

LEMBAGA PELABUHAN RAJANG LAPORAN TAHUNAN 2017



Kandungan / *Contents*

Profil Korporat Corporate Profile	1
Visi & Misi Vision & Mission	2
Jemaah Lembaga Board Members	3
Pegawai–Pegawai Utama Principal Officers	5
Carta Organisasi Organisation Chart	6
Kenyataan Pengerusi Chairman’s Message	7
Dari Meja Pengurus Besar From the General Manager’s Desk	9
Prestasi Pelabuhan Port Performance	11
Prestasi Kewangan Financial Performance	15
Pengurusan Kualiti Quality Management	16
Pengurusan dan Sumber Manusia Management and Human Resource	18
Berita Korporat Corporate Highlights	19
Ringkasan Prestasi / Statistik Summary of Performance / Statistics	24
Penyata Kewangan Financial Statements	29

Profil Korporat / *Corporate Profile*



Latar Belakang

Lembaga Pelabuhan Rajang (LPR) telah ditubuhkan pada 1 November 1970 di bawah Seksyen 3, Ordinan Lembaga – Lembaga Pelabuhan, 1961 (Sarawak) dan mula beroperasi pada 17 Mei 1971. Ia merupakan sebuah Badan Berkanun Negeri dan bertanggungjawab kepada Kementerian Pembangunan Infrastruktur & Pengangkutan, Sarawak.

Lembaga Pelabuhan Rajang mengendalikan kargo di dermaga dan juga di perairannya.

Pelabuhan di Sibul merupakan pusat pungutan hasil dan laluan utama kargo berkontena dan kargo am. Sarikei mengendalikan kargo am, khususnya bagi kegunaan tempatan dan hasil keluaran kayu dikendalikan di kawasan Perairan Sibul.

Background

Rajang Port Authority, (RPA) was established under Section 3 of the Port Authorities Ordinance, 1961 (Sarawak) on 1st November 1970 and commenced its operation on 17th May 1971. It is a State Statutory Body under the purview of the Ministry of Infrastructure Development & Transportation, Sarawak.

Rajang Port Authority handles cargo at its wharves as well as at anchorage and mid-stream.

Our port in Sibul is the main revenue earning centre, which is also the main route for containerized cargo and conventional cargo. Sarikei caters mainly for conventional cargo for local consumption and timber products form the bulk of cargo handled at Sibul mid-stream and anchorages.

Pernyataan Misi & Visi / *Mission & Vision Statement*

Visi

Pelabuhan Pilihan Hari ini dan Tiap-tiap Hari.

Vision

The preferred port Today and Everyday.

Misi

Untuk membina ke arah kemampanan dan perkembangan Pelabuhan bagi membolehkan pertumbuhan ekonomi dan untuk menggalakkan perdagangan serantau dan antarabangsa

Mission

To build toward the sustainability and growth of the Port to enable economic growth and to promote regional and international trade

Nilai

- Mengutamakan Pelanggan
- Fokus kepada pihak-pihak berkepentingan dan pekerja
- Tadbir urus yang baik
- Mempunyai kedudukan kewangan yang sihat
- Keselamatan dan Kesihatan

Values

- Customer focus
- Stakeholder and Employee Focus
- Good Governance
- Financial Health
- Safety and Health

Jemaah Lembaga / *Board Members*



Encik Vincent Goh Chung Siong, ABS
Pengerusi / Chairman



Datu Ir. Haji Safri bin Haji Zainudin
PPB, PBK, PPC(Emas)
Timbalan Pengerusi / Deputy Chairman



Datu Laura Lee Ngien Hion,
PPB, PBS, KMN, PPC



Tuan Haji Abang Daud Haji
Salleh



Encik Ngu Liong Beng



Encik Hu Yu Siong,
DNS, PBK, ABS



Encik Douglas Jerukan
ak. Kanyan
PPN, PPC



Encik Jagok ak Mandi



Encik Ling Sing Leon

Jemaah Lembaga / *Board Members*

Jawatankuasa Tender dan Kewangan Tender and Finance Committee

Pengerusi / Chairman

Encik Vincent Goh Chung Siong

Ahli-ahli / Members

Datu Laura Lee Ngien Hion
Timbalan Setiausaha Kewangan Negeri
Deputy State Financial Secretary

Tuan Hj. Abang Daud bin Hj Salleh
Encik Jagok ak. Mandi
Encik Ling Sing Leon

Jawatankuasa Perjawatan Establishment Committee

Pengerusi / Chairman

Encik Vincent Goh Chung Siong

Ahli-ahli / Members

Datu Ir. Haji Safri bin Haji Zainudin
Setiausaha Tetap Kementerian Pembangunan
Infrastruktur & Pengangkutan
Permanent Secretary Ministry of Infrastructure
Development & Transportation

Encik Douglas Jerukan ak. Kanyan
Encik Hu Yu Siong
Encik Ngu Liong Beng

Jawatankuasa Audit Audit Committee

Pengerusi / Chairman

Encik Vincent Goh Chung Siong

Ahli-ahli / Members

Encik Douglas Jerukan ak. Kanyan
Encik Ngu Liong Beng
General Manager, Datin Helen Lim Hui Shyan
Internal Auditor, Puan Hajjah binti Hj. Pon

Pegawai-pegawai Utama / *Principal Officers*

General Manager / Pengurus Besar

Datin Helen Lim Hui Shyan

Assistant General Manager (Administration / Finance) / Corporate Service Manager

Pen. Pengurus Besar (Pentadbiran / Kewangan) / Pengurus Khidmat Korporat

Puan Hayati binti Kiprawi

Mechanical Engineer / Jurutera Mekanikal

Encik Liong Fook Chiong

Executive Engineer / Jurutera Eksekutif

Puan Yii Huong Wee

Internal Auditor / Auditor Dalam

Puan Hajjah binti Hj. Pon

Commercial and Claims Manager / Pengurus Komersial dan Tuntutan

Encik Yet Chuong Hin

Accountant / Akauntan

Cik Ngui Ling Wee

Human Resource and Administrative Manager / Pengurus Sumber Manusia dan Pentadbiran

Puan Norhiya bt Hussain

Traffic Manager / Pengurus Trafik

Encik Kerry ak. Jemat

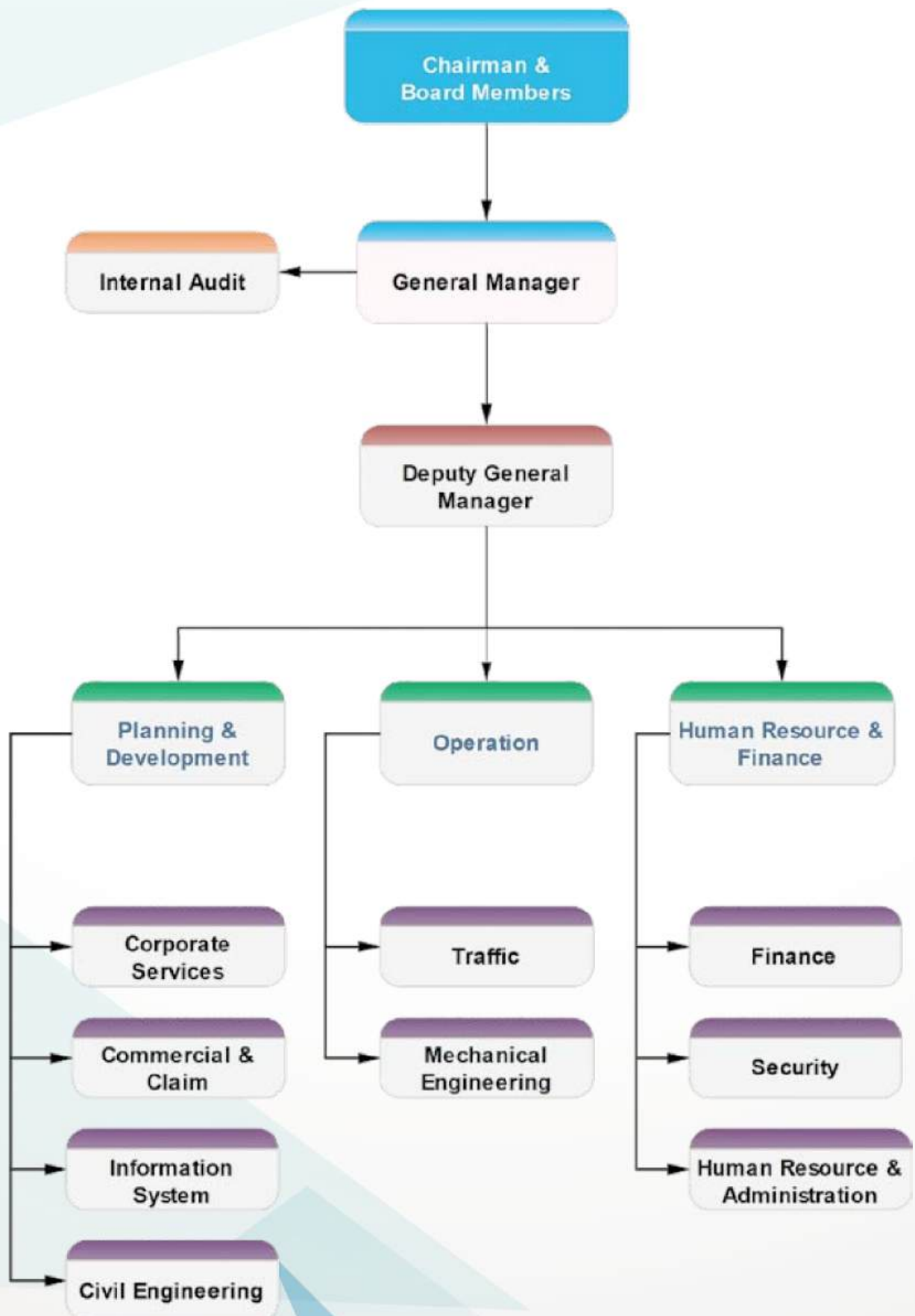
Security Officer, Pegawai Keselamatan

Encik Jeffrey bin Led

Information Technology Manager / Pengurus Sistem Maklumat

Puan Dyg. Jama'iah binti Awang Sidek

Carta Organisasi / *Organisation Chart*



Kenyataan Pengerusi / *Chairman's Statement*



This year had been challenging for Rajang Port Authority. This was a time where the overall shipping and transportation industry had performed badly as the destruction in demand swept the industry on the back of global economic uncertainties and low sea-bound trade growth. This has been made worse with a backdrop of slow global economic growth and lethargic growth in key shipping trades such as container and bulk as well as off shore support sectors.

In tandem with the challenging global scenario, RPA registered a decrease in cargo throughput at 16% compared to last year. Operating revenue was also reduced by RM3 million and our bottom line hit a loss of RM5.7 million. Notwithstanding, RPA was able to manage its finances prudently when operating expenditure was successfully sustained at an increase of only 2% from RM30.6 million to RM31.2 million; with staff costs and depreciation being the most substantial components making up 76% of the total expenditure.

