

PRESS RELEASE
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Straits Energy Launches Plan To Transform Labuan Port Into Smart Port, Laying Foundations For Smart City Vision

Straits expects to invest RM3.6 million into Labuan Smart Port Project

LABUAN, 16 OCTOBER 2023: Straits Energy Resources Berhad 大马能源资源公司 (“Straits” or “Company”), a company listed on Bursa Malaysia, announced that Straits CommNet Solutions Sdn Bhd (“SCS”), an indirect subsidiary of the Company, has signed a memorandum of understanding (“MOU”) with Megah Port Management Sdn Bhd (“MPM”), a 51% owned indirect subsidiary of Straits, for a project (“Smart Port Project”) **to transform the Labuan Port into a Smart Port.**

SCS is a 70% owned subsidiary of Straits Technology Solutions Sdn Bhd, while Straits Technology Solutions Sdn Bhd is a 75% owned subsidiary of Straits.

The Smart Port Project aligns with the Federal Government's aim to turn Labuan into a smart city by 2030, embracing innovative technologies to develop the Federal Territory and improve the quality of life of its residents.

Straits expects to invest a total of RM3.6 million into the initial two phases of the Smart Port Project. The first phase is expected to be completed in seven months, while the second phase of the project is expected to take an additional seven months. The Smart Port Project is expected to contribute positively to the Company's financial performance in the fiscal year ending December 31, 2024 (FY2024).

The Smart Port Project will enhance the efficiency of the infrastructure and quality of services provided at Labuan Liberty Port, which is managed and operated by Megah Port Management Sdn Bhd (“MPM”).

Dato' Sri Ho Kam Choy, Group Managing Director of Straits Energy Resources Berhad, said: "As global trade continues to grow, port operations are becoming increasingly complex. But thanks to the power of technology, we can now develop an integrated Smart Port ecosystem that

automates and digitizes various port operations, which helps simplify as well as address complexity issues. With a smart port, we also reduce cost and processing time, boosting the port's productivity and efficiency. And importantly, we will be able to play a part in improving the environmental sustainability of shipping operations, by reducing the port's carbon and greenhouse gas emissions.

It is clear that in the future, every major port will be a smart port. With this investment, we are taking the first step into transforming Labuan Port into a world-class Smart Port, which will improve the future prosperity of Labuan. We look forward to working with the relevant authorities and industry partners to make this initiative a success.”

The Smart Port Project will leverage state-of-the-art technologies, including the Internet of Things (IoT) and Artificial Intelligence (AI) to accelerate the digital transformation of the Labuan Port. Key features of the Smart Port will include:

- **Digitalised Operations:** The implementation of cutting-edge technologies to automate and digitalise various port operations, reducing manual interventions and enhancing the overall efficiency of the port.
- **IoT Integration:** The implementation of IoT sensors to monitor cargo movement, cargo handling, and environmental drive conditions. This will improve the port management's ability to drive safety and efficiency.
- **AI-driven Logistics:** The deployment of AI for security and predictive analytics across the port, optimising cargo handling and scheduling, and improving overall supply chain logistics within the port.
- **Blockchain Technology:** The implementation of blockchain technology to enhance transparency, traceability, and security of cargo transactions and documentation, fostering trust among stakeholders.

The Smart Port Project will be spearheaded by SCS, which is involved in the 5G and IoT markets, and part of Straits' Telecommunication and Network Services Segment.

About Straits Energy Resources Berhad

Listed on Bursa Malaysia in 2005, Straits Energy Resources Berhad is involved in six business segments, including Investment Holding, Oil Bunkering and Shipping Related Services, Port Operation and Management Services, Ship-to-Ship (“STS”) Operation, Inland Transportation and Logistics Services, and Telecommunication and Network Services.

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