

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



**Unaudited Condensed Consolidated
Financial Statements
30 June 2022**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
 POSITION AS AT 30 JUNE 2022**

	30 June, 2022 (UNAUDITED) RM'000	31 December, 2021 (AUDITED) RM'000
ASSETS		
Non- current assets		
Property, plant and equipment	237,893	251,487
Right of use assets	55,472	56,073
Intangible assets	1,314,444	1,390,876
Deferred tax assets	340,888	337,367
Trade and other receivables	10,404	10,358
	1,959,101	2,046,161
Current assets		
Inventories	3,696	3,623
Tax recoverable	16,172	18,177
Trade and other receivables	91,398	87,468
Investment in securities	306,321	306,426
Cash and cash equivalents	769,961	690,409
	1,187,548	1,106,103
TOTAL ASSETS	3,146,649	3,152,264

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 30 JUNE 2022 (Continued)**

	30 June, 2022 (UNAUDITED)	31 December, 2021 (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	464	105
Retained earnings	825,729	799,174
Total Equity	1,717,011	1,690,097
Non-current liabilities		
Other Payables	74,774	67,209
Loan and borrowings	942,597	941,848
Lease liabilities	168,689	174,163
Provisions	63,002	27,436
	1,249,062	1,210,656
Current liabilities		
Other payables	49,327	39,072
Lease liabilities	106,715	166,805
Provisions	24,217	44,248
Income tax payable	317	1,386
	180,576	251,511
Total liabilities	1,429,638	1,462,167
TOTAL EQUITY AND LIABILITIES	3,146,649	3,152,264
NET ASSET PER SHARE (RM)	3.73	3.67

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, 2021 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
	2022 RM'000	2021 RM'000	%	2022 RM'000	2021 RM'000	%
Revenue from operations	194,164	182,109	6.62	392,269	366,909	6.91
Revenue from construction services	317	1,335	(76.25)	317	2,490	(87.27)
	194,481	183,444	6.02	392,586	369,399	6.28
Other income	324	2,871	(88.71)	532	3,182	(83.28)
Cost of construction services	(317)	(1,335)	(76.25)	(317)	(2,490)	(87.27)
Staff costs	(42,562)	(38,171)	11.50	(72,386)	(67,178)	7.75
Maintenance and operational supplies	(40,535)	(36,075)	12.36	(75,494)	(73,047)	3.35
Administrative expenses	(10,927)	(6,570)	66.32	(16,718)	(13,567)	23.23
Amortisation	(38,614)	(39,676)	(2.68)	(77,096)	(79,312)	(2.79)
Depreciation	(17,659)	(17,871)	(1.19)	(35,040)	(35,213)	(0.49)
Provision for replacement cost	(1,936)	(1,641)	17.98	(3,871)	(4,203)	(7.90)
	(152,550)	(141,339)	7.93	(280,922)	(275,010)	2.15
Operating Profit	42,255	44,976	(6.05)	112,196	97,571	14.99
Finance cost	(17,023)	(18,623)	(8.59)	(34,502)	(37,458)	(7.89)
Finance income	4,187	3,580	16.96	7,950	7,218	10.14
Profit before tax	29,419	29,933	(1.72)	85,644	67,331	27.20
Income tax expense	(7,128)	(10,012)	(28.80)	(22,289)	(22,709)	(1.85)
Profit net of tax, representing total comprehensive income for the period	22,291	19,921	11.90	63,355	44,622	41.98
Basic earnings per share (sen)	4.85	4.33	11.90	13.77	9.70	41.98

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 2021 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 2022 & 30 JUNE 2021**

	Share capital RM'000	Retained Earnings RM'000	Foreign translation reserve RM'000	Total RM'000
Opening balance at 1 January, 2022	890,818	799,174	105	1,690,097
Total comprehensive income	-	63,355	-	63,355
Foreign currency translation ¹	-	-	359	359
<i>Transaction with owners</i>				
Dividend paid / payable	-	(36,800)	-	(36,800)
Closing balance at 30 June, 2022	890,818	825,729	464	1,717,011
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 payables	-	(23,000)	-	(23,000)
Closing balance at 30 June, 2021	890,818	508,205	107	1,399,130

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, 2021 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 2022 & 30 JUNE 2021**

