

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



**Unaudited Condensed Consolidated
Financial Statements
30 June 2021**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
 POSITION AS AT 30 JUNE 2021**

	30 June, 2021 (UNAUDITED) RM'000	31 December, 2020 (AUDITED) RM'000
ASSETS		
Non- current assets		
Property, plant and equipment	259,062	273,352
Right of use assets	74,404	92,336
Intangible assets	1,469,583	1,532,213
Deferred tax assets	61,004	58,857
Trade and other receivable	10,315	10,269
	1,874,368	1,967,027
Current assets		
Inventories	3,568	3,705
Tax recoverable	2,631	2,794
Trade and other receivables	64,078	82,404
Investment in securities	302,237	229,902
Cash and cash equivalents	695,521	667,304
	1,068,035	986,109
TOTAL ASSETS	2,942,403	2,953,136

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 30 JUNE 2021 (Continued)**

	31 June, 2021 (UNAUDITED)	31 December, 2020 (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	107	54
Retained earnings	508,205	486,583
Total Equity	1,399,130	1,377,455
Non-current liabilities		
Other Payables	67,899	59,906
Loan and borrowings	941,086	940,338
Lease liabilities	281,387	325,860
Provision	22,309	17,622
	1,312,681	1,343,726
Current liabilities		
Dividend payables	13,800	-
Other payables	31,256	38,513
Lease liabilities	144,472	170,627
Provision	40,730	19,453
Income tax payable	334	3,362
	230,592	231,955
Total liabilities	1,543,273	1,575,681
TOTAL EQUITY AND LIABILITIES	2,942,403	2,953,136
NET ASSET PER SHARE (RM)	3.04	2.99

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, 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME FOR THE SECOND QUARTER ENDED 30 JUNE**

	Individual quarter			Cumulative quarter		
	ending 30 June		Changes	ending 30 June		Changes
	2021 RM'000	2020 RM'000	%	2021 RM'000	2020 RM'000	%
Revenue from operations	182,109	165,147	10.27	366,909	342,856	7.01
Revenue from construction services	1,335	609	119.21	2,490	2,628	(5.25)
	183,444	165,756	10.67	369,399	345,484	6.92
Other income	2,871	5,894	(51.29)	3,182	7,133	(55.39)
Cost of construction services	(1,335)	(609)	119.21	(2,490)	(2,628)	(5.25)
Staff costs	(38,171)	(42,658)	(10.52)	(67,178)	(68,232)	(1.54)
Maintenance and operational supplies	(36,075)	(33,715)	7.00	(73,047)	(69,115)	5.69
Administrative expenses	(6,570)	(8,313)	(20.96)	(13,567)	(16,552)	(18.03)
Amortisation of Leased Concession Assets	(21,994)	(20,811)	5.69	(43,988)	(41,621)	5.69
Amortisation of Other Intangibles	(17,682)	(17,360)	1.86	(35,324)	(34,746)	1.66
Depreciation of PPE	(8,683)	(8,261)	5.11	(16,914)	(16,469)	2.70
Depreciation of Right of Use Assets	(9,188)	(8,517)	7.88	(18,299)	(11,514)	58.93
Provision for replacement cost	(1,641)	(1,587)	3.40	(4,203)	(3,174)	32.42
	(141,339)	(141,831)	(0.35)	(275,010)	(264,051)	4.15
Operating Profit	44,976	29,819	50.83	97,571	88,566	10.17
Finance cost	(18,623)	(18,676)	(0.28)	(37,458)	(36,835)	1.69
Finance income	3,580	5,222	(31.44)	7,218	11,827	(38.97)
Profit before tax	29,933	16,365	82.91	67,331	63,558	5.93
Tax expense	(10,012)	(5,776)	73.34	(22,709)	(21,900)	(3.69)
Profit net of tax, representing total comprehensive income for the period	19,921	10,589	88.13	44,622	41,658	7.12
Basic earnings per share (sen)	4.33	2.30	88.13	9.70	9.05	7.12

