

Bintulu Port Holdings Berhad
[Registration No. 199601008454 (380802-T)]
(Incorporated in Malaysia)



**Unaudited Condensed Consolidated
Financial Statements
30 September 2023**

Bintulu Port Holdings Berhad
 [Registration No. 199601008454 (380802-T)]
 (Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
 POSITION AS AT 30 SEPTEMBER 2023**

	30 September, 2023 (UNAUDITED) RM'000	31 December, 2022 (AUDITED) RM'000
ASSETS		
Non- current assets		
Property, plant and equipment	233,520	248,929
Right of use assets	44,117	47,573
Intangible assets	1,396,496	1,229,534
Deferred tax assets	312,713	302,351
Trade and other receivables	10,523	10,450
	1,997,369	1,838,837
Current assets		
Inventories	3,739	3,662
Tax recoverable	22,284	54,364
Trade and other receivables	76,475	88,285
Investment in securities	449,723	430,588
Cash and cash equivalents	822,243	684,533
	1,374,464	1,261,432
TOTAL ASSETS	3,371,833	3,100,269

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 30 SEPTEMBER 2023 (Continued)**

	30 September, 2023 (UNAUDITED)	31 December, 2022 (AUDITED)
	RM'000	RM'000
EQUITIES AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	890,818	890,818
Foreign currency translation reserve	1,852	953
Retained earnings	899,820	862,498
Total Equity	1,792,490	1,754,269
Non-current liabilities		
Other Payables	86,846	78,228
Loan and borrowings	884,489	943,359
Lease liabilities	323,254	167,385
Provisions	91,550	37,489
Deferred tax liabilities	4,338	12,464
	1,390,477	1,238,925
Current liabilities		
Other payables	49,755	53,763
Loan and borrowings	60,000	-
Lease liabilities	58,835	13,828
Provisions	19,900	39,193
Income tax payable	376	291
	188,866	107,075
Total liabilities	1,579,343	1,346,000
TOTAL EQUITY AND LIABILITIES	3,371,833	3,100,269
NET ASSET PER SHARE (RM)	3.90	3.81

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements of the Group for the year ended 31 December, 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER**

	Individual quarter			Cumulative quarter		
	ended 30 September		Changes	ended 30 September		Changes
	2023	2022	%	2023	2022	%
	RM'000	RM'000		RM'000	RM'000	
Revenue from operations	186,525	198,130	(5.86)	550,743	590,399	(6.72)
Revenue from construction services	457	986	(53.65)	1,850	1,302	42.09
	186,982	199,116	(6.09)	552,593	591,701	(6.61)
Other income	12,805	8,415	52.17	16,346	8,948	82.68
Cost of construction services	(457)	(986)	(53.65)	(1,850)	(1,302)	42.09
Staff costs	(30,799)	(34,546)	(10.85)	(111,957)	(106,931)	4.70
Maintenance and operational supplies	(44,276)	(45,406)	(2.49)	(117,486)	(120,901)	(2.82)
Administrative expenses	(17,964)	(14,897)	20.59	(25,840)	(31,615)	(18.27)
Amortisation	(49,946)	(35,400)	41.09	(116,369)	(112,496)	3.44
Depreciation	(10,110)	(17,406)	(41.92)	(29,506)	(52,446)	(43.74)
Provision for replacement cost	(2,103)	(1,936)	8.63	(6,266)	(5,807)	7.90
	(155,655)	(150,577)	3.37	(409,274)	(431,498)	(5.15)
Operating Profit	44,132	56,954	(22.51)	159,665	169,151	(5.61)
Finance cost	(8,307)	(16,879)	(50.78)	(79,609)	(51,381)	54.94
Finance income	8,957	4,771	87.74	24,926	12,721	95.94
Profit before zakat and tax	44,782	44,846	(0.14)	104,982	130,491	(19.55)
Zakat	(2,100)	-	-	(2,100)	-	-
Income tax expense	(10,189)	(16,188)	(37.06)	(24,160)	(38,478)	(37.21)
Profit net of zakat and tax, representing total comprehensive income for the period	32,493	28,658	13.38	78,722	92,013	(14.44)
Basic earnings per share (sen)	7.06	6.23	13.38	17.11	20.00	(14.44)