	6 months ended 30 June, 2022 RM'000	6 months ended 30 June, 2021 RM'000
Operating activities		
Profit before tax	85,644	67,331
<u>Adjustments for:</u>		
Amortisation of intangible assets	77,096	79,312
Depreciation of property, plant and equipment	14,739	16,914
Depreciation of right of use	20,301	18,299
Finance cost – Unwinding of discount	9,515	12,470
Finance cost – Borrowings	24,987	24,988
(Gain) on disposal of property, plant and equipment	-	(1)
Loss / (Gain) on fair value of investments in securities	123	(2,408)
Realised loss in foreign exchange	256	477
Provision for staff gratuities	273	-
Provision for maintenance dredging costs	16,233	20,605
Provision for replacement cost	3,871	4,203
MFRS 16 adjustment	(730)	-
Income from sublease	(345)	(346)
Dividend income from investment	(18)	(97)
Interest income	(7,605)	(6,872)
Total adjustments	158,696	167,544
Operating cash flows before changes in working capital	244,340	234,875
<u>Changes in working capital</u>		
Receivables	6,239	1,800
Payables	(18,088)	14,000
Total changes in working capital	(11,849)	15,800
Cash generated from operating activities	232,491	250,675

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIXTH MONTHS ENDED 30 JUNE 2022 & 30 JUNE 2021 (Continued)**

	6 months ended 30 June, 2022 RM'000	6 months ended 30 June, 2021 RM'000
Payment of concession arrangements	(72,556)	(72,472)
Payment of lease liabilities	(20,230)	(19,381)
Payment of dredging cost	(5,897)	-
Income tax paid	(24,917)	(27,745)
Staff gratuities paid	(1,636)	(1,362)
Cash flows from operating activities	107,255	129,715
Investing activities		
Interest received	7,338	6,384
Purchase of property, plant and equipment	(2,353)	(4,565)
Increase in intangible assets	(694)	(5,684)
Proceeds from disposal of property, plant and equipment	1	-
Changes in investment in Securities	-	(69,823)
Net cash flows from / (used in) investing activities	4,292	(73,688)
Financing Activities		
Dividend paid	(13,800)	(9,200)
Repayment of profit expense on SUKUK	(18,660)	(18,763)
Net Cash flows used in financing activities	(32,460)	(27,963)
Net increase in cash and cash equivalents	79,087	28,064
Effects of exchange rate changes	465	153
Cash and cash equivalents at 1 January	671,644	648,539
Cash and cash equivalents at 30 June	751,196	676,756

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE SIXTH MONTHS ENDED 30 JUNE 2022 & 30 JUNE 2021 (Continued)**

	6 months ended 30 June, 2022	6 months ended 30 June, 2021
	RM'000	RM'000
Cash and cash equivalents comprise:		
Deposits and REPO with licensed financial institutions	755,148	664,345
Cash and Bank Balances	14,813	31,176
	769,961	695,521
Less: Deposit with maturity period of more than 3 months	(18,765)	(18,765)
	751,196	676,756

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, 2021 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 2022**

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 2022 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, 2021. 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, 2021.

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 2021.

The following pronouncements were issued by the MASB and are to become effective for annual periods beginning on or after 1 January 2022:

- Amendments to MFRS 16: Covid-19 – Related Rent Concessions
- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020
- MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts

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A3. Significant Accounting Policies (Continued)

- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 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.

6 months ended 30 June 2022	Port Operation RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	373,526	19,060	-	-	392,586
Inter-segment	5,507	2,633	58,807	(66,947)	-
Total revenue	<u>379,033</u>	<u>21,693</u>	<u>58,807</u>	<u>(66,947)</u>	<u>392,586</u>
Results:					
Segment profit	<u>84,184</u>	<u>5,690</u>	<u>29,463</u>	<u>(33,693)</u>	<u>85,644</u>
Assets:					
Segment assets	<u>2,788,435</u>	<u>174,111</u>	<u>1,242,803</u>	<u>(1,058,700)</u>	<u>3,146,649</u>
Liabilities:					
Segment liabilities	<u>1,382,628</u>	<u>27,831</u>	<u>40,026</u>	<u>(20,847)</u>	<u>1,429,638</u>

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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>

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 June 2022 RM'000	Current year to date 30 June 2022 RM'000
Current tax expense	10,410	25,799
Deferred tax	(3,282)	(3,510)
	7,128	22,289

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.

