurance that the market for our Shares, if any, will not be subject to similar disruptions. Any disruption in such markets may have an adverse effect on the price of our Shares.

5.3.4 Our Share price and trading volume may be volatile

The market price of our Shares may fluctuate as a result of, among others, variations in the trading liquidity of our Shares, differences between our actual financial operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations. The market price of our Shares is also susceptible to developments in the port and shipping industry, including new developments or technology advancements, corporate exercises, acquisitions or strategic alliances by our competitors.

Furthermore, if the trading volume of our Shares is low, any price fluctuation may be exacerbated. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Final Retail Price and/or the Institutional Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility which have affected the share price of many public listed companies. Share prices of these companies have experienced wide fluctuations which were not always related to their respective operating performance. There can be no assurance that the price and trading volume of our Shares will not suffer similar fluctuations in the future.

5.3.5 We cannot assure you that we will declare and distribute any dividends in the future

Dividend payments are not guaranteed and our Board may decide, at its absolute discretion, at any time and for any reason, not to pay dividends or to change our dividend policy. If we are unable to pay dividends in accordance with our dividend policy, or unable to pay dividends at levels anticipated by our investors, the market price of our Shares may be negatively affected and the value of any investment in our Shares may be reduced.

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

Any payment of dividends may adversely affect our ability to fund unexpected capital expenditures as well as the ability to make payments on our borrowings and financing if cash flow from operations is insufficient. As a result, we may be required to incur additional borrowings or raise new capital by issuing equity securities, which we may not be able to do on favourable terms, or at all. Furthermore, in the event that we incur new borrowings subsequent to our IPO, we may be subject to financial covenants restricting our ability to pay dividends.

In addition, we are an investment holding company and we conduct substantially all of our operations through WMSB. Accordingly, an important source of our income, and consequently an important factor in our ability to pay dividends on our Shares, is the amount of dividends and other distributions that we receive from WMSB. The ability of WMSB to pay dividends or make other distributions to us in the future will depend upon, among others, its operating results, earnings, capital requirements and general financial condition, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from WMSB. For example, under the SMTN II, WMSB may not declare dividend on share capital if upon such declaration or following such declaration (i) (a) its finance service cover ratio is less than 1.25 times, or (b) its finance to equity ratio exceeds 2.00 times, (ii) an event of default occurs, and (iii) funds in the sinking fund account and/or profit service reserve account do not meet the required credit balance.

In addition, changes in MFRS and IFRS may also affect the ability of WMSB, and consequently, our ability, to declare and pay dividends. Furthermore, as a shareholder of WMSB, our claims against WMSB will generally rank junior to those of all other creditors and claimants of WMSB. In the event of WMSB's liquidation, there may not be sufficient assets after paying creditors and claimants for us to recoup our investment and this may have a material and adverse effect on our business, results of operations and financial position. For a description of our dividend policy, refer to Sections 3.10 and 12.6 of this Prospectus.

5.3.6 There may be a delay in our Listing or failure to list our Shares

Our Listing may be potentially delayed or aborted upon the occurrence of certain events, including the following:

(i) we are unable to meet the public shareholding spread requirement under the Listing Requirements of having at least 25.0% of our Shares for which Listing is sought being held by at least 1,000 public shareholders holding not less than 100 Shares each at the point of Listing; or

(ii) the revocation of the approval of Bursa Securities for the Listing and/or admission to the Official List for whatever reason.

If our Listing is aborted, investors will not receive any Shares and the Selling Shareholders will return in full, without interest, all monies paid in respect of any application for our Shares. If any such monies are not repaid in full within 14 days after the Selling Shareholders become liable to repay it, the provisions of subsections 243(2) and 243(6) of the CMSA shall apply accordingly.

5.3.7 Because the Retail Price and the Institutional Price are higher than our NA value per Share, purchasers of our Shares will experience immediate and substantial dilution and purchasers of our Shares may experience further dilution if we issue additional Shares in the future

The Retail Price is higher than our NA value per Share prior to our IPO. Therefore, purchasers of our Shares will experience an immediate dilution in NA value of RM2.10 per Share, assuming that the Retail Price of RM2.50 per Share is equivalent to the Final Retail Price and the Institutional Price, and our existing shareholders will also experience a decrease in the NA value per Share. If we issue additional Shares in the future, you may experience further dilution.

5.3.8 Future fundraising may dilute shareholders' equity or restrict our operations

We may require additional funding for our future growth. This may result in dilution of our shareholders' equity, or restrictions imposed by additional debt funding such as maintenance of a certain level of current ratio, gearing ratio and/or dividend payouts, amongst others.

Our capital requirements are dependent on, amongst others, our business, the availability of our resources for attracting, maintaining and enlarging our customer base and the need to maintain and expand our production facilities. Thus, we may need additional capital expenditure for mergers and acquisitions or investments. An issue of Shares or other securities to raise funds will dilute shareholders' equity interest and may, in the case of a rights issue, require additional investments by shareholders.

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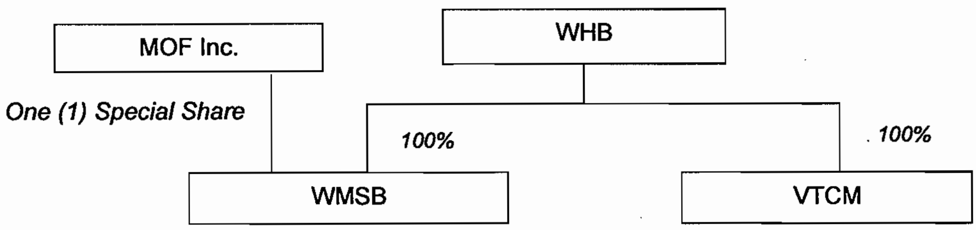
6. INFORMATION ON OUR GROUP

6.1 History and background of our Group

Our Company was incorporated in Malaysia under the Act as a private company limited by shares on 27 April 1993 under the name of Steadfast Equity Sdn Bhd and on 1 August 1994, our Company changed its name to Klang Multi Terminal Holdings Sdn Bhd. Our Company then changed its name to Westport Holdings Sdn Bhd on 4 January 1995 and subsequently assumed the name of Westports Holdings Sdn Bhd on 14 November 2007. We commenced our business on 1 August 1994 and converted from a private company limited by shares to a public company limited by shares on 26 April 2013.

We are principally involved in investment holding and the provision of management services to our subsidiaries, namely, WMSB and VTCM. The principal activity of WMSB is port development and management of port operations whilst VTCM is in the process of being voluntarily wound up.

Our current Group structure is set out below:



6.2 Pre-Listing Exercise

Prior to our IPO, our Company had implemented and completed a Pre-Listing Exercise which comprised the following:

6.2.1 Bonus Issue

We undertook a bonus issue involving the issuance of 183,000,000 Bonus Shares, which were credited as fully paid-up, on the basis of approximately 1.56 Bonus Shares for every one (1) Pre-subdivided WHB Share held by capitalising a total of RM183,000,000 from our audited retained earnings and share premium as at 31 December 2012 of RM149,000,000 and RM34,000,000 respectively.

The Bonus Issue was completed on 29 August 2013.

Upon completion of the Bonus Issue, our issued and paid-up share capital increased from 117,000,000 Pre-subdivided WHB Shares to 300,000,000 Pre-subdivided WHB Shares.

6.2.2 Subdivision of Shares

Upon completion of the Bonus Issue, we undertook a subdivision of one (1) Pre-subdivided WHB Share into ten (10) WHB Shares, which were credited as fully paid-up.

The Subdivision of Shares was completed on 29 August 2013.

In consequence thereof, our authorised share capital of RM500,000,000 comprised 5,000,000,000 WHB Shares whilst our issued and paid-up share capital of RM300,000,000 comprised 3,000,000,000 WHB Shares.

6.2.3 Special Dividend

After the completion of the Bonus Issue and Subdivision of Shares, we had on 29 August 2013 paid a special cash dividend of RM738,000,000 which was funded by the dividend income which we had received from WMSB.

6.2.4 Shares Subscription

In view that we will not be raising any proceeds from our IPO, PRSB and SPIH had on 29 August 2013 subscribed for 246,000,000 new WHB Shares and 164,000,000 new WHB Shares respectively at an issue price of RM1.80 for each WHB Share.

The proceeds arising from the Shares Subscription were applied towards meeting the working capital requirements and general operating purposes of WMSB.

For the avoidance of doubt, these new WHB Shares were not entitled to the Special Dividend.

6.3 Share capital

As at the date of this Prospectus, our authorised share capital is RM500,000,000.00 comprising 5,000,000,000 Shares whilst our issued and paid-up share capital is RM341,000,000.00 comprising 3,410,000,000 Shares.

As at the date of this Prospectus, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital. None of our Shares and shares in our subsidiaries were issued and allotted at a discount or have any special terms or instalment payment terms. Our issued Shares and issued shares in our subsidiaries are fully paid-up.

Details of the changes to our issued and paid-up share capital since the date of our incorporation up to the date of this Prospectus are as follows:

Date of allotment	No. of shares	Par value	Consideration (Cash or otherwise)	Cumulative issued and paid-up share capital
		RM		RM
27 April 1993	2	1.00	Cash	2.00
23 September 1994	89,999, 998	1.00	Cash	90,000,000.00
23 September 1994	10,000,000	1.00	Cash	100,000,000.00
21 December 2000	17,000,000	1.00	Otherwise than cash(1)	117,000,000.00
29 August 2013	183,000,000	1.00	Otherwise than cash(2)	300,000,000.00
29 August 2013	410,000,000	0.10(3)	Cash(4)	341,000,000.00

Notes:

(1) In relation to the conversion of 51,000,000 units of ICULS in accordance with the deed poll dated 9 September 1996, the supplemental deed poll dated 29 June 1999, the second supplemental deed poll dated 15 April 2000, and the third supplemental deed poll dated 23 October 2000.

(2) In conjunction with the Bonus Issue.

(3) In conjunction with the Subdivision of Shares.

(4) In conjunction with the Shares Subscription.

6.4 Our subsidiaries

The details of our subsidiaries as at the date of this Prospectus are set out below:

6.4.1 WMSB (Company No.: 192725-V)

(i) History and business

WMSB was incorporated in Malaysia under the Act as a private limited company under the name of Kelang Multi Terminal Sdn Bhd on 24 January 1990 and assumed its present name on 29 December 2006.

The principal activity of WMSB is port development and management of port operations. WMSB commenced its business on 1 September 1994.

(ii) Share capital

The authorised share capital of WMSB is RM1,000,000,001.00 comprising 1,000,000,000 ordinary shares of RM1.00 each and one (1) Special Share, of which 893,000,000 ordinary shares of RM1.00 each and one (1) Special Share are issued and fully paid-up.

Details of the changes to the issued and paid-up ordinary share capital of WMSB for the past three (3) years preceding the date of this Prospectus are as follows:

Date of allotment	No. of shares	Par value	Consideration	Cumulative issued and paid-up ordinary share capital
		RM		RM
29 August 2013	493,000,000	1.00	Cash	893,000,000.00

(iii) Shareholders

As at the date of this Prospectus, WMSB is our subsidiary. The Special Share is held by the MOF Inc. on behalf of the GOM. For further details on the Special Share, please refer to Section 6.5 of this Prospectus.

(iv) Subsidiary and associated company

As at the date of this Prospectus, WMSB does not have any subsidiary or associated company.

6.4.2 VTCM (Company No.: 374058-H)

(i) History and business

VTCM was incorporated in Malaysia under the Act as a private limited company under the name of Pleasant Matrix Sdn Bhd on 16 January 1996 and changed its name to Vehicle Terminal Centre (Malaysia) Sdn Bhd on 28 March 1996. VTCM assumed its present name on 11 June 1996.

The principal activity of VTCM is providing storage and transhipment of imported and exported vehicles. It commenced business on 10 September 1996. VTCM has ceased operations in year 2009 and has been dormant since then. VTCM is in the process of being voluntarily wound up.

(ii) Share capital

The authorised share capital of VTCM is RM10,000,000.00 comprising 10,000,000 ordinary shares of RM1.00 each, of which 7,500,000 ordinary shares of RM1.00 each are issued and fully paid-up.

There has been no change to the issued and paid-up share capital of VTCM for the past three (3) years preceding the date of this Prospectus.

(iii) Shareholder

As at the date of this Prospectus, VTCM is our wholly-owned subsidiary.

(iv) Subsidiary and associated company

As at the date of this Prospectus, VTCM does not have any subsidiary or associated company.

6.5 Special Share held by the MOF Inc.

The terms of the Special Share per the Articles of Association of WMSB are as follows:

(i) the Special Share may be held only by or transferred only to the MOF Inc. or its successors or any Minister, representative or any person acting on behalf of the GOM;

(ii) the Special Shareholder shall be entitled to nominate one (1) director to be on the board of directors of WMSB;

(iii) the Special Shareholder or any person acting on behalf of the Special Shareholder shall be entitled to receive notice of and to attend and speak at all general meetings or any other meeting of any class of shareholders of WMSB, but the Special Share shall carry no right to vote nor any other rights at any such meeting;

(iv) in a distribution of capital in a winding up of WMSB, the Special Shareholder shall be entitled to repayment of capital paid-up on the Special Share in priority to any repayment of capital to any other shareholder. The Special Share shall confer no other right to participate in the capital or profits of WMSB;

(v) the Special Shareholder may be subject to the provisions of the Act, require WMSB to redeem the Special Share at par at any time by serving written notice upon WMSB and delivering the relevant share certificate; and

(vi) each of the following matters shall be deemed to be a variation of the rights attaching to the Special Share and shall accordingly only be effective with the consent in writing of the Special Shareholder:

(a) the amendment, or removal, or alteration of the definitions of "Special Share" and "Special Shareholder" as contained in the Articles of Association of WMSB;

(b) a proposal for the voluntary winding-up or dissolution of WMSB;

(c) issuance of any new ordinary shares of WMSB (when aggregated with all other existing issued shares of WMSB, carry the rights to cast on a poll more than 10% of the right to vote of all members at a general meeting of WMSB);

(d) any substantial disposal of assets by WMSB which alone or when aggregated with any other disposal or disposals forming part of, or connected with the same or a connected transaction, constitutes a disposal of the whole or a material part of the assets of WMSB; and

(e) any proposals affecting the interests of the GOM or the national interest.

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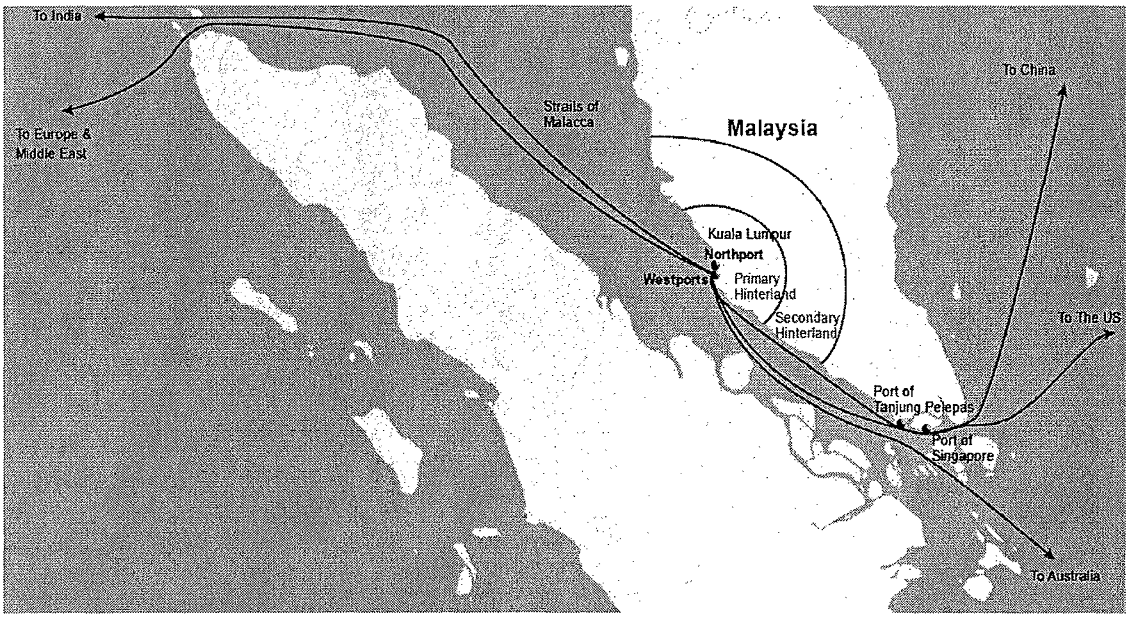
7.1 Overview

We are the operator of Westports. We handle container and conventional cargo, and also provide a wide range of port services, including marine services, rental services and other ancillary services.

In the Straits of Malacca, the main ports which handle Import/Export and/or transhipment container cargo and compete with Westports are namely Northport, Port of Tanjung Pelepas and Port of Singapore. All these ports are located in close proximity to the main shipping route along the Straits of Malacca. Other than Northport, these ports have natural deep water berths which allow them to accommodate large vessels. The southern approach into Port Klang where Westports is located, has a channel of at least 17 metres, which is deeper than the northern approach where Northport is located, which is only 12 metres deep. According to Drewry Maritime Advisors, the deviation of Port Klang, Port of Tanjung Pelepas and Port of Singapore from the main shipping route along the Straits of Malacca is approximately 12, 15 and nine (9) nautical miles, respectively. The lower the deviation, the more suitable a port's location is to operate as a transhipment hub.

The location of Westports and its competitors along the Straits of Malacca can be seen below:



As shown above, there are two (2) port operators in Port Klang, namely WMSB and the operator for Northport and by virtue of their location, WMSB and the operator for Northport also provide container services for Import/Export and conventional cargo from the central Peninsular Malaysia hinterland.

Our container business has grown rapidly in the last decade, from handling approximately 2.0 million TEUs in 2002 to approximately 6.9 million TEUs in 2012, representing a CAGR of 13.2%, compared with a CAGR of 8.3% in global gross container throughput over the same period, according to Drewry Maritime Advisors. For the six (6) months ended 30 June 2013, we handled 3.6 million TEUs of container cargo.

Since we began operations in 1996, we have grown our market share to 69% of container traffic and 79% of the transhipment traffic in Port Klang in 2012 and 33% of container traffic in Malaysia in 2012, according to Drewry Maritime Advisors, with transhipment of containers comprising a majority of our traffic. Apart from our strategic position at the south of Port Klang and the natural deep water channel that we benefit from which makes us attractive to MLOs sailing large container ships, with our deep natural harbour and container berths in a contiguous straight line, we can flexibly berth and handle containers for the largest vessels in the world with capacities of up to 18,000 TEUs. The growth in our market share is also enabled by our relative operating efficiency and reliability as our container terminals routinely exceed 35 Moves Per Hour per crane for large vessels (vessels over 300 metres in length). Further, we offer established global and regional connectivity to more than 350 ports around the world with approximately 75 main line services calling at our port, complemented by approximately 65 feeder services, all of which are independently operated by 48 lines.

Our port facilities include a total of 25 berths with an aggregate length of approximately 6,642 metres, of which 18 berths are contiguously connected in a straight line extending to approximately 4,800 metres. The straight line arrangement of the berths allows for greater flexibility in berthing vessels, thus resulting in higher berth utilisation. It also allows for the ability to handle large vessels (vessels over 300 metres in length). We are expanding our facilities further with an additional container terminal CT7. We have also commenced land reclamation and development work for two (2) additional container terminals, CT8 and CT9, respectively.

With the completion of construction and commencement of operations in all areas of CT6 in March 2013, we currently have a handling capacity of approximately 9.5 million TEUs per annum, which is expected to increase to approximately 11.0 million TEUs per annum in 2015 once CT7 is fully operational. We also have the potential to increase our handling capacity to approximately 16.0 million TEUs per annum upon the completion of CT8 and CT9. Our conventional terminals handled approximately 10.2 million tonnes and 5.3 million tonnes of bulk cargo in 2012 and the six (6) months ended 30 June 2013, respectively (excluding RORO cargo).

For the years ended 31 December 2010, 2011 and 2012, we generated total operational revenue (total revenue excluding Construction revenue) of RM975.0 million, RM1,115.3 million and RM1,226.2 million, respectively, and PAT of RM284.9 million, RM316.5 million and RM361.0 million, respectively. For the six (6) months ended 30 June 2012 and 2013, we generated total operational revenue of RM600.5 million and RM642.8 million, respectively, and PAT of RM161.9 million and RM198.4 million, respectively.

7.2 Competitive strengths

We believe that we are well positioned to maintain both our position as one of the largest and most efficient Import/Export ports into Peninsular Malaysia and our industry-leading operational excellence, as well as increase our market share as a key container transhipment hub in the strategically important Straits of Malacca principally as a result of the following competitive strengths:

7.2.1 Strategically located to handle both transhipment traffic in the Straits of Malacca serving Asia-Europe and intra-Asia shipping lanes, as well as Import/Export traffic for Peninsular Malaysia

We are located at Port Klang approximately 12 nautical miles from the Straits of Malacca shipping trade lane, with a sailing time of approximately an hour from the main shipping lane to our pilot station.

According to Drewry Maritime Advisors, at least 50,000 vessels sail through the Straits of Malacca annually. There are more than 800 container shipping services calling at major ports in the Straits of Malacca, with approximately a quarter of these services, by total ship capacity, calling at Port Klang. Port Klang's strategic location along the Asia-Europe and intra-Asia shipping lanes within the Straits of Malacca positions it well as a key transhipment hub in this region. Primarily as a result of an increase in transhipment volumes at Port Klang (which accounted for 63.0% of total container throughput in 2012 versus 52.7% in 2005), Port Klang has grown to become the 12th busiest port globally in terms of volume of containers handled and second in Southeast Asia behind the Port of Singapore in 2012, according to Drewry Maritime Advisors.

Southeast Asia is the third busiest region in the world by container activity with 87.2 million TEUs handled in 2012, after the Far East (243.6 million TEUs) and Western Europe (94.7 million TEUs), according to Drewry Maritime Advisors. Total container throughput in Southeast Asia has been growing at a CAGR of 7.7% from 2002 to 2012, and Drewry Maritime Advisors expects this growth to continue at a CAGR of 5.4% between 2012 to 2015, resulting in Southeast Asia to likely surpass Western Europe in total containers handled by 2015. Historically, container ports in Southeast Asia have demonstrated capacity utilisation of approximately 75% according to Drewry Maritime Advisors, which estimates that with strong growth in the region, capacity utilisation is expected to be well above 85%, reflecting a positive demand-supply dynamic for container port operators.

We believe we are well positioned to continue supporting the growth of transhipment activities at Port Klang, given Port Klang's strategic location, our industry-leading handling productivity, our natural deep water berths and our expansion plans to increase handling capacity. We have steadily enlarged our share of the transhipment market in the Straits of Malacca, growing from virtually zero in 1996 to approximately 12% in 2012, according to Drewry Maritime Advisors.

Besides handling transhipment traffic from the region, including Bangladesh, India, Indonesia, Malaysia (East Malaysia, Penang, Johor), Myanmar, Singapore, Thailand and Vietnam, Port Klang is the gateway for Import/Export cargo for our immediate hinterland of the Klang Valley (including Kuala Lumpur and the state of Selangor) and the central part of Malaysia including the states of Negeri Sembilan and Pahang. This hinterland is estimated to have a population of approximately 10 million (34% of Malaysia's total population) based on July 2010 population figures from the Malaysia Department of Statistics. Klang Valley is the heartland of Malaysia's industry and commerce with hubs of industrial and commercial activity such as Shah Alam, Petaling Jaya, and the PKFZ. Port Klang's location within the Klang Valley ensures a stable and growing flow of Import/Export cargo through the port, providing an attractive base load of demand for shipping lines calling at Port Klang. In 2012, 3.7 million TEUs of Import/Export containers and 17.8 million metric tonnes of conventional Import/Export cargo were handled through Port Klang, according to Drewry Maritime Advisors.

7.2.2 Advantageous geographic attributes

We benefit from a natural deep harbour and a total of 25 berths with an aggregate length of approximately 6,642 metres, of which 18 berths are contiguously connected in a straight line extending to approximately 4,800 metres, providing the maximum usable quay length and flexibility in berthing vessels.

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

The southern approach into Port Klang has a deeper channel (at least 17 metres) than the northern approach, which is only 12 metres deep. Hence, larger ships calling at Port Klang requiring a channel deeper than 12 metres have to enter Port Klang using the southern approach. The PKA has also announced that it is committed to deepening the entrance channel to our port and is in the process of increasing the current depth of the access channel from 17 metres to 18 metres. These larger ships travel a shorter distance from the Straits of Malacca to our terminal and we estimate that it saves approximately an hour each way coming into and departing from our terminals, compared to terminal in the northern part of Port Klang.

Our strategic position at the south of Port Klang and the natural deep water channel make us attractive to MLOs sailing large container ships, which provide us with more opportunities to handle transhipment containers. Additionally, with the completion of CT6, our deepest berth is now able to handle the largest container ship currently in operation.

Immediately adjacent to, and running along the entire length of our container berths is an extensive container yard area covering 137.7 hectares. This area provides ample space for the efficient manoeuvring, storage and retrieval of containers, which is integral to our terminal operations.

Westports enjoys easy and convenient access to PKFZ, an integrated 405 hectare customs-free commercial and industrial zone next to the port where international cargo distribution and consolidation, procurement, export manufacturing and other cargo value added services are undertaken. Besides being customs-free, PKFZ attracts investors through various investment incentives such as tax exemptions and subsidies and incentives for research and development, training and export. Aside from the PKFZ, there is also adequate land surrounding Westports that supports the operations of a well-established ecosystem of shippers, freight forwarders and third-party logistics service providers and affords them room for future growth as well.

7.2.3 Leading market position in Port Klang, with secured long-term concession and strong expansion potential

Our ability to accommodate the largest vessels, coupled with our relative operating efficiency and reliability, have led us to consistently grow our market share within Port Klang to command 79% of the transhipment traffic in Port Klang, and an overall market share of 69% in 2012 for both transhipment and Import/Export volumes, according to Drewry Maritime Advisors.

The concession under the Privatisation Agreement we have entered into may be extended to 2054 (subject to meeting certain conditions as set out in Sections 7.4 and 7.23(i) of this Prospectus), provides us the assurance to make further long-term investments in port infrastructure and enhances customers' confidence in our ability to support their operations and growth.

We also have expansion potential, both in terms of additional yard area and quay length with sufficient berth depth to handle the largest container vessels. We expect to be able to handle containers for the largest vessels in the world with capacities of up to 18,000-TEUs since CT6 became fully operational. The expansion plans for CT7 to CT9 is expected to extend the total quay length for container berths by approximately 1.8 kilometres from 4.0 kilometres to 5.8 kilometres, and more than double our total container area from 137.7 hectares to 307.2 hectares. Our handling capacity is approximately 9.5 million TEUs per annum since CT6 became fully operational in March 2013. Our container handling capacity is expected to further increase to 11.0 million TEUs per annum in 2015 once CT7 is fully operational. We have the potential to increase our capacity to approximately 16.0 million TEUs per annum upon the completion of CT8 and CT9.

This scope for expansion allows us to accommodate the growth in volumes from existing customers as well as attract customers from other ports in the region that are operating near full capacity.

7.2.4 Established global and regional connectivity

We have connections to more than 350 ports around the world, providing customers an efficient global and regional connection point along major trade routes. We are able to provide such connectivity through approximately 75 main line services calling at our port which are complemented by approximately 65 feeder services, all of which are independently operated by 48 lines.

Numerous intermodal connections within Peninsular Malaysia and with neighbouring countries have also contributed to our positioning as a preferred gateway for Import/Export cargo. In particular, we have good connectivity via links to the North-South Expressway, North-South Expressway Central Link, Shah Alam Expressway and South Klang Valley Expressway. The North-South Expressway runs 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 western side of Peninsular Malaysia together with the New Klang Valley Expressway and the Federal Highway Route 2, play an important role in the distribution of cargo between Port Klang and its hinterland.

We are linked by rail to Port Klang's South Port and to inland container depots such as Ipoh Cargo Terminal in Perak, Nilai Inland Port in Negeri Sembilan, Padang Besar (at the Malaysia-Thailand border) and Segamat Inland Port in Johor. In addition, a 4.4-kilometre link from Northport to Westports has reduced travel time between the two (2) ports. We are also linked to Malayan Railway's rail network, with direct connections to Penang and Bangkok to the north and Singapore to the south.