Moreover, RPA still registered an accumulated reserve/profit of RM151 million at the end of 2017. RPA's cash position stands at RM39 million and it has zero borrowing.

I am however hopeful that there will be a favourable shift in business activity for RPA in the coming years. This is in line with the presence of macroeconomic indicators and signs within the industry suggesting a convincing and sustained rebound in 2018 and the coming years.

As we close 2017, I would like to take this opportunity to thank my fellow Board Members for their undenyng and valuable co-operation, guidance and support over the year. Together, we had experienced and shared with the Management and Staff a period of glorious years in bringing RPA to its height.

My appreciation also goes to Datin Helen Lim Hui Shyan, the dynamic General Manager, whom had driven the port to great heights ever since she took over the reins as the General Manager. It is really inspiring to see her utmost enthusiasm, commitment and dedication towards her work and in improving the services offered.

To all levels of staff in RPA, please continue to perform to exceed what our customers expect of us and thank you for all the notable accomplishments achieved over the years.

Last but not least, I take this opportunity to say a big thank you to all our customers for your continued patronage and I would like to call on you to continue to give us your invaluable support as had been so given over the years.

Thank you.

Tahun ini merupakan tahun yang mencabar untuk Lembaga Pelabuhan Rajang. Ini adalah kerana pada masa ini, industri perkapalan dan pengangkutan secara keseluruhan telah dilakukan secara teruk kerana kejatuhan pada permintaan telah melanda dengan hebatnya, disusuli dengan ketidakpastian ekonomi global dan pertumbuhan perdagangan terikat laut yang rendah. Keadaan ini telah menjadi lebih buruk dengan pertumbuhan ekonomi global yang lambat dan pertumbuhan lesu dalam perdagangan perkapalan utama seperti bekas dan sebahagian besar serta sektor sokongan luar pantai.

Selaras dengan senario global yang mencabar, Lembaga telah mencatatkan penurunan dalam pengendalian kargo pada 16% berbanding tahun lepas. Pendapatan operasi menyusut sebanyak RM3 juta dan garisan bawah kami mencecah kerugian sebanyak RM5.7 juta.

Walau apa pun, lembaga telah mampu mengurus kewangannya dengan berhati-hati apabila perbelanjaan mengurus berjaya dikekalkan pada hanya 2% peningkatan daripada RM30.6 juta kepada RM31.2 juta; dengan kos kakitangan dan susut nilai menjadi komponen paling besar yang membentuk 76% daripada jumlah perbelanjaan.

Selain itu, LPR masih mencatatkan rizab / keuntungan terkumpul sebanyak RM151 juta pada penghujung 2017. Kedudukan tunai LPR berjumlah RM39 juta dan ia mempunyai pinjaman sifar. Saya bagaimanapun berharap bahawa akan ada peralihan yang menggalakkan dalam aktiviti perniagaan LPR pada tahun-tahun akan datang.

Ini adalah selaras dengan kehadiran petunjuk makroekonomi dan tanda-tanda dalam industri yang mencadangkan pemulihan yang meyakinkan dan berterusan pada tahun 2018 dan tahun-tahun akan datang.

Saya ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada rakan-rakan ahli Lembaga atas kerjasama, bimbingan dan sokongan mereka yang berharga sepanjang tahun ini. Bersama-sama kita telah membawa dan melakar satu zaman yang gemilang dan terbilang untuk Lembaga Pelabuhan Rajang.

Apresiasi saya juga diberikan kepada Datin Helen Lim Hui Shyan, Pengurus Besar yang dinamik, yang telah memacu pelabuhan itu ke tahap yang tinggi sejak beliau mengambil alih jawatan sebagai Pengurus Besar.

Ianya merupakan satu inspirasi bagi saya apabila melihat semangat, komitmen serta dedikasi terhadap kerja beliau dalam meningkatkan perkhidmatan yang ditawarkan.

Kepada semua peringkat kakitangan di LPR, sila teruskan untuk melampaui apa yang diharapkan oleh pelanggan kami dan terima kasih atas semua pencapaian yang telah dicapai selama ini.

Saya juga ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada semua pelanggan kami atas sokongan berterusan anda dan saya ingin menyeru anda untuk terus memberikan sokongan yang tidak ternilai seperti yang telah diberikan sepanjang tahun ini.

Terima kasih.

Dari Meja Pengurus Besar / *From The General Manager's Desk*



Dear Valued Reader,

Rajang Port Authority has yet again delivered a successful 2017, amidst a backdrop of what was one of the more challenging times in trade and commerce, both internationally and locally.

As a player and partner in the total logistics chain, our response to the changing needs and priorities of our customers, partners and associates has led us to focus on re-balancing our own needs and priorities which we did without compromising our commitment and pledge to exceed our customers' expectations and those of our stakeholders and employees.

We recognise that RPA's frontline and core business rely on the ardent need to stay on top in terms of service provision that not only could secure the trust of the business community but also the trust and co-operation of all who associate with us. And we had delivered exactly that.

At RPA, we are committed to contribute toward the success of businesses of our customers and toward improving the quality of life of our employees, and creating value in the communities we operate in. This has been embodied in our corporate values to be a port that provides quality services; to be a port that is reliable, responsive and is value for money.

RPA will continue to leverage our strengths in our internationally acclaimed infrastructure, services, intellectual capital and processes. Our challenge is to build on these facets whilst exploring and tap on new drivers in the industry; one of which is the digital economy as yet another enabler to facilitate and enhance borderless trade.

The implementation of our strategy in growing our business have no doubt been faced with its own challenges which translated into some delayed profitability experienced in the last 2 years. We expect this to change in 2018 and beyond; the results of which have already been registered in our performance and key performance indicators in the initial months of 2018. These constructive indicators, coupled with our growth is evident that there is optimism to be expected in our future. We are confident we will improve our profitability progressively in the years ahead to achieve and surpass the strong performance which we have experienced in the past during periods of less adverse economic climate.

This port was recognized as a 2017 Asia Pacific International Honesty Enterprise Award winner which gave an international accreditation that is high sounding commitment and trust to our customers as in an industry like the port, the single one most important attribute besides quality and efficiency is honesty and that is what allows our customers to be comforted and assured that their cargo and goods will always be in good hands while in our custody.

Continuing our tradition of giving back to the communities in which we live and work, we continue to roll out our caring initiatives through our Corporate Social Responsibility Programmes to various sectors in the community; the aged, the young and the physically and mentally challenged.

Looking ahead, we envisage to see many more exciting opportunities in our growth journey with our customers, business partners, and with our stakeholders in general. We will keep building on our capabilities that are guided by a set of strong management philosophies and corporate values.

I would like to thank each and every one of our 300 employees, for their passion and commitment to our customers, to enhancing the quality, value for money services and their commitment, loyalty and support to Rajang Port Authority. Their talent, creativity and stewardship have been key to achieving the results over the years and are key ingredients for our continuous future success. I would also like to express gratitude to each and every of our customer and stakeholder without whose support, the port would not have been what it is today.

Let us continue to stay connected as we in RPA are and will be your “Real Partners Always”

Best Regards

Prestasi Pelabuhan / *Port Performance*

KENDALIAN KARGO

Lembaga Pelabuhan Rajang mengendalikan sebanyak 1,186,177 tan kargo dari Januari hingga Disember 2017. Ini merupakan penurunan kendalian sebanyak 16.2% dari sejumlah 1,414,837 tan yang dikendalikan pada tahun 2016.

Dari keseluruhan kendalian, 1,173,157 tan atau 98.9% telah dikendalikan di dermaga manakala 13,020 tan lagi atau 1.1% dikendalikan di kawasan perairan.

Import yang merangkumi 84.4% jumlah kendalian, susut 10.4% kepada 1,001,099 tan dari 1,116,882 tan dan eksport susut 37.9% dari 297,955 tan kepada 185,078 tan.

Komoditi utama yang dikendalikan adalah Makanan / Minuman, Mesin / Kenderaan / Tayar & Tiub, Kain / Perkakasan dan Bahan Binaan / Besi Keluli bagi Import manakala Produk Perkayuan dan hasil Pertanian merupakan cargo utama bagi Eksport.

Dari segi kargo berkontena, Lembaga mengendalikan sebanyak 55,365 TEU, iaitu pengurangan sebanyak 11.8% berbanding 62,728 TEU yang dikendalikan pada tahun sebelumnya.

Sebanyak 589 singgahan kapal telah diterima pada 2017 berbanding 668 pada tahun 2016.

CARGO THROUGHPUT

Rajang Port Authority handled a total of 1,186,177 tonnes of cargo from January to December 2017. This represented a decrease in throughput of 16.2% from a total of 1,414,837 tonnes handled in 2016.

Of the total throughput, 1,173,157 tonnes or 98.9% were worked across the Authority's wharves; whilst 13,020 tonnes or 1.1% were cargo loaded at anchorages.

Imports which made up 84.4% of total throughput or declined 10.4% to 1,001,099 tonnes from 1,116,882 tonnes and Exports dropped by 37.9% from 297,955 tonnes to 185,078 tonnes.

The main commodities handled were foodstuffs / beverages, machinery / vehicles / tyres & tubes, textile / hardware and building materials/iron and steel for import whilst timber products and agricultural goods made up the bulk of export.

In terms of containers, the Authority handled a total of 55,365 TEUs, registering a drop of 11.8% from that handled for the same period last year at 62,728 TEUs.

On ship calls, there was a total 589 ship calls received in 2017 compared to 668 calls in 2016.

Prestasi Pelabuhan / Port Performance

Containers

Containerized cargo contributing 93.3% of the total throughput, decreased by 10.3% from that of last year bringing the total handled to 1,106,505 tonnes.

Dry Bulk, Liquid Bulk & Break Bulk

Dry bulk cargo contributing 1.6% of the total cargo throughput posted a 14.5% drop from 21,847 tonnes to 18,678 tonnes, largely due to cargo having been handled through other jetties/wharves within the Authority's port limits.

Liquid bulk cargo which made up 0.2% of the total cargo throughput decreased 90.2% from 28,220 tonnes to 2,750 tonnes in line with the continued engagement of petroleum products related activities at the Consolidated Oil Distribution Terminal in Tanjung Manis.

Break bulk cargo decreased by 4.9% in 2017 from 129,836 tonnes to 58,244 tonnes.

TABLE : TOTAL CARGO VOLUME BY TYPES

Type of Cargo	Volume in Tonnes			Drop %	Share of throughput 2017 (%)
	2017 (Tonnes)	2016 (Tonnes)	Difference (Tonnes)		
Containerized	1,106,505	1,234,934	(128,429)	(10.3)	93.3
Dry Bulk	18,678	21,847	(3,169)	(14.5)	1.6
Liquid Bulk	2,750	28,220	(25,470)	(90.2)	0.2
Break Bulk	58,244	129,836	(71,592)	(55.1)	4.9
TOTAL	1,186,177	1,414,837	(228,660)	(16.2)	100.0

Kendalian Kontena

Kargo kontena menyumbang 93.3% daripada keseluruhan jumlah kendalian. Ini merupakan penurunan sebanyak 10.3% daripada kargo kendalian tahun sebelumnya atau 1,106,505 tan.