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 2020 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 SIXTH MONTHS ENDED 30 JUNE 2021 & 30 JUNE 2020**

	Share capital RM'000	Retained Profits RM'000	Foreign currency translation reserve RM'000	Total RM'000
Opening balance at 1 January, 2021	890,818	486,583	54	1,377,455
Net profit for the period	-	44,622	-	44,622
Foreign currency translation ¹	-	-	53	53
<i>Transaction with owners</i>				
Dividend paid / payable	-	(23,000)	-	(23,000)
Closing balance at 30 June, 2021	890,818	508,205	107	1,399,130
Opening balance at 1 January, 2020	890,818	439,282	-	1,330,100
Net profit for the period	-	41,658	-	41,658
<i>Transaction with owners</i>				
Dividend payables	-	(18,400)	-	(18,400)
Closing balance at 30 June, 2020	890,818	462,540	-	1,353,358

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, 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
 FOR THE SIXTH MONTHS ENDED 30 JUNE 2021 & 30 JUNE 2020**

	6 months ended 30 June, 2021 RM'000	6 months ended 30 June, 2020 RM'000
Operating activities		
Profit before tax	67,331	63,558
<u>Adjustments for:</u>		
Amortisation of intangible assets	79,312	76,367
Depreciation of property, plant and equipment	16,914	16,469
Depreciation of right of use	18,299	11,514
Finance cost – Unwinding of discount	12,470	11,712
Finance cost – Borrowings	24,988	25,123
Loss on disposal of property, plant and equipment	(1)	2
Loss / (Gain) on fair value of investments in securities	(2,408)	(6,621)
Realised loss in foreign exchange	477	-
Provision for staff gratuities	-	501
Provision for maintenance dredging costs	20,605	18,009
Provision for replacement cost	4,203	3,174
Dividend income from investment	(97)	-
Income from LAD	-	-
Income from sublease	(346)	-
Interest income	(6,872)	(11,827)
Total adjustments	167,544	144,423
Operating cash flows before changes in working capital	234,875	207,981
<u>Changes in working capital</u>		
Receivables	1,800	7,325
Payables	14,000	(765)
Total changes in working capital	15,800	6,560
Cash generated from operating activities	250,675	214,541
Payment of concession arrangements	(72,472)	(71,294)
Payment of lease liabilities	(19,381)	(11,998)
Payment of dredging cost	-	(8,723)
Income tax paid	(27,745)	(27,055)
Director gratuities paid	-	(332)
Staff gratuities paid	(1,362)	(2,303)
Cash flows from operating activities	129,715	92,836

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE SIXTH MONTHS ENDED 30 JUNE 2021 & 30 JUNE 2020 (Continued)**

	6 months ended 30 June, 2021 RM'000	6 months ended 30 June, 2020 RM'000
Investing activities		
Interest received	6,384	11,486
Purchase of property, plant and equipment	(4,565)	(3,009)
Increase in intangible assets	(5,684)	(3,367)
Changes in investment	(69,823)	-
Net cash flows (used in) / from investing activities	(73,688)	5,110
Financing Activities		
Dividend paid	(9,200)	(9,200)
Repayment of profit expense on SUKUK	(18,763)	(18,763)
Net Cash flows used in financing activities	(27,963)	(27,963)
Net increase in cash and cash equivalents	28,064	69,983
Effects of exchange rate changes	153	-
Cash and cash equivalents at 1 January	648,539	675,944
Cash and cash equivalents at 30 June	676,756	745,927

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE SIXTH MONTHS ENDED 30 JUNE 2021 & 30 JUNE 2020 (Continued)**

	6 months ended 30 June, 2021	6 months ended 30 June, 2020
	RM'000	RM'000
Cash and cash equivalents comprise:		
Deposits and REPO with licensed financial institutions	664,345	733,545
Cash and Bank Balances	31,176	31,142
	695,521	764,687
Less: Deposit with maturity period of more than 3 months	(18,765)	(18,760)
	676,756	745,927

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, 2020 and the accompanying explanatory notes attached to the interim financial statements.

