

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



**Unaudited Condensed Consolidated
Financial Statements
31 December 2023**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 DECEMBER 2023**

	31 December, 2023 (UNAUDITED) RM'000	31 December, 2022 (AUDITED) RM'000
ASSETS		
Non- current assets		
Property, plant and equipment	225,871	248,929
Right of use assets	40,881	47,573
Intangible assets	1,338,703	1,229,534
Deferred tax assets	313,150	302,351
Trade and other receivables	10,548	10,450
	1,929,153	1,838,837
Current assets		
Inventories	3,759	3,662
Tax recoverable	27,875	54,364
Trade and other receivables	108,200	88,285
Investment in securities	456,225	430,588
Cash and cash equivalents	742,118	684,533
	1,338,177	1,261,432
TOTAL ASSETS	3,267,330	3,100,269

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 DECEMBER 2023 (Continued)**

	31 December, 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	2,030	953
Retained earnings	932,359	862,498
Total Equity	1,825,207	1,754,269
Non-current liabilities		
Other Payables	87,804	78,228
Loan and borrowings	784,870	943,359
Lease liabilities	163,651	167,385
Provisions	49,509	37,489
Deferred tax liabilities	6,829	12,464
	1,092,663	1,238,925
Current liabilities		
Other payables	40,305	53,763
Loan and borrowings	100,000	-
Lease liabilities	155,448	13,828
Provisions	53,516	39,193
Income tax payable	191	291
	349,460	107,075
Total liabilities	1,442,123	1,346,000
TOTAL EQUITY AND LIABILITIES	3,267,330	3,100,269
NET ASSET PER SHARE (RM)	3.97	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 FOURTH QUARTER ENDED 31 DECEMBER**

	Individual quarter ended 31 December			Changes %	Cumulative quarter ended 31 December		
	2023 RM'000	2022 RM'000			2023 RM'000	2022 RM'000	%
Revenue from operations	214,840	200,860	6.96	765,583	791,259	(3.24)	
Revenue from construction services	2,626	525	400.19	4,476	1,828	144.86	
	217,466	201,385	7.99	770,059	793,087	(2.90)	
Other income	5,439	5,661	(3.92)	21,785	9,802	122.25	
Cost of construction services	(2,626)	(525)	400.19	(4,476)	(1,828)	144.86	
Staff costs	(29,289)	(33,078)	(11.46)	(141,246)	(139,943)	0.93	
Maintenance and operational supplies	(62,606)	(38,529)	62.49	(180,092)	(159,430)	12.96	
Administrative expenses	(13,864)	(25,607)	(45.86)	(39,704)	(52,481)	(24.35)	
Amortisation	(62,625)	(39,465)	58.68	(178,994)	(151,961)	17.79	
Depreciation	(11,939)	(9,686)	23.26	(41,445)	(62,134)	(33.30)	
Provision for replacement cost	(4,344)	(2,925)	48.54	(10,610)	(8,732)	21.51	
	(187,293)	(149,815)	25.02	(596,567)	(576,509)	3.48	
Operating Profit	35,612	57,231	(37.77)	195,277	226,380	(13.74)	
Finance cost	8,963	(15,715)	(157.03)	(70,645)	(67,096)	5.29	
Finance income	9,343	6,006	55.56	34,269	18,728	82.98	
Profit before zakat and tax	53,918	47,522	13.46	158,901	178,012	(10.74)	
Zakat	-	-	-	(2,100)	-	-	
Income tax expense	(7,579)	(11,811)	(35.83)	(31,740)	(50,288)	(36.88)	
Profit net of zakat and tax, representing total comprehensive income for the period	46,339	35,711	29.76	125,061	127,724	(2.08)	
Basic earnings per share (sen)	10.07	7.76	29.76	27.19	27.77	(2.08)	