Port Klang is located approximately 75 kilometers away from Kuala Lumpur International Airport, which is Malaysia's main international airport and a major airport in Southeast Asia.

7.2.5 Strong track record of operational excellence and financial profitability

We have a strong track record of operational excellence and financial profitability. Our container throughput has consistently grown in all years since inception, except for 2009 when it fell by 10%, in line with an overall drop in global container throughput due to the global financial crisis. Supported by an increasingly diversified customer base across a spectrum of cargo types handled, we have been growing our operational revenues by an average CAGR of 11.0% between 2003 and 2012 and have been profitable since inception (with the exception of 1998, due to the Asian financial crisis).

In terms of quay crane operations, we seek to maintain a high level of productivity for our cranes and routinely exceed 35 Moves Per Hour per crane for larger vessels.

We have received numerous accolades and awards for operational excellence including, most recently, the Brand Laureate Award for logistics by Asia Pacific Brands Foundation in January 2012, the Platinum Award for Technology and ICT, Platinum Award for Community, Silver Award for Environment, Gold Award for Best Employer and the Best-in-class achievement for Productivity, Customer Service, Terminal Practices and Container International Award under the STAR Outstanding Business Awards in November 2011, and the Corporate Social Responsibility of the Year award at the Containerisation International Awards in 2011.

Our all-weather capabilities allow us to provide the full range of port services round the clock all year-round, with minimal costs, delays and damages. Our range of services includes conventional, container and container value-added services.

Our consistent performance, both operationally and financially, is enabled by:

(i) our leading infrastructure

We continually invest in our infrastructure to improve work flow and productivity. We believe we utilise some of the most advanced equipment, such as twin-lift quay cranes with up to 24-row outreach, which is amongst the longest outreach for ship-to-shore gantry cranes currently available.

(ii) advanced IT

We believe we are equipped with advanced IT solutions to improve our productivity, operational efficiency and capacity, as well as maintain a high level of safety and security, and enhance customer service.

Our container terminal operations system, COSMOS, used by leading ports around the world, is a customisable system that expedites and automates the day-to-day management and operation of container terminals. We use it for the entire scope of terminal operations, tightly coupling berth, ship, yard and rail planning with quay, yard, rail and gate operations. This integration of planning and real-time operations monitoring enables us to optimise equipment utilisation and resource allocation and maximise productivity and throughput capacity.

We also utilise our NGCCS to fully computerise all non-containerised cargo activities, from wharf operation to billing.

We also support comprehensive EDI which enables fast exchange of information between us and our customers to facilitate paperless documentation for shipping agents, freight forwarders and hauliers. In addition, our comprehensive and interactive customer portal developed in-house, e-Terminal Plus, enables our customers and other users of Westports to obtain real-time information at their convenience and also easily exchange information with us. The integration of e-Terminal Plus with our container terminal operations system and the Customs' system has streamlined and automated many work processes, creating a simplified and paperless environment, minimising waiting times and the need for agents to be physically present at our terminal. For example, we launched e-Gate Pass in 2012, whereby port users can print the gate pass at their offices without the need to come to the port to collect it from our documentation centre. This saves travelling time and costs for our port users.

We have also implemented an e-bidding, e-procurement and e-billing system to facilitate our business transactions. We won the Gold Award for IT as the most efficient e-terminal port chosen among 50 ports worldwide by the IAPH in May 2007.

(iii) efficient, customer-focused operational processes with the flexibility to cater to special requirements

We believe that through our integrated planning and investment approach whereby we pro-actively manage our capacity growth and utilisation, we have been able to minimise operational bottlenecks and supply chain inefficiencies, and achieve efficient operational processes. This allows us to offer our customers berthing on arrival or short waiting time to berth, fast loading or unloading, and short port stay time for vessels. We also have the flexibility and capacity to cater to special requests from our customers. For example, we have, on many occasions, allocated additional handling resources to accelerate loading or unloading for vessels that were behind schedule, which in turn assisted the vessels to meet their schedule at their next port of call. We are also able to support 'hot connections', i.e. the transferring of containers directly between vessels with short overlaps in their berthing times, to avoid delaying the departing vessel or containers missing their connecting vessel.

(iv) best-in-class workforce

We believe we have one of the best workforces in the industry with positive employee relations and strong employee loyalty. The average length of employment of our existing workforce is approximately six (6) years, with approximately 26% of our employees having been with us for over 11 years. We have a stable workforce which is not organised under any recognised unions and almost all of our employees are local. We are also able to provide our employees with long-term career prospects within our Group and job rotation opportunities to develop multiple skills. We believe our productivity-driven reward structure motivates our employees to reach our competitive productivity standards. We were awarded the Gold Award for Best Employer under the Star Outstanding Business Awards in November 2011.

7.2.6 Long-term relationships with customers and other stakeholders, and differentiated quality service ensuring customer satisfaction and loyalty

We have established a strong and well-recognised reputation for being "Proven, Trusted, Friendly" due to our reliable track record in delivering quality service to container shipping lines in the Straits of Malacca. We have good long-standing relationships with our customers and regard them as long-term business partners. Our ability to offer shipping lines berthing on arrival or short waiting time to berth, and fast loading or unloading allows them to better manage their vessel schedules and minimise costs. Our partnership approach has been demonstrated on many occasions, for example, through our willingness to deploy additional resources to accelerate the unloading or loading and minimise the time at berth for ships that are behind schedule to enable them to catch up on their schedules and save costs.

We serve more than 30 main shipping lines, with blue-chip anchor customers like the CMA CGM Group, China Shipping Line Limited, United Arab Shipping Corporation and Gold Star Line Limited, among other shipping lines. Our hub clients include what we believe to be among some of the fastest growing lines in the world and they have been our customers for more than ten (10) years. Our top two (2) customers, CMA CGM Group and China Shipping Line Limited, have grown together with us over the years, with the former becoming one (1) of the three (3) largest shipping lines globally and the latter becoming one of the leading shipping lines in China, according to Drewry Maritime Advisors.

We also offer shippers and logistics service providers fast gate clearance and streamlined processes with e-documentation, which result in shorter end-to-end cycle times for cargo movements compared to other ports in Port Klang. We believe this allows them to optimise the utilisation of their vehicles and personnel, hence scheduling more trips into a single day.

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

Security and safety is a top priority at our port and extensive measures are taken to secure the port and cargoes, and provide protection for our customers, employees and other third parties.

We also have positive relationships with our stakeholders, and engage in extensive corporate social responsibility activities that support community development in the surrounding local area. Our ongoing projects include programmes to eliminate poverty, reduce crime and improve English language skills in the community living in Pulau Indah, where we are located.

We also believe we have strong government support, affirmed by the GOM and PKA's agreement to extend our concession period for another 30 years to 2054 (subject to meeting certain conditions as set out in Sections 7.4 and 7.23(i) of this Prospectus), after the initial 30-year concession expires in 2024.

7.2.7 Experienced management team with proven track record, backed by reputable shareholders

We are led by our Non-Independent Executive Chairman, Tan Sri Datuk Gnanalingam a/l Gunanath Lingam since we signed the Privatisation Agreement in 1994. He is also a director and shareholder of PRSB, a major shareholder of WHB. Under his stewardship, we have become one of the preferred ports of call for several major shipping lines. We have a highly experienced management team that has served our Group for an average of 11 years. With a large pool of home grown talent, our management team is well tuned to the domestic, regional and global dynamics of the industry.

Our management team has a proven execution track record in project management, infrastructure development and phased expansion, and we have consistently been on target or ahead of schedule for all our expansion projects. For example, CT6 was completed ten (10) months ahead of schedule.

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

7.3 Strategies and future plans

We aspire to maintain our leadership in Port Klang and grow our market share in the Straits of Malacca. We are executing the following strategies to continue our growth and increase revenue, profitability and returns to our shareholders.

7.3.1 Increase throughput to our port

(i) Capitalise on continued growth in container traffic through the Straits of Malacca

We will expand our container handling capacity to meet the growth in Southeast Asia container traffic which is considered as one of the fastest growing regions in the world. Our handling capacity is expected to increase from approximately 9.5 million TEUs to approximately 11.0 million TEUs upon the expected completion of CT7 in 2015. We believe this increase in handling capacity will further enhance our competitive edge against other regional ports and we will be able to benefit from the fast growing demand for container handling services in this region.

(ii) Attract transhipment activities of key shipping line customers and grow the regional feeder network to further improve connectivity and drive growth in transhipment volumes

We maintain frequent and close dialogue with key shipping line customers to keep ourselves abreast of the latest developments within the shipping industry. This close rapport gives us an earlier and better reading of potential changes in the shipping industry and enables us to react faster in improving our service offerings to meet shipping lines' evolving requirements.

As a supply-driven port, we continue to enhance our operational efficiency through consistent investments in new terminals, equipment and employee productivity. With our ongoing terminal expansion, designed to handle the largest vessels in the world with capacities of up to 18,000 TEUs coupled with our high productivity in loading and discharge of containers, we intend to continue delivering reliable and fast turnaround of vessels, thereby maintaining our attractiveness for key shipping line customers to undertake more transhipment activities at our terminal.

As one of the leading hub ports in Southeast Asia, we have developed an extensive feeder network with the connectivity to serve the demands of our MLO customers. To further enhance our feeder connectivity, we have a dedicated team analysing our MLO customers' feeder network requirements. Based on the information gathered from our customers, we provide feedback to the feeder operators and also facilitate dialogues between our customers and feeder operators to evaluate the feasibility of launching additional feeder services. To facilitate the launch of new feeder services to penetrate new sectors or increase our market share of targeted sectors, we may consider offering more attractive terms to feeder operators during the start-up period. We believe that with the growth and increasing connectivity of our feeder network, we will be able to attract additional transhipment cargo through our terminal.

(iii) Strengthen our position as the preferred gateway of Malaysia

We seek to streamline customs processes to shorten processing time for Import/Export cargo. We are establishing a centralised inspection centre which will allow Customs and other GOM agencies to conduct inspection activities in one (1) location on both dry van and reefer cargoes.

We also regularly liaise with our shippers, third party logistics service providers, freight forwarders, Customs and other GOM agencies to further streamline our business processes through introducing new features to our port community portal, e-Terminal Plus, to better serve our customers, reduce their cost of doing business and improve our competitiveness. For example, we introduced e-ISP, a module which allows Customs and other GOM agencies to pre-notify us the containers required for inspection, so that the containers can be appropriately positioned, cutting down the cycle time for the customs request, positioning and clearance of the containers to be taken out of the port by the importer.

With the aim of providing a one-stop solution for the clearance of cargo for both importers and exporters, our Business Centre houses the operations of teams from seven (7) government agencies including Customs, Immigration, Health, Marine Department, MAQIS, Puspakom and SIRIM, enabling our customers and port users to procure the necessary clearances for their cargo and personnel at our port.

We are working with the local authorities to improve transportation links to the Klang Valley and the rest of Peninsular Malaysia. We are currently in negotiations with the relevant authorities to approve additional funding to expand the access road to Pulau Indah from the current two (2) lanes to three (3) lanes in each direction. We have also requested for an additional motorcycle lane and are exploring the possibility of establishing a second link between Pulau Indah and the mainland. Once completed, the improvements are expected to reduce the time taken to transport cargo to and from the port.

In addition, the final phase of the South Klang Valley Expressway, which is currently under construction and expected to be ready by 2014, will provide additional access and reduce transportation time for cargo to and from South Klang Valley.

We also plan to build a second gate complex which, when completed in the first quarter of 2014, will double the existing 14 lanes currently in operation to 28 lanes. This increase in lanes will further speed up gate clearance, enabling fast and seamless movement of cargo in and out of our port.

(iv) Enhance overall customer value proposition and customer satisfaction to promote customer loyalty

We maintain close communication with our key hub customers to ensure that our terminal expansion plan is in line with their growth strategies and can support their growth in the region. For example, we plan the construction of our new terminals in line with our hub customers' expected future throughput, delivery of new vessels, sizes of vessels and cargo type. We believe this proactive approach towards client management has allowed us to maintain long-term relationships with these customers.

We also work with the PKA to ensure that our port tariffs remain competitive and attractive relative to our competitors within the region, including Port of Singapore. We believe our relatively lower port tariffs provide us with an advantage in attracting more shipping lines to include us in their port service rotation. With competitive tariffs, fast turnaround of vessels, modern terminal infrastructure, natural deep water, steady cargo volumes from our hinterland, and a wide range of value-added services, we believe we are able to provide a strong value proposition to our customers and promote their continued loyalty in using us as their port of choice.

We will continue to work closely with customers to expand our offering of container value-added services such as storage services, reefer services, container freight services, special services, removal services and other value-added services. We seek to be able to cater to the current and future needs of our customers in a cost-effective manner and assist our customers in managing their overall costs.

(v) Anchor distribution hub activities of shippers globally within or near Westports to increase cargo flow

To draw more cargo to our port, we are also working with shippers to establish distribution hubs in the vicinity of our ports to take advantage of our connectivity and price-competitiveness to distribute their products into the region. As at the LPD, the LME and Noble Cotton are using our port as the regional distribution centre for metal and cotton. Currently, approximately 25,488 Sq m of warehouse space is being used by Noble Cotton and approximately 37,212 Sq m of warehouse space is being used by LME.

We are currently working towards attracting customers from the Middle East, Australia, Europe and other key areas to take advantage of the close proximity of our port to the 405 hectares PKFZ Flagship Halal Zone (within PKFZ) on Pulau Indah and 405 hectares Selangor Halal Hub on Pulau Indah (both accredited Halal Parks certified to handle and produce Halal products), and use our port as the gateway for Halal products for consumption within Malaysia as well as distribution into the region.

We are also working with Port of Marseille in Northern Europe to establish ourselves as the hub for procurement and consolidation of halal products from Southeast Asia, to be shipped to Marseille for marketing and distribution into Europe and North Africa.

7.3.2 Increase capacity and improve operational efficiency, financial profitability and long-term sustainability of business

(i) Make timely investments in new infrastructure, equipment and technologies to increase throughput capacity, improve productivity and cost efficiencies, and enhance our capability to handle increasing vessel sizes

We intend to continue to make investments to grow our throughput capacity in line with or ahead of the growth of cargo volumes from our shipping line customers. We will seek to time the investments to avoid potential congestion in the port and provide our customers the handling capacity that allows them to plan ahead the increase in the size of vessels and frequency of calls at our port. We plan to continue to invest in the infrastructure (e.g. new deeper berths), equipment and technologies to optimise our quay and yard operations, and handle the largest ships. As at the LPD, we have plans to invest a total of RM828 million in capital expenditure to develop CT7 by 2015.

(ii) Focus on optimising operating efficiency and employee productivity to ensure sustainable and profitable growth

We intend to continue to optimise our operational efficiency by increasing the productivity at our terminal and lowering operating costs.

We hold conferences regularly with our shipping line customers to discuss improvements in planning, work processes and procedures to improve our handling productivity. We also have a culture of requiring all of our teams to periodically review their standard operating procedures and question underlying assumptions, to ensure that our work policies and procedures are consistently re-examined to seek out opportunities for further improvement and areas for cost minimisation. Port improvement opportunities identified are reviewed by a task force and appropriate resources are allocated to ensure that projects approved are implemented expeditiously.

We intend to employ more electricity-powered equipment to minimise our energy costs and reduce our carbon footprint. We plan to use hybrid RTGs (which is fuel and electricity-powered) and/or variable speed RTGs for our new container terminals. These hybrid RTGs and variable speed RTGs are expected to save fuel and other operating costs. We may also consider converting our existing fuel-based RTG to hybrid RTGs or variable speed RTGs in a progressive manner.

(iii) Achieve a more flexible cost structure through selective outsourcing

We plan to reduce the proportion of fixed overhead costs in our cost structure through partial outsourcing of selected operations. For example, we intend to increase the number of outsourced prime movers operating within our container terminal over time. By leveraging on subcontractors, we intend to achieve a more flexible cost structure that better aligns our costs with revenue.

(iv) Continue to invest in training and succession planning, and offer excellent career development opportunities to our staff to be the employer of choice in the port industry

We strongly believe in developing human capital and nurturing talent among our employees. We have established a dedicated team within our human resources department to ensure all employees within our company are provided with the requisite training to carry out their tasks efficiently. We endeavour to provide regular in-house and external training to ensure all our employees' skills are kept up-to-date with the latest industry practices and procedures.

We encourage our employees to participate in our job rotation programme within our Group and provide our staff with the required exposure in understanding multiple aspects of the port and shipping business.

We maintain and continue to grow a pool of young and talented executives and managers who are trained to multi-task in managing and handling various aspects of the day-to-day operations of the port. We believe this training will nurture these young executives to be future leaders of our Group to operate, manage and grow our business.

We proactively manage succession planning within our organisation to ensure the long-term sustainability of our business as well as provide our employees a clear and visible path for career progression within the organisation. This is intended to motivate employees to adopt a long-term view on their career prospects within our Group and achieve close alignment between our employees' personal goals and our business objectives. We believe that our success and growth is also tied to our employee's personal success and growth.

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7.4 History and key milestones

Our Company was incorporated in Malaysia under the Act as a private company limited by shares on 27 April 1993 under the name of Steadfast Equity Sdn Bhd and is principally involved in investment holding and the provision of management services to our subsidiaries, namely, WMSB and VTCM. On 1 August 1994, our Company changed its name to Klang Multi Terminal Holdings Sdn Bhd. Our Company then changed its name to Westport Holdings Sdn Bhd on 4 January 1995 and subsequently assumed the name of Westports Holdings Sdn Bhd on 14 November 2007. We commenced our business on 1 August 1994 and converted from a private company limited by shares to a public company limited by shares on 26 April 2013.

WMSB was incorporated on 24 January 1990 under the Act under the name of Kelang Multi Terminal Sdn Bhd as a private limited company and its principal activity is port development and management of port operations. WMSB changed its name to Westports Malaysia Sdn Bhd on 29 December 2006. Under the terms of the Privatisation Agreement, WMSB attained the right to develop and operate Westports for a period of 30 years until 31 August 2024. The GOM and PKA have agreed to extend this period by another 30 years to 31 August 2054, subject to the fulfilment of the following conditions:

(i) the completion of the reclamation of the land and incidental works for CT6 to CT9 on or before 1 January 2014; and

(ii) the completion of construction works for CT6 to be fully operational on or before 1 January 2014.

In March 2013, the construction works for CT6 were completed and CT6 commenced full operations. In September 2012, land reclamation and incidental works for CT7 was completed. Furthermore, as at the LPD, approximately 91% of the land reclamation and incidental works for CT8 and CT9 have been completed and such works are expected to be fully completed by 31 December 2013.

Our key milestones, achievements, awards and recognitions include the following:

Year	Key milestones / achievements / awards / recognitions
1994	PKA handed over the port to WMSB, pursuant to the privatisation programme implemented by the GOM
1996	Commenced containership operations with one (1) container terminal
1997	Completion of CT2, increasing our capacity to 3.0 million TEUs
1998	Awarded the "*Top Ten (10) Container Ports*" award at the Asian Freight Industry Awards
1999	Awarded the "*Best Emerging Terminal*" award by Lloyd's List Maritime Asia
2000	Awarded the "*FIABCI Award – Best Public Sector Development*" by Federation Internationale des Administrateurs de Bien-Conseils Immobiliers
2001	Completion of CT3, increasing our capacity to 4.5 million TEUs
2002	Awarded the "*Super Brand Award*" award by the Malaysian Superbrands Council
2003	Awarded the "*National Landscape Award*" award by the Ministry of Housing and Local Government
2004	Awarded the "*Best Employer Award*" award by Ministry of Human Resources
2005	Completion of CT4, increasing our capacity to 6.0 million TEUs
2006	Awarded the "*Technology Business Review Award*" for excellence in Logistics – Port services by BrandLaureate
2007	Awarded the "*Gold Award for IT*" as the most efficient e-terminal port chosen among 50 ports worldwide and "*Silver Award for Safety*" by IAPH Awarded the "*Human Resource Development Award*" by the Human Resources Minister

Year	Key milestones / achievements / awards / recognitions
	Awarded the "*Excellence in Logistics*" award at the Technology Business Review Association of Southeast Asian Nations Awards
	Awarded the "*BrandLaureate Award*" for "*Best Brands Award – Ports/Terminals*" by the Asia Pacific Brands Foundation
2008	Completion of CT5, increasing our capacity to 7.5 million TEUs
2009	Awarded the "*BrandLaureate Award*" for "*Best Brands in Logistics – Ports*" by the Asia Pacific Brands Foundation
2010	Signed a supplemental agreement to extend the concession to 2054 subject to fulfilment of certain conditions
	Awarded the "*BrandLaureate Award*" by the Asia Pacific Brands Foundation and "*Asia HRD Congress Award*" by the Asia HRD Congress
2011	Awarded the "*Platinum Award for Technology and ICT*", "*Platinum Award for Community*", "*Silver Award for Environment*", "*Gold Award for Best Employer*" and the "*Best-in-class achievement for Productivity, Customer Service, Terminal Practices and Container International Award*" at the Star Outstanding Business Awards
	Awarded the "*Corporate Social Responsibility of the Year*" award at the Containerisation International Awards
	Achieved 734 Moves Per Hour with a nine-crane deployment in March 2011
2012	Awarded the "*BrandLaureate Award*" for "*Top 10 Master's Award in Logistics*" by Asia Pacific Brands Foundation
	Awarded the "*Corporate Social Responsibility Award*" at the Asia Pacific Young Business Conference
	Achieved a total of 50 million TEUs handled (since commencement of operations)
	Received the then largest containership at Westports in November 2012 (CMA CGM Marco Polo which has a capacity of approximately 16,000 TEUs, according to the CMA CGM website)
2013	Completion of CT6 in March 2013, increasing our capacity to 9.5 million TEUs

7.5 Port location

Westports is situated on 535.47 hectares of land strategically fronting the Straits of Malacca at the port location of Pulau Indah, Port Klang on the west coast of Peninsular Malaysia, the main gateway by sea into Peninsular Malaysia. The Straits of Malacca is a key shipping waterway used by ships plying the Asia-Europe and intra-Asian shipping routes. At least 50,000 vessels sail through the Straits of Malacca annually, carrying an estimated 30% of global goods shipped, according to Drewry Maritime Advisors. Port Klang is a key transhipment port and has grown to become the 12th busiest port globally in 2012 in terms of volume of containers handled and the second busiest port in Southeast Asia.

We began container port operation in 1996 and we have a market share of 69% of container traffic at Port Klang and a market share of 33% of container traffic in Malaysia in 2012, according to Drewry Maritime Advisors. Port Klang is located approximately 40 kilometres west of Kuala Lumpur. The following table shows the growth of Westports' throughput and market share of Port Klang's annual container volume for the years indicated:

7. BUSINESS OVERVIEW *(cont'd)*

	Year ended 31 December				
	2001	2004	2007	2010	2012
Throughput (million TEUs)........................	1.5	2.6	4.3	5.6	6.9
Market share in Port Klang [(1)] (%)............	39	49	61	63	69

Note:

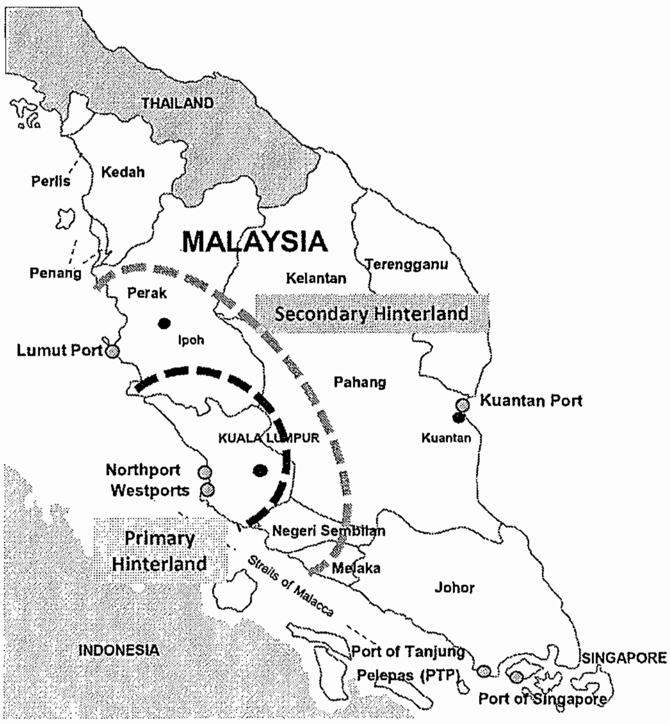
(1) According to Drewry Maritime Advisors.

In addition to Westports' central location on the densely populated west coast of Peninsular Malaysia, strong intermodal connections within Peninsular Malaysia and with neighbouring countries have also ensured Westports' success as an Import/Export port. In particular, Westports has good connectivity to Port Klang's hinterland via links to the North-South Expressway, North-South Expressway Central Link, Shah Alam Expressway and South Klang Valley Expressway. The North-South Expressway runs 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 via Port Klang. The industrial hinterland surrounding Port Klang, including the Shah Alam Industrial region as well as the PKFZ, is a key source and destination for cargoes moving through Westports.

Westports is also linked by rail to Port Klang's South Port and to inland container depots such as Ipoh Cargo Terminal in Perak, Nilai Inland Port in Negeri Sembilan, Padang Besar (at the Malaysia-Thailand border) and Segamat Inland Port in Johor. In addition, a 4.4-kilometre link from Northport to Westports has reduced travel time between the two (2) ports. Westports is also linked to Malayan Railway's rail network, with direct connections to Penang and Bangkok to the north of Malaysia and Singapore to the south of Malaysia.

Port Klang is located approximately 75 kilometres away from Kuala Lumpur International Airport, which is Malaysia's main international airport.

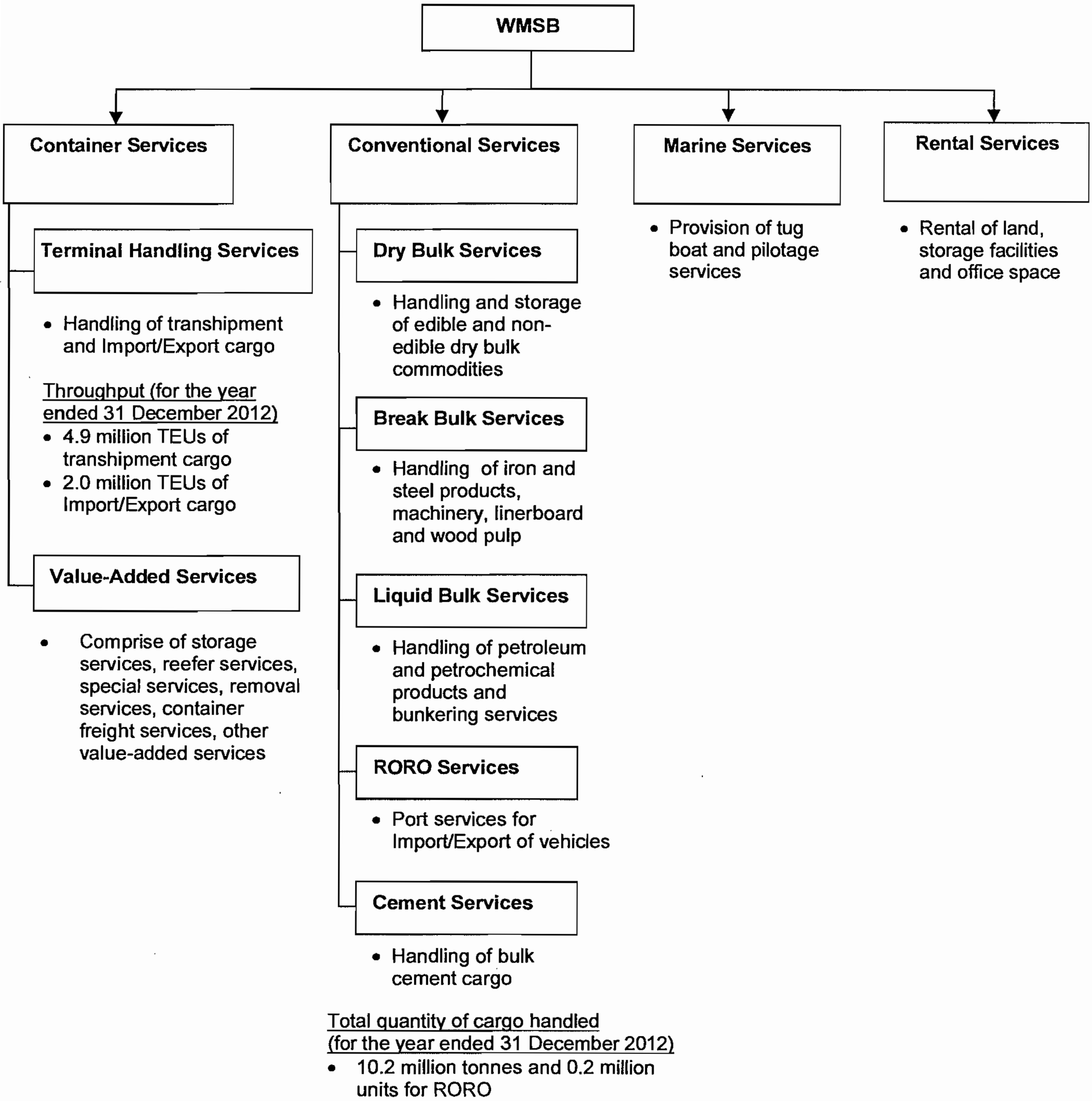
The following map shows Westports' primary and secondary hinterlands:



7.6 Our services

Our primary services are (i) container cargo services; (ii) conventional cargo services; (iii) marine services; and (iv) rental services.