**SELECTED EXPLANATORY NOTES ON QUARTERLY FINANCIAL REPORT FOR THE
SECOND QUARTER ENDED 30 JUNE 2021**

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 June 2021 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, 2020. 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, 2020.

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 2020.

The following pronouncements were issued by the MASB and are to become effective for annual periods beginning on or after 1 January 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7 MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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

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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.

A subsidiary, Bintulu Port Sdn. Bhd., has secured a contract to provide pilotage and towage services at Muara District, Brunei Darussalam from 1 February 2020. No segmental reporting by geographical information is provided as the Group's operation outside Malaysia is not significant.

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A6. Segmental Reporting (Continued)

6 months ended 30 June 2021	Port Operation RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	349,704	19,695	-	-	369,399
Inter-segment	5,372	2,513	60,686	(68,571)	-
Total revenue	<u>355,076</u>	<u>22,208</u>	<u>60,686</u>	<u>(68,571)</u>	<u>369,399</u>
Results:					
Segment profit	<u>60,294</u>	<u>7,645</u>	<u>36,047</u>	<u>(36,655)</u>	<u>67,331</u>
Assets:					
Segment assets	<u>2,646,896</u>	<u>171,727</u>	<u>1,190,425</u>	<u>(1,066,645)</u>	<u>2,942,403</u>
Liabilities:					
Segment liabilities	<u>1,514,014</u>	<u>27,276</u>	<u>32,223</u>	<u>(30,240)</u>	<u>1,543,273</u>
<hr/>					
6 months ended 30 June 2020	Port Operation RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	324,285	21,199	-	-	345,484
Inter-segment	420	2,815	141,599	(144,834)	-
Total revenue	<u>324,705</u>	<u>24,014</u>	<u>141,599</u>	<u>(144,834)</u>	<u>345,484</u>
Results:					
Segment profit	<u>58,213</u>	<u>9,903</u>	<u>(3,888)</u>	<u>(670)</u>	<u>63,558</u>
Assets:					
Segment assets	<u>2,781,242</u>	<u>174,361</u>	<u>1,197,608</u>	<u>(1,143,743)</u>	<u>3,009,468</u>
Liabilities:					
Segment liabilities	<u>1,705,786</u>	<u>29,310</u>	<u>29,727</u>	<u>(108,713)</u>	<u>1,656,110</u>

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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.

A9. Tax Expense

i. Tax expense comprises:

	Current year quarter 30 June 2021 RM'000	Current year to date 30 June 2021 RM'000
Current tax expense	10,385	24,333
Deferred tax	(373)	(1,624)
	10,012	22,709

ii. Effective tax rate

The effective tax rate for the current year is higher compared to statutory rate primarily due to losses of a subsidiary which cannot be set off against taxable profits made by other subsidiaries and certain expenses which are not deductible for tax purposes.

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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		Current year-to-date	
	30 June		30 June	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders (RM'000)	19,921	10,589	44,622	41,658
Number of ordinary shares in issue ('000)	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	4.33	2.30	9.70	9.05

A11. Dividends Paid

	6 months ended	6 months ended
	30 June 2021	30 June 2020
	RM'000	RM'000
<u>Ordinary</u>		
Fourth interim paid:		
2020 - 2.00 sen Per Share Single Tier Fourth Interim Dividend, paid on 15 th April 2021	9,200	9,200
TOTAL PAID	9,200	9,200

During the Board Meeting held on 27th May 2021, the Board has recommended a first 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 31st March 2021 (previous corresponding period interim single tier dividend of 2.00 sen per share on 460,000,000 ordinary shares). This dividend was subsequently paid on 3rd August 2021.

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. Subsequent Events

There were no materials 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.