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 TWELVE MONTHS ENDED 31 DECEMBER 2023 & 31 DECEMBER 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	-	125,061	-	125,061
Foreign currency translation ¹	-	-	1,077	1,077
<i>Transaction with owners</i>				
Dividend paid / payable	-	(55,200)	-	(55,200)
Closing balance at 31 December, 2023	890,818	932,359	2,030	1,825,207
Opening balance at 1 January, 2022	890,818	799,174	105	1,690,097
Net profit for the period	-	127,724	-	127,724
Foreign currency translation ¹	-	-	848	848
<i>Transaction with owners</i>				
Dividend paid / payable	-	(64,400)	-	(64,400)
Closing balance at 31 December, 2022	890,818	862,498	953	1,754,269

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 TWELVE MONTHS ENDED 31 DECEMBER 2023 & 31 DECEMBER 2022**

	12 months ended 31 December, 2023 RM'000	12 months ended 31 December, 2022 RM'000
Operating activities		
Profit before zakat and tax	158,901	178,012
<u>Adjustments for:</u>		
Amortisation of intangible assets	178,994	151,961
Depreciation of property, plant and equipment	28,248	33,145
Depreciation of right of use	13,197	28,989
Finance cost - Unwinding of discount	20,281	16,707
Finance cost - Borrowings	50,364	50,389
Assets surrendered upon expiry of concession	-	9,477
Loss on disposal of property, plant and equipment	2	8
(Gain) / Loss on fair value of investments in securities	(7,793)	11
Realised loss in foreign exchange	509	-
Unrealised loss in foreign exchange	-	94
Provision for staff gratuities	544	547
Provision for directors' gratuities	197	228
Provision for maintenance dredging costs	50,528	19,520
Provision for replacement cost	10,610	8,732
Revisions on charter hire	(1,168)	(1,821)
LAD income imposed	(37)	-
Intangible assets written off	-	1,723
Dividend income from investment	(12,659)	(8,032)
Interest income	(34,269)	(18,728)
Total adjustments	297,548	292,950
Operating cash flows before changes in working capital	456,449	470,962
<u>Changes in working capital</u>		
Receivables	(6,545)	5,983
Payables	(25,398)	8,726
Total changes in working capital	(31,943)	14,709
Cash generated from operating activities	424,506	485,671
Payment of concession arrangements	(152,661)	(159,625)
Payment of lease liabilities	(15,420)	(33,467)
Payment of dredging cost	(37,882)	(23,747)
Income tax paid	(24,120)	(40,169)
Payment of zakat perniagaan	(2,100)	-
Tax refund	3,409	-
Director gratuities paid	(365)	(41)
Staff gratuities paid	(1,879)	(2,611)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2023 & 31 DECEMBER 2022
(Continued)

	12 months ended 31 December, 2023 RM'000	12 months ended 31 December, 2022 RM'000
Cash flows from operating activities	193,488	226,011
Investing activities		
Interest received	25,966	17,439
Purchase of property, plant and equipment	(5,439)	(31,471)
Increase in intangible assets	(4,728)	(1,497)
Proceeds from disposal of property, plant and equipment	31	268
Changes in investment in Securities	-	(116,308)
Net movement in fixed deposit placement	(487,658)	-
Net cash flows used in investing activities	(471,828)	(131,569)
Financing Activities		
Dividend paid	(55,200)	(64,400)
Repayment of SUKUK principal	(60,000)	-
Repayment of profit expense on SUKUK	(37,630)	(37,630)
Net Cash flows used in financing activities	(152,830)	(102,030)
Net decrease in cash and cash equivalents	(431,170)	(7,588)
Effects of exchange rate changes	1,097	1,712
Cash and cash equivalents at 1 January	665,768	671,644
Cash and cash equivalents at 31 December	235,695	665,768

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2023 & 31 DECEMBER 2022
(Continued)

	12 months ended 31 December, 2023	12 months ended 31 December, 2022
	RM'000	RM'000
Cash and cash equivalents comprise:		
Deposits and REPO with licensed financial institutions	718,853	664,785
Cash and Bank Balances	23,265	19,748
	742,118	684,533
Less: Deposit with maturity period of more than 3 months	(506,423)	(18,765)
	235,695	665,768

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
FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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.