The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED
 STATEMENTS OF CHANGES IN EQUITY
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 & 30 SEPTEMBER 2022**

	Share capital RM'000	Retained Earnings RM'000	Foreign translation reserve RM'000	Total RM'000
Opening balance at 1 January, 2023	890,818	862,498	953	1,754,269
Net profit for the period	-	78,722	-	78,722
Foreign currency translation ¹	-	-	899	899
<i>Transaction with owners</i>				
Dividend paid / payable	-	(41,400)	-	(41,400)
Closing balance at 30 September, 2023	890,818	899,820	1,852	1,792,490
Opening balance at 1 January, 2022	890,818	799,174	105	1,690,097
Net profit for the period	-	92,013	-	92,013
Foreign currency translation ¹	-	-	684	684
<i>Transaction with owners</i>				
Dividend paid / payable	-	(50,600)	-	(50,600)
Closing balance at 30 September, 2022	890,818	840,587	789	1,732,194

Note: ¹ The foreign currency translation arises due to exchange difference on translation of the financial statements of a foreign entity.

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements of the Group for the year ended 31 December, 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 & 30 SEPTEMBER 2022**

	9 months ended 30 September, 2023 RM'000	9 months ended 30 September, 2022 RM'000
Operating activities		
Profit before zakat and tax	104,982	130,491
<u>Adjustments for:</u>		
Amortisation of intangible assets	116,369	112,496
Depreciation of property, plant and equipment	19,545	26,240
Depreciation of right of use	9,960	26,206
Finance cost – Unwinding of discount	41,921	14,823
Finance cost – Borrowings	37,688	36,558
Loss on disposal of property, plant and equipment	11	149
(Gain) / Loss on fair value of investments in securities	(2,612)	4,958
Realised loss in foreign exchange	337	253
Provision for staff gratuities	456	448
Provision for maintenance dredging costs	26,534	24,473
Provision for replacement cost	6,266	5,807
MFRS 16 adjustment	(778)	(1,766)
LAD income imposed	(36)	-
Income from sublease	(523)	(518)
Dividend income from investment	(12,606)	(7,984)
Interest income	(24,403)	(12,203)
Total adjustments	218,129	229,940
Operating cash flows before changes in working capital	323,111	360,431
<u>Changes in working capital</u>		
Receivables	33,507	12,910
Payables	(41,604)	(19,043)
Total changes in working capital	(8,097)	(6,133)
Cash generated from operating activities	315,014	354,298
Payment of concession arrangements	(114,496)	(108,932)
Payment of lease liabilities	(10,447)	(29,550)
Payment of dredging cost	-	(5,897)
Income tax paid	(12,224)	(35,885)
Payment of zakat perniagaan	(2,100)	-
Tax refund	1,724	-
Director gratuities paid	(48)	(37)
Staff gratuities paid	(1,856)	(2,541)
Cash flows from operating activities	175,567	171,456

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 & 30 SEPTEMBER 2022
(Continued)

	9 months ended 30 September, 2023 RM'000	9 months ended 30 September, 2022 RM'000
Investing activities		
Interest received	16,817	11,053
Purchase of property, plant and equipment	(4,358)	(5,405)
Increase in intangible assets	(3,192)	(2,280)
Proceeds from disposal of property, plant and equipment	5	267
Changes in investment in Securities	(1,681)	(40,002)
Net cash flows from / (used in) investing activities	7,591	(36,367)
Financing Activities		
Dividend paid	(27,600)	(36,800)
Repayment of profit expense on SUKUK	(18,763)	(18,660)
Net Cash flows used in financing activities	(46,363)	(55,460)
Net increase in cash and cash equivalents	136,795	79,629
Effects of exchange rate changes	915	1,263
Cash and cash equivalents at 1 January	665,768	671,644
Cash and cash equivalents at 30 September	803,478	752,536

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 & 30 SEPTEMBER 2022
(Continued)

	9 months ended 30 September, 2023	9 months ended 30 September, 2022
	RM'000	RM'000
Cash and cash equivalents comprise:		
Deposits and REPO with licensed financial institutions	814,187	755,109
Cash and Bank Balances	8,056	16,192
	822,243	771,301
Less: Deposit with maturity period of more than 3 months	(18,765)	(18,765)
	803,478	752,536

The unaudited condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements of the Group for the year ended 31 December, 2022 and the accompanying explanatory notes attached to the interim financial statements.