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 June 2021, the commitments were as follows:

	RM'000
Approved and contracted for :	
Property, plant and equipment / Intangible assets	11,315
Approved but not contracted for :	
Property, plant and equipment / Intangible assets	543
	11,858

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A18. Significant Related Party Transactions

	Current year quarter 30 June 2021 RM'000	Current year- to-date 30 June 2021 RM'000
a) Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad:		
<u>Rendering of services:</u>		
Malaysia LNG Sdn.Bhd	42,968	86,623
Petronas Carigali Sdn. Bhd.	1,201	2,469
Petronas Dagangan Berhad	332	707
Petronas Chemical Marketing (L) Ltd	238	328
Vestigo Petroleum Sdn. Bhd.	123	217
<u>Purchases of fuel and lubricants:</u>		
Petronas Dagangan Berhad	(3,170)	(5,895)
b) Transactions with subsidiaries of a substantial shareholder, State Financial Secretary (Sarawak Government):		
<u>Purchases of gas fuel:</u>		
Petroleum Sarawak Berhad	(438)	(822)

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 June		Changes %	Cumulative quarter ending 30 June		Changes %
	2021 RM'000	2020 RM'000		2021 RM'000	2020 RM'000	
Revenue from operations	182,109	165,147	10.27	366,909	342,856	7.01
Revenue from construction services	1,335	609	119.21	2,490	2,628	(5.25)
	183,444	165,756	10.67	369,399	345,484	6.92
Other income	2,871	5,894	(51.29)	3,182	7,133	(55.39)
Cost of construction services	(1,335)	(609)	119.21	(2,490)	(2,628)	(5.25)
Operating expenses	(80,816)	(84,686)	(4.57)	(153,792)	(153,899)	(0.07)
Amortisation of Leased Concession Assets	(21,994)	(20,811)	5.69	(43,988)	(41,621)	5.69
Amortisation of Other Intangibles	(17,682)	(17,360)	1.86	(35,324)	(34,746)	1.66
Depreciation of PPE	(8,683)	(8,261)	5.11	(16,914)	(16,469)	2.70
Depreciation of Right of Use Assets	(9,188)	(8,517)	7.88	(18,299)	(11,514)	58.93
Provision for replacement cost	(1,641)	(1,587)	3.40	(4,203)	(3,174)	32.42
	(141,339)	(141,831)	(0.35)	(275,010)	(264,051)	4.15
Operating Profit	44,976	29,819	50.83	97,571	88,566	10.17
Finance cost	(18,623)	(18,676)	(0.28)	(37,458)	(36,835)	1.69
Finance income	3,580	5,222	(31.42)	7,218	11,827	(38.97)
Profit before tax	29,933	16,365	82.91	67,331	63,558	5.93

Quarter Ended 30 June 2021 compared to Quarter Ended 30 June 2020

The Group registered a profit before taxation amounting to RM29.93 million in the current quarter against RM16.36 million achieved in the preceding year corresponding quarter.

The Group's operating revenue of RM182.11 million for the current quarter is higher by RM16.96 million (10.27%) compared to RM165.15 million achieved in the corresponding quarter. The revenue recorded from port's services at Bintulu Port is RM140.03 million in Q2 2021 as compared to RM125.27 million achieved in Q2 2020. The revenue generated from the operation at Samalaju Industrial Port during the quarter under review is RM32.09 million against RM28.06 million in corresponding year quarter. The revenue from bulking facilities is RM9.99 million as against RM11.82 million in Q2 2020.

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B1. Review of Performance (Continued)

Revenue from construction services for concession infrastructure of RM1.33 million was recognized in Q2 2021 as against RM0.61 million in Q2 2020. 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 RM158.63 million is lower by RM1.27 million compared to Q2 2020 of RM159.90 million mainly due to timing of expenditure being incurred.

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

Six months ended 30 June 2021 compared to six months ended 30 June 2020

The achieved profit before tax of RM67.33 million for the first half of year ended 30 June 2021, is higher by RM3.74 million (5.93%) compared to first six months of year ended 30 June 2020 of RM63.59 million.

The Group's operating revenue of RM366.91 million for the first six months ended 30 June 2021 is higher by RM24.05 million (7.01%) compared to first six months of preceding year. Revenue generated from port's services at Bintulu Port is RM282.48 million as against RM267.75 million during the first six months of preceding year. Samalaju Industrial Port generated RM64.73 million of revenue compared to RM53.91 million of revenue generated during the first six months of preceding year. The revenue from bulking facilities is RM19.70 million as against RM21.20 million during the period under review.