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 June		Current year-to-date 30 June	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net profit attributable to shareholders (RM'000)	22,291	19,921	63,355	44,622
Number of ordinary shares in issue ('000)	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	4.85	4.33	13.77	9.70

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A11. Dividends Paid

	6 months ended 30 June 2022 RM'000	6 months ended 30 June 2021 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
2021 – 3.00 sen Per Share Single Tier Fourth Interim Dividend, paid on 14 th April 2022	13,800	-
TOTAL PAID	13,800	9,200

During the Board Meeting held on 26th May 2022, the Board has recommended a first interim single tier dividend of 5.00 sen per share on 460,000,000 ordinary shares, amounting to RM23,000,000 in respect of the period ended 31st March 2022 (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 2nd August 2022.

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.

A13. Significant Events

The concession period of Bintulu Port Sdn. Bhd. (BPSB) under the Privatisation Agreement will end on 31st 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 the terms and conditions to be agreed upon by the parties.

The parties are in the midst of negotiating the terms and conditions of the new concession agreement.

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

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A15. Valuation of Property, Plant and Equipment

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

A16. Contingent Liabilities or Contingent Assets

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

A17. 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.

A18. Commitments

As at 30 June 2022, the commitments were as follows:

	RM'000
Approved and contracted for :	
Property, plant and equipment / Intangible assets	36,399
Approved but not contracted for :	
Property, plant and equipment / Intangible assets	2,590
	38,989

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A19. Significant Related Party Transactions

	Current year quarter 30 June 2022 RM'000	Current year- to-date 30 June 2022 RM'000
a) Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad:		
<u>Rendering of services:</u>		
Malaysia LNG Sdn.Bhd	31,335	68,858
Petronas Carigali Sdn. Bhd.	2,037	4,126
Petronas Dagangan Berhad	488	1,037
Petronas Chemical Marketing (L) Ltd	123	211
Vestigo Petroleum Sdn. Bhd.	164	213
<u>Purchases of fuel and lubricants:</u>		
Petronas Dagangan Berhad	(6,834)	(11,507)
b) Transactions with subsidiaries of a substantial shareholder, State Financial Secretary (Sarawak Government):		
<u>Purchases of gas fuel:</u>		
Petroleum Sarawak Berhad	(574)	(1,206)

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 %
	2022 RM'000	2021 RM'000		2022 RM'000	2021 RM'000	
Revenue from operations	194,164	182,109	6.62	392,269	366,909	6.91
Revenue from construction services	317	1,335	(76.25)	317	2,490	(87.27)
	194,481	183,444	6.02	392,586	369,399	6.28
Other income	324	2,871	(140.44)	532	3,182	(83.28)
Cost of construction services	(317)	(1,335)	(76.25)	(317)	(2,490)	(87.27)
Operating expenses	(94,024)	(80,816)	16.34	(164,598)	(153,792)	7.03
Amortisation	(38,614)	(39,676)	(2.68)	(77,096)	(79,312)	(2.79)
Depreciation	(17,659)	(17,871)	(1.19)	(35,040)	(35,213)	(0.49)
Provision for replacement cost	(1,936)	(1,641)	17.98	(3,871)	(4,203)	(7.90)
	(152,550)	(141,339)	7.93	(280,922)	(275,010)	2.15
Operating Profit	42,255	44,976	(6.05)	112,196	97,571	14.99
Finance cost	(17,023)	(18,623)	(8.59)	(34,502)	(37,458)	(7.89)
Finance income	4,187	3,580	16.96	7,950	7,218	10.14
Profit before tax	29,419	29,933	(1.72)	85,644	67,331	27.20

Quarter Ended 30 June 2022 compared to Quarter Ended 30 June 2021

The Group registered a profit before taxation amounting to RM29.42 million in the current quarter against RM29.93 million achieved in the preceding year corresponding quarter.

The Group's operating revenue of RM194.16 million for the current quarter is higher by RM12.05 million (6.62%) compared to RM182.11 million achieved in the corresponding quarter. The revenue recorded from port's services at Bintulu Port is RM145.43 million in Q2 2022 as compared to RM140.03 million achieved in Q2 2021. The revenue generated from the operation at Samalaju Industrial Port during the quarter under review is RM39.46 million against RM32.09 million in corresponding year quarter. The revenue from bulking facilities is RM9.27 million as against RM9.99 million in Q2 2021.