The chart below summarises our primary services and certain statistics of our services:



The following table shows our revenue breakdown for the periods indicated, in absolute terms and expressed as a percentage of total operational revenue, based on our primary services:

	Year ended 31 December						Six (6) months ended 30 June 2013	
	2010		2011		2012			
	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)
Container	788,960	80.9	914,651	82.0	1,009,247	82.3	524,434	81.6
Conventional	96,790	9.9	104,868	9.4	122,698	10.0	67,201	10.4
Marine	57,022	5.9	64,557	5.8	64,134	5.2	35,365	5.5
Rental	32,182	3.3	31,254	2.8	30,086	2.5	15,758	2.5
Total operational revenue	974,954	100.0	1,115,330	100.0	1,226,165	100.0	642,758	100.0
Construction(1)	23,594		272,044		266,097		107,326	
Total revenue	998,548		1,387,374		1,492,262		750,084	

Note:

(1) Construction revenue represents the revenue related to the construction of port-related infrastructures under the Privatisation Agreement and is recognised based on the stage of completion of the work performed.

We have approximately 75 main line services calling at our port which are complemented by approximately 65 feeder services, all of which are independently operated by 48 lines, with links to more than 350 ports around the world.

7.6.1 Container services

Container services accounted for approximately 81.6% of our total operational revenue for the six (6) months ended 30 June 2013. With the completion of construction and commencement of full operations of CT6 in March 2013, our container terminals currently have the ability to accommodate a total handling capacity of approximately 9.5 million TEUs per annum, and can support the largest vessels in the world with capacities of up to 18,000 TEUs.

Our container terminal facilities, which commenced operations in May 1996, are currently equipped with, among others, 47 quay cranes and 125 RTGs. Approximately 24.3 hectares of container yard space is allocated to each 600-metre terminal for maximum flexibility in operations and logistics. The terminal facilities operate 24 hours a day and seven (7) days a week (except for a few hours during Eid ul Fitr, an annual religious holiday in Malaysia) and have a 24-hour customs clearance facility with an electronic data interchange system.

A summary of our container terminal facilities and their operations is as follows:

Type	Remarks
Berth length	14 berths with an aggregate length of 4,000 metres
Capacity	Approximately 9.5 million TEUs per annum
Area	137.7 hectares consisting of: CT1 – 16.2 hectares CT2 – 24.3 hectares CT3 – 24.3 hectares CT4 – 24.3 hectares CT5 – 24.3 hectares CT6 – 24.3 hectares

Type	Remarks
Area *(cont'd)*	Planned development for approximately 169.5 hectares consisting of: CT7 – approximately 52.3 hectares (expected completion in 2015) CT8 – approximately 58.5 hectares CT9 – approximately 58.7 hectares
Equipment	47 quay cranes (all twin lifts) (1) 125 RTGs (2)(3) 15 empty stackers (3) 13 reach stackers (3) 332 prime movers 347 trailers
Additional features	15.0 to 17.5 metre berth depth 1,236 reefer points(4) 29,985 total ground slots
Productivity	Routinely exceeding 35 Moves Per Hour per crane for large vessels (vessels over 300 metres in length) Routinely achieving 70 to 100 Moves Per Hour per vessel on main line vessels Routinely exceeding 50 Moves Per Hour per vessel on feeder vessels

Notes:

(1) Currently, only 45 quay cranes are in operation as the remaining two (2) quay cranes are not being utilised and are in the process of being disposed off.

(2) Currently, only 115 RTGs are in operation as the remaining ten (10) RTGs are not being utilised and are in the process of being disposed off.

(3) Reach stackers, empty stackers and RTGs are types of yard cranes.

(4) Reefer points relate to electricity plug points used for the storage of cargo that requires refrigeration.

(i) Terminal handling services

WMSB's container cargo services cover two (2) main areas: terminal handling services and value-added services. The following table shows our revenue for the periods indicated, in absolute terms and expressed as a percentage of total container revenue, based on our main areas of container cargo services:

	For the year ended 31 December						For the six (6) months ended 30 June 2013	
	2010		2011		2012			
	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)
Terminal handling charges ...	707,199	89.6	815,734	89.2	891,804	88.4	463,366	88.4
Value-added services	81,761	10.4	98,917	10.8	117,443	11.6	61,068	11.6
Total container revenue	788,960	100.0	914,651	100.0	1,009,247	100.0	524,434	100.0

Our terminal handling services primarily consist of lifting containers onto and off vessels, storage of containers in the storage yard and facilitating the delivery and receipt of containers. Our container handling volume for the years ended 31 December 2010, 2011 and 2012 were 5.6 million TEUs, 6.4 million TEUs and 6.9 million TEUs, respectively. For the six (6) months ended 30 June 2013, our container handling volume was 3.6 million TEUs. In addition, our container terminals routinely exceeds 35 Moves Per Hour per crane for large vessels (vessels over 300 metres in length).

(a) Transhipment and Import and Export throughput

The two (2) main categories of throughput are transhipment and Import/Export, which is also referred to as gateway or general throughput. Container services contributed approximately 81.6% of our total operational revenue for the six (6) months ended 30 June 2013 with approximately 69.4% of our gross throughput from transhipment and 30.6% of our gross container throughput from Import/Export.

The following tables set forth the breakdown of our revenue and throughput by quantity for the periods indicated, in absolute terms and expressed as a percentage of the total:

	Year ended 31 December						Six (6) months ended 30 June 2013	
	2010		2011		2012			
	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)
Transhipment	408,252	57.7	477,686	58.6	507,948	57.0	256,226	55.3
Import/Export	298,947	42.3	338,048	41.4	383,856	43.0	207,140	44.7
Total container revenue from terminal handling services	707,199	100.0	815,734	100.0	891,804	100.0	463,366	100.0

	Year ended 31 December						Six (6) months ended 30 June 2013	
	2010		2011		2012			
	(TEUs in millions)	(%)	(TEUs in millions)	(%)	(TEUs in millions)	(%)	(TEUs in millions)	(%)
Transhipment	4.1	73.2	4.7	73.4	4.9	71.0	2.5	69.4
Import/Export	1.5	26.8	1.7	26.6	2.0	29.0	1.1	30.6
Total container throughput	5.6	100.0	6.4	100.0	6.9	100.0	3.6	100.0

(aa) Transhipment

Transhipment refers to the transfer of containers from one vessel to another at the terminal en route to a final destination. There are broadly two (2) types of transhipment flow: (i) vessel-to-vessel transhipment, which involves the transfer of containers from one deep-sea container vessel to another; and (ii) vessel-to-barge transhipment, which involves the transfer of containers from deep-water container vessels to barges and feeders, or vice versa. Transhipment throughput is critical to utilisation, particularly to ports located in a region with high volume vessel access, such as the Straits of Malacca.

The flow of transhipment containers is illustrated below:

Vessel / barge → **Quayside** → **Storage yard** → **Quayside** → **Vessel / barge**

(bb) Import/Export

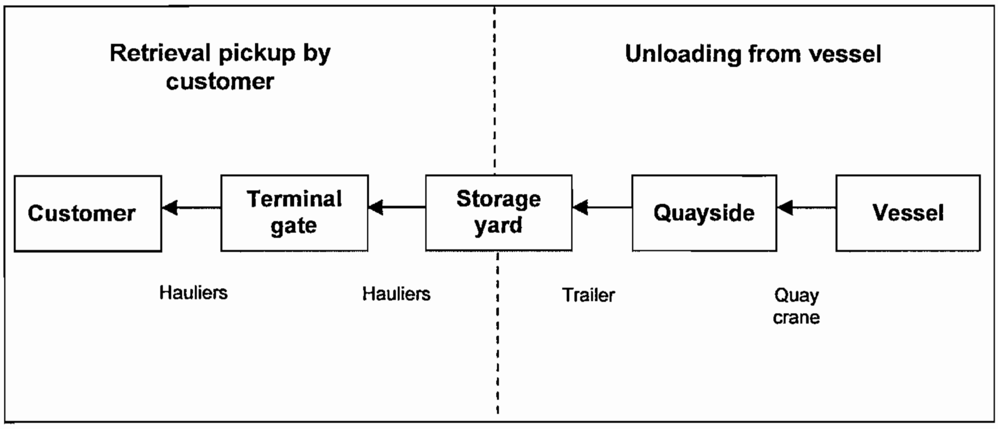
Import/Export throughput includes containers originating from and destined to the ports' hinterland and differs from transhipment throughput. As Import/Export throughput is usually handled by a terminal close to the point of consumption or production, Import/Export throughput is generally less likely to be lost to competitors and is less price-sensitive than transhipment throughput. Import/Export generally provides higher tariffs per move than transhipment 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 delivery, cleaning and repair for Import/Export containers.

Westports' container market share in Malaysia in 2012 was approximately 33% and its container market share at Port Klang was approximately 69% in 2012, according to Drewry Maritime Advisors, with a market share of 79% for transhipment and 53% for Import/Export in Port Klang.

- **Import of containers**

  Import containers are unloaded from vessels by quay cranes and placed on 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.

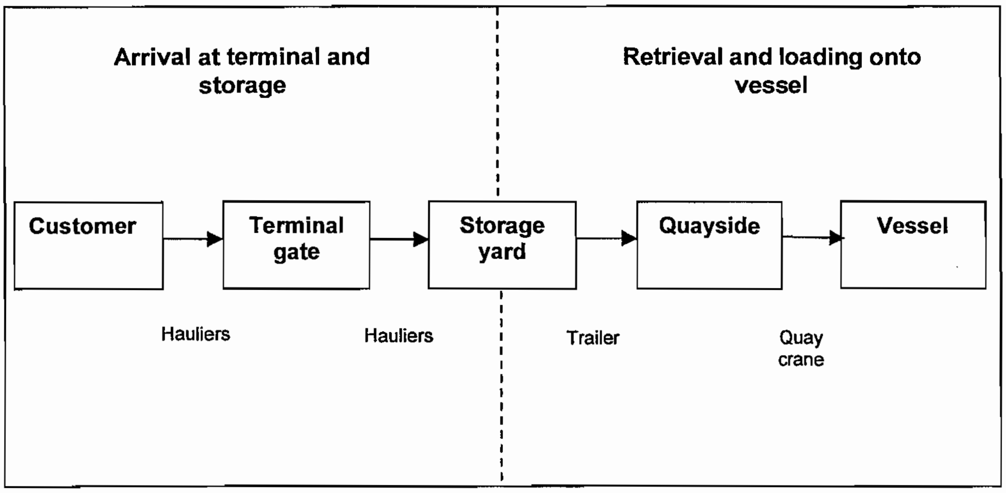
  The flow of import containers is illustrated below:



- **Export of containers**

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

  The flow of export containers is illustrated below:



(b) Container operations productivity

Certain productivity data in relation to our container operations are set out below.

	Year ended 31 December			Six (6) months ended
	2010	2011	2012	30 June 2013[1]
Annual berth utilisation rate (TEU/metre of quay at end of period) .	1,637	1,731	1,867	1,797
TEU/Crane..	163,705	169,271	169,559	167,122
TEU/Hectare......................................	49,256	52,926	57,104	52,187
Capacity utilisation rate (TEU throughput/capacity at end of period) .	0.78	0.76	0.77	0.76

Note:

(1) Calculated based on annualised TEU throughput

According to Drewry Maritime Advisors, based on 2011 data, our annual berth utilisation rate is one of the highest in Asia at 1,731 TEUs handled annually per metre of quay.

(c) Turnaround time

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

In addition, IT solutions play important roles in ensuring operational efficiency. COSMOS, our container terminal operations system, allows us to integrate planning and real-time operations monitoring to expedite and automate the day-to-day management and operation of container terminals and it is used for the entire scope of terminal operations, tightly coupling berth, ship, yard and rail planning with quay, yard, rail and gate operations. We also support comprehensive electronic data interchange which enables fast exchange of information between us and our customers. E-Terminal Plus allows our customers and other users of the port to obtain real-time information at any time at their own convenience and also easily exchange information with us. The seamless integration of e-Terminal Plus with our container terminal operations system and the Customs' system has streamlined and automated many work processes, creating a simplified and efficient operation process, minimising waiting time and the need for agents to be physically present at our terminals.

Our NGCCS is utilised to fully computerise all non-containerised cargo activities, from wharf operation to billing.

(d) Crane productivity

We routinely achieve 70 to 100 Moves Per Hour per vessel on main line vessels, which are mainly large vessels (vessels over 300 metres in length), and routinely exceed 50 Moves Per Hour per vessel on feeder vessels. We routinely exceed 35 Moves Per Hour per crane for large vessels (vessels over 300 metres on length). Notably, our operations team achieved a record of 734 Moves Per Hour with a nine-crane deployment on a single vessel. The following table sets forth certain information on notable achievements in terms of our crane productivity.

Year	Vessel	Record Moves Per Hour	Crane deployment
2011	CSCL Pusan	734	9 cranes
2009	CMA CGM Orfeo	665	9 cranes
2006	CMA CGM Rossinni	421	7 cranes
2006	CMA CGM Puccini	452	8 cranes
2006	CMA CGM Bizet	456	8 cranes

(ii) Value-added services

Our container value-added services comprise storage services, reefer services, container freight services, special services, removal services and other value-added services. Storage and reefer services have historically been the largest revenue generators among our value-added services. The following table shows our revenue for the periods indicated based on our main areas of value-added services, in absolute terms and expressed as a percentage of the total:

	Year ended 31 December						Six (6) months ended 30 June 2013	
	2010		2011		2012			
	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)
Storage services.........	23,888	29.2	27,552	27.9	35,556	30.3	16,615	27.2
Reefer services...........	16,594	20.3	23,331	23.6	29,377	25.0	18,594	30.4
Special services..........	15,333	18.8	16,434	16.6	16,293	13.9	7,305	12.0
Removal services	6,932	8.5	9,006	9.1	12,689	10.8	6,542	10.7
Container freight services......................	7,325	9.0	9,968	10.1	10,561	9.0	5,476	9.0
Other value-added services......................	11,689	14.2	12,626	12.7	12,967	11.0	6,536	10.7
Total value-added service revenue..........	81,761	100.0	98,917	100.0	117,443	100.0	61,068	100.0

(a) Storage services

The storage of containers on behalf of our customers for varying periods of time within our terminals represents an additional income stream and is based on charging an amount per TEU based on the size of container, up to the maximum tariff fees. Actual rates charged depend on several factors such as whether the container is laden or empty, the duration of storage and the type of storage, i.e. open-air or covered. Fees from this service are expected to grow in line with the growth of our container terminal capacity.

(b) Reefer services

We provide refrigeration, or "reefer", storage and transportation services for container customers for certain cargo that is perishable or requires refrigeration. We have 1,236 reefer points spread out among our current container terminals. Reefer care is supported by our 24-hour support teams. Our reefer care support teams are capable of handling all types of refrigerated cargo and have the capability to provide specialised services such as controlled atmosphere or nitrogen injection.

In addition, our reefer platforms provide good infrastructure for electricity cabling and allow staff easy access to attend to plug-in and plug-out operations. Customers are also able to monitor the status of their reefer units via our e-terminal facilities. For details on our IT and operating systems, refer to Section 7.22 of this Prospectus.

(c) Special services

Revenue for container services is primarily generated by the handling of the movement of containers from a vessel to the container yard, which is regarded as one (1) "move". A customer may request Westports to change the shipping information submitted to Westports which in many circumstances result in re-planning and/or extra handling movements to be handled by Westports. In such circumstances, the customer is required to pay additional fees for such special services request.

(d) Removal services

Removal charges will be incurred if local laden containers exceed the allocated free days in the container yard and thus need to be moved to the long lying yard, where containers may remain on a longer term basis.

(e) Container freight services

We play an intermediary role in the global distribution of cargos by providing facilities for shipping lines and their customers for cargo consolidation and break-bulking activities within the free commercial zone. The CFS which encompasses 120,000 square feet of covered warehouse, cater for services such as:

- providing a transit point for global cargo distribution plying international and regional shipping routes;
- deventing of cargos within the terminal for distribution to multiple local consignees;
- providing a bonded service facility for cargo consolidation and break-bulking activities;
- trans-loading due to restriction imposed by receiving countries on the certificate of origin; and
- acting as a regional distribution centre to provide value-added services such as labelling and repackaging.

We also provide internal drayage services to facilitate movements of containers to and from container yard and on-dock depot to support CFS activities.

(f) Other value-added services

Other value-added services comprise hatch cover services, gear box services and demurrage services.

7.6.2 Conventional services

We also offer conventional services. Our conventional services comprise: dry bulk services, liquid bulk services, break bulk services, RORO services and cement services.

By offering quality service and handling facilities, we have attracted cargo vessels carrying a wide variety of non-containerised goods as well as serving the growing local markets for commodities and specialised cargos, such as grains and various types of construction materials. The location of our cargo handling facilities makes it attractive for stockpiling cargo for re-export.

Productivity relating to conventional cargo is tied to the internally developed Fastport Standards. Fastport Standards is a system of standards relating to conventional cargo created by us to incentivise our employees to perform efficiently by rewarding them if certain management-determined benchmarks are met or exceeded. Fastport Standards were created with the aim of achieving little to no waiting time for pilots and tugs, berths, gangs and equipment, cargo handling, customs clearance, trailers and port exit at Westports.

The following tables set forth the breakdown of our conventional cargo handled by revenue and quantity for the periods indicated, in absolute terms and expressed as a percentage of the total:

	Year ended 31 December						Six (6) months ended 30 June 2013	
	2010		2011		2012			
	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)
Dry Bulk	42,904	44.3	40,767	38.9	40,043	32.6	20,471	30.5
Break Bulk	16,240	16.7	19,974	19.1	29,796	24.2	22,347	33.3
Liquid Bulk	20,500	21.2	24,597	23.5	25,018	20.4	13,198	19.6
RORO	11,601	12.0	12,932	12.3	15,903	13.0	5,127	7.6
Cement	842	0.9	1,407	1.3	4,480	3.7	2,667	4.0
Others[(1)]	4,703	4.9	5,191	4.9	7,458	6.1	3,391	5.0
Total conventional revenue	96,790	100.0	104,868	100.0	122,698	100.0	67,201	100.0

Note:

(1) Others include fire and security revenue and sundry income. Fire and security revenue is primarily related to services provided for dangerous or high security goods.

	Year ended 31 December						Six (6) months ended 30 June 2013	
	2010		2011		2012			
	(million tonnes, except units)	(%)	(million tonnes, except units)	(%)	(million tonnes, except units)	(%)	(million tonnes, except units)	(%)
Dry Bulk	3.9	43.8	3.7	38.6	3.6	35.3	1.7	32.1
Break Bulk	1.0	11.2	1.2	12.5	1.6	15.7	0.9	17.0
Liquid Bulk	3.8	42.7	4.4	45.8	4.2	41.2	2.2	41.5
Cement	0.2	2.3	0.3	3.1	0.8	7.8	0.5	9.4
Total	8.9	100.0	9.6	100.0	10.2	100.0	5.3	100.0
RORO (million units)	0.2	-	0.2	-	0.2	-	0.1	-

(i) Dry bulk services

The majority of the dry bulk cargo throughput at Westports comes from international trade, and in particular, dry bulk cargo imports into Malaysia. The type of cargo handled, berthing and de-berthing, the flow of traffic at Westports and the capacity of equipment and storage facilities affect the utilisation of the berths and total cargo throughput. Intra-port transportation for dry bulk cargo from the berths to the customers' warehouses is done via a 10,000-metre conveyor belt.

Dry bulk cargo activities include the piloting and berthing of vessels and the loading, unloading and storage of cargo. Our revenue from dry bulk cargo includes revenue from handling and storage of dry bulk cargo, marine services, berth hire charges, wharfage charges and stevedoring charges.

In terms of volumes, maize, soya beans and sugar are the largest edible dry bulk commodities and slag and coal, fertilisers and clinker are the largest non-edible dry bulk commodities handled at Westports.

(a) Dry bulk terminal facilities

The dry bulk terminal facilities comprise Dry Bulk Terminal 1 which consists of three (3) main berths and Dry Bulk Terminal 2 which consists of one (1) berth, both terminals having an aggregate capacity of 8.9 million tonnes per annum. Our main terminal premises are approximately 850 metres in total berth length and are equipped with two (2) gantry grab unloaders which can discharge up to 300 to 600 tonnes per hour per crane simultaneously. A 10,000-metre conveyor belt system connected directly to clients' warehouses allows for a discharge rate of up to 2,000 tonnes per hour. The dry bulk terminal facilities are also equipped with one (1) grab discharger unit (T-Rex) which is capable of discharging up to 150 to 200 tonnes per hour per crane and mainly cater for non-edible goods such as slag and coal, fertilisers and clinker.

(b) Dry bulk productivity

We strive to continuously improve our productivity and efficiency in our dry bulk cargo operations. We invest in equipment in order to improve our throughput capacity, which allows us to achieve high discharge or load rates for dry bulk cargo. We have regularly met and surpassed the Fastport Standards for dry bulk handling at both of our terminals. The Fastport Standards for Dry Bulk Cargo Terminal 1 are 500 tonnes per hour for edible free flow cargos and 300 tonnes per hour for edible non-free flow cargos. The Fastport Standard for Dry Bulk Cargo Terminal 2 is 150 tonnes per hour for non-edible cargos.

Certain handling data in relation to our dry bulk operations are set out below:

	Year ended 31 December			Six (6) months ended 30 June
	2010	2011	2012	2013
Dry bulk terminal 1				
Throughput (million tonnes)	2.93	2.58	2.45	1.14
Vessel calls................	98	83	86	40
Dry bulk terminal 2				
Throughput (million tonnes)	1.02	1.19	1.14	0.60
Vessel calls................	100	101	99	52

(ii) Break bulk services

Initial shipments of break bulk cargo through Westports commenced in November 1994. The majority of break bulk cargo throughput includes iron, steel products and steel coils, machinery, linerboard and wood pulp. Cargo is discharged or loaded by using cranes and loaded onto trailers using a forklift and then transferred to the relevant yard.

(a) Break bulk terminal facilities

The break bulk terminal facilities comprise three (3) main berths with an aggregate total berth length of 600 metres. The break bulk terminal facilities are equipped with forklifts, trailers and mobile cranes.

(b) Break bulk productivity

We have regularly met and surpassed the Fastport Standards for break bulk handling in all break bulk categories. The Fastport Standards for break bulk cargo are 50 tonnes per gang per hour for general cargos, 100 tonnes per gang per hour for steel product cargos and 200 tonnes per gang per hour for steel coils cargos.

Certain handling data in relation to our break bulk operations are set out below:

	Year ended 31 December			Six (6) months ended 30 June
	2010	2011	2012	2013
Throughput (million tonnes) ..	1.01	1.20	1.62	0.86
Vessel calls........	236	295	358	196

(iii) Liquid bulk services

We handle petroleum and petrochemical products, palm oil and fuel oil and diesel at our liquid bulk cargo terminal and offer standard liquid services as well as bunkering services. Cargo is discharged or loaded using a hose pipe or loading arm.

(a) Liquid bulk terminal facilities

Our liquid bulk terminal is built on 81.6 hectares of land and comprises five (5) berths. The five (5) main jetties and the terminal have a total berth length of 1,307 metres. These facilities can handle up to 90 different types of cargo.

Our bunkering facility, which is operated by a third party, contains modern loading arms, pipe racks and tanks which allows for a discharge rate of up to 3,000 tonnes of oil per hour. We charge fees to the operator of the bunkering facility for the use of our liquid bulk pipes to transport fuel to vessels in the bunkering process.

(b) Liquid bulk productivity

We, and in relation to bunkering services, our third party providers, have regularly met and surpassed the Fastport Standards for liquid bulk handling. The Fastport Standards for liquid bulk cargo are 2,000 tonnes per hour for bunkering cargos and 400 tonnes per hour for non-bunkering cargos.

Certain handling data in relation to our liquid bulk operations are set out below:

	Year ended 31 December			Six (6) months ended 30 June
	2010	**2011**	**2012**	**2013**
Bunkering – outgoing only				
Throughput (million tonnes)...	1.42	1.46	1.04	0.40
Vessel calls..........	55	55	28	10
Non-bunkering				
Throughput (million tonnes)...	2.33	2.91	3.16	1.76
Vessel calls..........	573	642	609	348

(iv) RORO services

We also offer RORO services to our customers and have engaged third-party operators. Our RORO facilities are designed to accommodate vessels that carry wheeled cargo, such as automobiles. The defining feature of RORO vessels is a built-in ramp, which allows cargo to be efficiently "rolled on" and "rolled off" the vessel when in port.

(a) RORO terminal facilities

The RORO terminal facilities cater for Import/Export of vehicles such as cars, trucks and excavators which are not containerised. We have six (6) berths available to RORO operations, which can be used subject to berth availability. We currently have a total of six (6) main open yards situated on approximately 21.0 hectares of land to cater for RORO operations.

(b) **RORO productivity**

We have regularly met and surpassed the Fastport Standards for RORO. The Fastport Standards for RORO are 100 units per hour for light units and 40 units per hour for high and heavy cargo.

Certain handling data in relation to our RORO operations are set out below:

	Year ended 31 December			Six (6) months ended 30 June
	2010	2011	2012	2013
Throughput (units).....	154,588	168,325	197,073	55,916
Vessel calls..............	232	250	289	136

(v) **Cement services**

We have a cement jetty to handle bulk cement cargos for one (1) cement cargo operator. We charge these cement cargo operators fees based on cargo tonnage handled and for use of the jetty, with a minimum guaranteed contracted amount.

(a) **Cement terminal facilities**

Our cement terminal facilities comprise one (1) berth with a total berth length of 285 metres and is equipped with a pipe line system, through which cargo is pumped to a silo.

(b) **Cement productivity**

We, in conjunction with third party operators, have regularly met and surpassed the Fastport Standard for cement cargo of 160 tonnes per hour.

Certain handling data in relation to our cement operations are set out below:

	Year ended 31 December			Six (6) months ended 30 June
	2010	2011	2012	2013
Throughput (tonnes '000s)..........................	153	256	815	485
Vessel calls....................	16	24	58	38

7.6.3 Marine services

Our marine services consist of tug boat services and pilotage services. All vessels that seek to use Westports are required to pay WMSB a fee in order to utilise these pilotage and towage services to guide the vessel into the channel leading to the port. We levy a fee for pilotage from the pilot station to the vessels' berth, pilotage from the berth back to the pilot station and for towage via tugboat during berthing and unberthing of the vessel.

7.6.4 Rental services

Our rental services are generally used by larger conventional cargo customers, as rental services are charged on a fixed basis rather than based on the amount of cargo stored. We enter into sub-lease contracts with rental customers on both short and long term bases to primarily rent land, storage facilities and office space. Generally, our customers who enter into short term contracts lease warehouse space provided by us or third parties whereas long term contract customers tend to build warehouses on land leased from us. In addition to conventional rental services, we also provide on-dock depot services in which empty containers are repaired and cleaned.