Kargo pukal Kering, Cecair pukal dan Pukal Am

Kargo pukal kering yang menyumbang 1.8% keseluruhan kargo menyusut 14.5% dari 21,847 tan ke 18,678 tan, sebahagian besarnya disebabkan pengendalian kargo yang dikendalikan di waf-waf lain selain waf Lembaga yang beroperasi di sekitar had kawasan pelabuhan.

Kargo cecair pukal yang merangkumi 0.2% jumlah kendalian kargo menyusut 90.2% daripada 28,220 tan kepada 2,750 tan, berpunca daripada peningkatan penglibatan berterusan pengendalian kargo cecair pukal di Terminal Pusat Agihan Minyak di Tanjung Manis.

Pukal am juga menunjukkan penurunan kendalian sebanyak 4.9 % daripada 129,836 tan kepada 58,244 tan.

Prestasi Pelabuhan / *Port Performance*

Profil Perdagangan

Pada tahun 2017, kargo domestik susut 44.4% kepada 946,566 tan daripada 1,702,372 tan. Walau bagaimanapun, kargo antarabangsa berjumlah 239,611 tan atau 19.5% jumlah keseluruhan kendalian merekodkan peningkatan sebanyak 97.4% dari 121,434 tan yang dikendalikan pada 2016.

Dari segi perdagangan serantau, Lembaga Pelabuhan Rajang telah menyaksikan hampir keseluruhan perdagangannya dengan pelabuhan-pelabuhan lain di Malaysia, membentuk sebanyak 80% daripada keseluruhan jumlah kendalian. Sebahagian besar daripada perdagangan intra-Malaysia ini merupakan kargo berkontena.

Rantau Intra-ASEAN membentuk 5% dari jumlah dagangan, dengan Singapura menyumbang 2.2% jumlah kendalian dan Vietnam 1.3% dari jumlah kendalian Intra-ASEAN.

Lembaga meneruskan perdagangannya dengan pelabuhan-pelabuhan lain di Malaysia seperti Pelabuhan Kelang (507,426 tan), Pelabuhan Tg. Manis (244,410 tan), Pelabuhan Pasir Gudang (89,189 tan), Hong Kong (85,565 tan), China (69,897 tan), Pelabuhan Pulau Pinang (63,810 tan), Singapura (26,050 tan), Pelabuhan Bintulu (20,100 tan), Pelabuhan Barat (16,575 tan) and Vietnam (15,123 tan).



Prestasi Pelabuhan / *Port Performance*

Trade Profile

In 2017, domestic cargo posed a decline of 44.4% to 946,566 tonnes from 1,702,372 tonnes. In spite of this, foreign cargo of 239,611 tonnes or 19.5% of the total throughput recorded an outstanding increase of 97.4% from 121,434 tonnes handled in 2016.

In terms of region, Rajang Port Authority enjoyed the most of its trade with other Malaysian Ports which constituted 80% share of the total volume of throughput. The bulk of cargo handled in this Inter-Malaysia trade mainly comprised containerized cargoes.

The Intra-ASEAN region accounted for 5% of the total throughput with Singapore contributing 2.2% and Vietnam contributing 1.3% of the total Intra ASEAN region's throughput.

In terms of tonnage, RPA's top trading partners in 2017 were Port Kelang (507,426 tonnes), Tg. Manis Port (244,410 tonnes), Pasir Gudang Port (89,189 tonnes), Hong Kong (85,565 tonnes), China (69,897 tonnes), Penang Port (63,810 tonnes), Singapore (26,050 tonnes), Bintulu Port (20,100 tonnes), West Port (16,575 tonnes) and Vietnam (15,123 tonnes).

Diagram : Trading Connections 2017



Prestasi Kewangan / *Financial Performance*

Kedudukan Kewangan

Kutipan hasil daripada operasi mencatat RM21,644,233 berbanding RM24,727,207 pada tahun 2016; selari dengan penyusutan jumlah kendalian cargo bagi tahun tersebut daripada 1,414,837 tan ke 1,186,177 tan.

Dari segi perbelanjaan, Lembaga ini berupaya mengekal perbelanjaan operasi yang konservatif dengan kenaikan sebanyak hanya 2% daripada RM30,658,928 ke RM31,259,187; dengan kos pekerja dan susut nilai menyumbang bahagian yang terbesar sebanyak RM23,691,669 atau 75.8% dari jumlah perbelanjaan.

Bagi tempoh berakhir tahun 2017, Lembaga mencatat kenaikan dalam kerugian bersih sebanyak RM2,909,316 akibat pengurangan kendalian kargo secara keseluruhan.

Financial Position

Operating revenue recorded RM21,644,233 compared to RM24,727,207 in 2016, representing a decrease of 12.5% in tandem with the decrease in cargo throughput from 1,414,837 tonnes to 1,186,177 tonnes.

In terms of expenditure, the Authority was able to sustain its expenditure increased conservatively by 2% from RM30,658,928 to RM31,259,187 in 2017; with staff costs and depreciation being the most substantial components totaling RM23,691,669 representing 75.8% of the total expenditure.

For the year ended 31 December 2017, the Authority recorded an increase in net loss of RM2,909,316 from that of last year due to the decrease in cargo throughput.

Pengurusan Kualiti / *Quality Management*

Pengurusan Kualiti Menyeluruh

Sejajar dengan matlamat untuk membangun dan menanam program-program TQM di semua bidang dan perkhidmatan pelabuhan, LPR secara berterusan berusaha memertabatkan program kualiti untuk diserap sebagai budaya di tempat kerja.

Usaha-usaha berterusan telah diperkukuhkan lagi bagi meningkatkan kecekapan dalam semua prosidur dan proses kerja. MS ISO 9001:2008 dan Kod ISPS dilaksanakan untuk mengesyor pengwujudan kaedah-kaedah kawalan kualiti yang berkesan serta mematuhi peraturan-peraturan kualiti dan keselamatan sedia ada; disamping lain-lain inisiatif kualiti yang bertujuan untuk melengkap dan membantu pematuhan kepada program-program kualiti sedia ada.

Program-program yang diusahakan secara aktif di dalam pelayaran kualiti ini termasuklah:

- Piagam Pelanggan
- Kod Etika Kerja
- Jawatankuasa Integriti dan Tadbir Urus
- Sistem “Q”
- Jawatankuasa Keselamatan dan Kesihatan Pekerja
- 5S
- Kumpulan Inovasi dan Kereativiti
- Jawatankuasa Pengurusan Kewangan dan Akaun
- Jawatankuasa Pemantauan Loji & Jentera
- Hari Bersama Pelanggan
- Majlis Bersama Jabatan
- Hari Q
- Majlis-majlis korporat
- Sesi Dialog

Total Quality Management (TQM)

Consistent with the objective to develop and inculcate TQM programs in all areas and services of the port, RPA had constantly upheld its quality programs for assimilation of quality culture in the workplace.

Concerted efforts had been continuously pursued to improve efficiency in all work procedures and processes. MS ISO 9001:2008 and ISPS Code are implemented for effective quality control measures and compliance with the required quality and security regulations; in addition to other quality initiatives aimed to complement and supplement the compliance aspects of Quality programs.

Programs actively and continually pursued in our quality journey include:

- Clients’ Charter
- Code of Ethics
- ‘Jawatankuasa Integriti dan Tadbir Urus’
- “Q” System
- Safety & Health Committee
- 5S
- CIC Teams
- ‘Jawatankuasa Pengurusan Kewangan dan Akaun’,
- ‘Jawatankuasa Pemantauan Loji & Jentera’
- Hari Bersama Pelanggan
- Majlis Bersama Jabatan
- Hari Q
- Corporate functions
- Dialogues

Pengurusan Kualiti / *Quality Management*

BALANCE SCORE CARD (BSC)

RPA had also engaged a consultancy service for the Balance Score Card (BSC) initiative. This was conducted in 3 sessions over a period of 5 days.

RPA had formulated the strategic maps, identified the strategic objectives and determined a total of 15 Key Performance Indicators (KPIs) for its score card. They are as follows:

1. Customer satisfaction rating
2. Percentage increase in revenue
3. Percentage in operating profit
4. Budget utilization rate
5. Accountability Index
6. Percentage contribution of income derived from assets to overall revenue
7. Monthly average of TEUs
8. Monthly average cargo throughput (Tonnes)
9. Website rating
10. RPA perception rating
11. Operational efficiency rating
12. Government Audit and other audits
13. Percentage of effectiveness in training
14. Internal culture rating
15. Percentage availability of Integrated Port Management System (IPMS)

With the aforementioned, the Authority had also successfully commenced its BSC initiative which serves as a crucial and important management tool to enable the Authority to strive towards achieving our vision and attaining our mission successfully.

Pengurusan Sumber Manusia / *Human Resource Management*

Sumber Manusia

Jumlah keseluruhan kakitangan adalah sebanyak 271 orang pada 286 Disember 2017 berbanding 286 orang pada tahun sebelumnya.

Pembangunan Sumber Manusia

Sejajar dengan objektif korporatnya, LPR meneruskan usahanya untuk mempertingkatkan kemahiran dan pengetahuan pekerjaannya melalui program latihan dan pembangunan termasuklah pelbagai kursus, persidangan dan seminar yang dianjurkan secara dalaman atau di luar pejabat.

Pada 2017, LPR telah menganjurkan 59 program latihan dan pembangunan pelbagai disiplin seperti Kewangan, Keselamatan Pelabuhan, Keselamatan dan Kesihatan, Kualiti dan Operasi Pelabuhan di mana setiap kakitangan / pekerja mempunyai sekurang-kurangnya 2 latihan atau meningkatkan pengetahuan atau kemahiran. Pihak Berkuasa juga telah menyelaraskan latihan perindustrian / lampiran untuk 5 orang mahasiswa dari institusi pengajian tinggi tempatan; inisiatif lain untuk menekankan kepentingan pembelajaran dan pendidikan.

Human Resource

The overall manpower strength stood at 271 as at 31 December 2017 compared to 286 in the previous year.

Human Resource Development

In line with its corporate objective, RPA is constantly making continual efforts to upgrade its employees' skills and knowledge through training and development programs which included various courses, conferences and seminars conducted either in house or externally.

In 2017, The Authority had also organized 59 training and development programs of various disciplines such as Finance, Port Security, Safety and Health, Quality and Port Operations where each staff/employee would have had at least 2 training or upgrade of knowledge or skill. The Authority had also coordinated industrial/ attachment training for 5 undergraduates from local higher institutions; another initiative to emphasize the importance of learning and education.



TradeGateway Training For Our Customers



IT Training by Department

Acara Korporat...Bersama Pelanggan & Pihak Berkepentingan / *Corporate Events...With Customers & Stakeholders*

RPA went on a study visit to Port of Rotterdam, the Netherlands in March 2017, headed by the Deputy Chief Minister and Minister for Infrastructure Development and Transportation, The Honourable YAB Tan Sri Datuk Amar James Jemut Masing. In addition to learning and sharing of information, the visit had also established rapport, ties and networking on an international level.