**SELECTED EXPLANATORY NOTES ON QUARTERLY FINANCIAL REPORT FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2023**

PART A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Corporate Information

The company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

A2. Basis of Preparation

The condensed consolidated interim financial statements for the quarter ended 30 September 2023 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements have been prepared under the historical cost convention and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December, 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December, 2022.

The financial statements of the Group are presented in Ringgit Malaysia (“RM”) and all are rounded to the nearest thousand (RM’000) except when otherwise indicated.

A3. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2022.

The following pronouncements were issued by the MASB and are to become effective for annual periods beginning on or after 1 January 2023:

- MFRS 17: Insurance Contracts (Amendments to MFRS 17 Insurance Contracts)
- Initial Application of MFRS 17 and MFRS 9 – Comparative Information (Amendments to MFRS 17 Insurance Contracts)
- Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)
- Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)

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A3. Significant Accounting Policies (Continued)

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112: Income Taxes)

The adoption of the above did not have any significant effects on the interim financial report upon initial application.

A4. Changes in Estimates

There were no other changes in estimates that have had a material effect in the current interim results.

A5. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to date.

A6. Segmental Reporting

The Group reporting is organised and managed into two major business segments based on the nature of services provided, which requires different business and marketing strategies. The reportable segments are summarised as follows:

- a. Port operations – the provision of port services and construction services which include construction of port facilities, handling of cargo for liquefied natural gas, petroleum products, liquefied petroleum gas, general cargo, container, dry bulk cargo and other ancillary services; and
- b. Bulking services- the provision of bulking installation facilities for palm oil, edible oils, vegetable oils, fats and its by-products.

Except as indicated above, no reporting segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects, may be measured differently from operating profit or loss in the consolidated financial statements.

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A6. Segmental Reporting (Continued)

A subsidiary, Bintulu Port Sdn. Bhd., has secured a contract to provide pilotage services at Muara District, Brunei Darussalam from August 2022 until July 2023. No segmental reporting by geographical information is provided as the Group's operation outside Malaysia is not significant.

9 months ended 30 September 2023	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	520,584	32,009	-	-	552,593
Inter-segment	6,959	4,210	156,352	(167,521)	-
Total revenue	<u>527,543</u>	<u>36,219</u>	<u>156,352</u>	<u>(167,521)</u>	<u>552,593</u>
Results:					
Segment profit	<u>98,282</u>	<u>13,429</u>	<u>113,651</u>	<u>(120,380)</u>	<u>104,982</u>
Assets:					
Segment assets	<u>2,934,724</u>	<u>181,243</u>	<u>1,357,400</u>	<u>(1,101,534)</u>	<u>3,371,833</u>
Liabilities:					
Segment liabilities	<u>1,578,348</u>	<u>31,902</u>	<u>30,851</u>	<u>(61,758)</u>	<u>1,579,343</u>

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A6. Segmental Reporting (Continued)

9 months ended 30 September 2022	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	560,574	31,127	-	-	591,701
Inter-segment	8,036	4,285	153,386	(165,707)	-
Total revenue	<u>568,610</u>	<u>35,412</u>	<u>153,386</u>	<u>(165,707)</u>	<u>591,701</u>
Results:					
Segment profit	<u>129,362</u>	<u>12,250</u>	<u>109,194</u>	<u>(120,315)</u>	<u>130,491</u>
Assets:					
Segment assets	<u>2,761,491</u>	<u>177,995</u>	<u>1,299,219</u>	<u>(1,105,294)</u>	<u>3,133,411</u>
Liabilities:					
Segment liabilities	<u>1,405,943</u>	<u>31,829</u>	<u>30,512</u>	<u>(67,067)</u>	<u>1,401,217</u>

A7. Comments about Seasonal or Cyclical Factors

The revenue from port's services and bulking services is subject to the seasonal and cyclical factors of the respective industries.