The table below shows the size of our rental facilities as of 30 June 2013:

Rental land, storage facilities and office and others	Area (square feet)
Land	
Break Bulk	487,872
Dry Bulk	3,034,409
Liquid Bulk	6,391,433
RORO	1,959,028
Cement	1,576,648
Other	913,038
Subtotal	14,362,428
Storage Facilities	
CFS	119,900
Warehouses	375,733
On dock depot	2,245,651
Yard	15,920
Subtotal	2,757,204
Office and others	65,833
Total	**17,185,465**

7.6.5 Tariffs and fees

Tariffs are charged for the loading and unloading of containers, storage of containers and conventional cargo and marine services. Other principal fees include fees charged for movements of containers within the terminal. Tariff rates and fees charged to customers may depend on:

(i) whether it is transhipment throughput or Import/Export throughput;

(ii) the type of containers or conventional cargo handled; and

(iii) the type of services provided (such as loading and unloading of containers and transfer of containers both within and out of the terminal).

The maximum published tariffs, for both container and conventional cargo, are regulated by the PKA and set by the GOM. Out of all the container handling or moving charges, ship-to-shore handling by the PKA is the largest component. We charge the same rate for the movement of empty containers as for laden containers. Below is a table listing the maximum tariff allowed per move for Import/Export and transhipment containers:

	Maximum Published Handling Tariffs	
Container Size	**Transhipment**	**Import/Export**
	(RM per move)	**(RM per move)**
20 feet	140	230
40 feet	210	345
> 40 feet	240	420

7.6.6 Capacity expansion plan

CT6 became fully operational in March 2013. We intend to continue with the expansion of Westports' capacity with the construction of three (3) new container terminals, CT7, CT8 and CT9. The land reclamation and incidental works for CT7 were completed in September 2012. As at the LPD, approximately 91% of the land reclamation and incidental works for CT8 and CT9 have been completed and are expected to be fully completed by 31 December 2013.

We expect CT7 to be completed and become fully operational in 2015. The timing and construction of CT8 and CT9 will depend on market conditions. The table below shows certain information on CT7, including the expected commercial operation date, berth length and increase in expected handing capacity of CT7:

CT	Expected commercial operation date	Berth length (metres)	Berth depth (metres)	Increase in expected handling capacity (million TEUs)
7 (Phase I)	Second half of 2014	300	17.5	Approximately 1.5
7 (Phase II)	2015	300		

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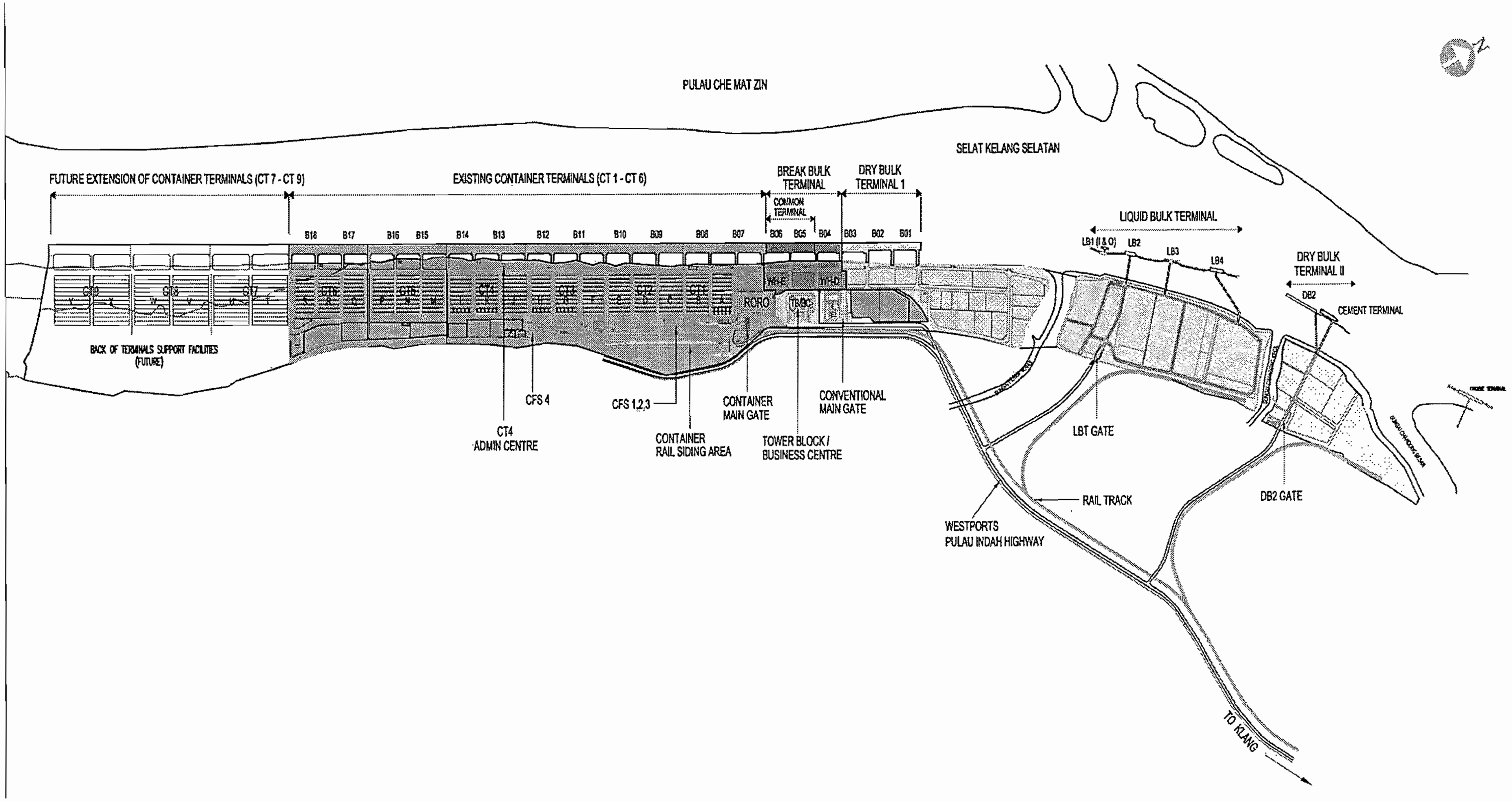
The following diagram shows our existing and future container terminals:



There are two (2) main types of dredging undertaken at Westports, namely capital dredging of the channel which involves the deepening of the depth of the channel leading up to Westports and dredging works for maintenance of the depth of the channel and the depth of the wharves at Westports. The Group engages a third party to undertake dredging works at its wharves, whereas capital dredging and maintenance dredging of the channel is undertaken by the GOM and the PKA, respectively. The dredging works of the wharves are carried out by Inai Kiara Sdn Bhd ("**IKSB**") once every 18 months subject to the requisite surveys being carried out prior to embarking on the dredging works.

The construction and completion of the land reclamation works at CT6, CT7, CT8 and CT9 at Westports ("**Reclamation Works**") is being carried out by IKSB for an approximate amount of RM323.6 million, which shall be paid to IKSB progressively based on progress claims submitted by IKSB. The Reclamation Works include capital dredging, procurement of quality sand and construction of revetment. The Reclamation Works for CT6 and CT7 was completed on 17 February 2012 and 25 September 2012, respectively. The Reclamation Works for CT8 and CT9 which was scheduled for completion by 17 December 2012 has been extended to 11 September 2013. In a case where IKSB fails to complete the Reclamation Works by any of the specified completion dates, or any approved extended period, IKSB will be liable for a sum calculated at the rate of RM50,000.00 per day as liquidated and ascertain damages applicable to a specified completion date, up to a maximum of 5% of the contract sum.

In connection with the Reclamation Works, IKSB had secured the issuance of a performance bond by RHB Bank Berhad ("**RHB Bank**") on 12 January 2011 in favour of WMSB. RHB Bank had agreed to guarantee the due performance of IKSB in that if IKSB fails to meet the terms of their contract or commits any breach of its obligations under their contract, then RHB Bank shall upon demand pay to WMSB a sum not exceeding 5% of the contract sum. This guarantee is irrevocable and will be in force and effect from 18 October 2010 until six (6) months after the expiry date of the defects liability period as provided for in their contract (i.e. 17 June 2014), and in the case of their contract being terminated, one (1) calendar year after the date of the termination.

The construction and completion of CT6 Phase II wharf, CT6 yard zones, CT7 wharf and access bridges and associated works at Westports ("**Incidental Works**") is being carried out by Putra Perdana Construction Sdn Bhd ("**PPCSB**") for an approximate amount of RM448.2 million, which shall be paid to PPCSB progressively based on progress claims submitted by PPCSB. The Incidental Works include piling works, the placing of pile caps, construction of a wharf deck and bridge deck and soil investigations. In addition, PPCSB must complete the Incidental Works for CT7 (i) by 21 September 2013 for the first 300 metres length of wharf and (ii) by 21 December 2013 for the second 300 metres length of wharf. The Incidental Works for CT6 Phase II have since been completed. In a case where PPCSB fails to complete the Incidental Works for CT7 by the specified completion date, or any approved extended period, PPCSB will be liable for a sum calculated at the rate of RM50,000.00 per day as liquidated and ascertain damages applicable to overall completion, up to a maximum of 10% of the contract sum.

In connection with the Incidental Works, PPCSB had secured the issuance of a performance bond by Alliance Bank Malaysia Berhad ("**ABMB**") on 5 March 2012 in favour of WMSB. ABMB had agreed to guarantee the due performance of PPCSB in that if PPCSB fails to meet the terms of their contracts or commits any breach of its obligations under their contracts, then ABMB shall upon demand pay to WMSB a sum not exceeding 5% of the contract sum. On 7 November 2012, this guarantee was extended to 22 June 2015. Therefore, any demand under this guarantee must be received by ABMB on or before the expiry date or within 14 days from the expiry date but no later than 6 July 2015.

PPCSB had secured the issuance of an additional performance bond by ABMB on 8 November 2012. This guarantee is irrevocable and will be in force and effect from 22 October 2012 until six (6) months after the expiry date of the defects liability period (i.e. 12 months from the issuance of the certificate of practical completion from the overall Incidental Works completion) and in the case of their contract being terminated, one (1) calendar year after the date of the termination, or until 22 June 2015, whichever is earlier. Notwithstanding this, the guarantee shall expire on 22 June 2015. Therefore, any demand under this guarantee must be received by ABMB on or before the expiry date or within 14 days from the expiry date but no later than 6 July 2015.

The construction and completion of CT7 yard zones T and U and associated works ("**CT7 Yard Works**") at Westports is being carried out by Loh & Loh Constructions Sdn Bhd ("**LLCSB**") for an approximate amount of RM129.0 million, which shall be paid to LLCSB progressively based on progress claims submitted by LLCSB. In addition, LLCSB must complete the CT7 Yard Works (i) by 17 December 2013 for CT7 yard (zones T) and (ii) by 17 February 2014 for CT7 yard (zones U). In a case where LLCSB fails to complete the CT7 Yard Works by the specified completion date, or any approved extended period, LLCSB will be liable for a sum calculated at the rate of RM50,000.00 per day as liquidated and ascertain damages applicable to overall completion, up to a maximum of 10% of the contract sum.

In connection with the CT7 Yard Works, LLCSB had secured the issuance of a performance bond by RHB Bank on 18 March 2013 in favour of WMSB. RHB Bank had agreed to guarantee the due performance of LLCSB in that if LLCSB fails to meet the terms of their contract or commits any breach of its obligations under their contract, then RHB Bank shall upon demand pay to WMSB a sum not exceeding 5% of the contract sum. This guarantee is irrevocable and will be in force and effect from 18 March 2013 until six (6) months after the expiry date of the defects liability period (i.e. 12 months from the issuance of the certificate of practical completion) and in the case of their contract being terminated, one (1) calendar year after the date of the termination or until 17 August 2015, whichever is earlier. Therefore, any demand under this guarantee must be received by RHB Bank within the period of the guarantee or within 14 days from the expiry date.

We intend to utilise the amounts available or part thereof under the SMTN Programmes as well as the grant provided by the GOM pursuant to the Facilitation Fund Agreement to fund the Reclamation Works and the Incidental Works. For further details of the SMTN Programmes and the Facilitation Fund Agreement, refer to Sections 12.2.6(iii), 12.2.14(iii) and 15.6 of this Prospectus.

7.6.7 Security and risk management

We are committed to regularly updating and improving our security measures to enhance our position as a leading port operator, while assuring quality service and continued customer satisfaction. Our corporate security policy is designed to protect our personnel, assets, reputation and customers' interests by employing high corporate, ethical and operational standards that meet our vision of excellence. We have in place a crisis management team which is responsible for determining contingency plans based on various business interruption scenarios, such as environmental disasters, explosions or spillage of cargo or other toxic substances. The crisis management team is also responsible for adopting sophisticated cargo security measures to ensure safety, including 24 hour patrolling by land and sea, closed-circuit television ("**CCTV**") coverage, X-ray machines to scan container boxes, a smart card security system for truckers' entry-exit, an e-secure system for conventional cargo trucks and visitors management systems, container tracking system, secured online customs clearance and a secured online gate pass system to monitor the movement of conventional cargo.

We have dedicated strategic security consultants at the corporate level, who provide expert counsel to our key management and direction to our business. We have established a series of primary security objectives that are designed to implement our corporate security policy across our network of container terminals. Simultaneously, in conjunction with other internal departmental objectives, we are building business resilience capacity in the critical areas of asset protection, corporate governance, information assurance, business continuity, reputation management and crisis management.

Our security and business resilience objectives are met through the implementation of a planned set of security initiatives and internal programmes. These are consistent with international security legislation and appropriately recognised and accredited quality management systems. For example, we are in compliance with the ISPS Code, a comprehensive set of measures that enhance the security of ships and port facility, as well as the Mega Port Initiative issued by the U.S. Department of Energy's National Nuclear Security Administration, which requires us to scan all containers for radioactive substances. Additionally, we cooperate regularly with the U.S. Customs and Border Protection ("**CBP**") and were audited by the CBP in 2011 and given validation as a participant in the Customs Trade Partnership Against Terrorism programme.

Furthermore, we, as required by law, maintain our own port police force, ambulance service and fire brigade, who collectively also acts as a marine rescue and response team.

7.7 Safety, health and environment and quality assurance

We consider safety, health and environment ("**SHE**") to be of fundamental importance in every aspect of our operations. We understand and take very seriously the SHE responsibilities that we have to employees, customers, contractors, visitors, government agencies and communities. In addition, under the Privatisation Agreement, WMSB is required to:

(i) comply with all relevant laws, standards, criteria and GOM policies on matters relating to the conservation of the existing environment in carrying out WMSB's business and in all matters relating to the Privatisation Agreement;

(ii) ensure the incorporation of appropriate mitigative, rehabilitative, restorative and enhancement measures in WMSB's planning, design and implementation works;

(iii) give due consideration to the preservation and social implications of the water and air quality, soil, flora and fauna within Westports; and

(iv) ensure that the areas leased to WMSB are appropriately landscaped to enhance visual amenity.

The GOM and the PKA reserve the right to determine the cutting, felling or preservation of trees or the replanting thereof on any such areas and WMSB shall comply with any such directives by the GOM and the PKA.

We have dedicated SHE resources that provide expert advice for management in exercising our corporate obligations in this critical area. Our management, staff and employees are guided by the safety, health and environment policy ("**SHE Policy**").

The SHE Policy comprises the following set of primary SHE objectives:

(i) to comply with the Occupational Safety and Health Act 1994, the Factories and Machinery Act 1967, the Environmental Quality Act 1974 and other applicable acts, legislations, orders, rules, codes of practices and other requirements to which we subscribe;

(ii) to prevent harm and injury to port users and pollution to environment through continual improvement in the SHE Policy management and performance;

(iii) to provide facilities materials and resources so that all workers can work in a safe and friendly work environment; and

(iv) to ensure that all workers are acknowledged, informed, trained and supervised, as regards to the requirements of the SHE Policy, mitigating all risk to themselves, any other person and the environment.

We believe that these objectives and the requirements above under the Privatisation Agreement will be achieved through the implementation of a structured set of initiatives, operating procedures and programmes, which are outlined in our Safety, Health and Environment Management System ("**SHEMS**"), that are consistent with industry-leading practice and internationally-recognised management systems. We regularly review and update our SHEMS to ensure that our operating procedures are effective and in line with changing industry standards. The review of these operating procedures is conducted on an annual basis and involves the input of the business heads of each of the relevant business divisions.

We hold ISO 14001 accreditation, which sets forth criteria for an environmental management system and maps out a framework that helps an organisation to improve resource efficiency, reduce waste and drive down costs. Similarly, in accordance with our commitment to quality assurance, we hold the OHSAS 18001 accreditation, which sets forth criteria for a health and safety management system which provides a framework that helps organisations consistently identify and control health and safety risks, reduce the potential for accidents, aid legislative compliance and improve overall performance.

We are committed to achieving the highest industry standards through continuous improvement and adoption of best practices to maintain a healthy and safe working environment and are certified under OHSAS 18001:2001.

7.8 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 co-ordinated by an internal insurance division, 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 5.1.16 of this Prospectus.

We maintain insurance policies covering business interruption and property damage to both our real and personal properties, including but not limited to, assets and equipments material to our business. We also maintain terminal operators' liability to cover liability to a third party due to any negligence as a port operator. Below is a list of all current insurance policies and related coverage:

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Policy	Insurance cover	Coverage
Asset Protection		
Industrial All Risk	Building, office equipment and others Office Machines Crane and Conveyer System Cement/Slag/Container and others Terminals/Pipe Rack Plant and Machinery	Coverage of all risk of accidental physical loss of and/or damage occurring during the period of insurance for: (i) All buildings, gatehouses, furniture, fixtures and fittings, contents; (ii) Cement, slag, container and other terminals, pipe rack; (iii) Wharves, berths, jetties, piers, catwalks, dolphin and the like; (iv) Office machines; (v) Rubber tyre gantries, cranes, conveyor system, container ship uploader; (vi) Other plant & machinery, including accessories; and (vii) Spare parts
Equipment All Risk	Prime Movers/Trailers/Stackers/Top Loaders	Coverage against all risk of loss of or damage occurring during the period of insurance for prime movers, trailers, stackers, forklifts, road sweepers, containers and top loaders
Money	Money	Cash in locked drawers/cash register and safe. Cash in transit (i.e. cash being carried to and from bank/office)
Liability		
Terminal Operators' Liability	Port Operators Liability	Covers our legal and/or contractual liability against a third party for loss or damage to cargo and loss or damage to containers, equipment, vessels or other property whilst in the insured's care, custody or control and consequential loss arising from such loss or damage.
Business Interruption		
Industrial All Risk	Loss of Revenue	Covers loss of profit due to an accident
Compulsory Insurance		
Personal Accident	Personal Accident	Death and dismemberment due to accident
Employer's Liability	Employer's Liability	Employers liability at law against any employee in respect of injury/disease caused during the period of insurance and arising out of and in the course of his/her employment by the insured in the business
Corporate		
Corporate Liability	Director and Officer	Covers against corporate liability or any subsidiary or insured person
Miscellaneous		
Marine Hull	Hull and Machinery	All risk cover against loss, damage, liability and expenses

7.9 Major licences, permits, intellectual property and trademarks

7.9.1 Major licences and permits

We have obtained various licences and permits for our operations in Malaysia through several agreements entered into, including, among others, the Port Licence, the Privatisation Agreement and the Lease Agreement. For further details of our major licences and permits (including the Port Licence), refer to Section 7.21.2 and Annexure B of this Prospectus.

7.9.2 Intellectual property and trademarks

Save as disclosed in Annexure C of this Prospectus, as at the LPD, we do not have any brand names, patents, trademarks, licences, technical assistance agreements, franchises and other intellectual property rights.

7.10 Competition

The Southeast Asian container terminal industry, and in particular, the West Coast of Peninsular Malaysia and Singapore, is highly competitive. According to Drewry Maritime Advisors, the top ten (10) international terminal operators collectively accounted for more than 63% of global throughput for the year ended 31 December 2011. Industry consolidation has intensified competition for us as other global terminal operators are able to offer their shipping line customers alternative global networks and, in some cases, leverage existing relationships with shipping lines in one (1) region to support growth in other regions.

We face competition from container terminal operators in the region, namely operators of Port of Singapore as well as operators of Port of Tanjung Pelepas and Northport in Malaysia, and, to a lesser extent, container terminal operators globally. The main ports competing for transhipment traffic with Westports in the Straits of Malacca are Port of Tanjung Pelepas and Port of Singapore due to their close proximity to the main shipping route along the Straits of Malacca. Westports also competes with Northport for Import/Export traffic as they share the same hinterland given that both Northport and Westports 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. However, Westports does not face significant competition from Northport for transhipment traffic as the northern approach into Port Klang, where Northport is located, is only 12 metres deep. MLOs sailing large container ships for transhipment containers which require a channel deeper than 12 metres have to enter Port Klang using the southern approach.

The Port of Singapore is the largest port in the Straits of Malacca, according to Drewry Maritime Advisors, and is operated by PSA Singapore with its hinterland including Singapore and southern states in Peninsular Malaysia. The Port of Tanjung Pelepas is located at the southern tip of Peninsular Malaysia, right next to Singapore, thereby competing for the same hinterland as the hinterland of the Port of Singapore. As Westports' hinterland covers mainly Kuala Lumpur and the central part of Malaysia, it does not generally compete for Import/Export traffic with the Port of Singapore or the Port of Tanjung Pelepas.

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

7.11 Seasonality

The container port industry has historically experienced monthly variations in revenue as a result of various holiday seasons, with revenue peaking prior to the Christmas season. In the past decade, these variations have resulted in monthly volatility in our operating results with revenues generally growing throughout the year with increases during certain holiday seasons.

In 2012, Westports' throughput has experienced steady growth throughout the year as a result of increased cargo shipments from Asia and the Middle East, which peaked as a result of the Chinese New Year and month of Ramadan, rather than solely as a result of the Christmas season, which in turn had caused an increase in throughput at various times throughout the year.

7.12 Customers

Our customers primarily comprise global container shipping lines and general cargo and car carriers. Although we have been diversifying our customer base over the past several years, our largest customer, CMA CGM Group contributed more than 10% of our total revenue for each of the three (3) years ended 31 December 2010, 2011 and 2012 and the six (6) months ended 30 June 2013. Apart from CMA CGM Group, no other customer had contributed 10% or more of our total revenue for the years ended 31 December 2010, 2011 and 2012 and six (6) months ended 30 June 2013.

The following table shows our revenue from CMA CGM Group for the periods indicated, in absolute terms and expressed as a percentage of our total revenue:

Customer	Year ended 31 December						Six (6) months ended 30 June 2013	
	2010		2011		2012			
	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)
CMA CGM Group	240,813	24.1	267,417	19.3	279,049	18.7	139,893	18.7

We also coordinate logistics activities whereby we deal directly with transport companies, shippers and consignees.

While we are dependent on CMA CGM Group to a certain extent, other MLOs and customers have also made Westports their regional transhipment hub, namely, China Shipping Line Limited, United Arab Shipping Corporation, Gold Star Line Limited, Compania Sudamericana de Vapores and Emirates Shipping Line DMCEST.

We have long-standing relationships with our MLO customers, many of whom have been customers since the commencement of containerised operations at Westports. As the consolidation of the shipping line industry has resulted in a smaller pool of potential customers, we believe that such customer relationships are increasingly important to maintaining a steady revenue stream.

The nature of contracts in the container terminal industry can be characterised as long term. Typically, however, these contracts can be terminated at any time without penalty. As a general matter, shipping lines tend to change terminal operators only upon expiration of a contract, if at all, as many ports have limited selection of operators and are often tied to the hinterland served by a particular port.

We believe that among the important factors that our customers take into consideration when selecting a terminal operator are commitment to the provision of a fixed day berthing slot and defined crane productivity rates, which we believe we are well placed to deliver because of our operating efficiency. Our aim is to attract customers to longer term contracts by offering higher service efficiencies and faster turnaround time.

7.13 Sales and marketing

Our commercial and business development group is responsible for soliciting new customers to Westports 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 group gathers historical data and communicates with our customers on a regular basis to better gauge and adjust our business demands. In addition, our commercial and business development group has set up a 24-hour customer service team to help solve any issues for our shipping line customers. Our commercial and business development group had an aggregate of 18 employees as of 30 June 2013.

7.14 Suppliers

Our main suppliers are those from which we purchase operational equipment, electricity and fuel. While we generally tend to use the same suppliers, we are not obligated to do so and there are numerous alternative suppliers and, as such, our business operations are not dependent on any of our suppliers. Only one (1) of our suppliers, our fuel supplier, Chevron Malaysia Limited ("**Chevron**"), accounted for approximately 10% or more of our total cost of sales for any of the three (3) years ended 31 December 2010, 2011 and 2012 and six (6) months ended 30 June 2013.

The following table shows the amount incurred by us for Chevron's services for the periods indicated, in absolute terms and expressed as a percentage of our total cost of sales:

Supplier	Nature/ type of service	Years of relationship	Year ended 31 December						Six (6) months ended 30 June	
			2010		2011		2012		2013	
			(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)	(RM '000)	(%)
Chevron	Fuel Supplier	Approximately 10 years	51,734	11.9	86,286	11.0	75,125	9.1	34,450	8.6

We contract out certain aspects of our operations relating to prime mover maintenance and operation, reefer services, lashing services and stevedoring. For any such contracted service, we ensure that we have at least two (2) contractors available to carry out such services, such that if one (1) contractor is unable to provide services in a manner acceptable to us, the other would be able to take its place. Further, we also believe we have in-house capacity to carry out any contracted operations, if the need arises.

7.15 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 for the years ended 31 December 2010, 2011 and 2012 and six (6) months ended 30 June 2013. However, we routinely conduct market research by speaking with our key shipping line customers to further understand the latest developments within the shipping industry which enables us to develop strategies to meet the needs of our customers. Furthermore, we conduct various discussions, programs and training throughout the year to improve the systems and operations of our Company.

7.16 Corporate social responsibility

Our corporate social responsibility programmes are dedicated to improving living standards in Pulau Indah, Port Klang through a four-pronged approach focused on poverty eradication, security and safety, education and recreation for children. We have worked towards these goals through a variety of programmes such as (i) funding subsistence allowance programmes for indigent single mothers, orphans and the elderly; (ii) installing CCTV cameras throughout the community and assisting the local law enforcement and emergency management services by supplementing them with additional staff and vehicles; and (iii) through regular involvement with schools to provide better training for teachers as well as focusing education on subjects that will best position children to become productive members of the local community. In order to manage our corporate social responsibility programmes, we employ an administrator to oversee such programmes.

7.17 Employees

As at the LPD, we have 3,826 employees, all of whom are full-time employees. The following table sets out the functional areas of these employees as of the dates indicated:

	As of 31 December			
	2010	**2011**	**2012**	**As at the LPD**
Container services	2,850	3,213	3,443	3,141
Conventional services	87	100	95	93
Marine services	31	36	37	43
Corporate services	416	462	444	467
Finance	49	49	50	53
Headquarters – Management	33	31	29	29
Total employees	**3,466**	**3,891**	**4,098**	**3,826**

Our employee headcount decreased by 272 to 3,826 employees as at the LPD from 4,098 employees as of 31 December 2012, mainly due to the outsourcing of certain operational activities. Our employee headcount increased by 207 to 4,098 employees as of 31 December 2012 from 3,891 employees as of 31 December 2011, mainly due to an increase in employees for operations related to the anticipated operation of CT6 Phase II in the first quarter of 2013. Our employee headcount increased by 425 to 3,891 employees as of 31 December 2011 from 3,466 employees as of 31 December 2010, mainly due to an increase in the number of crane manning personnel and the number of employees for the corporate services, with the latter increasing mainly due to an increase in the number of port police personnel relating to the completion of CT6 Phase I.