12 months ended 31 December 2023	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	724,707	45,352	-	-	770,059
Inter-segment	9,563	6,090	169,740	(185,393)	-
Total revenue	<u>734,270</u>	<u>51,442</u>	<u>169,740</u>	<u>(185,393)</u>	<u>770,059</u>
Results:					
Segment profit	<u>145,270</u>	<u>19,891</u>	<u>112,413</u>	<u>(120,773)</u>	<u>156,801</u>
Assets:					
Segment assets	<u>2,819,280</u>	<u>183,455</u>	<u>1,328,726</u>	<u>(1,064,131)</u>	<u>3,267,330</u>
Liabilities:					
Segment liabilities	<u>1,420,836</u>	<u>28,034</u>	<u>17,215</u>	<u>(23,962)</u>	<u>1,442,123</u>

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A6. Segmental Reporting (Continued)

12 months ended 31 December 2022	Port Operations RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	748,413	44,674	-	-	793,087
Inter-segment	10,335	6,101	168,812	(185,248)	-
Total revenue	<u>758,748</u>	<u>50,775</u>	<u>168,812</u>	<u>(185,248)</u>	<u>793,087</u>
Results:					
Segment profit	<u>172,990</u>	<u>17,124</u>	<u>108,584</u>	<u>(120,686)</u>	<u>178,012</u>
Assets:					
Segment assets	<u>2,705,431</u>	<u>179,122</u>	<u>1,272,427</u>	<u>(1,056,711)</u>	<u>3,100,269</u>
Liabilities:					
Segment liabilities	<u>1,316,325</u>	<u>29,660</u>	<u>18,129</u>	<u>(18,114)</u>	<u>1,346,000</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 31 December 2023 RM'000	Current year to date 31 December 2023 RM'000
Current tax expense	5,524	48,173
Deferred tax	2,055	(16,433)
	7,579	31,740

ii. Effective tax rate

The effective tax rate for the current year is lower compared to statutory rate primarily due to unutilised capital allowance and 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 31 December		Current year-to-date 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net profit attributable to shareholders (RM'000)	46,339	35,711	125,061	127,724
Number of ordinary shares in issue ('000)	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	10.07	7.76	27.19	27.77

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A11. Dividends Paid

	12 months ended 31 December 2023 RM'000	12 months ended 31 December 2022 RM'000
<u>Ordinary</u>		
Interim Single Tier Dividend for 2021		
2021 - 3.00 sen Per Share Single Tier Fourth Interim Dividend, paid on 14 th April 2022	-	13,800
Interim Single Tier Dividend for 2022		
2022 - 5.00 Sen Per Share Single Tier First Interim Dividend, paid on 2nd August 2022	-	23,000
2022 - 3.00 Sen Per Share Single Tier Second Interim Dividend, paid on 6th October 2023		13,800
2022 - 3.00 Sen Per Share Single Tier Third Interim Dividend, paid on 28th December 2022	-	13,800
2022 - 3.00 sen Per Share Single Tier Fourth Interim Dividend, paid on 13 th April 2023	13,800	-
Interim Single Tier Dividend for 2023		
2023 - 3.00 Sen Per Share Single Tier First Interim Dividend, paid on 2nd August 2023	13,800	-
2023 - 3.00 Sen Per Share Single Tier Second Interim Dividend, paid on 5th October 2023	13,800	-
2023 - 3.00 Sen Per Share Single Tier Third Interim Dividend, paid on 28th December 2023	13,800	-
TOTAL PAID	55,200	64,400

A12. Debt and Equity Securities

There was a repayment of RM60 million SUKUK principal by a subsidiary, Samalaju Industrial Port Sdn. Bhd., in the current quarter and financial-year-to-date.