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B1. Review of Performance (Continued)

Revenue from construction services for concession infrastructure of RM0.32 million was recognized in Q2 2022 whilst RM1.34 million was recognized in Q2 2021. 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 RM169.26 million is higher by RM10.63 million compared to Q2 2021 of RM158.63 million mainly due to payment of performance merits, salary adjustment in line with the Minimum Wage Order 2022 and also increase in fuel expense.

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 2022 compared to six months ended 30 June 2021

The achieved profit before tax of RM85.64 million for the first half of year ended 30 June 2022, is higher by RM18.31 million (27.20%) compared to first six months of year ended 30 June 2021 of RM67.33 million.

The Group's operating revenue of RM392.27 million for the first six months ended 30 June 2022 is higher by RM25.36 million (6.91%) compared to first six months of preceding year. Revenue generated from port's services at Bintulu Port is RM291.84 million as against RM282.48 million during the first six months of preceding year. Samalaju Industrial Port generated RM81.37 million of revenue compared to RM64.73 million of revenue generated during the first six months of preceding year. The revenue from bulking facilities is RM19.06 million as against RM19.70 million during the period under review.

Revenue from construction services for concession infrastructure of RM0.32 million was recognized against RM2.49 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 RM315.11 million is higher by RM5.13 million compared to RM309.98 million of the preceding year. The increase in expenditure during the period under review is mainly due to higher fuel expenses, higher service contract and repair and maintenance cost.

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 2022 RM'000	Preceding Quarter Ended 31 March 2022 RM'000	Changes %
Revenue from operations	194,164	198,105	(1.99)
Revenue from construction services	317	-	100.00
	194,481	198,105	(1.83)
Other income	324	1,570	(79.36)
Cost of construction services	(317)	-	100.00
Operating expenses	(94,024)	(71,936)	30.71
Amortisation	(38,614)	(38,482)	0.34
Depreciation	(17,659)	(17,381)	1.60
Provision for replacement cost	(1,936)	(1,936)	-
	(152,550)	(129,735)	17.59
Operating profit	42,255	69,940	(39.58)
Finance cost	(17,023)	(17,479)	(2.61)
Finance income	4,187	3,764	11.24
Profit before taxation	29,419	56,225	(47.68)

The pre-tax profit for the second quarter of 2022 amounting to RM29.42 million is lower compared to RM56.22 million achieved in the preceding quarter.

The Group's operating revenue is lower by RM3.94 million from RM198.10 million achieved in Q1 2022 to RM194.16 million in Q2 2022 mainly due to lower revenue generated from the services rendered from the handling of cargoes and vessel calls on LNG and Palm Oil at Bintulu Port. Revenue contribution from the handling of cargoes and vessel calls at Bintulu Port in Q2 2022 is RM145.43 million as against RM146.41 million in Q1 2022. Revenue at Samalaju Industrial Port is lower by RM2.43 million from RM41.90 million in Q1 2022 to RM39.46 million in Q2 2022. The revenue from the bulking services is lower by RM0.52 million from RM9.79 million in Q1 2022 to RM9.27 million in Q2 2022.

Revenue from construction services on concession infrastructure recognized in Q2 2022 is RM0.32 million whilst no revenue from construction services on concession infrastructure was recognized in Q1 2022. 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 RM22.05 million from RM147.21 million in Q1 2022 to RM169.26 million in Q2 2022 mainly due to payment of staff performance merit for year 2021 and increase in fuel expenses.

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

B3. Current Year's Prospects

The Group expects positive growth from the cargo handled at Samalaju Port as well as cargo from palm oil and container at Bintulu Port. Revenue from handling of cargo for LNG will still be the main revenue contributor to the Group.

It is envisaged that the Group's growth remains susceptible to disruption in the global supply chain, inflation risk and any further escalation of geopolitical conflicts.

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 2022 RM'000	Current year quarter 30 June 2021 RM'000
Non-current		
<u>Unsecured:</u>		
Sukuk Murabahah	942,597	941,086

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 2022 (previous corresponding period: second 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 8.00 sen per share (previous corresponding year: 6.00 sen per share).
- c) Shareholders who are on the Register of Members at the close of business on 19th September 2022 will be entitled for the dividend. The dividend payment date is 6th October 2022.

B11. Audit Report

The audit report of the previous annual financial statements for the year ended 31st December 2021 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 25th August 2022.

BY ORDER OF THE BOARD

ROSLI BIN IDRIS
(MIA15730)
Company Secretary
Date: 26th August 2022