Our employees are engaged under a variety of employment arrangements, including mainly direct hires and third-party sourcing. Our workforce is not organised under any recognised union and almost all of our employees are Malaysian (with approximately 78% residing in Port Klang and Klang) and we intend to continue with the trend of hiring mostly local employees. We believe that local hiring is instrumental to our corporate culture and performance and is therefore worth the additional labour costs (compared to the costs incurred if foreign workers were hired instead). We have a motivated workforce which is subject to a productivity driven reward structure. In addition, we aim to help employees build long term careers within the company and also offer job rotation opportunities for employees to develop multiple skills. The average length of employment is approximately six (6) years, with approximately 26% of employees having been with us for over 11 years.

We currently do not have any collective bargaining agreements and we believe that we have a good relationship with our employees and have strong employee loyalty. As part of our initiative in maintaining a good relationship with our employees, we formed the Westport Joint Consultative Council ("**WJCC**") in August 2000 to provide a venue for our management to understand our employees' needs and more importantly, strengthen our employer-employee relationships. WJCC membership is open to all non-executive staff and currently has a membership of over 3,050 members. Among the fundamental areas of WJCC's focus include staff safety procedures, employee incentives, employee sports and recreational activities, terms and conditions of employment and employee suggestions and complaints.

For details on risk relating to work stoppages, refer to Section 5.1.24 of this Prospectus.

7.18 Training and development

We provide training for all employees, both executive and non-executive, upon hiring as well as throughout the course of employment. Non-executive employees are regularly trained in order to ensure that they are aware of the latest developments in port technology and operations as well as safety in relation to their positions. Executive employees also participate in continuing education, via a young executive programme and senior management programmes as well as external training programme, such as Harvard Business School programmes offered in Malaysia.

7.19 Legal proceedings

There are, and have been, no governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which we are aware) during the 12 months preceding the date of this Prospectus that may have, or have had, a material effect on our financial position or profitability.

7.20 Interruptions to business for the past 12 months

There was no interruption to our business and operations which had a significant effect on operations in the 12 months preceding the date of this Prospectus.

7.21 Relevant laws and regulations governing our business

The main laws and regulations governing WMSB's operation and activities are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to.

The business and operations of WMSB are governed principally by the Port Authorities Act and the Ports Privatisation Act, and are conducted pursuant to and in accordance with the terms and conditions of:

(i) the Privatisation Agreement, the description of which is as set forth in Section 7.23 of this Prospectus; and

(ii) the Port Licence.

7.21.1 Port Authorities Act

The PKA is a statutory corporation established on 1 July 1963 under the Port Authorities Act to operate and manage Port Klang. The PKA has the power to do all things reasonably necessary for or incidental to the discharge of its functions, and in particular:

(i) 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 may include a condition that such work shall be undertaken under contract to the authority;

(ii) 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;

(iii) subject to the Port Authorities Act, 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

(iv) 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.

In this regard, pursuant to the Privatisation Agreement, the GOM and the PKA have agreed (subject to the terms of the Privatisation Agreement and the Port Licence) to grant WMSB the right to:

(i) take over, provide and carry out the operation, maintenance, and management of the said port operations from the PKA;

(ii) plan, design, construct, test, commission, operate and maintain Westports;

(iii) charge the port users for the services that are provided and carried out pursuant to the said port operations,

for a period of 30 years commencing 1 September 1994 and expiring on the 30th anniversary of 1 September 1994. Subject to the fulfilment of certain obligations, the concession period may be extended by the Government and PKA for a further period of 30 years.

WMSB is also required pursuant to the Privatisation Agreement to comply with the Westports Development Plan and any other policies of the GOM and the PKA, and directives of the GOM. WMSB is also required to ensure that its management and all other employment structure shall be in line with the aspirations of the National Development Policy.

7.21.2 Ports Privatisation Act

The Ports Privatisation Act is the principal legislation which regulates the licensing of port operators and only operators licensed under the Ports Privatisation Act, such as WMSB, can undertake or manage port operations.

All licences issued under the Ports Privatisation Act stipulate terms and conditions under the licence including, the duration of the licence, the type 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 think fit.

A breach of any condition of the licence or any failure to comply with any provision of the Port Privatisation Act 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 the Port Licence issued to WMSB are as follows:

(i) The Port Licence shall be personal to WMSB and WMSB shall not either wholly or partly assign any right or obligation granted to WMSB under this Port Licence but without prejudice to the right of WMSB to engage the services of any sub-contractor as WMSB may choose.

(ii) WMSB shall carry on the port operations in a businesslike manner conforming to a management performance standard relating to standard of facilities and services provided in respect of the port operations which shall be as established by the PKA taking into account the standards of world ports for compliance by WMSB. These performance standards which will be reviewed periodically in consultation with WMSB is to ensure that the facilities provided and the services rendered by WMSB is of high standard so as to ensure its attractiveness as an efficient, cost effective and a hub for main line direct calls. For this purpose, WMSB shall submit within 14 days from the date of request all relevant data and statistical information relating to the operation so as to enable the PKA to assess the degree of public benefit and attainment of GOM objectives and management efficiency.

(iii) WMSB shall comply with the Westports Development Plan, policies of the GOM and the PKA, operating standards and pollution control as may from time to time be specified by the GOM and the PKA and any other relevant government authorities applicable to the port and the operations of the port, all laws, bye-laws, regulations, and with all international conventions, ratified by or adhered to by the GOM and applicable to ports or port operations.

(iv) WMSB shall operate in competition with other operators and other ports in Port Klang and ensure that adequate shipping, port services and facilities are provided to all users, diligently market and promote the port, facilitate national trade, and make the port an "Entrepot" and load-centre for the region, and use every reasonable means and effort to ensure that main line vessels and ships call at the port.

(v) WMSB shall maintain all the facilities in the demised property and keep the demised property in good state of repair and condition in accordance with the terms and conditions of the Lease Agreement and the Westports Development Plan.

(vi) WMSB shall not make any alterations or additions to the demised property and underground services or to remove therefrom any of the properties of the PKA therein without the prior written consent of the PKA which consent shall not be unreasonably withheld.

(vii) WMSB shall not permit any unauthorised vehicles, person or persons or agents of any firm or company to be on the demised property.

(viii) Except for foreshore charges which shall be payable directly by the shipowners to the PKA, WMSB shall have the right to charge the users of the port for services rendered in accordance with any by-law under the Port Authorities Act and the Ports Privatisation Act. WMSB shall prepare and submit to the PKA a memorandum for any change in the existing structure of charges consistent with the best public interest in respect of the port operations under the Port Authorities Act.

(ix) WMSB shall not (whether in respect of the charges or other terms or conditions applied or otherwise) show undue preference to, or exercise undue discrimination against users of the port with regards to the use of the facilities and services provided by WMSB. WMSB may be deemed to have shown such undue preference or to have exercised such undue discrimination if it unfairly favours to a material extent so as to place users at a significant competitive disadvantage. Any question relating to whether any act done or course of conduct pursued by WMSB amounts to such undue preference or such undue discrimination shall be determined by the PKA, but nothing done in any manner by WMSB shall be regarded as undue preference or undue discrimination if done to the extent that WMSB is required to do that thing in that manner by or under any provision of this Port Licence.

(x) WMSB shall immediately inform the PKA of any change in the control of the management and policy of WMSB, industrial disputes and accidents within the demised property, outbreak of fire, incidence of theft of pilferage of cargo in custody and any legal proceedings against WMSB. For this purpose, WMSB may establish a working arrangement with the PKA to facilitate the submission of the required information.

(xi) The conditions of the Port Licence shall be subject to review every year or from time to time by the PKA to determine public benefit, degree of attainment of the objectives and efficiency. The PKA may add to, vary or revoke any conditions herein. In reviewing the conditions herein the PKA may, having due regard to the established management performance standard, consult WMSB.

7.21.3 Occupational Safety and Health Act, 1994 ("OSHA")

Under the OSHA, we have a general duty to our employees to provide and maintain systems of work that are, so far as is practicable, safe and without risks to health, provide information, instructions, training and supervision to ensure, so far as is practicable, the safety and health of our employees at work, and to provide a working environment, which is as far as possible safe, without risks to health, and adequate as regards to facilities for their welfare at work. We also have a duty to ensure, so far as is practicable, that other persons, not being our employees, who may be affected thereby are not exposed to risks to their safety or health.

As we employ more than 100 employees, we are obliged under the OHSA to employ a safety and health officer, who is tasked with ensuring the due observance of the statutory obligations as regards to workplace health and safety and the promotion of a safe conduct of work at the place of work. We have set up a health and safety committee, which we consult in promoting and developing measures to ensure the safety and health at the place of work of the employees and in checking the effectiveness of such measures.

We may be subject to fines and penalties if we fail to comply with any provision or regulation under the OHSA.

7.21.4 Environmental Quality Act, 1974 ("EQA")

The EQA 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, discharge of wastes into Malaysian waters without a licence and prohibits open burning. The agency responsible for implementing and monitoring Malaysia's environmental regulations and policies is the Malaysian Department of Environment and the local environmental authority.

If WMSB fails to adhere to provisions of the EQA or any regulations made thereunder, any person who at the time of the commission of an offence was a director, chief executive officer, manager, or other similar officer of WMSB shall be deemed to be guilty of that offence. For example, where a person, unless licensed, deposits any environmentally hazardous substances, pollutants or wastes into any inland waters, that person shall be guilty of an offence and shall be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a period not exceeding five (5) years or to both.

7.21.5 Factories and Machinery Act, 1967 ("FMA")

The FMA governs the registration and inspection of cranes and other machinery used by WMSB in their day-to-day operations. WMSB has a duty to ensure that the machineries used in carrying out their operations are in good condition and must be registered under The Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970. In this regard, WMSB is not allowed to operate or permit to be operated any machinery in respect of which a certificate of fitness is prescribed, unless there is in force in relation to the operation of that machinery, a valid certificate of fitness issued by the Department of Occupational Safety and Health.

Any person who operates machinery without a valid certificate of fitness shall be guilty of an offence and shall be liable to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding three (3) years or to both.

7.22 IT and operating systems

Our IT systems complement our terminal facilities and infrastructure to facilitate a smooth flow of traffic and transactions. The container terminal operations system, COSMOS, controls every aspect of Westports' operations, from documentation and EDI system to planning of gate, yard and vessel, and subsequently real time assignments of equipment. To supplement COSMOS, we utilise our e-Terminal Plus which provides a comprehensive interface for the entire port community. The e-Terminal Plus portal serves as a gateway to all customers and industry parties to facilitate port operations. For instance, the e-Terminal Plus allows customers to track cargo at Westports and manage various services, such as demurrage, while also making certain processes, such as the issuance of gate passes, more secure and efficient.

We also utilise our NGCCS, to cover the full automation of all non-containerised cargo activities, from wharf operation to billing. NGCCS' comprehensive EDI system also enables fast exchange of information between us and our customers to facilitate paperless documentation for shipping agents, freight forwarders and cargo transporters.

To complement our e-Terminal interface, we have also implemented e-bidding, e-procurement and e-billing in our business transactions. We won the "*Gold Award for IT*" as the most efficient e-terminal port chosen among 50 ports worldwide by the IAPH in May 2007.

Although we utilise several IT systems in our daily operations, when any of these systems has temporarily failed in the past, our wharf operations only experienced minor delay as our employees have been trained to be able to operate Westports' terminals on a manual basis.

7.23 Highly dependent contracts

Except as disclosed below, there are no material contracts, agreements, arrangements or other matters which have been entered into by us which we are highly dependent on:

(i) The Privatisation Agreement

The GOM, PKA and WMSB had entered into the Privatisation Agreement for the development of Westports in accordance with the Westports Development Plan which include the planning, design, construction, testing, commissioning, operation and maintenance of the facilities in respect of the business of operating, managing, maintaining and providing operational facilities and services to port users with regards to container terminal operations, dry and liquid bulk cargo handling, conventional cargo handling, break bulk cargo handling, fire fighting and prevention services and security services in the Westports areas and also tug operations, marine services at Westports ("**Port Business**").

Pursuant to the Privatisation Agreement, WMSB was granted the rights and licence to:

(a) take over, provide and carry out the operation, maintenance, and management of the Port Business from the PKA;

(b) plan, design, construct, test, commission, operate and maintain Westports;

(c) charge the port users for the services that are provided and carried out pursuant to the Port Business. WMSB may apply to the PKA to amend or introduce charges from time to time in accordance with the provisions of the Port Authorities Act and the Ports Privatisation Act subject always to any further regulatory framework as may be established by the GOM, for a period of 30 years commencing 1 September 1994 ("**Take Over Date**") and expiring on the 30th anniversary of the Take Over Date ("**Concession Period**"). The Concession Period may be extended by the GOM and the PKA for a further period of 30 years if the following obligations are met by WMSB:

 (a) the completion of the reclamation of land and incidental works for CT6 until CT9 on or before 1 January 2014; and

 (b) the completion of construction works for CT6 to be fully operational on or before 1 January 2014.

(collectively, "**Conditions For Extension**")

The fulfilment of the Conditions For Extension shall be inspected and verified by the PKA, followed by the issuance of a notice by the PKA (with the concurrence of the GOM) to confirm that the Concession Period has been extended. Following such extension, an agreement supplemental to the Lease Agreement may be entered into for the purpose of revising the amount of lease rentals payable in accordance with the prevailing market value to be determined by Valuation And Property Services Department and after taking into consideration the cost of facilities financed by the GOM.

However, if the Conditions For Extension are not fulfilled within the stipulated time period, then the Concession Period shall expire on the last day of the 30th anniversary of the Take-Over Date. Upon the expiration of the Concession Period, WMSB is required to hand over the Port Business and all structures and facilities on the demised property at no cost to the PKA in a well maintained and operational working condition (normal fair wear and tear excepted).

In consideration of WMSB taking over the Port Business, WMSB is required to pay to the PKA the annual profit sharing calculated at RM1.00 per TEU for containerised cargo and RM0.10 per tonne for conventional cargo handled by WMSB annually. Additional charges at the rate of 8% per annum calculated on a daily basis may be imposed for late payment.

The Privatisation Agreement imposes certain conditions in connection with the shareholding structure of WMSB. For instance:

(a) the Privatisation Agreement requires that the Memorandum and Articles of Association of WMSB be amended to ensure that one (1) special share with the attendant right to appoint one (1) director nominated by the MOF Inc. and the right to resolve upon certain important matters be issued to the MOF Inc. who shall hold such share on behalf of the GOM. For further details on the Special Share, please refer to Section 6.5 of this Prospectus.

(b) Further to that, WMSB is also required to maintain certain shareholding structure that may be changed only if the prior approval of the GOM is obtained. The GOM's approval (through UKAS) is also required if WMSB intends to apply for its shares to be listed and quoted on the Official List of Bursa Securities and to make any change to its shareholding structure for such purpose.

The terms of the Privatisation Agreement requires (among others) that the following be complied with by WMSB:

(a) WMSB should comply with the Westports Development Plan, policies of the GOM and the PKA, other directives of the GOM and that its management and all other employment structure shall be in line with the aspirations of the National Development Policy.

(b) The GOM and/or the PKA are entitled to conduct operational and financial audits and if the GOM and/or the PKA is of the opinion that the operational and financial audits reveal that the business is not being profitably or effectively managed, then the GOM and/or the PKA may require WMSB to improve the performance of the Port Business to the satisfaction of the GOM and/or the PKA (in consultation with WMSB). Any failure to meet these requirements may be deemed to be a breach of WMSB's obligations under the Privatisation Agreement.

(c) That the Bumiputera participation in respect of any contracts entered into by WMSB with third parties, both local and international, for supplies, services and works, shall be at least 30% of the aggregate value of such contracts and that the counterparties to such contracts shall not be related or associated directly or indirectly with WMSB or the shareholders of WMSB. Furthermore, WMSB shall not appoint any foreign professionals or foreign companies as consultants unless the GOM is satisfied that the services sought to be procured from such professional or companies as consultants are not presently available in Malaysia.

(d) WMSB, its personnel, servants, agents or employees should not be involved in corruption or unlawful or illegal activities in relation to this Privatisation Agreement or any other agreements that WMSB may have with the GOM. Otherwise, the GOM is entitled to terminate the Privatisation Agreement by giving immediate written notice to that effect to WMSB. Upon such termination, the PKA and the GOM are entitled to all losses, costs, damages and expenses (including any incidental costs and expenses) incurred by the PKA and the GOM arising from such termination.

(e) WMSB is required to comply with all relevant laws, standards, criteria and GOM policies on matters relating to the conservation of the existing environment in carrying out the Port Business and in all matters relating to the Privatisation Agreement. WMSB should take every reasonable precaution which may be expedient or necessary to prevent pollution and adhere to all environmental requirements, terms and conditions pertaining to pollution controls, discharge of effluent and like matters which are required by any act, ordinance, by-laws, regulations and rules.

(f) WMSB should maintain good working and commercial relationship with other ports in Malaysia and shall comply with any understanding or agreement between the GOM and other port authorities in Malaysia on national policies, joint technical, safety and navigation matters.

There are several circumstances pursuant to which the Privatisation Agreement may be terminated. These include:

(a) if WMSB is in default or commits any breach of any provision or obligation or covenant or warranty or undertaking under the Privatisation Agreement, the Lease Agreement or the Port Licence (which is not remedied within 60 days from the date they become aware of the default);

(b) if WMSB resolves or proposes to go into voluntary liquidation;

(c) if upon the presentation of a winding-up petition, WMSB knowingly or wilfully refuses to defend such petition (and such petition shall not have been withdrawn within 60 days from the date of the filling of such petition);

(d) if any execution or distress is levied or made against a substantial part of the assets and property of WMSB and not remedied within 60 days of such execution or distress being levied or made; or

(e) if a compulsory winding-up order has been made against WMSB.

In the event of termination pursuant to such circumstances, WMSB may also be required to pay to the PKA, damages for all losses that may be suffered by the PKA. All other moneys paid to, or earned by the PKA pursuant to the Port Licence and the Lease Agreement will be forfeited to the PKA. However, the PKA is not liable for any losses and damages suffered by WMSB arising from the event of default by WMSB under the Privatisation Agreement, the Lease Agreement and the Port Licence.

Notwithstanding the foregoing, the Privatisation Agreement allows the GOM to terminate the Privatisation Agreement by giving not less than three (3) calendar months' notice to that effect to WMSB (without any obligation to give any reason thereof) if it considers that such termination is necessary for national interest, in the interest of national security or for the purpose of GOM policy or public policy. Upon such termination, WMSB is entitled to compensation as determined by an independent auditor appointed by the GOM after due consultation with the PKA. In this regard, what constitutes "national interest", "interest of national security", "government policy" and "public policy" is solely determined by the GOM and such determination is for all intent and purpose final and conclusive and may not be challenged.

The GOM and/or the PKA are entitled to indemnity by WMSB, for and against (among others) all actions, suits, claims or demands, proceedings, losses, damages, compensation, costs (including legal costs), charges and expenses made against the GOM and/or the PKA in connection with the Port Business or any omission or act by WMSB, (including its employees, agents or any person authorised by WMSB) in respect of the Port Business.

The terms of the Privatisation Agreement are subject to review by the GOM, at least once every five (5) years or any other intervals as the GOM may deem necessary. Following such review, the terms and conditions of the Privatisation Agreement may be modified or amended by the parties.

(ii) The Lease Agreement

The PKA and WMSB had entered into the Lease Agreement whereby WMSB was granted a lease on all those parcels of land measuring in area approximately 1,202.18 acres in the Daerah of Klang, Mukim Klang/Pulau Indah, Selangor Darul Ehsan for a term of 30 years with effect from 1 September 1994.

WMSB has an option to extend the lease (if there is no subsisting breach of any of WMSB's obligations under the Lease Agreement). However, such option is subject to the PKA's agreement for such extension.

Upon the Concession Period being extended to 2054, we expect that the term of the Lease shall also be extended to follow the term of the extension of the Concession Period.

The total lease rentals for the period of 1995 to 2024 are payable in accordance with the payments schedule annexed to the Lease Agreement which is approximately RM1.1 billion. However, in connection with certain land reclamation works that were undertaken pursuant to the Supplementary Privatisation Agreement dated 27 March 1999, the PKA has agreed to grant WMSB moratorium for certain payments of lease rental and land lease rental.

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

(a) If the Privatisation Agreement or the Port Licence is terminated.

(b) If WMSB discontinues the Port Business on the demised property (except where such discontinuance and cessation is brought about by force majeure or event beyond the control of WMSB).

(c) If the PKA in the national interest at any time requires the demised property or any part thereof, then the PKA may at any time during the lease period terminate the lease by giving not less than 12 calendar months' notice in writing to WMSB. In such event, WMSB is entitled to compensations for the remaining period of the unexpired term of the lease and for the fixtures, if any erected or constructed on the demised property (subject to valuation to be agreed upon between the PKA and WMSB).

The PKA is entitled to review the provisions of this agreement once in every five (5) years or at any other intervals as the PKA deems necessary.

On the expiry of the lease, all the buildings and fixtures erected by WMSB on the demised property shall, without any payment by the PKA, become the property of the PKA.

7.24 Relationship between our Group and the PKA

The PKA's role as the regulator of Port Klang derives its authority from and performs its functions in accordance with the Port Authorities Act and the Ports Privatisation Act. In this regard, in tandem with the GOM's policy to infuse private sector management in various GOM owned or controlled undertakings in the country:

(i) the GOM and the PKA have granted WMSB pursuant to the Privatisation Agreement, the rights to take-over, operate, manage and develop Westports; and

(ii) the PKA has granted WMSB a licence under the Ports Privatisation Act, to operate, manage and maintain Westports,

for a concession period of 30 years commencing 1 September 1994 and expiring in 2024. Subject to the fulfilment of certain obligations under the Privatisation Agreement, the concession period may be extended by the GOM and the PKA for a further period of 30 years. In addition, the Privatisation Agreement stipulates that WMSB is to adhere to the Westports Development Plan, which essentially sets out the current and future construction and development milestones for Westports. For further details on the Privatisation Agreement, refer to Section 7.23(i) above.

In consideration of the rights granted to it, WMSB agrees to pay the PKA the annual profit sharing calculated at RM1.00 per TEU for containerised cargo and RM0.10 per tonne for conventional cargo handled by WMSB annually.

In connection with the Privatisation Agreement, WMSB has also entered into the Lease Agreement for the lease of the land measuring approximately 1,202.18 acres in the Daerah of Klang, Mukim Klang / Pulau Indah, Selangor Darul Ehsan, for a period of 30 years from 1 September 1994. For further details on the Lease Agreement, refer to Section 7.23(ii) above.

7.25 Properties, plant and equipment

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

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(Prepared for inclusion in this Prospectus)

6 SEPTEMBER 2013

Drewry

The Board of Directors
Westports Holdings Berhad
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Dear Sirs/Madams,

Executive Summary of the Independent Market Research Report on the Port Industry in Malaysia and Southeast Asia for Westports Holdings Berhad ("WHB")

We, Drewry Maritime Services (Asia) Pte Ltd ("Drewry Maritime Services"), have prepared the Executive Summary of the Independent Market Research Report on the Port Industry in Malaysia and Southeast Asia ("Report") for inclusion in WHB's Prospectus dated 19.9.2013 ("Prospectus") in relation to the initial public offering and the listing of and quotation for the entire issued and paid-up share capital of WHB on the Main Market of Bursa Malaysia Securities Berhad ("IPO").

We are aware that this Report will be included in the Prospectus and we further confirm that we are aware of our responsibilities under section 214 of the Capital Market and Services Act, 2007.

The market research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research, which involves discussing the status of the industry with leading industry participants and industry experts. The research methodology used has been developed by Drewry and it is refined time to time as per changes in market dynamics. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in the business and industry climate.

We acknowledge that if we are aware of any significant changes affecting the content of this Report between the date hereof and the issue date of the Prospectus, we have an on-going obligation to either cause this Report to be updated for the changes and, where applicable, cause WHB to issue a supplementary prospectus, or withdraw our consent to the inclusion of this Report in the Prospectus.

Drewry Maritime Services has prepared this Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the Report. We believe that this Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in the industry. Drewry Maritime Services shall not be held responsible for the decisions and/or actions of the readers of this Report. This Report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this Report or otherwise.

For and on behalf of Drewry Maritime Services (Asia) Pte Ltd:

Jayendu Krishna
Senior Manager

Drewry Maritime Research | Drewry Maritime Advisors | Drewry Supply Chain Advisors | Drewry Maritime Equity Research

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Drewry

This market research was completed on August 26, 2013.

For further information, please contact:

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15 Hoe Chiang Road,
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Drewry Maritime Research Drewry Maritime Advisors Drewry Supply Chain Advisors Drewry Maritime Equity Research

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INDUSTRY OVERVIEW

All the information and data presented in this section, including the analysis of the Southeast Asian/Malaysian container/conventional port market has been provided by Drewry Maritime Advisors, or Drewry. Drewry has advised that the statistical and graphical information contained herein is drawn from its database and other sources. In connection therewith, Drewry has advised that:

- *Certain information in Drewry's database is derived from estimates or subjective judgments;*
- *The information in the databases of other maritime data collection agencies may differ from the information in Drewry's database;*
- *While Drewry has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures; and*
- *This section also contains forward looking statements which are based on simplifying assumptions and current and expected market dynamics. The actual figures may vary as the market dynamics is ever changing. Drewry cannot be held liable for the realisation of its forecasts.*

Drewry's methodologies for information and data collection, and therefore the information discussed in this section, may differ from those of other sources.

MARKET OVERVIEW

Summary

- *Over the last two decades, world container port throughput has grown more than six times over at a compound annual growth rate ("**CAGR**") of 10%*
- *The Far East region (as defined herein) has emerged as the dominant region in global container trade with a share of 39% in 2012, out of which 66% of traffic is contributed by China. The share of Southeast Asia ("**SEA**") in global container trade was around 14% in 2012*
- *The Far East and SEA regions are each expected to add more additional twenty-foot equivalent units ("**TEUs**") between 2012 and 2015 than any other region in the world*
- *11 out of the top 15 container ports are in Asia, of which six are in China and two are in the SEA region, namely Singapore and Port Klang*
- *The financial performance of container port operators has been fairly stable compared to that of container shipping lines, which underwent extreme volatility during the recent economic downturn. Port operators have been able to maintain operating margins by virtue of long term contractual rates and through cost reduction while shipping lines have faced freight volatility and rising costs*

History and development

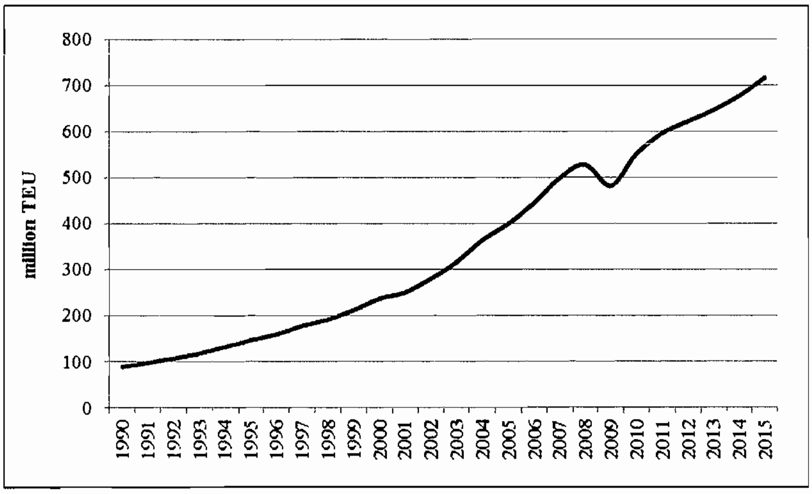
Containerisation as a mode of transportation started in late 1950s. Due to the convenience and cost effectiveness both in terms of time and cost, this mode of transportation was widely adopted throughout the world in a short span of time and specialised ports with specialised cargo equipment were built to handle containers. Both semi-finished as well as finished goods are shipped by these containers via road, rail and sea without reshuffling the actual goods inside the containers at transit points between the various modes of transportation with minimal time and cost.

Coverage of containerisation has expanded to a wide spectrum of products including industrial products, chemicals, agricultural commodities, raw materials, certain liquids, refrigerated goods and project cargo. Container trade originated from the general cargo sector. However, in present times it has also made its presence in some bulk commodities as it has an edge over other modes of transportation in terms of convenience, cost, flexibility, efficiency and the productivity of the entire supply chain.