A8. Unusual Items due to their Nature, Size or Incidence

There were no unusual items for the current quarter and financial year-to-date.

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A9. Tax Expense

i. Tax expense comprises:

	Current year quarter 30 September 2023 RM'000	Current year to date 30 September 2023 RM'000
Current tax expense	14,732	42,649
Deferred tax	(4,543)	(18,489)
	10,189	24,160

ii. Effective tax rate

The effective tax rate for the current year is lower compared to statutory rate primarily due to recognition of deferred tax assets related to origination and reversal of temporary differences arises from the interim lease concession arrangement at BPSB.

A10. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the number of ordinary shares in issue during the period.

	Current year quarter 30 September		Current year-to-date 30 September	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders (RM'000)	32,493	28,658	78,722	92,013
Number of ordinary shares in issue ('000)	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	7.06	6.23	17.11	20.00

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A11. Dividends Paid

	9 months ended 30 September 2023 RM'000	9 months ended 30 September 2022 RM'000
<u>Ordinary</u>		
Fourth interim paid:		
2021 – 3.00 sen Per Share Single Tier Fourth Interim Dividend, paid on 14 th April 2022	-	13,800
2022 – 3.00 sen Per Share Single Tier Fourth Interim Dividend, paid on 13 th April 2023	13,800	-
First interim paid:		
2022 – 5.00 Sen Per Share Single Tier First Interim Dividend, paid on 2nd August 2022		23,000
2023 – 3.00 Sen Per Share Single Tier First Interim Dividend, paid on 2nd August 2023	13,800	
TOTAL PAID	27,600	36,800

During the Board Meeting held on 24th August 2023, the Board has recommended a second interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares, amounting to RM13,800,000 in respect of the period ended 30th June 2023 (previous corresponding period interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares). This dividend was subsequently paid on 5th October 2023.

A12. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

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A13. Significant Events

The 30-years concession period of Bintulu Port Sdn. Bhd. (“BPSB”) under the Privatisation Agreement had ended on 31 December 2022. The Government through Unit Kerjasama Awam Swasta (“UKAS”) vide letter dated 8 October 2014 had in principle approved the extension of concession for BPSB to operate Bintulu Port for another 30 years (2023 – 2052) subject to terms and conditions to be agreed upon by the parties.

Previously, on 24 November 2022, BPSB has entered into an initial Interim Agreement with the Government of Malaysia and Bintulu Port Authority (“BPA”) to continue the operation of Bintulu Port during an Interim Period of six (6) months which expired on 30 June 2023.

In furtherance to this, BPSB has entered into a Second Interim Agreement with the Government of Malaysia represented by Ministry of Transport Malaysia and BPA whereby the official handing over ceremony was held on 15 August 2023 in Bintulu. This follows the initial notification dated 11 April 2023 on the Cabinet’s approval for BPSB to continue operating the Bintulu Port for an Interim Period (“IP”) of twelve (12) months starting from 1 July 2023 and to end on 30 June 2024.

The Second Interim Agreement formalises the aforementioned twelve (12) months extension and provides an option for a further six (6) months extension thereafter.

The Prime Minister of Malaysia during the 2024 Budget speech held on 13 October 2023 had announced that Bintulu Port Authority (BPA) will be handed over to the Sarawak Government. Currently, the State Government is in the process of preparing the required legal provisions and other arrangements to assume control of the port. The operations of Bintulu Port operated by Bintulu Port Sdn. Bhd. (BPSB) will not be disrupted during the process of the Sarawak Government’s takeover from the Federal Government.