Revenue from construction services for concession infrastructure of RM2.49 million was recognized against RM2.63 million in first six months of preceding year. The corresponding cost of construction for concession were also recognized.

The expenditure during the period under review of RM309.98 million is higher by RM11.72 million compared to RM298.26 million of the preceding year. The increase in expenditure during the period under review is mainly due to the recognition of depreciation of right of use assets under *MFRS 16: Leases* for additional charter hire of vessels at BPSB.

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 June 2021 RM'000	Preceding Quarter Ended 31 March 2021 RM'000	Changes %
Revenue from operations	182,109	184,800	(1.46)
Revenue from construction services	1,335	1,155	15.58
	183,444	185,955	(1.35)
Other income	2,871	311	823.15
Cost of construction services	(1,335)	(1,155)	15.58
Operating expenses	(80,816)	(72,976)	10.74
Amortisation of Leased Concession Assets	(21,994)	(21,994)	-
Amortisation of Other Intangibles	(17,682)	(17,642)	0.23
Depreciation of PPE	(8,683)	(8,231)	5.49
Depreciation of Right of Use Assets	(9,188)	(9,111)	0.84
Provision for replacement cost	(1,641)	(2,562)	(35.95)
	(141,339)	(133,671)	5.74
Operating profit	44,976	52,595	(14.49)
Finance cost	(18,624)	(18,834)	(1.11)
Finance income	3,581	3,637	(1.54)
Profit before taxation	29,933	37,398	(19.96)

The pre-tax profit for the first quarter of 2021 amounting to RM29.93 million is lower compared to RM37.40 million achieved in the preceding quarter.

The Group's operating revenue is lower by RM2.69 million from RM184.80 million achieved in Q1 2021 to RM182.11 million in Q2 2021. Revenue contribution from the handling of cargoes and vessel calls at Bintulu Port in Q2 2021 is RM140.03 million as against RM142.46 million in Q1 2021. Revenue at Samalaju Industrial Port is lower by RM0.56 million from RM32.64 million in Q1 2021 to RM32.09 million in Q2 2021. The revenue from the bulking services is higher by RM0.29 million from RM9.70 million in Q1 2021 to RM9.99 million in Q2 2021.

Revenue from construction services on concession infrastructure recognized in Q2 2021 is RM1.34 million whilst in Q1 2021 was RM1.15 million. The corresponding cost of construction were also recognized.

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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 RM7.28 million from RM151.35 million in Q1 2021 to RM158.63 million in Q2 2021 mainly due to payment of staff's performance merits for Year 2020.

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

B3. Current Year's Prospects

The Group's performance for Year 2021 continues to be affected by the disruption in the supply chain in the logistics industry as the result of the unprecedented Covid-19 pandemic.

During the year under review, the handling of LNG cargo is still going to be the main revenue contributor to the Group. Other cargoes that expect to show positive growth during the year are containerized cargoes and cargoes from Samalaju operations.

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

Maturity	Current year quarter 30 June 2021 RM'000	Current year quarter 30 June 2020 RM'000
Non-current		
<u>Unsecured:</u>		
Sukuk Murabahah	941,086	939,202

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 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 financial year ending 31 December 2021 (previous corresponding period: second interim single tier dividend of 2.00 sen per share on 460,000,000 ordinary shares amounting to RM9,200,000).
- b) The total interim single tier dividend for the current financial year is 6.00 sen per share (previous corresponding year: 4.00 sen per share).
- c) Shareholders who are on the Register of Members at the close of business on 20 September 2021 will be entitled for the dividend. The dividend payment date is 7 October 2021.

B11. Audit Report

The audit report of the previous annual financial statements for the year ended 31st December 2020 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 26th August 2021.

BY ORDER OF THE BOARD

ROSLI BIN IDRIS
(MIA15730)
Company Secretary
Date: 26th August 2021