Container market development

As illustrated in Figure 1 below, global container throughput increased at a CAGR of 8.4% from 2000 to 2012 and is the fastest growing sector of international shipping. Until 2008, global container trade showed continuous growth. The global economic downturn in late 2008 and 2009 adversely affected trade, resulting in a year-on-year decline in global container throughput of 9% in 2009. Nevertheless, the market recovered in 2010 and global container throughput improved by 15% and 4% over 2009 and 2008 respectively with volumes continuing to grow since.

Figure 1: Historical and forecast global container port throughput 1990-2015 (million TEUs)

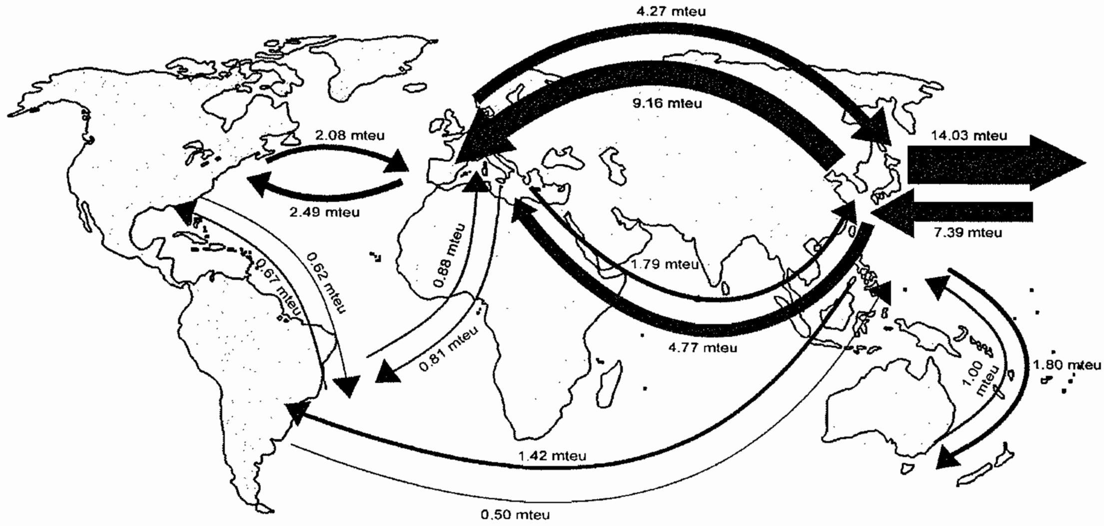


Source: Drewry Maritime Advisors
Note: Includes empty containers and transhipment. 2013-2015 data represents estimates

Principal container trade flows

Global container trade volume is classified into two broad groups – inter-regional trade and intra-regional trade (e.g. intra-Asia trade). Depending on the movement of merchandise, inter-regional trade is further divided into East-West and North-South trade. The East-West trade is the largest in terms of container flow, accounting for 32% of global loaded container movement in 2011. Major trade routes within East-West trade are the Transpacific, Transatlantic, Far East-Europe and Asia-Mediterranean trade routes. Intra-Asia trade has grown to become the single largest regional trade in the world. At the country level, China alone accounted for 26% of global container traffic in 2011 compared to just 12% in 2002. Figure 2 below illustrates the principal container trade flows in terms of million TEUs ("**mteu**").

Figure 2: Principal container trade flows (2011)



Source: Drewry Maritime Advisors

In terms of global container trade, the Far East region has emerged as the leading activity centre. As shown in Table 1, the Far East region's share of global port container throughput has increased over time, reaching 39% in 2012. The share of SEA has remained constant around 14% since early 1990s, growing at a similar rate to global container trade. On the other hand, the share of developed regions like Western Europe and North America is on the decline; the share of Western Europe declined from 21% of global container throughput in 2002 to around 15% in 2012. Similarly, the share of North America has declined from 12% of global container throughput to 7.6% over the same period.

Global container throughput is projected to grow at 5-6% per annum from 2012 to reach 678.2 million TEUs by 2014. Growth is projected to slow thereafter with global container throughput reaching 716.8 million TEUs by 2015, though growth will be driven primarily by the Far East and SEA regions; we expect that these two regions will contribute more additional TEUs to global container trade than any other region in the world between 2012 and 2015.

Table 1: Global container throughput by major region (million TEUs)

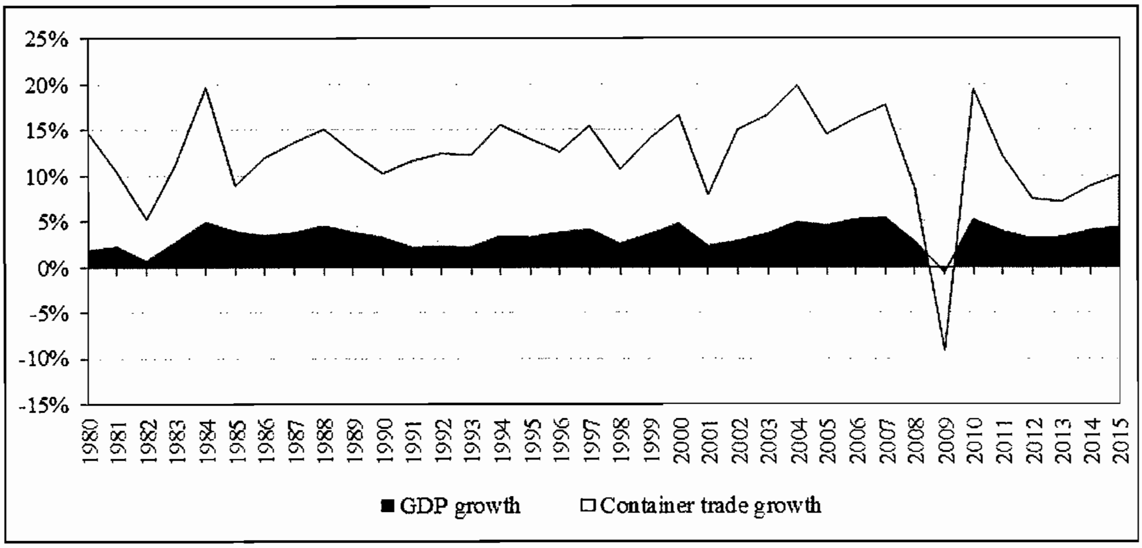
Region	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013(6)	2014(6)	2015(6)	Historical CAGR (2002-2012)	Forecast CAGR (2012-2015)
North America	34.2	37.5	40.8	44.5	46.9	47.9	45.8	39.9	45.4	46.2	47.3	48.6	50.2	52.2	3.3%	3.3%
Western Europe	57.7	63.1	70.9	75.5	81.0	90.3	91.2	78.7	86.5	92.4	94.7	98.9	97.7	100.7	5.1%	2.1%
Far East(1)	89.5	104.2	122.8	138.2	158.3	181.0	194.0	178.7	210.2	231.2	243.6	257.0	272.5	290.4	10.5%	6.0%
SEA(2)	41.4	45.9	51.8	55.1	59.9	68.0	71.8	67.4	76.3	82.7	87.2	91.6	96.6	102.0	7.7%	5.4%
Middle East	13.8	16.5	20.1	22.4	24.5	27.5	32.6	31.2	34.5	36.5	39.4	41.0	43.3	45.8	11.1%	5.2%
Latin America	19.3	21.5	25.2	27.9	32.0	35.4	37.4	34.6	39.8	43.9	46.3	48.0	50.5	54.0	9.1%	5.3%
Oceania(3)	6.0	6.5	7.3	7.5	7.9	8.7	9.4	8.9	9.5	10.2	10.5	10.8	11.3	11.7	5.8%	3.7%
South Asia(4)	6.6	7.3	8.6	9.8	11.5	13.6	14.8	14.0	16.8	17.6	17.6	17.9	18.3	19.1	10.3%	2.8%
Africa	9.0	10.8	12.1	13.9	15.6	17.6	21.0	21.1	23.7	25.2	25.4	26.1	27.4	29.4	10.9%	5.0%
Eastern Europe	1.9	2.4	3.1	4.3	5.4	7.2	8.1	5.1	6.7	8.3	9.0	9.6	10.4	11.5	16.8%	8.5%
World(5)	279.4	315.7	362.7	399.1	443.0	497.2	526.1	479.6	549.4	594.2	621.0	649.5	678.2	716.8	8.3%	4.9%

Source: Drewry Maritime Advisors
Notes:
(1) Far East includes Guam, Hong Kong, Japan, China (People's Republic of), Russia (Sea of Japan coast), South Korea and Taiwan
(2) SEA includes Brunei, Cambodia, Indonesia, Malaysia, Myanmar (Burma), Philippines, Singapore, Thailand and Vietnam
(3) Oceania includes Australia, New Zealand, New Caledonia, Samoa Tahiti, Tuvalu, Vanuatu and Papua New Guinea
(4) South Asia includes India, Pakistan, Bangladesh and Sri Lanka
(5) Global container throughput includes transhipment and empties
(6) 2013-2015 figures represent estimates

Drivers of container trade

A strong relationship exists between economic growth and container trade; changes in economic activity change the volume and spatial distribution of global container trade. As illustrated in Figure 3 below, the historical relationship between gross domestic product ("**GDP**") at current prices and global container shipping volume suggests that every percentage change in GDP at current prices has led to a 3% change in global container shipping volume over the period 1980 to 2012.

Figure 3: Historical and forecast world economic growth and container trade growth (% change year-on-year)



Sources: International Monetary Fund ("IMF") & Drewry Maritime Advisors

Table 2: Key drivers of container trade

Period	Key drivers	Impact on container trade
1980-1990	Trade liberalisation (General Agreement on Tariffs and Trade): container trade predominantly between developed nations.	CAGR 8%
1991-2000	Greater global integration in container trade. New and emerging markets.	CAGR 10%
2000-2008	China becomes World Trade Organisation member in 2001 and United States recession	CAGR 11%
2009	Global financial crisis	Container trade declined by 9%
2010-2011	Recovery: container volumes increase in several regions and major ports.	CAGR 8%

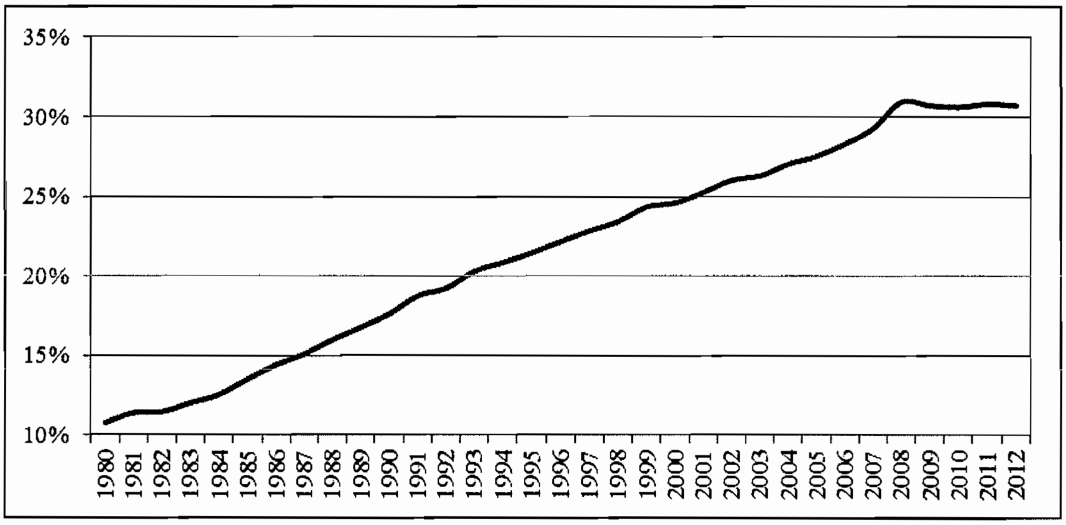
Source: Drewry Maritime Advisors

Types of container traffic

Container terminals handle two categories of container traffic. The first category includes containers originating from and destined to the ports' hinterland; this type of cargo is termed "local", "Import/Export" or "gateway" traffic as the port/terminal acts as a gateway, interfacing between the container market abroad and the domestic hinterland.

The second type of traffic is transhipment cargo; for this type of cargo, the concerned port/terminal acts as a transit point between the origin and the destination ports located either in the same country or in a different country. This cargo is transhipped from one vessel to another vessel in order to reach its destination. Transhipment was initially used as a means of serving small ports at which main line vessels were not able to call; feeder vessels were used to carry containers to the regional hub port in the region and from there the main line vessels carried the containers to their destination ports or to another hub port in the destination region. In order to increase the markets served and to reduce overall network costs, shipping lines have increased the use of transhipment since the 1990s. As illustrated in Figure 4 below, these trends have led to an increase in the share of transhipment globally from 18% in 1990 to an estimated 31% of total container port throughput in 2012. Going forward until 2015, the share of transhipment in total container trade is expected to remain consistent with current levels.

Figure 4: Rising incidence of container transhipment



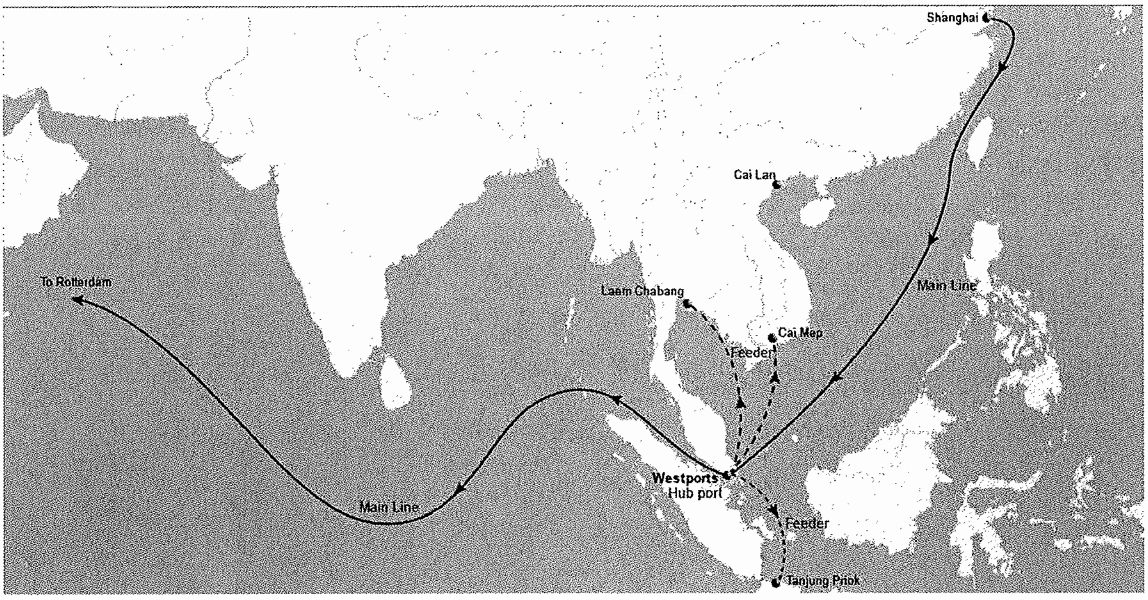
Source: Drewry Maritime Advisors

Primary models of transhipment of containers

As far as transhipment of containers is concerned, there are two primary models followed globally, namely a) Hub and spoke; and b) Relay.

As shown in Figure 5, in hub and spoke transhipment, one port acts as a transhipment "hub" with many smaller ports around it called "spoke" ports. Main line vessels call on the hub port and load/discharge containers destined for or originated from the smaller spoke ports located around this hub port. The container movement between the hub and the spoke ports is undertaken by feeder vessels.

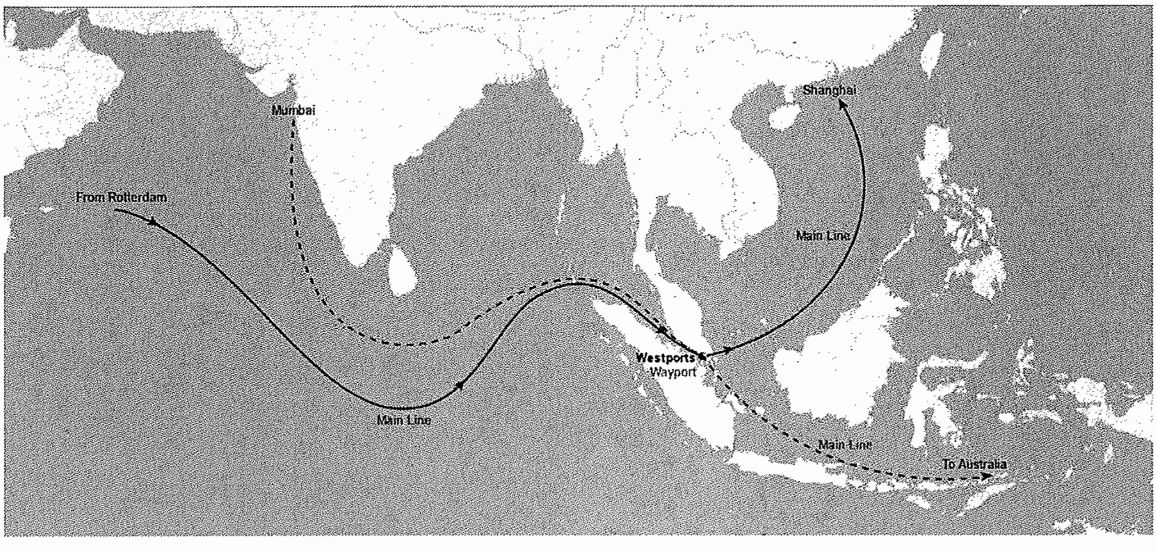
Figure 5: Hub and Spoke Transhipment Model



Source: Drewry Maritime Advisors

Within the transhipment market, the nature of competition varies. Hub and spoke transhipment relies on the proximity of the hub port to spoke ports, usually requiring the ability to make a round trip with a feeder vessel in a week. As shown in Figure 6 below, relay transhipment involves two main haul/main line vessels that tranship at a port at which both vessels call. The container is discharged by the first main haul vessel at the way port and same container will be relayed by the second main haul vessel bound for the final destination.

Figure 6: Relay Transhipment Model



Source: Drewry Maritime Advisors
Note: Wayport is defined as a port where one mainline vessel unloads containers. Subsequently other mainline vessel carries the same container to the final destination.

Port Klang is also used as a relay hub by many shipping lines to tranship containers originating from Hong Kong, Taiwan, Philippines, Vietnam, China, Middle East, Egypt, Japan, Korea, and the Indian sub-continent.

Market dynamics

Most ports in the world are built and operated by a mechanism which involves both public and private players; a public authority invites expressions of interest from private investors to build and operate the container terminal for a fixed time period. Different statutory/regulatory requirements must then be met before any container terminal operator starts construction of and operation at the container terminals, including environment clearances, security clearances etc.

Apart from the statutory/regulatory barriers, container terminal operators must also consider the potential and connectivity of the port's hinterland if the goal is to create a gateway port. For a transhipment terminal, the locational factor matters the most; proximity to the main trade lane is seen as beneficial. The cases in point could be Westports, Port of Singapore or Port of Tanjung Pelepas ("**PTP**"), which are all located in the Straits of Malacca along the major East-West trade lane and thus all benefit in terms of transhipment volume.

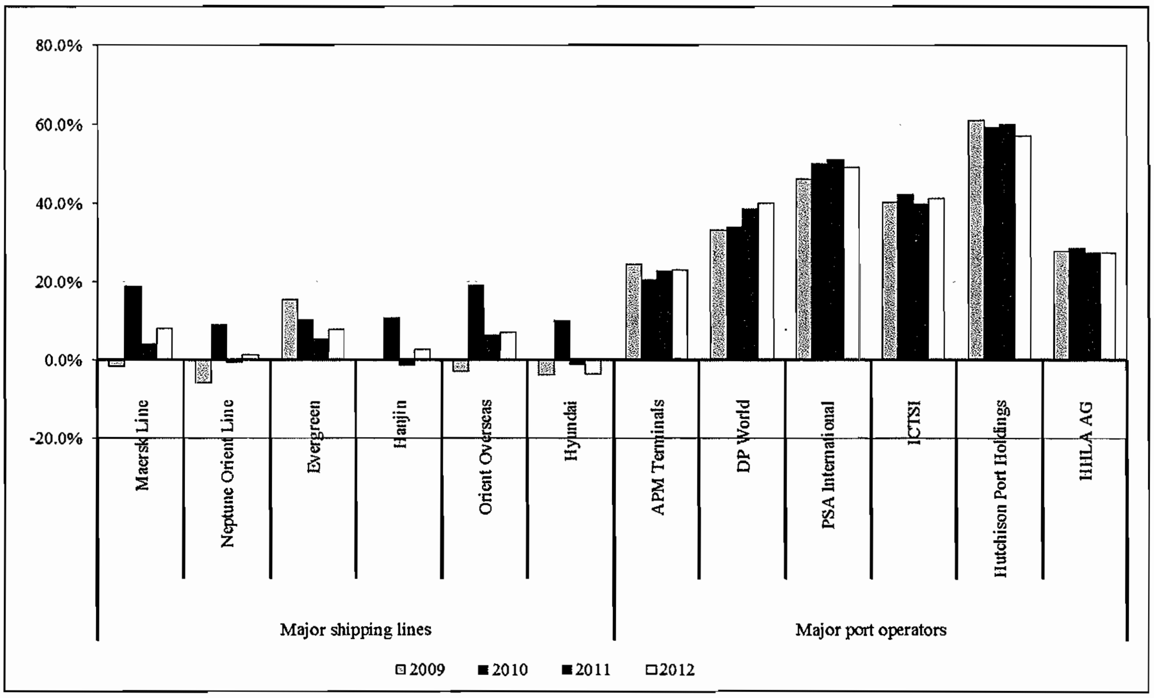
Container port operators and shipping lines

Container ports and shipping lines share the same containers as part of their respective operations but are structurally very different. Shipping lines provide the service of transporting goods by means of high capacity, such as ocean going ships that transit regular routes on a fixed schedule. On the other hand, container terminals are facilities where cargo containers are transhipped between different modes for onward transportation.

In terms of market structure, shipping lines operate in an integrated market spread across the globe. Therefore, factors in one local/regional market affect the overall shipping market. On the other hand, as container terminal operators operate in a more consolidated geographical region, factors in one local/regional market have less of an impact on their operations in each individual market (if operating in multiple locations within or outside the country). As a result, shipping lines operate in a highly competitive business environment whereas the container terminal operators operate in a less competitive environment due to immobility of resources.

Operating profit margins of the shipping lines are highly correlated to the prevailing charter market. For example, vessels chartered by the shipping lines during a normal or high market, especially under long term charters, will result in very low or negative profit margins for the shipping lines during bearish markets or a recession when the demand for shipment/goods decreases. During the 2009 global financial crisis when container trade volumes dropped by 9%, shipping lines incurred losses estimated at USD15 billion in aggregate. However, as Figure 5 shows, global container port operators were able to maintain profitability. This is due to the fact that container terminal operators have greater flexibility to manage the costs of their operations than that of the shipping lines as well as due to their longer term contracts. While 2010 was better year for the shipping lines, again in 2011, most of the shipping lines incurred losses or had marginal profit levels. Nevertheless, all major container terminal operators generated considerable profit levels even during 2009 and 2011.

Figure 7: EBIT margin of selected shipping lines and container port operators



Source: Drewry Maritime Advisors
Note: ICTSI and HHLAAG stand for International Container Terminal Services, Inc. and Hamburger Hafen and Logistik AG, respectively

Key container ports and container port operators

In 2000, only seven of the top 15 container ports in the world were in Asia. As shown in Table 3 below, of the top 15 global container ports in 2012, 11 are located in Asia. Six of the Asian ports in this ranking are located in China. This shows that over the last decade, container activity has increased substantially in the Asian region.

Table 3: Top 15 container ports in the world (2012)

Rank	Port	Country	2011 throughput (million TEUs)	2012 throughput (million TEUs)
1	Shanghai	China	31.8	32.5
2	Singapore	Singapore	29.9	31.6
3	Hong Kong	Hong Kong	24.4	23.1
4	Shenzhen	China	22.5	22.9
5	Busan	South Korea	16.4	17.1
6	Ningbo	China	14.6	16.2
7	Guangzhou (Nansha)	China	14.1	14.5
8	Qingdao	China	13.2	14.5
9	Dubai	United Arab Emirates	13.0	13.3
10	Tianjin / Xingang	China	11.5	12.3
11	Rotterdam	Netherlands	11.9	11.9
12	Port Klang	Malaysia	9.4	10.0
13	Kaohsiung	Taiwan	9.6	9.8
14	Hamburg	Germany	9.0	8.9
15	Antwerp	Belgium	8.7	8.6

Source: Drewry Maritime Advisors

A large proportion of the top container ports are operated by international port operators. As shown in Table 4 below, the top 10 international container terminal operators accounted for more than 63% of global throughput in 2011.

Table 4: Top 10 global container port operators in the world (2010 and 2011)

Ranking			2010		2011	
2011	**2010**	**Operator**	**million TEUs[(1)(3)]**	**Share**	**million TEUs[(1)(3)]**	**Share**
1	1	Hutchison Port Holdings ("HPH")[(5)]	72.7	13.2%	71.8	12.1%
2	3	APM Terminals	60.2	11.0%	64.7	10.9%
3	2	PSA International (Port of Singapore Authority)[(4)(5)]	64.3	11.7%	57.1	9.6%
4	4	DP World	49.5	9.0%	54.1	9.1%
5	5	COSCO Group[(2)(4)]	48.3	8.8%	53.2	9.0%
6	6	MSC/Terminal Investment Limited (TIL)	19.4	3.5%	24.5	4.1%
7	-	China Shipping Terminal Development	14.5	2.6%	18.8	3.2%
8	7	Eurogate	12.3	2.2%	12.9	2.2%
9	10	Hanjin[(4)]	8.5	1.5%	10.0	1.7%
10	8	SSA Marine / Carrix[(4)]	9.1	1.7%	9.7	1.6%
Top 10 operators			**358.9**	**65.3%**	**376.8**	**63.4%**
Other operators			**190.5**	**34.7%**	**217.5**	**36.6%**
Total			**549.4**	**100.0%**	**594.3**	**100.0%**

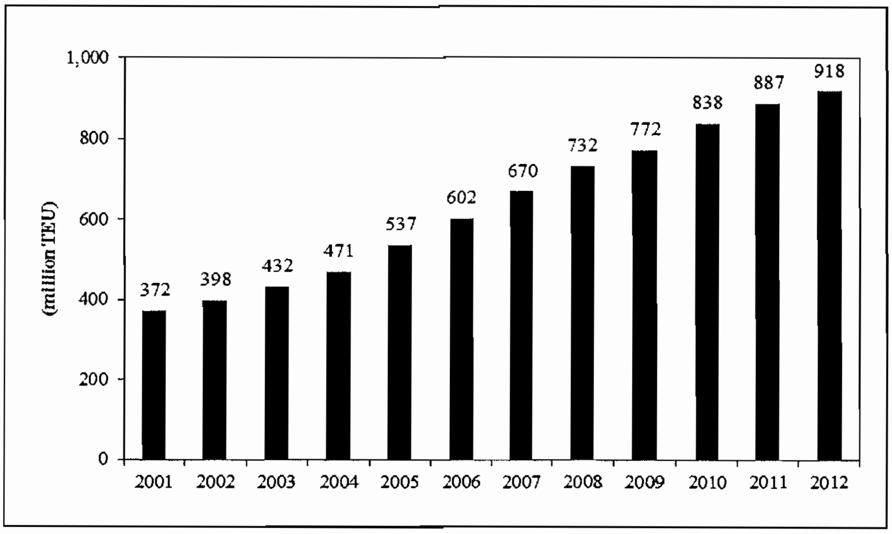
Source: Drewry Maritime Advisors
Notes:
(1) Unless stated otherwise figures include total annual throughput for all terminals in which more than 10% shareholding is held as at 31 December 2011 and 31 December 2010, respectively
(2) Cosco includes Cosco Pacific and Cosco Container Line
(3) Due to the method of calculation there is some degree of variation between Drewry's figures and the terminal operator's publicly announced results
(4) PSA International, COSCO Group, Hanjin and SSA Marine figures are estimated
(5) The HPH figures include HPH Trust volumes; the PSA figure excludes Hong Kong volumes for January – March 2011 at terminals which became part of the HPH Trust

Geographical scope has a big influence on the competitiveness of global port operators as they increasingly compete based on the size and diversification of their portfolios, which enables them to offer global networks to their shipping line customers, who themselves are consolidating and becoming increasingly large.