There was also a visit to the International Maritime Organisation (IMO) in London which is a specialised agency of the United Nations responsible for regulating shipping. During this visit, there was much to learn on safety regulation, environmental concerns, technical cooperation, maritime security and the efficiency of shipping

In November, the Authority received a visit from the Assistant Minister for Coastal Roads, Sarawak, YB Datuk Julaihi Narawi



Study visit to World Port Center, Netherlands headed by
The Honourable YAB Tan Sri Datuk Amar James Jemut Masing



Visit by YB Datuk Haji Julaihi Bin Haji Narawi,
Assistant Minister for Coastal Road

Acara Korporat...Bersama Pelanggan & Pihak Berkepentingan / *Corporate Events...With Customers & Stakeholders*



Chinese New Year

As a tradition, the Authority celebrated` with the families of RPA, the various festivals like Chinese New Year, Hari Raya and Gawai Dayak. These included the Board and the staff of RPA and their families as well as the children from the Methodist Children Home and the Rumah Anak Anak Yatim Kemuyang.



Gawai & Hari Raya

LPR ambil penghuni PERYATIM, Rumah Kanak-Kanak Methodist jadi anak angkat



Another traditional event held by the Authority was the Peace Offering Ceremony held on Zhong Yuen Jie or the Chinese All Souls Day



Peace Offering Dinner



Peace Offering Ceremony

Acara Korporat...Organisasi Pembelajaran / *Corporate Events...Learning Organisation*

Students' Visit

As part of the Authority's effort to promote continuous learning, the Authority had received 6 school visits in 2017, with a total of 855 students of all ages. The Authority had also organized 59 training and development programs of various disciplines such as Finance, Port Security, Safety and Health, Quality and Port Operations where each staff/employee would have had at least 2 training or upgrade of knowledge or skill. The Authority had also coordinated industrial/ attachment training for 5 undergraduates from local higher institutions; another initiative to emphasize the importance of learning and education.



SMK Methodist



SK Nanga Ngungun



SMK Kampung Nangka



A tour around the port



Security Briefing to our guests & visitors



Calling on the General Manager

Acara Korporat... Penyertaan / *Corporate Events...Participation*

In April 2017, our girls and boys had also participated in the Training exercise organised by the Rejimen Ke 40 Pengendalian Pelabuhan Rejimen Askar Jurutera Diraja (Askar Wataniah)



40 Rejimen Pakar
Pengendalian Pelabuhan RAJD (AW)

The Authority had also participated in various events organised by other departments/agencies during the year. One of these included the Majlis Berbuka Puasa beramai ramai.



Majlis Berbuka Puasa Beramai Ramai

In August the Authority's Parade Team went to Bintulu to celebrate the State National Day Celebration. They went out in bright Malaysian colours signifying our national pride and patriotism



RPA Parade Team at State's National Day Celebration, Bintulu

Acara Korporat...Pencapaian & Pembelajaran / *Corporate Events...Achievement & Learning*



Keris Award – Honesty Enterprise

The Authority was awarded the Keris Award – Honesty Enterprise by Asia Pacific International which gave accreditation to RPA of being an organisation which is honest, reliable and trustworthy.

We are proud of our General Manager, Datin Helen Lim Hui Shyan on her Keris Award – Honesty Entrepreneur Award by Asia Pacific International.



Keris Award – Honesty Entrepreneur,
General Manager, Datin Helen Lim Hui Shyan

During the year, RPA has awarded the Excellent Achievement Awards or “Anugerah Pencapaian Cemerlang” to 18 of its staff whom had shown excellent performance. These achievers were:

- | | | |
|-----------------------------|------------------------------|------------------------|
| 1. Siti Hawa Bt Jair | 8. Song Tiing Bing | 14. Moss Ak Kibong |
| 2. Dayang Zainab Bt Mohamat | 9. Wong Kin Chiong | 15. Johnny Siok |
| 3. Hamzah B Bujang | 10. Wan Anuar B Wan Baghi | 16. Ballang Pengiran |
| 4. Hii Ping Ping | 11. Dayang Jama'iah Bt Awang | 17. Mohd Arshad B Azan |
| 5. Siti Sari Bt Mohd Fauzi | Sidek | 18. Sumping Ak Saging |
| 6. Lai Chiong Wee | 12. Orpha @ Flora Tai | |
| 7. Nicky Ak Mathew | 13. Norhiya Bt Hussain | |

Statistik / Statistics

JUMLAH KENDALIAN KARGO (IMPORT / EKSPORT) 2017 MENGIKUT PUSAT

IMPORT TONNAGE						
Centres		(FWT)			Growth/ (Drop) %	Share of Throughput 2017 %
		2017	2016	Difference		
Import at Authority's Wharves	Sibu	986,591	1,094,045	(107,454)	(9.8)	83.2
	Sarikei	5,660	4,298	1,362	31.7	0.5
Total IMPORT at Wharves		992,251	1,098,343	(106,092)	(9.7)	83.7
Import at Anchorage	Sibu Midstream	8,848	18,539	(9,691)	(52.3)	0.7
Total IMPORT at Anchorages		8,848	18,539	(9,691)	(52.3)	0.7
Total IMPORTS		1,001,099	1,116,882	(115,783)	(10.4)	84.4

EXPORT TONNAGE						
Centres		(FWT)			Growth/ (Drop) %	Share of Throughput 2017 %
		2017	2016	Difference		
Export at Authorities Wharves	Sibu	180,861	259,809	(78,948)	(30.4)	15.2
	Sarikei	45	41	4	9.8	0.0
	Sg. Merah Oil Jetty	-	-	-	-	-
Total EXPORT at Wharves		180,906	259,850	(78,944)	(30.4)	15.2
Export at Anchorage	Sibu Midstream	4,172	38,105	(33,933)	(89.1)	0.4
	Other anchorages	-	-	-	-	-
Total Export at Anchorages		4,172	38,105	(33,933)	(89.1)	0.4
Total EXPORTS		185,078	297,955	(112,877)	(37.9)	15.6

GRAND TOTAL (IMPORT + EXPORT)	1,186,177	1,414,837	(228,660)	(16.2)	100.0
-------------------------------	-----------	-----------	-----------	--------	-------

Statistik / Statistics

JUMLAH KARGO MENGIKUT JENIS / TOTAL CARGO VOLUME BY TYPES

Type of Cargo	Volume in Tonnes			Drop %	Share of throughput 2017 (%)
	2017 (Tonnes)	2016 (Tonnes)	Difference (Tonnes)		
Containerized	1,106,505	1,234,934	(128,429)	(10.3)	93.3
Dry Bulk	18,678	21,847	(3,169)	(14.5)	1.6
Liquid Bulk	2,750	28,220	(25,470)	(90.2)	0.2
Break Bulk	58,244	129,836	(71,592)	(55.1)	4.9
TOTAL	1,186,177	1,414,837	(228,660)	(16.2)	100.0

JUMLAH KONTENA MENGIKUT JENIS / TOTAL CONTAINER VOLUME BY TYPES

CONTAINER THROUGHPUT					
Container By Type	2017 (TEUs)	2016 (TEUs)	Difference (TEUs)	Drop %	Share of 2017 Container Throughput %
Laden	41,686	42,536	(850)	(1.9)	75.3
Reefer	2,509	2,817	(308)	(10.9)	4.5
Empty	11,172	13,425	(2,253)	(16.8)	20.2
TOTAL	55,365	62,778	(7,413)	(11.8)	100.0

JUMLAH KONTENA (IMPORT/EKSPORT) / TOTAL CONTAINER VOLUME (IMPORT/EXPORT)

CONTAINER THROUGHPUT					
Container By Type	2017 (TEUs)	2016 (TEUs)	Difference (TEUs)	Drop %	Share of 2017 Container Throughput %
Import	37,321	39,282	(1,961)	(4.9)	67.4
Export	18,044	23,496	(5,452)	(23.2)	32.6
TOTAL	55,365	62,778	(7,413)	(11.8)	100.0

Statistik / Statistics

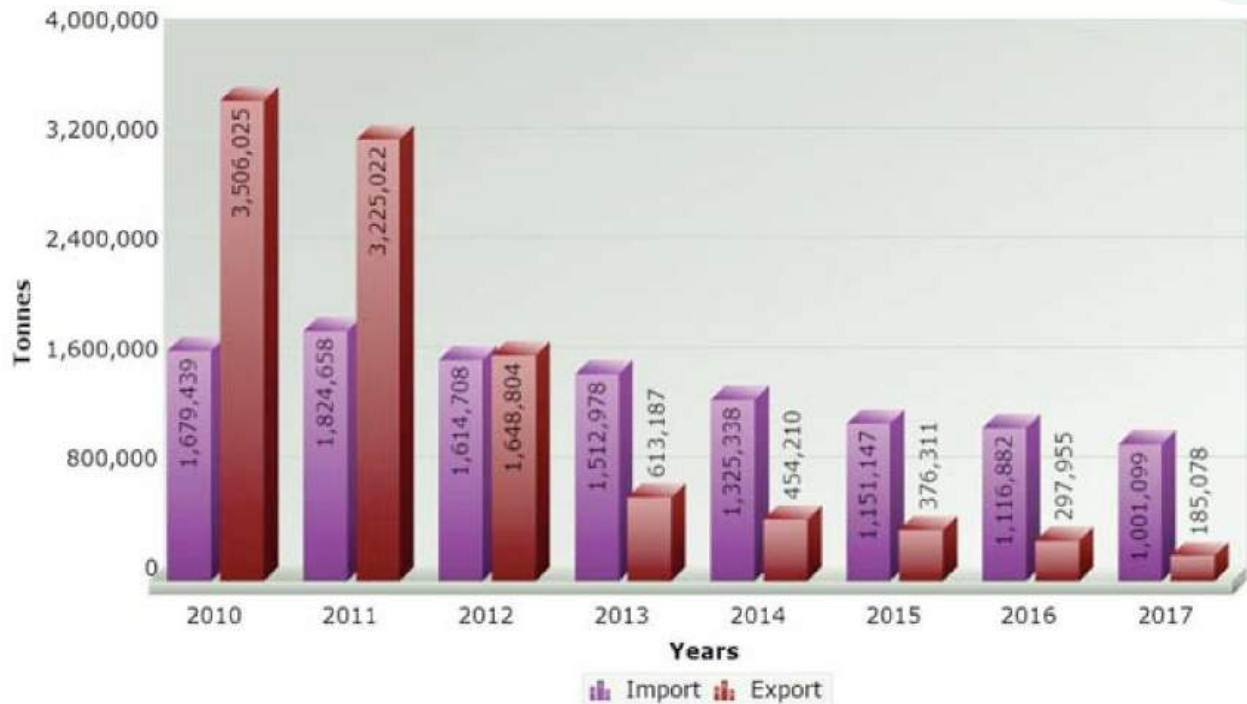
IMPORT & EXPORT COMMODITIES

IMPORT COMMODITIES						
Commodity	2017 (Tonnes)	2016 (Tonnes)	Difference (Tonnes)	Growth/ (Drop) %	Share of Total Import 2017 (%)	Share of Total Throughput 2017 (%)
Bulk Fuel Oil / Petroleum Products	28,860	31,010	(2,150)	(6.9)	2.9	2.4
Foodstuffs / Beverages	204,154	227,054	(22,900)	(10.1)	20.4	17.3
Machinery / Vehicles / Tyres & Tubes	154,123	168,784	(14,661)	(8.7)	15.4	13.0
Building Materials / Iron & Steel	110,885	135,748	(24,863)	(18.3)	11.2	9.4
Textile / Hardware	108,920	118,748	(9,828)	(8.3)	10.9	9.2
Animal Feeds / Maize	12,011	9,679	2,332	24.1	1.2	1.0
Chemicals / Fertilizer	83,930	87,507	(3,577)	(4.1)	8.5	7.2
Essential goods (Rice / Sugar / Salt / Flour)	31,752	37,212	(5,460)	(14.7)	3.3	2.7
Furnitures	24,233	29,478	(5,245)	(17.8)	2.5	2.1
Electrical / Electronics Goods	29,577	27,234	2,343	8.6	2.9	2.5
Newsprint/Paper Products	18,926	21,805	(2,879)	(13.2)	1.9	1.6
Miscellaneous Manufactures	188,523	222,623	(34,100)	(15.3)	18.9	16.0
TOTAL (Import)	1,001,099	1,116,882	(115,783)	(10.4)	100.0	84.4