There were no other material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

A14. Valuation of Property, Plant and Equipment

There has not been any valuation of property, plant and equipment for the Group.

A15. Contingent Liabilities or Contingent Assets

There were no other contingent liabilities or contingent assets during the quarter under review.

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A16. Acquisitions and Disposals of Property, Plant and Equipment

There were no major acquisitions and disposal of property, plant and equipment during the quarter under review.

A17. Commitments

As at 30 September 2023, the commitments were as follows:

	RM'000
Approved and contracted for :	
Property, plant and equipment / Intangible assets	2,617
Approved but not contracted for :	
Property, plant and equipment / Intangible assets	5,190
	7,807

A19. Significant Related Party Transactions

	Current year quarter 30 September 2023 RM'000	Current year- to-date 30 September 2023 RM'000
a) Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad:		
<u>Rendering of services:</u>		
Malaysia LNG Sdn.Bhd	19,451	88,081
Petronas Carigali Sdn. Bhd.	2,971	7,806
Petronas Dagangan Berhad	813	2,105
Petronas Chemical Marketing (L) Ltd	13	397
Petronas LNG Ltd	45,432	127,277
Vestigo Petroleum Sdn. Bhd.	62	187

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A19. Significant Related Party Transactions (Continued)

	Current year quarter 30 September 2023 RM'000	Current year- to-date 30 September 2023 RM'000
a) Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad (Continued):		
<u>Purchases of fuel and lubricants:</u>		
Petronas Dagangan Berhad	(4,842)	(14,263)
b) Transactions with subsidiaries of a substantial shareholder, State Financial Secretary (Sarawak Government):		
<u>Purchases of gas fuel:</u>		
Petroleum Sarawak Berhad	(264)	(2,261)

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

	Individual quarter ending 30 September		Changes %	Cumulative quarter ending 30 September		Changes %
	2023 RM'000	2022 RM'000		2023 RM'000	2022 RM'000	
Revenue from operations	186,525	198,130	(5.86)	550,743	590,399	(6.72)
Revenue from construction services	457	986	(53.65)	1,850	1,302	42.09
	186,982	199,116	(6.09)	552,593	591,701	(6.61)
Other income	12,805	8,415	52.17	16,346	8,948	82.68
Cost of construction services	(457)	(986)	(53.65)	(1,850)	(1,302)	42.09
Operating expenses	(93,039)	(94,849)	(1.91)	(255,283)	(259,447)	(1.60)
Amortisation	(49,946)	(35,400)	41.09	(116,369)	(112,496)	3.44
Depreciation	(10,110)	(17,406)	(41.92)	(29,506)	(52,446)	(43.74)
Provision for replacement cost	(2,103)	(1,936)	8.63	(6,266)	(5,807)	7.90
	(155,655)	(150,577)	3.37	(409,274)	(431,498)	(5.15)
Operating Profit	44,132	56,954	(22.51)	159,665	169,151	(5.61)
Finance cost	(8,307)	(16,879)	(50.78)	(79,609)	(51,381)	54.94
Finance income	8,957	4,771	87.74	24,926	12,721	95.94
Profit before zakat and tax	44,782	44,846	(0.14)	104,982	130,491	(19.55)

Quarter Ended 30 September 2023 compared to Quarter Ended 30 September 2022

The Group registered a profit before zakat and tax amounting to RM44.78 million in the current quarter against RM44.85 million achieved in the preceding year corresponding quarter.

The Group's operating revenue of RM186.53 million for the current quarter is lower by RM11.60 million (5.86%) compared to RM198.13 million achieved in the corresponding quarter. The revenue recorded from port's services at Bintulu Port is RM137.43 million in Q3 2023 as compared to RM141.80 million achieved in Q3 2022 due to lower revenue from handling of LNG cargo and marine services to DPS. The revenue generated from the operation at Samalaju Industrial Port during the quarter under review is RM37.24 million against RM44.26 million in the corresponding year quarter. The revenue from bulking facilities is RM11.86 million as against RM12.07 million in Q3 2022.