Global supply scenario

The growth in the container port capacity varies from region to region. Emerging markets have witnessed faster capacity addition compared to the developed regions. For example, capacity in the Far East region increased by around 12% over the period of 2001 to 2012 while Eastern Europe registered growth of 14% over the same period. Meanwhile, capacity in the Gulf Coast of the United States increased moderately by 5%. Overall port capacity in SEA increased by 7.5% in the same period. Figure 8 shows the growth of global container port capacity for the period 2001 to 2012.

Figure 8: Increasing global container port capacity (million TEUs)



Source: Drewry Maritime Advisors

Container port operating efficiency

In a competitive market, operating efficiency at the container terminal is one of the major parameters considered by shipping lines, the primary customer of the container ports.

Quay line performance is a measure of berth utilisation, though high efficiency in this context is not always directly related to profitability. Normally, high berth productivity for a port operator is positive in that more revenue will be generated per metre of quay. Similarly, high crane productivity normally leads to faster vessel turnaround while in port and therefore lowers costs for each shipping line.

Trends in container shipping and the impact on container ports

The growth of international merchandise trade demands larger vessel sizes to maintain economies of scale and keep unit costs low. With the constant upgrading of technology, vessel sizes are growing; the average container vessel size has grown three-fold in the past two decades. and vessels with a design capacity of more than 18,000 TEUs are now in operation. Table 5 shows the number of new container ships on order by size as of June 2013.

Table 5: Container orderbook by size range – June 2013

Size Range (TEUs)	2013	2014	2015	2016	Total	Current Fleet	% of Current Fleet
<500	-	-	-	-	0	113	0.0%
500-999	7	2	-	-	9	599	1.5%
1,000-1,499	10	13	4	-	27	819	3.3%
1,500-1,999	35	14	-	-	49	927	5.3%
2,000-2,499	6	20	13	2	41	639	6.4%
2,500-2,999	37	-	8	-	45	1,050	4.3%
3,000-3,999	80	19	27	19	145	992	14.6%
4,000-4,999	166	33	-	-	199	2,867	6.9%
5,000-5,999	25	42	35	5	107	1,786	6.0%
6,000-6,999	105	20	14	-	139	1,421	9.8%
7,000-7,999	14	-	-	-	14	357	3.9%
8,000-8,999	163	127	85	53	428	2,109	20.3%
9,000-9,999	94	216	167	9	486	719	67.6%
10,000-11,999	100	90	40	-	230	483	47.6%
12,000+	303	592	367	104	1,366	1,820	75.1%
Total	**1,145**	**1,188**	**760**	**192**	**3,285**	**16,701**	**19.7%**
Largest vessel to be delivered (TEUs)	**18,000**	**18,400**	**18,400**	**18,000**			

Source: Drewry Maritime Advisors

Shipping lines continue to order larger ships although the container shipping market is already over supplied. However, in an effort to drive down slot costs through economies of scale and usage of efficient engines, shipping lines are ordering newer and larger ships. With this change in the container shipping industry, ports too have had to cater to these larger containerships. To be able to accommodate these large container ships, a port or terminal must have cranes with sufficient outreach, berth lengths, berth draft, approach channel draft and a yard and landside operation capable supporting these vessels.

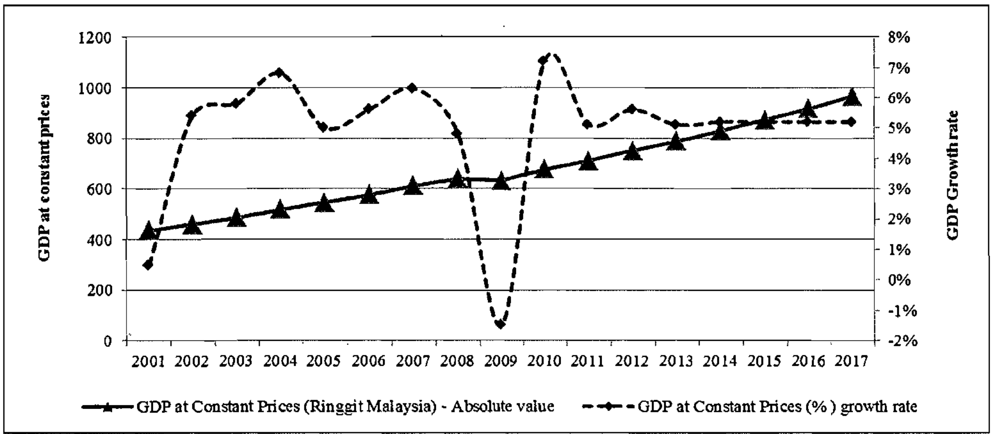
THE MALAYSIAN & SOUTHEAST ASIAN CONTAINER PORT INDUSTRY

Economic overview

The container port market in SEA is influenced by a number of key political and economic developments, which have contributed in making the region less susceptible to downturns in the Eurozone and the United States. Gateway demand was previously driven by demand for imported goods from the United States and the Eurozone, but demand is now switching to local goods being exported to new markets in the Middle East and Oceania.

Malaysia's GDP has grown at an average rate of 5% per annum since 2001. As illustrated in Figure 9 below, over the last decade, its growth rate was consistently above the global average except in 2009, as the Malaysian economy suffered from the global financial crisis. The Malaysian economy has however recovered strongly with growth exceeding 5%.

Figure 9: Historical and forecast GDP of Malaysia



Source: Drewry Maritime Advisors, derived from IMF

Shipping and port developments

The Straits of Malacca region comprises Thailand, Malaysia, Singapore and Indonesia. Total container volume in the Straits of Malacca has grown at a CAGR of 10.4% since 1990 versus a global CAGR of 9.5% over the same period, with Malaysia being the main driver of this strong regional growth. The Malaysian container port market is largely dominated by Port Klang and PTP, which together accounted for over 84.0% of total Malaysian container port throughput in 2012. Westports, located on Port Klang, has increased its market share of total Malaysian container traffic rapidly to 33% in 2012. In terms of transhipment, Westports handles the large majority of traffic in Port Klang (79% market share) and has a 53% market share in terms of import / export in Port Klang.

Port Klang is situated on the west coast of Peninsular Malaysia, about 40 kilometres from the capital city, Kuala Lumpur. Its gateway hinterland market consists of Kuala Lumpur and the central part of Malaysia. As Port Klang is located in the Straits of Malacca, its market for transhipment is therefore the same as Singapore and PTP, which are also located in the Straits of Malacca.

Southeast Asia growth drivers

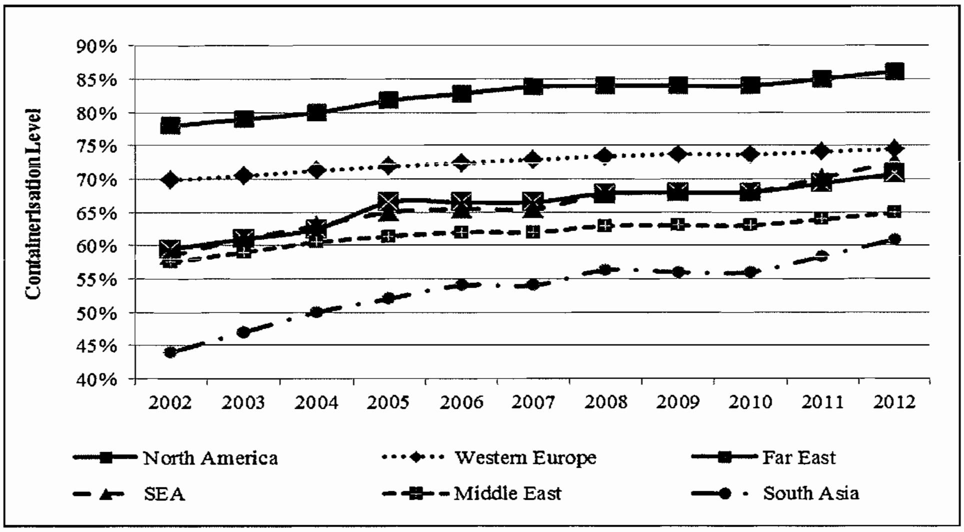
Gateway demand in SEA has historically been driven by demand for goods from the US and the Eurozone. In addition, with the recent downturn in demand from the US and Eurozone, which have traditionally been the main consumer markets, the region has started to export local goods to new markets in the Middle East and Oceania.

Hub and spoke transhipment demand in major hubs such as Singapore, Port Klang and PTP continues to grow despite competition; the overall growth in the transhipment market along with the increasing deployment of larger vessels has made it possible for all of these ports in the region to continue to grow.

Container ports in SEA tend to be at the cross-roads of major shipping routes, which is critical in terms of driving transhipment throughput. For ports which are focused on the gateway market, the focus is to keep their captive cargo and maintain high margins. For transhipment ports, pricing and productivity are key issues in the competition for cargo. Ports have offered equity stakes to shipping lines in the recent years in order to entrench cargo volumes.

As illustrated in Figure 10, the container trades serving SEA have demonstrated growth in terms of containerisation. Drewry estimates that in 2012, around 72% of SEA's general cargo trade was containerised. This is still lower than West Europe (74%) and North America (86%), but higher than other Asian regions. There is still room for growth in SEA for general cargo to achieve a higher level of containerisation.

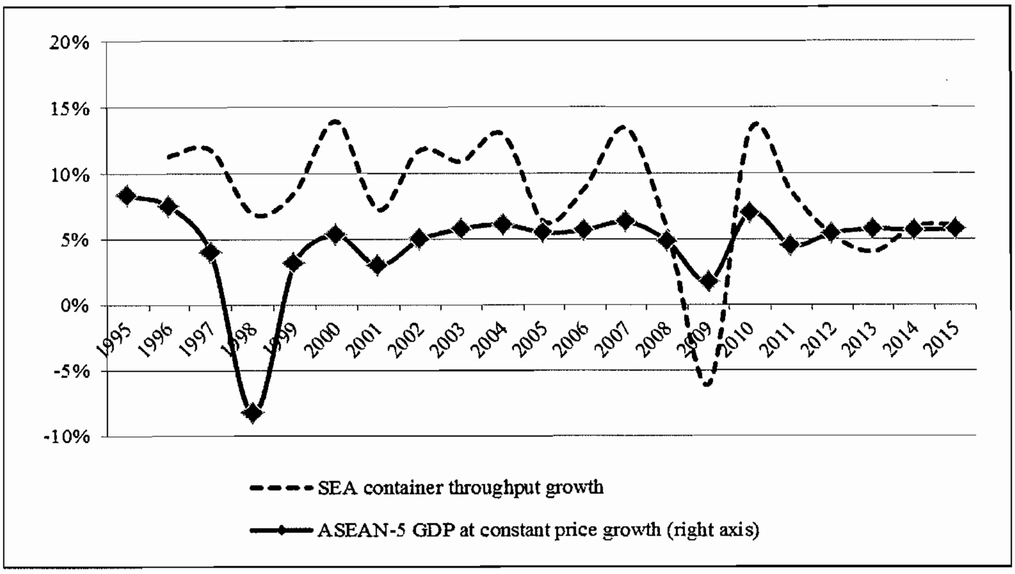
Figure 10: Regional estimated containerisation level (%)



Source: Drewry Maritime Advisors

As shown in Figure 11, container throughput in SEA has experienced a CAGR of 8% over the past decade (between 2001 and 2012) versus a global CAGR of 8.7% over the same period. With SEA being one of the highest growth regions in the world, it is estimated that container activity in the region will continue to grow at around 6%, in line with its estimated economic growth rate, between 2012 and 2015.

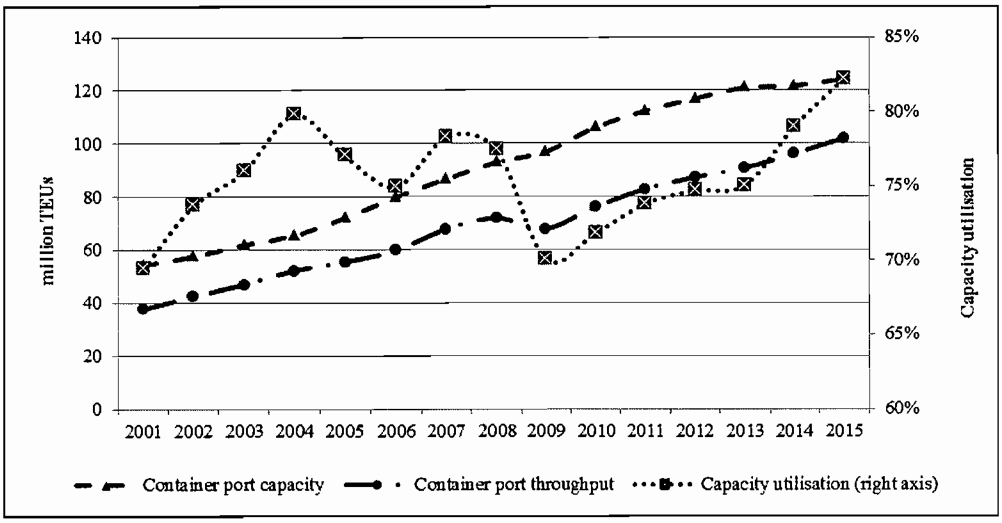
Figure 11: SEA growth in the economy and container throughput (%)



Source: Drewry Maritime Advisors
Note: ASEAN-5 is comprised of Philippines, Indonesia, Malaysia, Thailand and Vietnam

Figure 12 below shows that historically, SEA ports have demonstrated capacity utilisation of around 75%. With robust growth expected in the region, as per Drewry estimates, capacity utilisation of container ports in the SEA region is expected to be well above 85%, creating port infrastructure constraints.

Figure 12: Historical and forecast SEA throughput and capacity utilisation



Source: Drewry Maritime Advisors

Deviation of Straits of Malacca ports from the main trade lane

There are four leading container ports in the Straits of Malacca. The deviation of these ports from the main trade lane is shown in table 6 below:

Table 6: Deviation of Straits of Malacca ports from the main trade lane

Port	Deviation from trade lane (nautical miles)
Port of Singapore	9
Port of Tanjung Pelepas	15
Port Klang (Westports)	12
Tanjung Priok	620

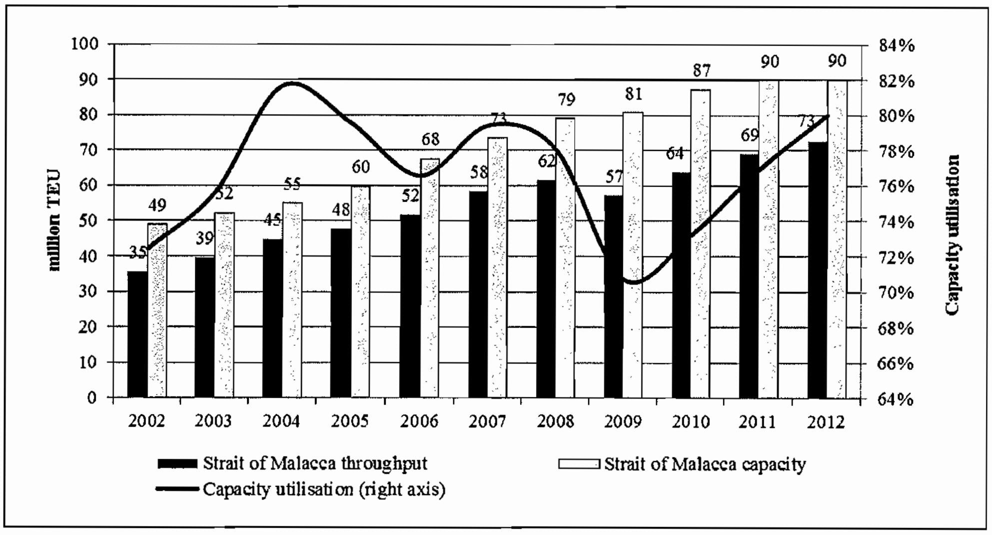
Source: Netpas
Note: Main trade lane is assumed to be the Shanghai-Rotterdam route.

Transhipment hubs must provide deep water berths, cranes that are able to service the largest vessels, immediate access to berths and cranes, and high productivity for main line vessels. Most importantly, they must also be located at a minimal deviation from the main shipping routes and must also have a good geographical location for regular shuttle feeder services to/from key spoke ports. In fact, the lower the deviation, the more suitable is a port's location to operate as a transhipment hub. Furthermore, the existence of a hinterland market for origin/destination cargo alongside the transhipment business is an added attraction, and this will also influence the distance in which shipping lines are willing to deviate from the main shipping routes in order to call at the port.

Straits of Malacca container traffic volumes

The Straits of Malacca is one of the busiest waterways in the world. According to the United States Energy Information Administration (EIA), at least 50,000 vessels sail through the Straits annually, carrying an estimated 30% of global goods and 80% of Japan's oil requirements. Total container volumes in the Straits of Malacca have grown at a CAGR of 8% since 2002 versus a global CAGR of 8% over the same period; the growth rate for Straits of Malacca throughput is higher than the Straits of Malacca capacity growth rates for 2010, 2011 and 2012, as shown in Figure 13 below.

Figure 13: Straits of Malacca container port capacity and container throughput (million TEUs)

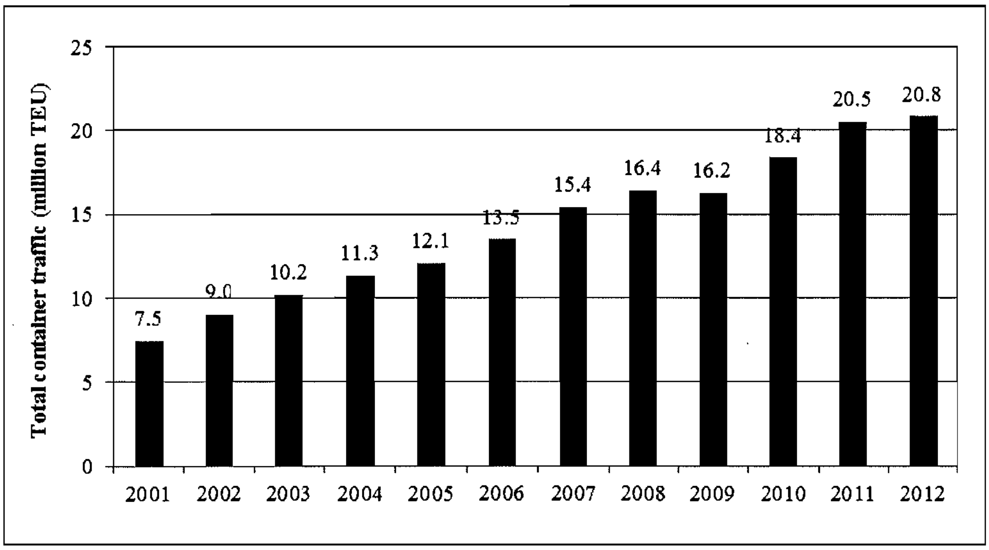


Source: Drewry Maritime Advisors

Malaysia has been the main driver of this strong regional growth, gaining significant market share, from just 11% of regional container throughput in 1990 to nearly 29% in 2012. Indonesia has also gained share of the container traffic market, while Thailand's share has remained stable. Market share of Singapore in the Straits of Malacca declined from 64% of regional container throughput to 44% between 1990 and 2012 despite a strong CAGR of 8.5% in the same period.

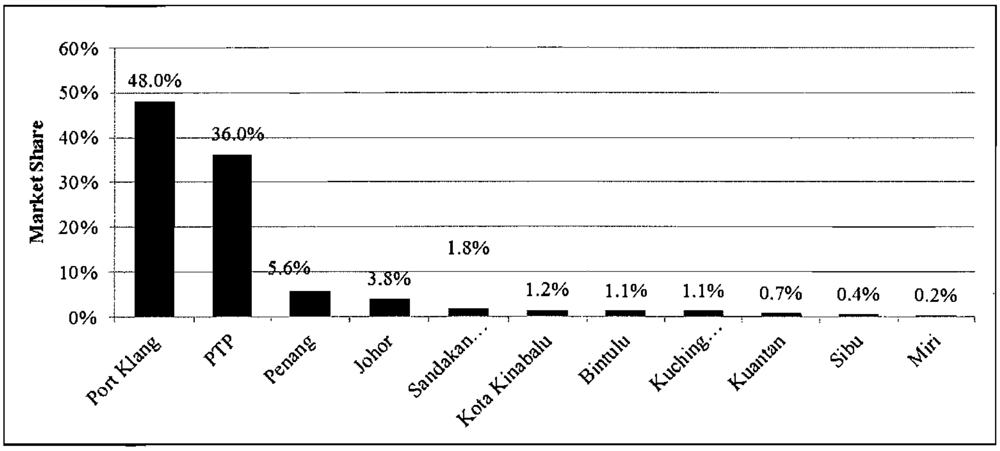
As shown in Figure 14 below, total container traffic in Malaysia has grown strongly, with a CAGR of 10% since 2001. All the Malaysian ports put together handled over 20.8 million TEUs in 2012, with the container port market largely dominated by Port Klang and PTP, which together account for over 84.0% of total traffic, as illustrated in Figure 15. Between 1980 and 2011, every 1% increase in Malaysia's GDP at current prices led to 2% increase in container throughout at Malaysian ports.

Figure 14: Malaysia container traffic (million TEUs)



Source: Drewry Maritime Advisors

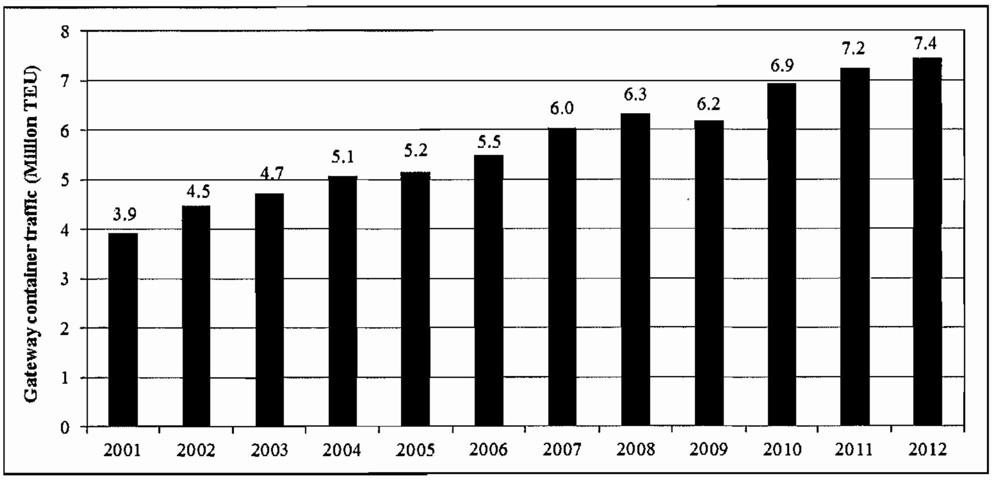
Figure 15: Malaysia ports market share in 2012 – Total traffic (%)



Source: Drewry Maritime Advisors

As shown in Figure 16, total gateway container traffic in Malaysia has grown strongly, with a CAGR of 6% since 2001 reaching 7.4 million TEUs in 2012. The market share of Port Klang for gateway volumes was 50% in 2012, while PTP has only 6% market share of gateway volumes. Penang and Johor are also important ports in the handling of gateway volumes, with a collective market share of over 10%.

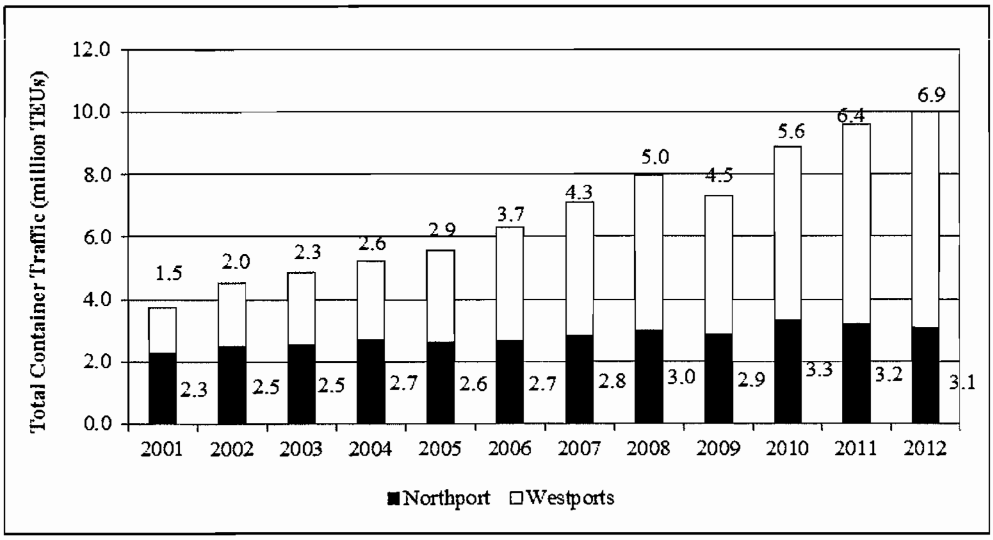
Figure 16: Malaysia gateway volumes (million TEUs)



Source: Drewry Maritime Advisors

As shown in Figure 17 below, the throughput from 2001 to 2012 in Port Klang grew at a CAGR of 9.3% to 10 million TEUs in 2012, with Westports growing at a faster CAGR of 15%.

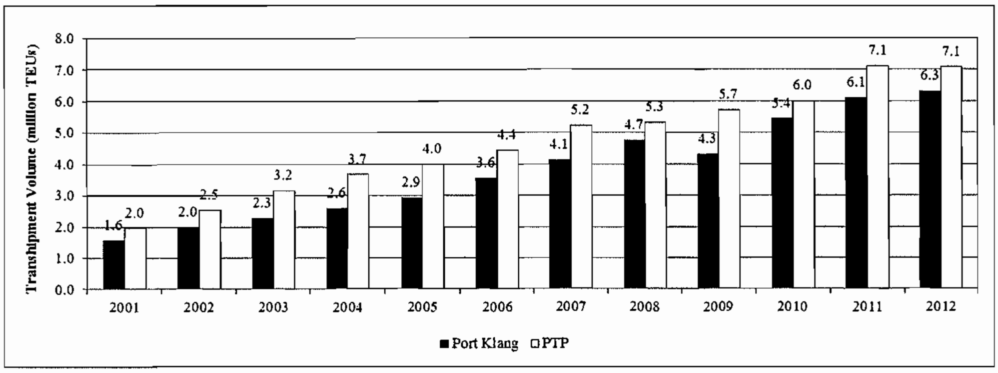
Figure 17: Port Klang port container volumes (million TEUs)



Source: Drewry Maritime Advisors

The only two ports handling transhipment volumes in Malaysia are Port Klang and PTP. As shown in Figure 18, both ports have grown very rapidly since 2001, with CAGRs in excess of 13% and together handle over 84% of total container traffic of Malaysia in 2012.