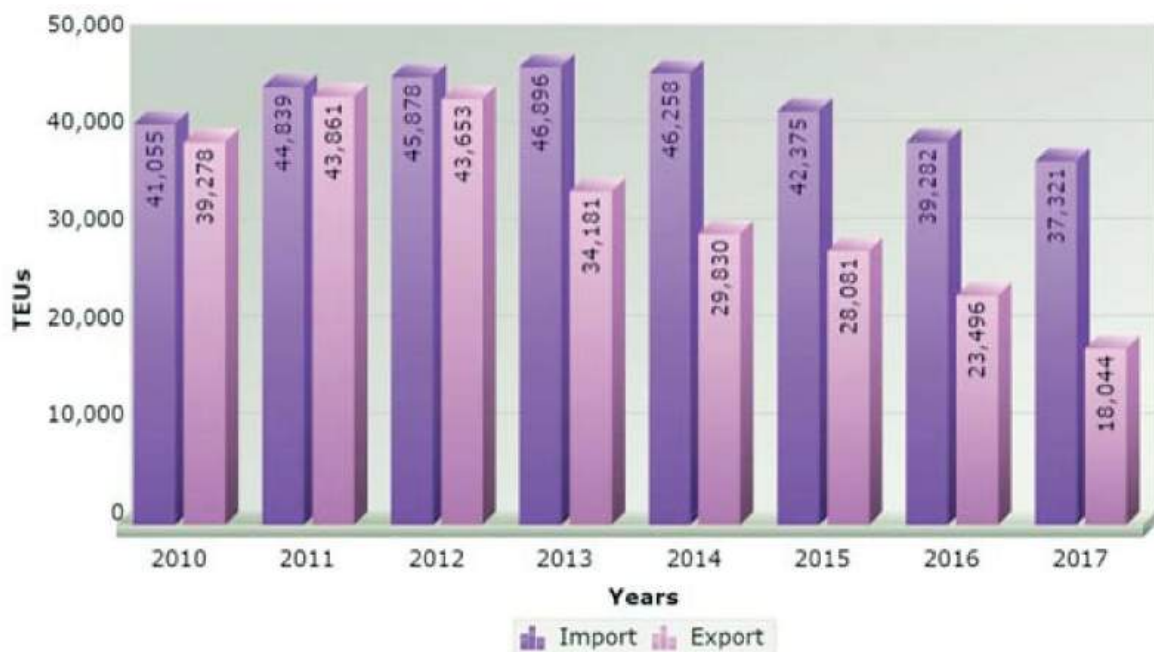
EXPORT COMMODITIES						
Commodity	2017 (Tonnes)	2016 (Tonnes)	Difference (Tonnes)	Drop %	Share of Total Export 2017 (%)	Share of Total Throughput 2017 (%)
Timber Products	77,575	138,088	(60,513)	(43.8)	41.9	6.5
Agriculture Products	43,775	60,400	(16,625)	(27.5)	23.7	3.7
Frozen Fish/Prawn	1,300	925	375	40.5	0.7	0.1
Miscellaneous Manufactures	58,256	66,845	(8,589)	(-12.8)	31.4	4.9
Bulk Fuel Oil	4,172	1,697	2,475	145.8	2.3	0.4
Palm Oil	-	30,000	(30,000)	(100)	0	0
TOTAL (Export)	185,078	297,955	(112,877)	(37.9)	100.0	15.6

Statistik / Statistics

PRESTASI - KENDALIAN KARGO (2010 - 2017) PERFORMANCE - TOTAL THROUGHPUT (2010 - 2017) (TAN / TONNES)

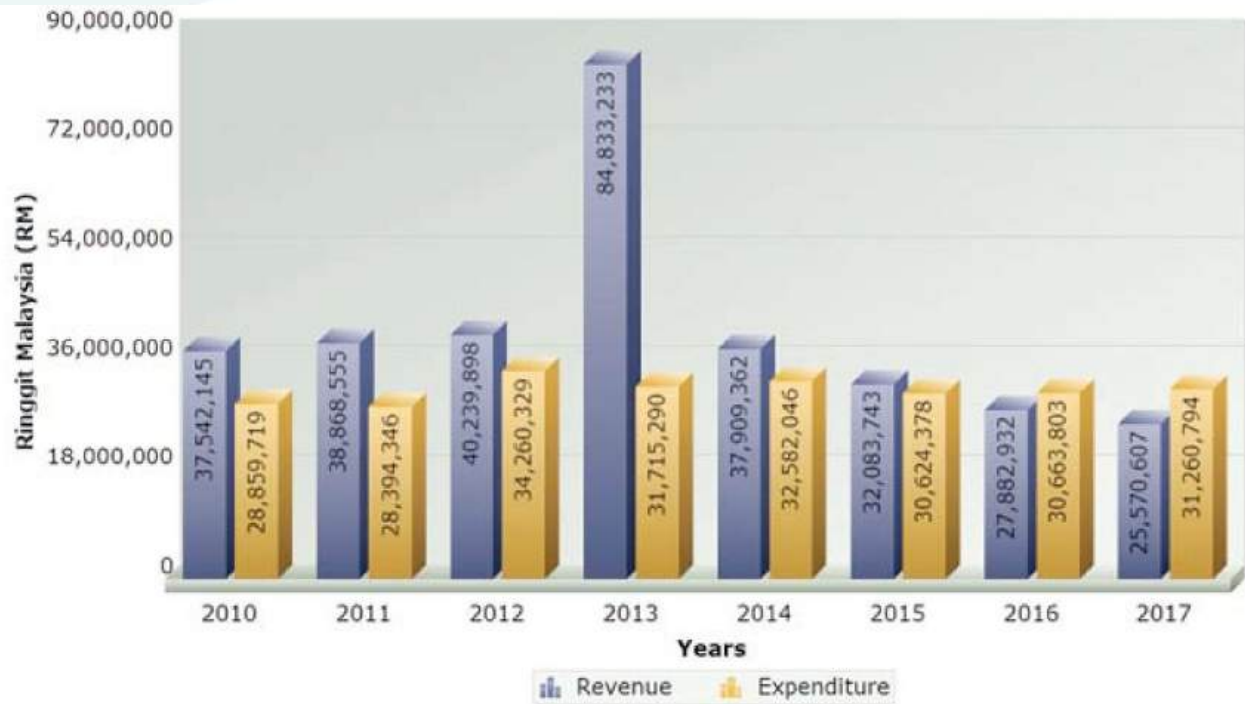


PRESTASI - TRAFIK KONTENA (2010 - 2017) PERFORMANCE - CONTAINER TRAFFIC (2010 - 2017) (TEUS)

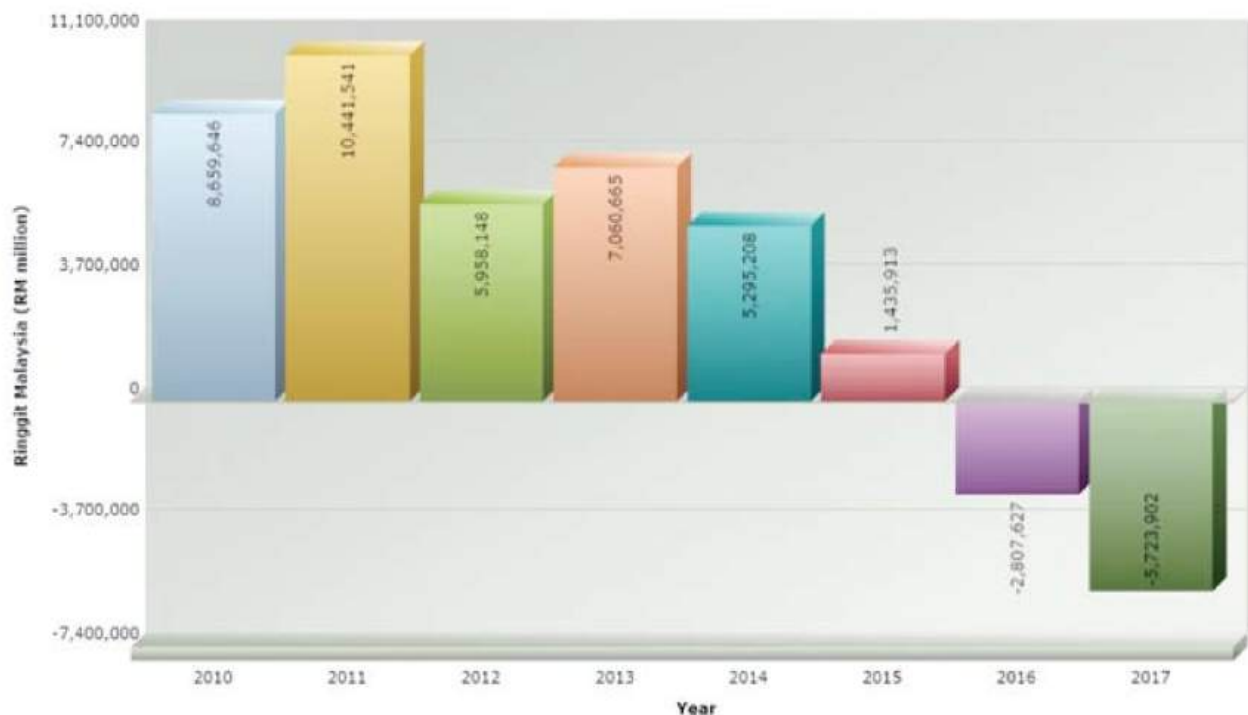


Statistik / Statistics

PRESTASI - PENDAPATAN DAN PEMBELANJAAN (2010 - 2017) PERFORMANCE - REVENUE AND EXPENDITURE (2010 - 2017)