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B1. Review of Performance (Continued)

Revenue from construction services for concession infrastructure of RM0.46 million was recognized in Q3 2023 whilst RM0.99 million of revenue from construction services for concession infrastructure was recognized in Q3 2022. The corresponding cost of construction for concession was also recognized for the quarters under review. This is recognition of revenue and expenditure under IC Interpretation 12: Service Concession Arrangements.

The expenditure during the quarter under review of RM163.51 million is lower compared to RM166.47 million in Q3 2022 mainly due to lower depreciation expenses on rights of use assets and property, plant and equipment. Finance cost on the unwinding of lease concession shows a reduction due to adjustment for the reclassification of expenditure to amortization of lease concession under the interim arrangement.

There have been no other material factors affecting the earnings and/or revenue of the Group for the current quarter under review.

Nine months ended 30 September 2023 compared to nine months ended 30 September 2022

The achieved profit before zakat and tax of RM104.98 million for the nine months ended 30 September 2023, is lower by RM25.51 million (19.55%) compared to nine months ended 30 September 2022 of RM130.49 million.

The Group's operating revenue of RM550.74 million for the nine months ended 30 September 2023 is lower by RM39.66 million (6.72%) compared to nine months of preceding year. Revenue generated from port's services at Bintulu Port is RM414.51 million as against RM433.64 million during the nine months of preceding year. The revenue from the operation in Brunei for the year 2023 is for pilotage services only whilst for the year 2022 was for towage and pilotage services. Samalaju Industrial Port generated RM104.22 million of revenue compared to RM125.63 million of revenue generated during the nine months of preceding year. The revenue from bulking facilities is RM32.01 million as against RM31.13 million during the period under review.

Revenue from construction services for concession infrastructure of RM1.85 million was recognized against RM1.30 million in nine months of preceding year. The corresponding cost of construction for concession were also recognized.

The expenditure during the nine months period under review of RM487.03 million is higher by RM5.45 million compared to RM481.58 million of the preceding year period. While there is an increase on amortisation and finance cost on lease concession at BPSB recognized for the interim arrangement, expenditure on direct operating cost, administrative cost and depreciation on property, plant and equipment and rights of use assets showed a reduction.

There have been no other material factors affecting the earnings and/or revenue of the Group for the period under review.

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B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

	Current Quarter Ended 30 September 2023 RM'000	Preceding Quarter Ended 30 June 2023 RM'000	Changes %
Revenue from operations	186,525	176,324	5.79
Revenue from construction services	457	946	(51.69)
	186,982	177,270	(5.48)
Other income	12,805	5,117	(150.24)
Cost of construction services	(457)	(946)	(51.69)
Operating expenses	(93,039)	(81,236)	14.53
Amortisation	(49,946)	(33,217)	50.36
Depreciation	(10,110)	(9,929)	1.82
Provision for replacement cost	(2,103)	(2,082)	1.01
	(155,655)	(127,410)	22.17
Operating profit	44,132	54,977	19.73
Finance cost	(8,307)	(34,782)	(76.12)
Finance income	8,957	8,362	7.12
Profit before zakat and tax	44,782	28,557	56.82

Profit before zakat and tax for the third quarter of 2023 amounting to RM44.78 million is higher compared to RM28.56 million achieved in the preceding quarter.

The Group's operating revenue is higher by RM10.21 million from RM176.32 million achieved in Q2 2023 to RM186.53 million in Q3 2023. Revenue contribution from the handling of cargoes and vessel calls at Bintulu Port in Q3 2023 is RM137.43 million as against RM131.80 million in Q2 2023 on lower revenue contributed from handling of LNG cargo. Revenue at Samalaju Industrial Port is higher by RM2.68 million from RM34.55 million in Q2 2023 to RM37.24 million in Q3 2023. The revenue from the bulking services is higher by RM1.89 million from RM9.97 million in Q2 2023 to RM11.86 million in Q3 2023.

Revenue from construction services on concession infrastructure recognized in Q3 2023 is RM0.46 million whilst revenue from construction services on concession infrastructure of RM0.95 million was recognized in Q2 2023. The corresponding cost of construction were also recognized during the quarter under review.