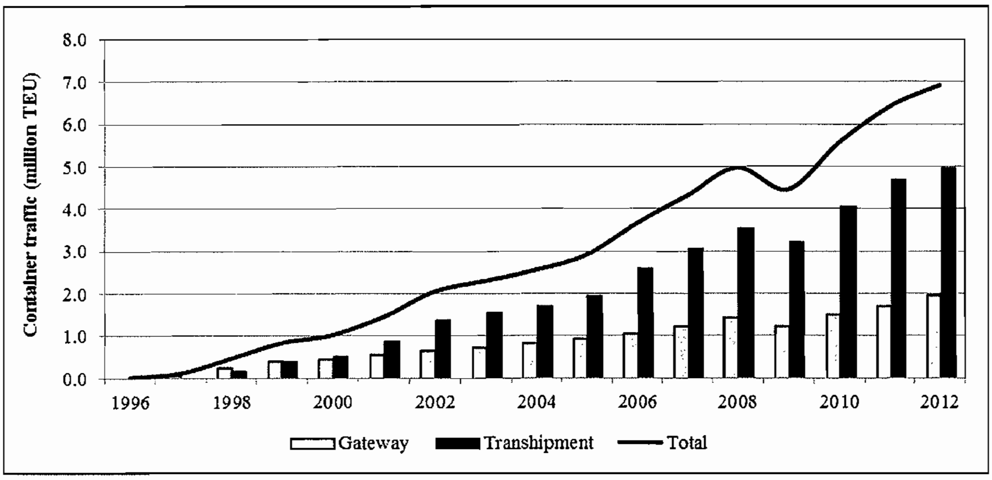
Figure 18: Malaysia transhipment volumes (million TEUs)



Source: Drewry Maritime Advisors

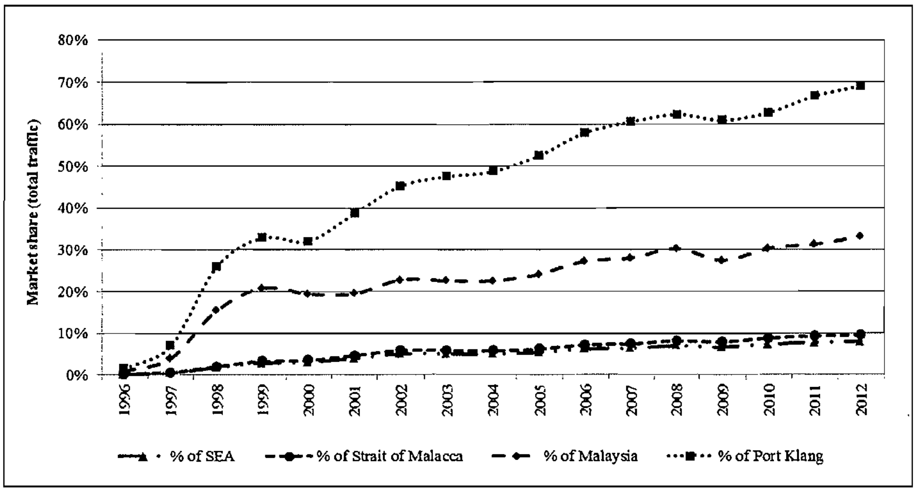
As shown in Figure 19 below, all traffic types (gateway and transhipment) for Westports have grown strongly since 1996 with a total throughput CAGR in excess of 11%. Furthermore, Westports has rapidly increased its market share of total regional traffic since the terminal began operations in 1996. As shown in Figure 20, it now has a 69% market share of Port Klang's traffic in 2012 while its market share within the country is also high at 33% of traffic in 2012. In terms of transhipment, Westports handles the majority of traffic at Port Klang with a 79% market share and has a 12% market share of the Straits of Malacca volumes in 2012, as illustrated in Figure 21.

Figure 19: Westports container volume evolution (million TEUs)



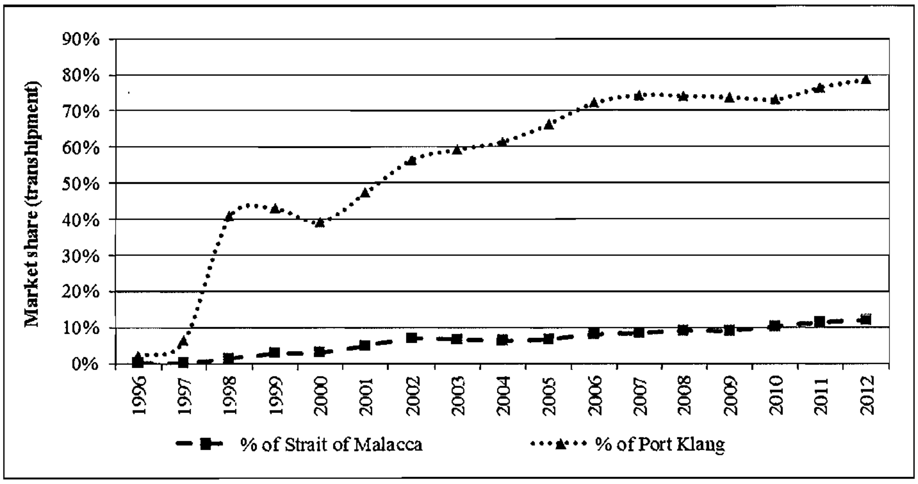
Source: Drewry Maritime Advisors

Figure 20: Westports market share – total traffic (%)



Source: Drewry Maritime Advisors, Westports

Figure 21: Westports market share – transhipment (%)



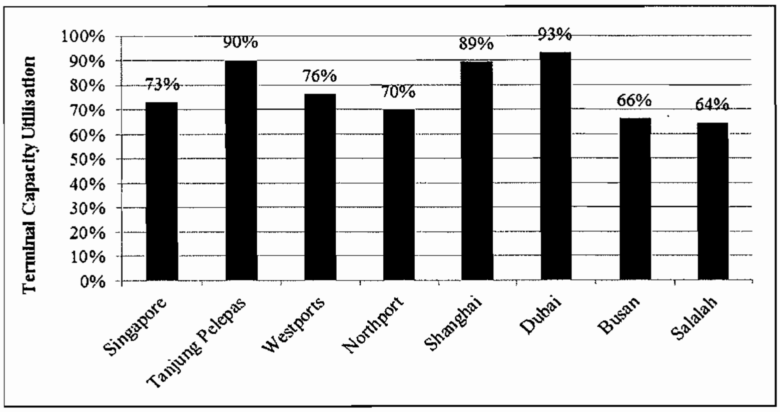
Source: Drewry Maritime Advisors, Westports

Asset benchmarking

Singapore largely dominates Straits of Malacca ports and is 16% larger than the second largest port in the world, namely Shanghai, in terms of port handling capacity. Westports and PTP have annual handling capacity of 9.5 million TEUs and 8.4 million TEUs respectively. Northport is able to handle 4 million TEUs per year.

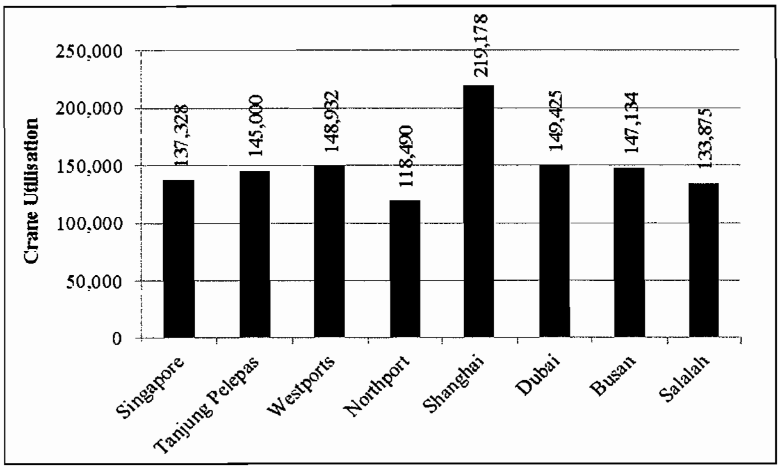
Figures 22, 23 and 24 below compares the terminal utilisation levels, crane productivity and berth productivity (which are the three main parameters used to measure operational efficiency) of container terminals at the main ports and terminals on the Straits of Malacca as well as other major regional ports, respectively.

Figure 22: Terminal utilisation



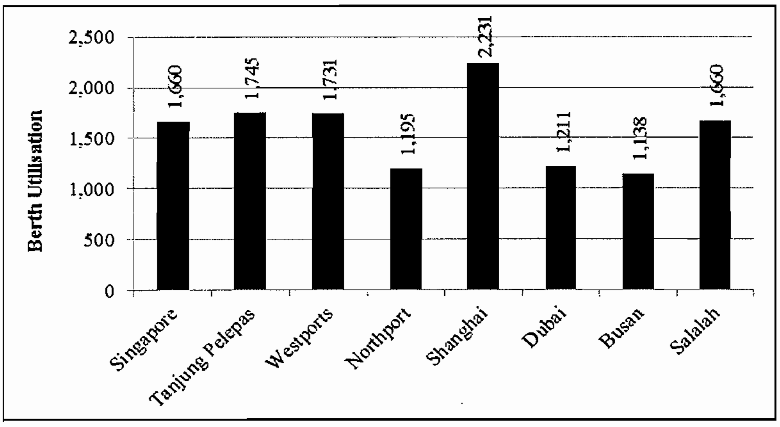
Source: Drewry Maritime Advisors
Note: Represents 2011 figures

Figure 23: Crane productivity (TEU per crane per year)



Source: Drewry Maritime Advisors
Note: Represents 2011 figures

Figure 24: Berth productivity (TEU per metre)



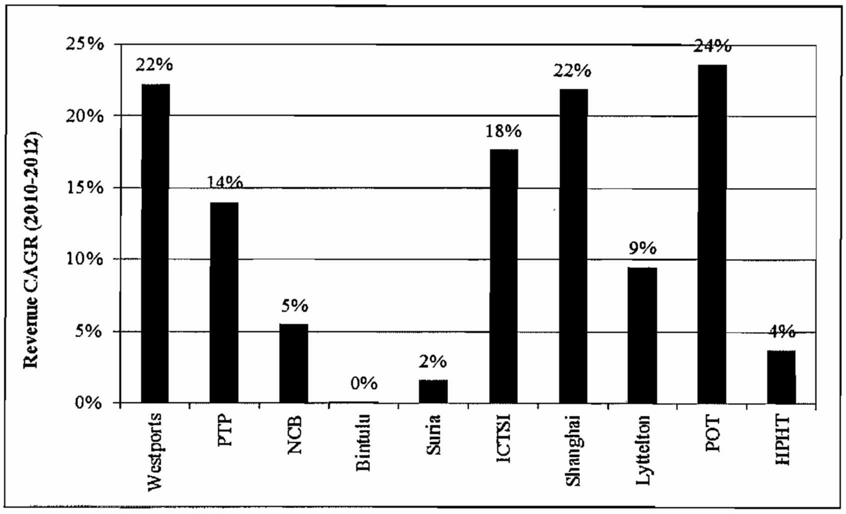
Source: Drewry Maritime Advisors
Note: Represents 2011 figures

Financial Benchmarking

Westports' financials have been benchmarked with other similar container terminal operators and the results are given below. Figure 25 shows that Westports' CAGR for the period 2010-2012 was 22%. This is one of the highest rates among the chosen sample and only Port of Tauranga Ltd had a higher rate.

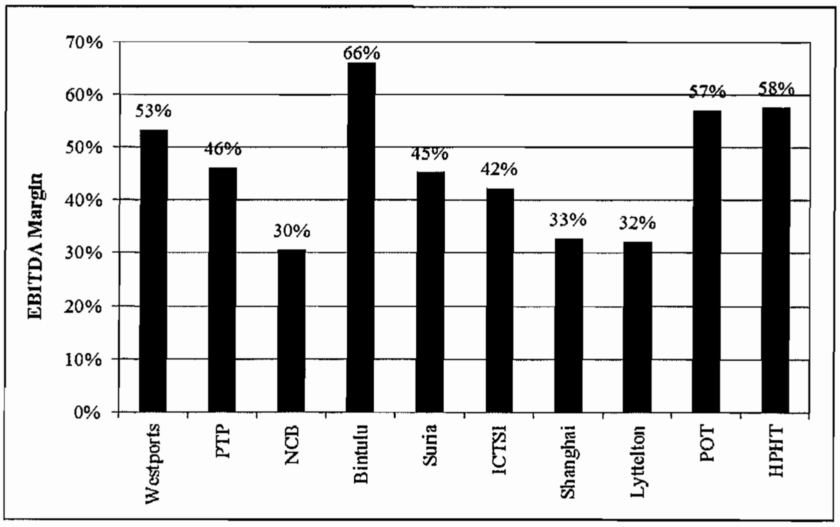
The EBITDA margin is illustrated in Figure 26 and shows that Westports had a 53% EBITDA margin in 2012. Westports' EBITDA margin compares well with the rest of the sample, with only three companies, namely, Bintulu Port Holdings Bhd, Hutchison Port Holdings Trust and Port of Tauranga Ltd having higher margins. This is also highlighted by Westports' high net income margin, which is one of the highest among all of the companies, as shown in Figure 27.

Figure 25: Revenue CAGR 2010 – 2012



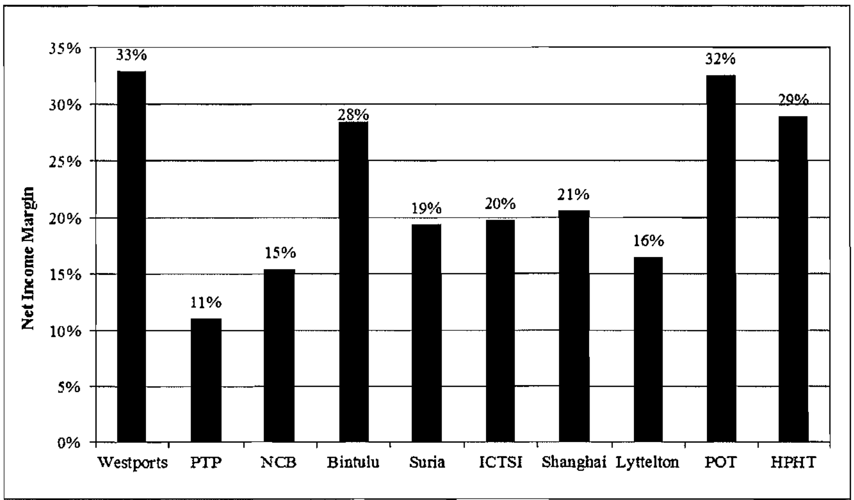
PTP: Pelabuhan Tanjung Pelepas Sdn Bhd , NCB: NCB Holdings Bhd , BIPORT: Bintulu Port Holdings Bhd, SURIA: Suria Capital Holdings Bhd, ICT: International Container Terminal Services Inc, Shanghai: Shanghai International Port Group Co. Ltd, Lyttelton: Lyttelton Port Co. Ltd, POT: Port of Tauranga Ltd, HPHT: Hutchison Port Holdings Trust
Note: Values for PTP reflects 2009 to 2011 financial information as 2012 data is unavailable
Source: Drewry Maritime Advisors, Westports

Figure 26: EBITDA margin – 2012



Source: Drewry Maritime Advisors, Westports
Note: Values for PTP reflects 2011 financial information as 2012 data is unavailable
Westports' EBITDA margin excludes construction revenue and management fees

Figure 27: Net income margin – 2012



Source: Drewry Maritime Advisors, Westports
Note: Values for PTP reflects 2011 financial information as 2012 data is unavailable
Westports' net income margin excludes construction revenue and management fees

Container tariff analysis

Of all the container handling/moving charges, terminal handling charges is the largest component and is the mainstream revenue for terminal operators. Westports' tariffs are shown in Table 7 below; these are maximum published tariffs.

Table 7: Westports' container tariffs (maximum published tariffs)

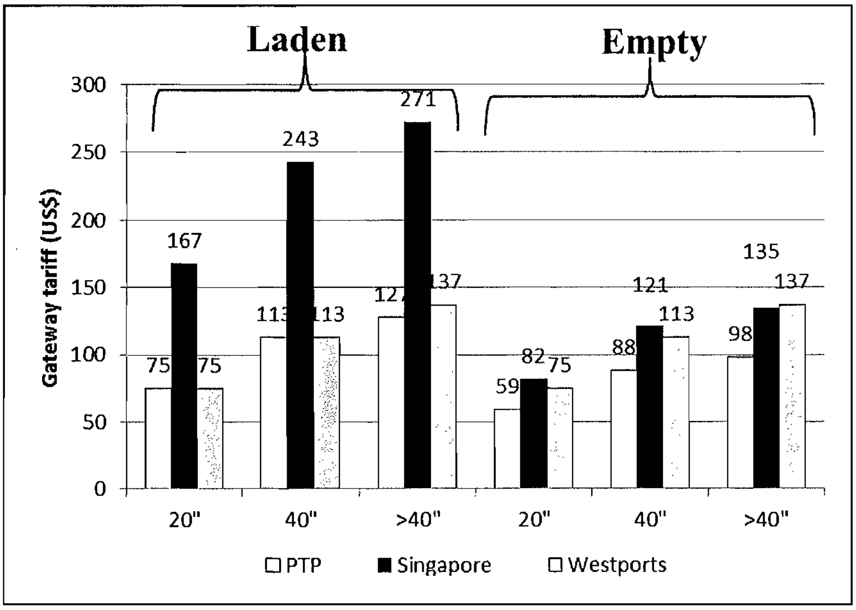
Container size	Gateway laden	Gateway empty	Transhipment laden	Transhipment empty
		(USD per move)		
20"	75	75	46	46
40"	113	113	69	69
>40"	137	137	78	78

Source: Port Klang Authority
Note: Tariff is regulated by Port Klang Authority.
Exchange rate: Ringgit Malaysia ("MYR") / United States Dollar ("USD"): 0.3267

The maximum published tariffs for Northport and Westports are the same as they are regulated by the Port Klang Authority. Singapore's tariff rates for laden gateway traffic are more than double than those of PTP and Westports. Singapore is more space constrained and benefits from a long-term relationship with most of its customers and can therefore justify higher rates. The two Malaysian ports, Westports and PTP, offer similar rates as each other. For gateway empties, Westports' tariffs are similar to Singapore but higher by about 30% than that of PTP. Westports has the lowest transhipment tariffs for all equipment types (various sizes of containers) among the Straits of Malacca ports. On the other hand, Singapore charges higher tariffs for laden transhipment containers as compared to PTP.

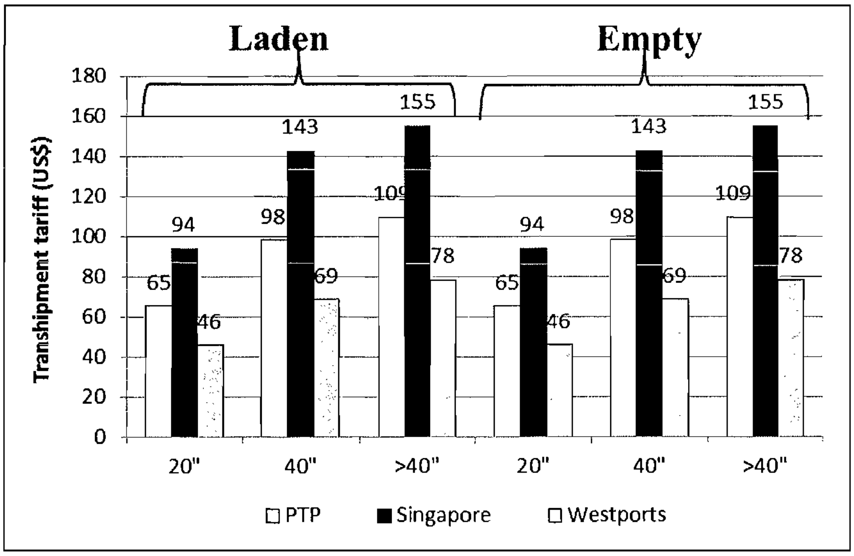
A comparison of Westports tariffs with other competing ports in the Straits of Malacca is presented in Figures 28 and 29.

Figure 28: Straits of Malacca main ports gateway tariffs (in USD)



Source: Drewry Maritime Advisors, derived from the respective port authorities

Figure 29: Straits of Malacca main ports transhipment tariffs (in USD)



Source: Drewry Maritime Advisors, derived from port authorities

CMA CGM Group, China Shipping Line Limited, United Arab Shipping Corporation, Gold Star Line Limited, Compania Sudamericana de Vapores and Emirates Shipping Line DMCEST use Westports as their regional transhipment hub port. Westports' five largest customers accounted for an average of approximately 40.4% of Westports total revenue over the financial years ended 31 December 2010, 2011 and 2012 and the six months period ended 30 June 2013.

THE CONVENTIONAL CARGO PORT INDUSTRY IN MALAYSIA

Economic overview

Conventional cargo accounts for a considerable share of Malaysia's total trade, including exports and imports. Out of conventional cargo, dry bulk and liquid bulk (crude oil and petroleum products) cargo together made up about 123 million tonnes of export and import cargo for Malaysia in 2011, as per the provisional data collated from the Global Trade Information Services (GTIS). Malaysian bulk trade has risen consistently over the past decade, except during the global economic recession period of 2008 to 2009. Total dry bulk and liquid bulk (crude oil and petroleum products) trade volume rose at a CAGR of 4% per annum over the period 2003 to 2011.

- Coal is the most significant dry bulk commodity imported at Malaysian ports, with Indonesia being the biggest coal supplier to Malaysia. Fertiliser, cement clinkers, iron ore and grains are the other major dry bulk commodities imported by Malaysia. Among exports, aggregates, forest products and fertilisers are the top commodities exported from Malaysia.
- Malaysia is a net exporter of crude oil, with Australia and a number of Asian economies as its biggest customers. Malaysia also imports crude oil, particularly from the Middle East, and also from Vietnam. Unlike crude oil, Malaysia imports more petro-products than it exports. Singapore is the single largest petro-products trade partner of Malaysia, given the close geographical proximity of the two countries and high level of bunker trade in the region. Also, Malaysia is the world's second largest producer and exporter of palm oil. Its palm oil exports have witnessed a growth of around 7% per annum between 2007 and 2012. China, Europe, India and Pakistan are the largest importers of Malaysian palm oil.

Total conventional cargo throughput at Westports has increased at a CAGR of 5% per annum between 2007 and 2012, with most of the growth contributed by the increases in liquid bulk volumes and the number of vehicles handled, attributable to the shift in Roll-on Roll-Off ("**RORO**") handling from Northport to Westports in 2008. While overall conventional cargo volume handled at Northport has dipped over the years, it has increased steadily at Lumut and Kuantan. The growth in conventional cargo volume has been the strongest in the case of Kuantan at 13% per annum from 2007 to 2011, while it has been lower at 7% annually over the same period for Lumut.

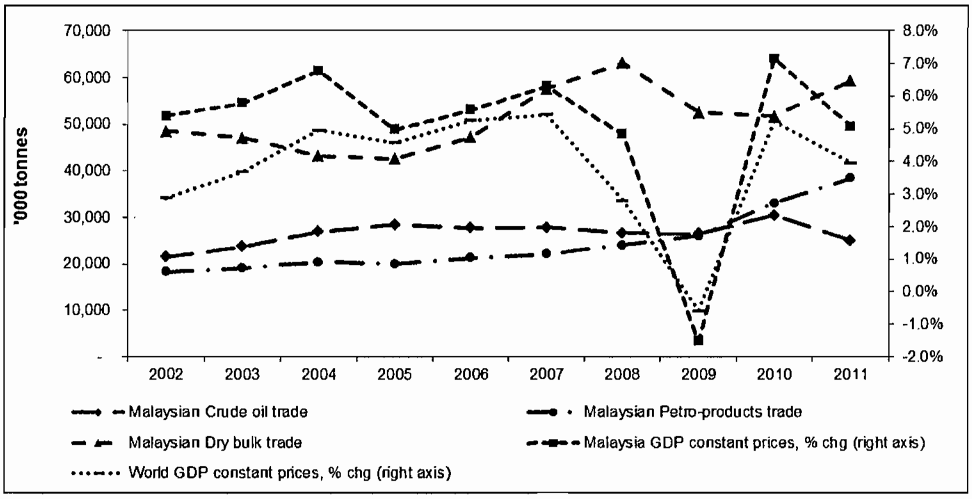
The primary hinterland for conventional cargo at Westports mainly consists of industrial zones located in the states of Selangor and Negeri Sembilan, which comprise of a number of manufacturing units for steel fabrication, scrap metal, industrial coils, wood furniture, automobiles, sugar, soya bean, clinkers, cement, gypsum and coal. The Pulau Indah (Port Klang Free Zone) and the Westports areas play host to a number of flour mills, project cargo engineering firms, fertilizer plants, bulk commodity (both dry and liquid) traders and edible oil refineries. In addition, major international oil marketing and refining firms and chemical storage companies operate tank farms in the Westports terminal, accounting for the majority of liquid bulk cargo.

The demand for refined oils and petroleum products, finished goods, vehicles, grains, construction materials and fertilisers is also supported by healthy economic activity in Kuala Lumpur (which lies about 40 kilometres east of Westports) and its surrounding suburban areas.

Relationship between GDP and Malaysian bulk trade

There is a close link between economic activity (GDP) and global trade and as such business cycles have had a profound impact on world trade. This trend is also reflected in the relationship between Malaysian GDP and bulk trade. Figure 30 illustrates the relationship between GDP growth and Malaysian bulk trade from 2002 to 2011.

Figure 30: Relationship between GDP and Malaysian bulk trade



Source: IMF, WITS, GTIS, Drewry Maritime Advisors

Table 8: Malaysia's bulk trade (imports + exports) and GDP growth

Year	World GDP, constant prices, % change	Malaysia GDP, constant prices, % change	Malaysian Crude oil trade ('000 tonnes)	Malaysian Petro-products trade ('000 tonnes)	Malaysian Dry bulk trade ('000 tonnes)
2002	2.9%	5.4%	21,440	18,252	48,583
2003	3.7%	5.8%	23,674	19,103	47,105
2004	4.9%	6.8%	26,928	20,381	43,208
2005	4.6%	5.0%	28,417	19,945	42,626
2006	5.3%	5.6%	27,749	21,278	47,216
2007	5.4%	6.3%	27,871	22,109	57,581
2008	2.8%	4.8%	26,597	23,954	63,118
2009	-0.6%	-1.5%	26,549	25,990	52,631
2010	5.1%	7.2%	30,443	33,108	51,763
2011	4.0%	5.1%	25,033	38,401	59,355 *

Note: (*) Estimated

Competitive analysis

Among the ports considered for competitive analysis for conventional cargo, Westports has the longest berth size of around 3.0 kilometres. The key port infrastructure for the main ports considered is summarised in Table 9:

Table 9: Key port infrastructure at the main ports for conventional cargo

Terminal Type	Key Port Infrastructure	Westports	Northport	Kuantan
Liquid bulk[3]	Berth length (metres)	1,307	779	1,740
	No. of jetties	5	4	8
	Maximum draft (metres)	16	11.5	11.2
Dry bulk[1][2]	Berth length (metres)	1,335	426	n/a
	No. of berths	6	2	n/a
	Maximum draft (metres)	15	12	n/a
	No. of cranes, unloaders, dischargers and conveyors	5	3	n/a
Break bulk[2]	Berth length (metres)	1,200	1,286	1,073
	No. of berths	6	9	8
	Maximum draft (metres)	15	12.5	11.2
	No. of cranes	n/a	4	3

Source: Publicly disclosed information, Westports
Notes:
(1) Westports' dry bulk terminal includes cement terminal
(2) Westports' dry bulk and break bulk terminals are made up of both dedicated and non-dedicated berths
(3) Westports' liquid bulk terminal is made up of dedicated berths only

Overview of conventional trade in Malaysia

The major non-container commodities handled at the Malaysian ports can broadly be split into four sub-categories, namely dry bulk, liquid bulk, break bulk and RORO. These commodity heads further divide into individual commodities as stated in Table 10 below:

Table 10: Major non-container commodities handled at the Malaysian ports

Dry Bulk	Liquid Bulk	Break Bulk	RORO
Wheat Grains	Bunker	Mixed Steel	Vehicles
Sugar	Palm Oil	Scrap	
Maize	Petroleum	Timber	
Soya Bean	Chemicals	General Cargo	
Clinker/Slag	Liquefied Petroleum Gas (LPG)	Project Cargo	
Fertiliser		Coils	
Coal			
Gypsum			
Cement			

Source: Drewry Maritime Advisors

MALAYSIAN PORT INDUSTRY REGULATIONS

The main laws and regulations governing WMSB's operation and activities are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations of which the business is subject to.

The business and operations of WMSB are governed principally by the Port Authorities Act 1963 and the Ports (Privatisation) Act, 1990.

The PKA is a statutory corporation established on 1 July 1963 under the Port Authorities Act, 1963 to operate and manage Port Klang. The PKA has the power to do all things reasonably necessary for or incidental to the discharge of its functions.

The Ports (Privatisation) Act, 1990 is the principle legislation which regulates the licensing of port operators and only operators licensed under the Ports (Privatisation) Act, 1990 such as WMSB, can undertake or manage port operations.

All licenses under the Ports (Privatisation) Act, 1990 stipulate terms and conditions under the license including, the duration of the licence, the types of service 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.