Other than the above, there was no other 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 31 December 2023, the commitments were as follows:

	RM'000
Approved and contracted for :	
Property, plant and equipment / Intangible assets	70,698
Approved but not contracted for :	
Property, plant and equipment / Intangible assets	2,340
	73,038

A19. Significant Related Party Transactions

	Current year quarter 31 December 2023 RM'000	Current year- to-date 31 December 2023 RM'000
a) Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad:		
<u>Rendering of services:</u>		
Malaysia LNG Sdn.Bhd	40,805	128,886
Petronas Carigali Sdn. Bhd.	4,843	12,649
Petronas Dagangan Berhad	803	2,907
Petronas Chemical Marketing (L) Ltd	250	647
Petronas LNG Ltd	52,266	179,543
Vestigo Petroleum Sdn. Bhd.	178	365

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A19. Significant Related Party Transactions (Continued)

Purchases of fuel and lubricants:

Petronas Dagangan Berhad	(6,596)	(20,859)
Petronas Lubricants Marketing (Malaysia) Sdn. Bhd.	(828)	(828)

- b) Transactions with subsidiaries of a substantial shareholder, State Financial Secretary (Sarawak Government):

Purchases of gas fuel:

Petroleum Sarawak Berhad	(1,142)	(3,403)
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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 ended 31 December		Changes %	Cumulative quarter ended 31 December		Changes %
	2023 RM'000	2022 RM'000		2023 RM'000	2022 RM'000	
Revenue from operations	214,840	200,860	6.96	765,583	791,259	(3.24)
Revenue from construction services	2,626	525	400.19	4,476	1,828	144.86
	217,466	201,385	7.99	770,059	793,087	(2.90)
Other income	5,439	5,661	(3.92)	21,785	9,802	122.25
Cost of construction services	(2,626)	(525)	400.19	(4,476)	(1,828)	144.86
Operating expenses	(105,759)	(97,214)	8.79	(361,042)	(351,854)	2.61
Amortisation	(62,625)	(39,465)	58.68	(178,994)	(151,961)	17.79
Depreciation	(11,939)	(9,686)	23.26	(41,445)	(62,134)	(33.30)
Provision for replacement cost	(4,344)	(2,925)	48.54	(10,610)	(8,732)	21.51
	(187,293)	(149,815)	25.02	(596,567)	(576,509)	3.48
Operating Profit	35,612	57,231	(37.77)	195,277	226,380	(13.74)
Finance cost	8,963	(15,715)	(157.03)	(70,645)	(67,096)	5.29
Finance income	9,343	6,006	55.56	34,269	18,728	82.98
Profit before zakat and tax	53,918	47,522	(13.46)	158,901	178,012	(10.74)

Quarter Ended 31 December 2023 compared to Quarter Ended 31 December 2022

The Group registered a profit before zakat and tax amounting to RM53.92 million in the current quarter against RM47.52 million achieved in the preceding year corresponding quarter.

The Group's operating revenue of RM214.84 million for the current quarter is higher by RM13.98 million (6.96%) compared to RM200.86 million achieved in the corresponding quarter. The revenue recorded from port's services at Bintulu Port is RM160.97 million in Q4 2023 as compared to RM148.70 million achieved in Q4 2022 due to higher revenue from handling of LNG cargo and Container cargo. The revenue generated from the operation at Samalaju Industrial Port during the quarter under review is RM40.53 million against RM38.61 million in the corresponding year quarter. The revenue from bulking facilities is RM13.34 million as against RM13.55 million in Q4 2022.

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B1. Review of Performance (Continued)

Revenue from construction services for concession infrastructure of RM2.63 million was recognized in Q4 2023 whilst RM0.53 million of revenue from construction services for concession infrastructure was recognized in Q4 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 RM175.70 million is higher by RM10.69 million compared to RM165.01 million in Q4 2022 mainly due to higher maintenance dredging cost and depreciation of property, plant and equipment on downward revision of residual value. Finance cost on the unwinding of lease concession shows a reduction due to adjustment to the prior quarter for the reclassification of expenditure to amortization of lease concession.

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

Twelve months ended 31 December 2023 compared to twelve months ended 31 December 2022

The achieved profit before zakat and tax of RM158.90 million for the twelve months ended 31 December 2023, is lower by RM19.11 million (10.74%) compared to twelve months ended 31 December 2022 of RM178.01 million.