PRESTASI - KEWANGAN (2010 - 2017) PERFORMANCE - FINANCE (2010 - 2017)



RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

CONTENTS

	PAGE
LIST OF BOARD MEMBERS AND PROFESSIONAL ADVISORS	30 - 31
STATEMENT BY DEPUTY CHAIRMAN AND BOARD MEMBER	32
STATUTORY DECLARATION BY OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE RAJANG PORT AUTHORITY	33
AUDITOR GENERAL CERTIFICATE AND REPORT	34-37
STATEMENT OF FINANCIAL POSITION.....	38
STATEMENT OF COMPREHENSIVE INCOME	39
STATEMENT OF CHANGES IN EQUITY	40
STATEMENT OF CASH FLOWS.....	41
NOTES TO THE FINANCIAL STATEMENTS.....	42 - 60

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

BOARD MEMBERS AND PROFESSIONAL ADVISORS

CHAIRMAN : **Encik Vincent Goh Chung Siong**

DEPUTY CHAIRMAN : Permanent Secretary, State Ministry of
Infrastructure Development & Transportation
Datu Haji Safri Bin Haji Zainudin

BOARD MEMBERS : Deputy State Financial Secretary
Datu Laura Lee Ngien Hion

Tuan Haji Abang Daud Bin Haji Salleh

Encik Hu Yu Siong

Encik Jagok Ak. Mandi

Encik Ngu Liong Beng

Encik Douglas Jerukan @ Jarukan Ak. Kanyan

Encik William Ling Sing Leon

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

BOARD MEMBERS AND PROFESSIONAL ADVISORS

GENERAL CHAIRMAN : Datin Helen Lim Hui Shyan

AUDITOR : Auditor General of Malaysia

BANKER : RHB Bank Berhad

ADDRESS : Island Road, 96000 Sibu,
Sarawak, Malaysia.

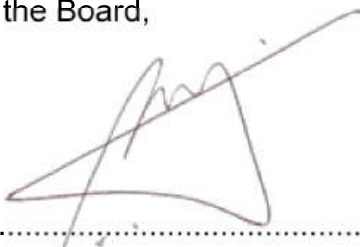
RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

STATEMENT BY DEPUTY CHAIRMAN AND BOARD MEMBER

We, **DATU HAJI SAFRI BIN HAJI ZAINUDIN** and **DATU LAURA LEE NGIEN HION**, being the Deputy Chairman and Board Member of RAJANG PORT AUTHORITY, do hereby state that, in the opinion of the Board Members, the accompanying Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, together with the notes thereon are prepared so as to give a true and fair view of the state of affairs of the RAJANG PORT AUTHORITY as at 31 December 2017 and of the results of its operations and changes in its financial position for the year ended on that date.

On behalf of the Board,



NAME : DATU HJ. SAFRI BIN HJ. ZAINUDIN

TITLE : DEPUTY CHAIRMAN

DATE : 2 APR 2018

PLACE : SIBU, SARAWAK.

On behalf of the Board,



NAME : DATU LAURA LEE NGIEN HION

TITLE : BOARD MEMBER

DATE : 2 APR 2018

PLACE : SIBU, SARAWAK.

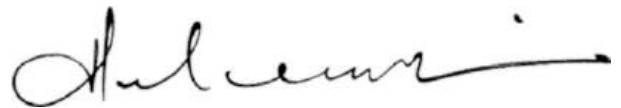
RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

STATUTORY DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE RAJANG PORT AUTHORITY

I, **DATIN HELEN LIM HUI SHYAN**, the officer primarily responsible for the financial management and accounting records of RAJANG PORT AUTHORITY, do solemnly and sincerely declare that the accompanying Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with the notes thereon, to the best of my knowledge and belief, are correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

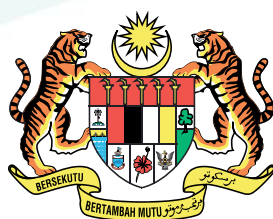
Subscribed and solemnly declared)
by the abovenamed at **Sibu** in the)
State of Sarawak on this day of)
5 APR 2018)



Before me,




Commissioner for Oaths



LAPORAN KETUA AUDIT NEGARA MENGENAI PENYATA KEWANGAN LEMBAGA PELABUHAN RAJANG BAGI TAHUN BERAKHIR 31 DISEMBER 2017

Laporan Mengenai Penyata Kewangan

Pendapat

Penyata Kewangan Lembaga Pelabuhan Rajang telah diaudit oleh wakil saya yang merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2017 dan Penyata Pendapatan Komprehensif, Penyata Perubahan Ekuiti serta Penyata Aliran Tunai bagi tahun berakhir pada tarikh tersebut, ringkasan polisi perakaunan yang signifikan dan nota kepada penyata kewangan seperti dinyatakan pada muka surat 14 hingga 32.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Lembaga Pelabuhan Rajang pada 31 Disember 2017 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan piawaian pelaporan kewangan yang dilluskan di Malaysia dan *Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995* serta *Port Authorities Ordinance, 1961*.

Asas Kepada Pendapat

Saya telah melaksanakan pengauditan berdasarkan Akta Audit 1957 dan *The International Standards of Supreme Audit Institutions*. Tanggungjawab saya diuraikan selanjutnya di perenggan Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan dalam laporan ini. Saya percaya bahawa bukti audit yang diperoleh adalah mencukupi dan bersesuaian untuk dijadikan asas kepada pendapat saya.

Kebebasan dan Tanggungjawab Etika Lain

Saya adalah bebas daripada Lembaga Pelabuhan Rajang dan telah memenuhi tanggungjawab etika lain berdasarkan *The International Standards of Supreme Audit Institutions*.

Maklumat Lain Selain Daripada Penyata Kewangan dan Laporan Juruaudit Mengenainya

Lembaga Pengarah Lembaga Pelabuhan Rajang bertanggungjawab terhadap maklumat lain dalam Laporan Tahunan. Pendapat saya terhadap penyata kewangan Lembaga Pelabuhan Rajang tidak meliputi maklumat lain selain daripada Penyata Kewangan dan Laporan Juruaudit mengenainya dan saya tidak menyatakan sebarang bentuk kesimpulan jaminan mengenainya.

Tanggungjawab Lembaga Pengarah Terhadap Penyata Kewangan

Lembaga Pengarah bertanggungjawab terhadap penyediaan penyata kewangan Lembaga Pelabuhan Rajang yang memberi gambaran benar dan saksama selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia *Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995* serta *Port Authorities Ordinance, 1961*. Lembaga Pengarah juga bertanggungjawab terhadap penetapan kawalan dalaman yang perlu bagi membolehkan penyediaan penyata kewangan Lembaga Pelabuhan Rajang adalah bebas daripada salah nyata yang ketara sama ada disebabkan fraud atau kesipalan.

Semasa penyediaan penyata kewangan Lembaga Pelabuhan Rajang, Lembaga Pengarah bertanggungjawab untuk menilai keupayaan Lembaga Pelabuhan Rajang untuk beroperasi sebagai satu usaha berterusan, mendedahkannya jika berkaitan serta menggunakannya sebagai asas perakaunan.

Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan

Objektif saya adalah untuk memperoleh keyakinan yang munasabah sama ada penyata kewangan Lembaga Pelabuhan Rajang secara keseluruhannya adalah bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan, dan mengeluarkan Laporan Juruaudit yang merangkumi pendapat saya. Jaminan yang munasabah adalah satu tahap jaminan yang tinggi, tetapi bukan satu jaminan bahawa audit yang dijalankan mengikut *The International Standards of Supreme Audit Institutions* akan sentiasa mengesan salah nyata yang ketara apabila ia wujud. Salah nyata boleh wujud daripada

fraud atau kesilapan dan dianggap ketara sama ada secara individu atau agregat sekiranya boleh dijangkakan dengan munasabah untuk mempengaruhi keputusan ekonomi yang dibuat oleh pengguna berdasarkan penyata kewangan ini.

Sebagai sebahagian daripada pengauditan mengikut *The International Standards of Supreme Audit Institutions*, saya menggunakan pertimbangan profesional dan mengekalkan keraguan profesional sepanjang pengauditan. Saya juga:

- a. Mengetahui dan menilai risiko salah nyata ketara dalam penyata kewangan Lembaga Pelabuhan Rajang, sama ada disebabkan fraud atau kesilapan, merangka dan melaksanakan prosedur audit yang responsif terhadap risiko berkenaan serta mendapatkan bukti audit yang mencukupi dan bersesuaian untuk memberikan asas kepada pendapat saya. Risiko untuk tidak mengesan salah nyata ketara akibat daripada fraud adalah lebih tinggi daripada kesilapan, kerana fraud mungkin melibatkan pakatan, pemalsuan, ketinggalan yang disengajakan, representasi yang salah, atau mengatasi kawalan dalaman.
- b. Memahami kawalan dalaman yang relevan untuk merangka prosedur audit yang bersesuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman Lembaga Pelabuhan Rajang.
- c. Menilai kesesuaian dasar perakaunan yang diguna pakai, kemunasabahan anggaran perakaunan dan pendedahan yang berkaitan oleh Lembaga Pengarah.
- d. Membuat kesimpulan terhadap kesesuaian penggunaan asas perakaunan untuk usaha berterusan oleh Lembaga Pengarah dan berdasarkan bukti audit yang diperoleh, sama ada wujudnya ketidakpastian ketara yang berkaitan dengan peristiwa atau keadaan yang mungkin menimbulkan keraguan yang signifikan terhadap keupayaan Lembaga Pelabuhan Rajang sebagai satu usaha berterusan. Jika saya membuat kesimpulan bahawa ketidakpastian ketara wujud, saya perlu melaporkan dalam Laporan Juruaudit terhadap pendedahan yang berkaitan dalam penyata kewangan Lembaga Pelabuhan Rajang atau, jika pendedahan tersebut tidak mencukupi, pendapat saya akan diubah. Kesimpulan saya dibuat berdasarkan bukti audit yang diperoleh sehingga tarikh Laporan Juruaudit.
- e. Menilai sama ada keseluruhan persembahan termasuk pendedahan penyata kewangan Lembaga Pelabuhan Rajang memberi gambaran yang saksama.

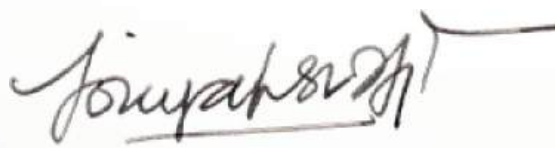
Saya telah berkomunikasi dengan Lembaga Pengarah, antaranya mengenai skop dan tempoh pengauditan yang dirancang serta penemuan audit yang signifikan termasuk kelemahan kawalan dalaman yang dikenal pasti semasa pengauditan.