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B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter (Continued)

The expenditure during the quarter under review is higher by RM2.26 million from RM161.25 million in Q2 2023 to RM163.51 million in Q3 2023 mainly due to the higher operating expenses on provision of maintenance dredging and recognition of loss on fair value of investment. During the quarter under review, there is a reclassification of cost between amortization and finance cost on lease concession at BPSB under the interim lease arrangement.

There were no other unusual items affecting profits for the current quarter.

B3. Current Year's Prospects

The Group's performance is affected by the moderate global growth in 2023 particularly weaker growth in China. Despite that, the Group expect to remains positive and resilient on its performance for the remaining period of the year.

The handling of LNG cargo, containerised cargo and base support services are expected to contribute positively to the Group's revenue.

B4. Board of Directors Statement on Internal Targets

The Company did not announce or disclose any internal management targets in a public document.

B5. Profit Forecast or Profit Guarantee

The Company did not announce or disclose any profit forecast or profit guarantee in a public document.

B6. Corporate Proposals

There were no corporate proposals announced during the reporting date.

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B7. Loans and Borrowings

	Current year quarter 30 September 2023 RM'000	Current year quarter 30 September 2022 RM'000
Non-current		
<u>Unsecured:</u>		
Sukuk Murabahah	884,489	942,978
Current		
<u>Unsecured:</u>		
Sukuk Murabahah	60,000	-
Total borrowings	944,489	942,978

Sukuk Murabahah

Samalaju Industrial Port Sdn. Bhd., a wholly-owned subsidiary of Bintulu Port Holdings Berhad (BPHB), has entered into a Sukuk Programme which has a tenure of 20 years from date of first issuance and has a limit of RM950 million in nominal value. It is based on the Shariah principle of Murabahah (via a Tawarruq arrangement) involving selected Shariah compliant commodities ("Sukuk Murabahah").

The Sukuk programme is unsecured. It is back by an irrevocable and unconditional guarantee by Bintulu Port Holdings Berhad as the guarantor. The proceeds from the issuance under the Sukuk Murabahah shall be utilised by the subsidiary for the payment of fees and expenses relation to the Sukuk Programme, funding of the initial Financial Service Reserve Account Minimum Required Balance, capital expenditure, payments of Periodic Distributions to beneficial holders during construction and working capital requirements all of which shall be in relation to the Project.

Summary of the Sukuk Murabahah is tabulated below:

Year of Issuance	Nominal amount	Profit payment rates	Yield-to- maturity	Tenure	Redemption Dates
	RM' million	% p.a.	%p.a.	Years	Years
2015	700	5.05 - 5.65	5.30 - 6.00	8 - 14	2023 - 2029
2016	250	4.50	3.48 - 3.49	17 - 20	2033 - 2036

There were no other borrowings and debt securities at the end of the reporting period.

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B8. Gains/Losses Arising from Fair Value Changes to Financial Liabilities

All financial liabilities of the Group are classified as other payables, loan and borrowings and concession lease payables.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process. In the Group, other payables are carried at amortised costs which are not materially different from the fair value.

Loan and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

B9. Material Litigation

There is no material litigation against the company as at the end of the reporting period.

B10. Dividend Proposed

- a) The Board has recommended a third interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares, amounting to RM13,800,000 in respect of the financial year ended 31 December 2023 (previous corresponding period: third interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares amounting to RM13,800,000).
- b) The total interim single tier dividend for the current financial year is 9.00 sen per share (previous corresponding year: 11.00 sen per share).
- c) Shareholders who are on the Register of Members at the close of business on 13th December 2023 will be entitled for the dividend. The dividend payment date is 28th December 2023.

B11. Audit Report

The audit report of the previous annual financial statements for the year ended 31st December 2022 was not subject to any qualification.

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B12. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 23th November 2023.

BY ORDER OF THE BOARD

ROSLI BIN IDRIS
(MIA15730)
Company Secretary
Date: 24th November 2023