The Group's operating revenue of RM765.58 million for the twelve months ended 31 December 2023 is lower by RM25.68 million (3.24%) compared to twelve months of preceding year. Revenue generated from port's services at Bintulu Port is RM575.48 million as against RM582.34 million during the twelve 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 RM144.75 million of revenue compared to RM164.24 million of revenue generated during the twelve months of preceding year. The revenue from bulking facilities is RM45.35 million as against RM44.68 million during the period under review.

Revenue from construction services for concession infrastructure of RM4.48 million was recognized against RM1.83 million in twelve months of preceding year. The corresponding cost of construction for concession were also recognized.

The expenditure during the twelve months period under review of RM662.74 million is higher by RM20.96 million compared to RM641.78 million of the preceding year period mainly due to provision for maintenance dredging and service contract. Amortisation is higher due to recognition of lease concession for the interim period of 2 years. Depreciation on the rights of use assets showed a reduction due to cessation of charter hire for the Brunei Operation.

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 31 December 2023 RM'000	Preceding Quarter Ended 30 September 2023 RM'000	Changes %
Revenue from operations	214,840	186,525	15.18
Revenue from construction services	2,626	457	474.63
	217,466	186,982	16.30
Other income	5,439	12,805	(57.52)
Cost of construction services	(2,626)	(457)	474.63
Operating expenses	(105,759)	(93,039)	13.67
Amortisation	(62,625)	(49,946)	25.39
Depreciation	(11,939)	(10,110)	18.09
Provision for replacement cost	(4,344)	(2,103)	106.56
	(187,293)	(155,655)	20.33
Operating profit	35,612	44,132	19.31
Finance cost	8,963	(8,307)	(207.90)
Finance income	9,343	8,957	4.31
Profit before zakat and tax	53,918	44,782	20.40

Profit before zakat and tax for the fourth quarter of 2023 amounting to RM53.92 million is higher compared to RM44.78 million achieved in the preceding quarter.

The Group's operating revenue is higher by RM28.31 million from RM186.53 million achieved in Q3 2023 to RM214.84 million in Q4 2023. Revenue contribution from the handling of cargoes and vessel calls at Bintulu Port in Q4 2023 is RM160.97 million as against RM137.43 million in Q3 2023 on higher revenue contributed from handling of LNG cargo. Revenue at Samalaju Industrial Port is higher by RM3.29 million from RM37.24 million in Q3 2023 to RM40.53 million in Q4 2023. The revenue from the bulking services is higher by RM1.48 million from RM11.86 million in Q3 2023 to RM13.34 million in Q4 2023.

Revenue from construction services on concession infrastructure recognized in Q4 2023 is RM2.63 million whilst revenue from construction services on concession infrastructure of RM0.48 million was recognized in Q3 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 RM12.20 million from RM163.51 million in Q3 2023 to RM175.70 million in Q4 2023 mainly due to the higher operating expenses on provision of maintenance dredging. During the quarter under review, there is a reclassification of cost to the prior quarter between amortization and finance cost on lease concession at BPSB.

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

B3. Current Year's Prospects

The handling of cargo and vessel calls from LNG will still remain as the main revenue contributor to the Group in 2024.

The Group remains cautious of potential global economic uncertainties, including those in China, which may potentially influence the cargo volume at the Port.

The Group will also continue to exercise prudent and discipline operational and financial management in its core activities.

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 31 December 2023 RM'000	Current year quarter 31 December 2022 RM'000
Non-current		
<u>Unsecured:</u>		
Sukuk Murabahah	784,870	943,359
Current		
<u>Unsecured:</u>		
Sukuk Murabahah	100,000	-
Total borrowings	<u>884,870</u>	<u>943,359</u>

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 fourth 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: fourth 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 12.00 sen per share (previous corresponding year: 14.00 sen per share).
- c) Shareholders who are on the Register of Members at the close of business on 25th March 2024 will be entitled for the dividend. The dividend payment date is 17th April 2024.

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 29th February 2024.

BY ORDER OF THE BOARD

ROSLI BIN IDRIS
(MIA15730)
Company Secretary
Date: 29th February 2024