Laporan Mengenai Keperluan Perundangan dan Peraturan Lain

Berdasarkan keperluan *Statutory Bodies (Financial and Accounting Procedure) Ordinance*, 1995 serta *Port Authorities Ordinance*, 1961, saya juga melaporkan bahawa pada pendapat saya, rekod perakaunan dan rekod lain yang dikehendaki Ordinan untuk disimpan oleh Lembaga Pelabuhan Rajang telah disimpan dengan sempurna menurut peruntukan Ordinan.

Hal-hal Lain

Laporan ini dibuat untuk Lembaga Pengarah dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan laporan ini.



(TOIEYAH BINTI HAJI TIOH)
b.p. KETUA AUDIT NEGARA
MALAYSIA

KUCHING

TARIKH: 03 JUL 2018



RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017

	NOTE	2017 RM	2016 RM
NON – CURRENT ASSETS			
Property, plant and equipment	6	66,732,889	77,167,073
Other investments	7	37,435,731	31,207,650
		<u>104,168,620</u>	<u>108,374,723</u>
CURRENT ASSETS			
Inventories	8	2,840,585	1,884,189
Trade and other receivables	9	54,327,036	54,534,731
Deposits and prepayments	10	42,265	47,317
Loans to employees - unsecured	11	222,896	186,694
Current tax refundable	12	6,185	15,444
Cash and cash equivalents	13	1,105,123	1,492,589
Total current assets		<u>58,544,090</u>	<u>58,160,964</u>
TOTAL ASSETS		<u>162,712,710</u>	<u>166,535,687</u>
EQUITY			
Capital fund	14	8,405,594	8,405,594
Accumulated profit		151,313,287	157,037,189
Total equity		<u>159,718,881</u>	<u>165,442,783</u>
NON-CURRENT LIABILITIES			
Deferred income	15	600,000	-
CURRENT LIABILITIES			
Port dues payable	16	53,605	61,796
Channel maintenance fee payable	17	374,716	-
Sundry payables and accruals	18	1,965,508	1,031,108
Total current liabilities		<u>2,393,829</u>	<u>1,092,904</u>
TOTAL EQUITY AND LIABILITIES		<u>162,712,710</u>	<u>166,535,687</u>

The accompanying notes from pages 38 to 60 form an integral part of the financial statements

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2017

	NOTE	2017 RM	2016 RM
Revenue		21,644,233	24,727,207
Cost of services	19	(19,526,927)	(19,525,770)
Gross profit		2,117,306	5,201,437
Other operating income	20	3,866,374	3,095,725
Administrative expenses	21	(11,732,260)	(11,133,158)
Government grant	22	60,000	60,000
Loss from operation	23	(5,688,580)	(2,775,996)
Finance cost	24	(1,607)	(4,875)
Loss before taxation		(5,690,187)	(2,780,871)
Tax expense	25	(33,715)	(26,756)
Loss for the year		(5,723,902)	(2,807,627)

The accompanying notes from pages 38 to 60 form an integral part of the financial statements

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017

	Capital fund	Accumulated profit	TOTAL
	RM	RM	RM
Balance at 1 January 2016	8,405,594	159,844,816	168,250,410
Loss for the year	-	(2,807,627)	(2,807,627)
Balance at 1 January 2017	8,405,594	157,037,189	165,442,783
Loss for the year	-	(5,723,902)	(5,723,902)
Balance at 31 December 2017	8,405,594	151,313,287	159,718,881

The accompanying notes from pages 38 to 60 form an integral part of the financial statements

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017 RM	2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,690,187)	(2,780,871)
Adjustment for:		
Depreciation of property, plant and equipment	10,283,377	10,313,538
Interest income	(1,110,335)	(919,968)
Finance cost	1,607	4,875
Gain on sale of property, plant and equipment	(931,557)	(8,001)
Government grant	(60,000)	(60,000)
Impairment loss on inventory write down	-	1,438
Operating profit before changes in working capital	2,492,905	6,551,011
Decrease in trade and other receivables	212,748	682,902
Increase/(Decrease) in trade and other payables	1,300,923	(1,118,144)
(Increase)/Decrease in inventories	(956,396)	222,407
(Increase)/Decrease in loans to employees	(36,202)	45,822
Cash generated from operations	3,013,978	6,383,998
Tax paid, net of refund	(24,456)	(33,600)
Interest received	1,110,335	919,968
Net cash generated from operating activities	4,099,857	7,270,366
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from disposal of property, plant and equipment	2,959,200	8,002
Purchase of property, plant and equipment	(1,876,836)	(974,554)
Proceeds from disposal of other investment	15,674,455	-
Purchase of other investment	(21,902,535)	(5,774,548)
Net cash used in investing activities	(5,145,716)	(6,741,100)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Development grant received	60,000	115,526
Maintenance dredging grant received	600,000	-
Transfer of development grant	-	(192,300)
Interest paid	(1,607)	(4,875)
Net cash generated from/(used in) financing activities	658,393	(81,649)
Net (decrease)/increase in cash and cash equivalents	(387,466)	447,617
Cash and cash equivalents at 1 January	1,492,589	1,044,972
Cash and cash equivalents at 31 December	1,105,123	1,492,589

The accompanying notes from pages 38 to 60 form an integral part of the financial statements

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

1. GENERAL INFORMATION

Rajang Port Authority is a Statutory Body owned by the State Government of Sarawak and established under the Port Authorities Ordinance, 1961.

The functions comprise:-

- 1.1. to maintain, or provide for the maintenance of, adequate and efficient port services and facilities for all users of the port;
- 1.2. to co-ordinate the activities of the port;
- 1.3. to promote the improvement and development of the port; and
- 1.4. to execute such works as may be necessary to the performance of the duties as specified in 1.1., 1.2. and 1.3. above.

The financial statements of the Authority are presented in Ringgit Malaysia.

The financial statements were authorised for issue by the Board on 2 April 2018.

2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The Authority's financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB).

3. BASIS OF PREPARATION

The financial statements of the Authority have been prepared using cost and fair value bases.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The area involving significant judgements and estimation uncertainties are disclosed in note 5.

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Property, Plant and Equipment (PPE)

Government properties vested in the Authority are stated at valuation made in pursuance to Section 13 (2) of the Port Authorities Ordinance, 1961. The valuation was made by the Government valuer. All other property, plant and equipment are initially measured at cost. For purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the assets to its present location and condition for management's intended use.

All property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Capital work-in-progress is not depreciated but is subject to impairment test if there is any indication of impairment.

All property, plant and equipment are depreciated by allocating the depreciated amount of a significant component or of an item over the remaining useful life. The depreciation of the property, plant and equipment is calculated using the straight line method and the useful lives of the respective classes of property, plant and equipment are as follows:

Leasehold land	over the lease period of 54-60 years
Buildings, wharves and other facilities	5-40 years
Plant and machinery	7 years
Motor vehicles	7 years
Office furniture and equipment	10 years
Computerisation	5 years

At the end of each reporting period, the residual values, useful lives and depreciation method for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2. Inventories

Inventories are measured at lower of cost and net realisable value where cost is determined using the weighted average cost formula. Net realisable value is determined on an item by item basis or on group of similar item basis.

4.3. Impairment of assets

An impairment loss arises when the carrying amount of the Authority's asset exceeds its recoverable amount.

At the end of each reporting date, the Authority assesses whether there is any indication that a stand alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the company estimates the recoverable amount of asset or cash generating unit.

If an individual asset generates independent cash flows, it is tested for impairment as a stand alone asset. If an asset does not generate independent cash flows, it is tested for impairment together with other assets in a cash generating unit, at the lower level in which independent cash inflows are generated and monitored for internal management purposes.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.

For a cash-generating unit, any impairment loss is allocated to the assets of the unit pro rata based on the relative carrying amounts of the assets.

The Authority reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is an indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at cost based model is recognised in profit or loss. Subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4. Financial instruments

(a) Initial Recognition and Measurement

The Authority recognises a financial asset or financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

i) Cash and bank balances and deposits

The carrying amount of cash and bank balances and deposits approximates fair value due to the relatively short-term maturity of these instruments.

ii) Trade and other receivables

Receivables are carried at historical cost which is the fair value of the consideration to be received in the future for services rendered.

iii) Trade and other payables

Payables are stated at historical cost, which is the fair value of the consideration to be paid in the future for good and services received.

(b) Subsequent Measurement of Financial Assets

After initial measurement, all financial assets are measured at fair value through profit or loss, all other financial assets are subject to review for impairment.

(c) Subsequent Measurement of Financial Liabilities

After initial measurement, all financial liabilities are measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4. Financial instruments (Cont'd)

(d) Impairment and Uncollectibility of Financial Assets

At the end of each reporting period, the Authority examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the obligor; (ii) a breach of contract; (iii) granting exceptional concession to a customer or (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation.

For short term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Authority's experience of loss ration in each classes, taking into consideration current market conditions.

4.5. Employee Benefits

The Authority recognises a liability when an employee has provided service in exchange for employee benefits to be paid in future and an expense when the Authority consumes the economic benefits arising from services provided by an employee in exchange for employee benefits.

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Authority. Short-term accumulated compensated absences, such as paid annual leave are recognised when services rendered by employees that increases their entitlement to future compensated absences; and short-term non-accumulating compensated absences, such as sick leave are recognised when the absence occur.

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.5. Employee Benefits (Cont'd)

(ii) Defined contribution plan

As required by law, the Authority makes contributions to 'Skim Pencen Perkhidmatan Awam' and the Employee Provident Fund. Such contributions are recognised as an expense in the income statement as incurred.

(iii) Other employee benefit

Golden handshake; based on the accumulated unused leave and the service period, may be given in term of cash to the staff during their retirement.

4.6. Provisions

The Authority recognised a liability as a provision if the outflows required to settle the liability are uncertain in timing and amount.

A provision is recognised when the Authority has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.7. Revenue Recognition and Measurement

(a) Dues, rates and charges

Revenue from services provided and dues are recognised upon being invoiced.

(b) Development grant

Government grant that does not impose specified future performance conditions is recognised as income when the grant proceeds are received and receivable during the year.

(c) Rental income

Rental income is recognised in the income statements as it accrues.

(d) Interest income

Interest income consists of financial investment interest and interest on staff loan which is recognised in the income statement as it accrues.

4.8. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and short term, highly liquid financial investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

5. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY

5.1. Estimation Uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Authority are in measuring:

(a) Impairment or Write Down of Slow-Moving and Obsolete Inventories

The Authority writes down its slow-moving and obsolete inventories based on assessment of their fair value less costs to sell. Inventories are written down when events and circumstances indicate that the carrying amounts may not be recoverable.

(b) Loss Allowance of Financial Assets

The Authority recognises impairment loss for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. The actual eventual losses may be different from the allowances made and these may affect the Authority's financial position and results.

(c) Depreciation of Property, Plant and Equipment

The cost of an item of property, plant and equipment is depreciated on the straight line method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land RM	Buildings, wharves and other facilities RM	Plant and machinery RM	Motor vehicles RM	Office furniture and equipment RM	Computer- isation RM	TOTAL RM
2017							
Gross carrying amount:							
At 1 Jan 2017	12,287,424	115,257,742	80,503,935	873,335	1,483,786	3,068,399	213,474,621
Additions	-	279,290	1,403,280	171,131	8,335	14,800	1,876,836
Disposals	(2,966,916)	-	-	-	-	-	(2,966,916)
At 31 Dec 2017	9,320,508	115,537,032	81,907,215	1,044,466	1,492,121	3,083,199	212,384,541
Accumulated depreciation & impairment losses							
At 1 Jan 2017	6,504,204	69,637,063	55,073,159	719,108	1,395,846	2,978,168	136,307,548
Charge for the year	166,710	2,630,483	7,348,442	74,883	23,254	39,605	10,283,377
Disposals	(939,273)	-	-	-	-	-	(939,273)
At 31 Dec 2017	5,731,641	72,267,546	62,421,601	793,991	1,419,100	3,017,773	145,651,652
Net book value at 1 Jan 2017	5,783,220	45,620,679	25,430,776	154,227	87,940	90,231	77,167,073
Net book value at 31 Dec 2017	3,588,867	43,269,486	19,485,615	250,475	73,021	65,426	66,732,889

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

7. OTHER INVESTMENTS

	2017 RM	2016 RM
Investment in unit trust at fair value	37,435,731	31,207,650

Details of Investment in unit trust are as follows:

	2017 RM	2016 RM
CIMB Private Banking		
(i) AmIncome Fund	15,974,672	15,475,723
(ii) CIMB Principal Money Market Income Fund	77,466	74,780
RHB Asset Management Sdn. Bhd.		
(i) RHB Income Plus Fund	21,383,593	15,657,147
	37,435,731	31,207,650

8. INVENTORIES

Inventories consist of fuel, lubricants, other consumables and spares.

	2017 RM	2016 RM
General stores	2,707,978	1,798,800
Petrol, oil and lubricants	132,607	85,389
Total inventories	2,840,585	1,884,189
Inventories recognised as an expense	1,297,606	1,575,107
Impairment loss recognised in profit and loss	-	1,882
Reversal of Impairment loss in profit and loss	-	(442)

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

9. TRADE AND OTHER RECEIVABLES

Included in trade receivables are receiving, sorting and delivery, vessel and sufferance receivables.

	2017 RM	2016 RM
Trade receivables	889,713	1,109,743
Other receivables	53,466,079	53,453,744
Total at cost	54,355,792	54,563,487
Less: Allowance for doubtful debts	(28,756)	(28,756)
Total current trade and other receivables	54,327,036	54,534,731

10. DEPOSITS AND PREPAYMENTS

	2017 RM	2016 RM
Prepayments	40,325	45,377
Deposit	1,940	1,940
	42,265	47,317

11. LOANS TO EMPLOYEES - unsecured

	2017 RM	2016 RM
Staff loans	222,896	186,694

The staff loans, which carry an annual interest rate of 4% (2016: 4%), are repayable within a maximum period of seven years.

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

12. CURRENT TAX REFUNDABLE

Current tax refundable is the amount of the tax paid in excess of the monthly instalment payment under Section 107C of the Income Tax Act 1967.

13. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents consist of:

	2017 RM	2016 RM
Cash in hand	1,400	1,400
Cash at bank	177,584	68,925
Fixed deposit placed with licensed banks	126,139	122,264
Money Market Time Deposit	800,000	1,300,000
	<u>1,105,123</u>	<u>1,492,589</u>

14. CAPITAL FUND

This is the capital contribution from the Sarawak Government being the value of fixed assets vested in the Authority as follows:-

	RM
Land	5,795,800
Buildings and Wharves	2,609,794
	<u>8,405,594</u>

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

15. DEFERRED INCOME

The amount represents maintenance dredging grant received from the Sarawak Government for dredging maintenance purposes and is analysed as follows:-

	2017 RM
Balance at 1 January	-
Add: Received during the year	600,000
Balance at 31 December	600,000

This amount will be recognised in income only when the performance condition is met.

16. PORT DUES PAYABLE

The amount represents port dues payable to the Sarawak Government as a result of the enactment and institution of Port Authorities (Amendment) Ordinance 1988 which came into force with effect from 1st January, 1988.

17. CHANNEL MAINTENANCE FEE PAYABLE

The amount represents channel maintenance fees payable to the Sarawak Government as a result of the enactment of The Rajang Port Authority (Dues, Rates and Charges) (Amendment) Regulations, 2016 which came into force with effect from 1st June, 2017.

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

18. TRADE AND OTHER PAYABLES

	2017 RM	2016 RM
Sundry payables	1,092,388	390,022
Accrued expenses	574,057	392,705
Accrued salaries	108,188	95,056
Accrued wages	123,964	91,586
Tender deposits	13,900	8,700
Deposits received	52,950	52,950
GST bad debts	61	89
	1,965,508	1,031,108

19. REVENUE AND COST OF SERVICES

	2017 RM	2016 RM
Revenue from:		
- Receiving, sorting and delivery	9,234,363	10,016,916
- Vessel revenue	12,409,870	14,710,291
Total revenue	21,644,233	24,727,207
Cost of services:		
- Cargo handling gears	28,600	43,650
- Depreciation of property, plant and equipment	9,971,403	9,998,898
- EPF	409,195	407,501
- Fuel, oil and lubricant	693,252	598,060
- Labourers' wages	2,484,200	2,539,981
- Repairs and maintenance - equipment	1,458,795	1,689,257
- Salaries and allowances	4,427,245	4,191,855
- Socso	54,127	51,114
- Unallocated store	110	5,454
Total cost of services	19,526,927	19,525,770
Gross Profit	2,117,306	5,201,437

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

20. OTHER OPERATING INCOME

	2017 RM	2016 RM
Interest income	1,110,335	919,968
Gain on disposal of property, plant and equipment	931,557	8,001
Sundry income	1,815,987	2,149,866
Surcharge	8,487	17,817
Other income	8	73
Total other operating income	3,866,374	3,095,725

21. ADMINISTRATIVE EXPENSES

	2017 RM	2016 RM
Staff costs	8,517,725	7,809,307
Other administrative expenses	2,902,561	3,009,211
Depreciation of property, plant and equipment	311,974	314,640
	11,732,260	11,133,158

22. GOVERNMENT GRANT

This represents the amount of development grant received from the Sarawak Government to finance the Authority's capital expenditure. The amount is credited to profit and loss to offset against the capital expenditure incurred by the Authority for the year.

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

23. PROFIT OR LOSS FROM OPERATIONS

Profit or loss from operations before tax has been arrived at:

	2017 RM	2016 RM
After charging:		
Depreciation of property, plant and equipment	311,974	314,640
Impairment loss on inventory write-down	-	1,438
Staff costs*	13,408,292	12,459,776
Auditors' remuneration	26,658	24,158
Legal and professional fees	8,640	15,600
	<u> </u>	<u> </u>
And crediting:		
Gain on disposal of property, plant and equipment	931,557	8,001
	<u> </u>	<u> </u>
*Note: Included in staff costs is:		
(a) Members' remuneration and expenses	135,900	166,300
	<u> </u>	<u> </u>

24. FINANCE COSTS

	2017 RM	2016 RM
Bank charges	1,607	4,875
	<u> </u>	<u> </u>

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

25. TAXATION

	2017 RM	2016 RM
Current tax	33,730	27,300
Over provision of tax in prior year	(15)	(544)
Income tax expense for the year	33,715	26,756

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Authority is as follows:-

	2017 RM	2016 RM
Loss before taxation	(5,690,187)	(2,780,871)
Taxation at Malaysian statutory tax rate 24% (2016: 24%)	(1,365,645)	(667,409)
Income not subject to tax	(496,782)	(224,363)
Depreciation on non-qualifying property, plant and equipment	275,829	281,500
Expenses not deductible for tax purposes	115,924	17,837
Deferred tax not recognised during the year	1,504,401	26,657
Over provision of tax in prior year	(15)	(544)
Others	3	593,078
Income tax expense for the year	33,715	26,756

As at 31st December, 2017, the Authority has unabsorbed adjusted loss and capital allowance carried forward amounting to RM16,836,852 (2016: RM16,836,852) and RM47,362,415 (2016: RM41,743,603) respectively.

26. DEFERRED TAX

The deferred tax is made up of the following items:-

	2017 RM	2016 RM
Property, plant and equipment:-		
Capital allowance in excess of depreciation	936,914	1,092,801
Unabsorbed capital allowances	(936,914)	(1,092,801)
	-	-

Deferred tax assets have not been recognised in respect of the following items:-

	2017 RM	2016 RM
Unused tax losses	4,040,844	4,040,844
Unabsorbed capital allowances	10,430,065	8,925,664
	14,470,909	12,966,508

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available against which the Authority can utilise the benefits.

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

27. FINANCIAL INSTRUMENTS

27.1. Financial risk management objective and practices

The Authority's financial risk management policy seeks to ensure that adequate financial resources are available for the Authority to carry out its functions whilst managing its interest rate, liquidity and credit risks. The Authority operates within clearly defined guidelines that are approved by the Board.

27.2. Interest rate risk

Surplus funds are placed with government approved financial institutions which offer the most competitive and favourable interest rate(s).

27.3. Liquidity risk

The Authority actively manages its debt profile, operating cash flows and availability of funds to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Authority maintains sufficient levels of cash and cash equivalents to meet its working capital requirements.

27.4. Credit risk

The risk of counter parties defaulting is controlled by availability of credit being constantly secured by the banks in the form of bankers guarantee as well as monitoring procedures which are performed on an ongoing basis.

27.5. Fair value

The carrying amounts of short-term financial assets and liabilities approximate their fair value due to the relatively short maturity term of these financial instruments.

28. CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES

Capital commitments relate to the Authority's commitments for capital expenditures for the acquisitions of property, plant and equipments. At the end of the year, the Authority has made a commitment for the following capital expenditure.

	2017 RM	2016 RM
Property, plant and equipment		
Authorised and contracted for	-	641,597

RAJANG PORT AUTHORITY

(Established Under The Port Authorities Ordinance, 1961)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2017

29. RELATED PARTY DISCLOSURES

Key Management Personnel Compensation

	2017 RM	2016 RM
Total compensation	<u>1,165,351</u>	<u>1,106,728</u>

30. SIGNIFICANT EVENT

Lot 124, Block 12, Buan Land District

During the year, there was a refund of purchase price at a total sum of RM2,959,200 in respect of the sale and purchase agreement for Lot 124, Block 12, Buan Land District between Sarawak Timber Industry Development Corporation and Rajang Port Authority in 1997. The refund had resulted a gain on disposal of property, plant and equipment of RM931,557.

31. SUBSEQUENT EVENT

Trade and Other Receivables

Included in the trade and other receivables is an amount of RM53,182,525.43 which represented a receivables arising from the Authority's submission to retain part of the fund in relation to the detachment of the approved port operator of Rajang Port Authority in 2013 and the book transfer of fixed assets ownership from Rajang Port Authority to Tanjung Manis Port Authority.

The Authority awaits further development on this submission.

RAJANG PORT AUTHORITY ANNUAL REPORT 2017

