

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



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

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

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

	30 September, 2022 (UNAUDITED) RM'000	31 December, 2021 (AUDITED) RM'000
ASSETS		
Non- current assets		
Property, plant and equipment	228,247	251,487
Right of use assets	50,355	56,073
Intangible assets	1,280,630	1,390,876
Deferred tax assets	341,059	337,367
Trade and other receivables	10,427	10,358
	1,910,718	2,046,161
Current assets		
Inventories	3,824	3,623
Tax recoverable	11,095	18,177
Trade and other receivables	87,019	87,468
Investment in securities	349,454	306,426
Cash and cash equivalents	771,301	690,409
	1,222,693	1,106,103
TOTAL ASSETS	3,133,411	3,152,264

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

	30 September, 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	789	105
Retained earnings	840,587	799,174
Total Equity	1,732,194	1,690,097
Non-current liabilities		
Other Payables	76,803	67,209
Loan and borrowings	942,978	941,848
Lease liabilities	147,862	174,163
Provisions	70,188	27,436
	1,237,831	1,210,656
Current liabilities		
Other payables	49,299	39,072
Lease liabilities	85,664	166,805
Provisions	27,835	44,248
Income tax payable	588	1,386
	163,386	251,511
Total liabilities	1,401,217	1,462,167
TOTAL EQUITY AND LIABILITIES	3,133,411	3,152,264
NET ASSET PER SHARE (RM)	3.77	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 THIRD QUARTER ENDED 30 SEPTEMBER**

	Individual quarter			Cumulative quarter		
	ending 30 September		Changes	ending 30 September		Changes
	2022 RM'000	2021 RM'000	%	2022 RM'000	2021 RM'000	%
Revenue from operations	198,130	172,177	15.07	590,399	539,086	9.52
Revenue from construction services	986	549	79.60	1,302	3,039	(57.16)
	199,116	172,726	15.28	591,701	542,125	9.14
Other income	8,415	15,220	(44.71)	8,948	15,993	(44.05)
Cost of construction services	(986)	(549)	79.60	(1,302)	(3,039)	(57.16)
Staff costs	(34,546)	(29,845)	15.75	(106,931)	(97,022)	10.21
Maintenance and operational supplies	(45,406)	(39,253)	15.68	(120,901)	(112,300)	7.66
Administrative expenses	(14,897)	(18,877)	(21.08)	(31,615)	(30,037)	5.25
Amortisation	(35,400)	(39,734)	(10.91)	(112,496)	(119,047)	(5.50)
Depreciation	(17,406)	(17,878)	(2.64)	(52,446)	(53,090)	(1.21)
Provision for replacement cost	(1,936)	(1,641)	17.98	(5,807)	(5,843)	(0.62)
	(150,577)	(147,777)	1.89	(431,498)	(420,378)	2.65
Operating Profit	56,954	40,169	41.79	169,151	137,740	22.80
Finance cost	(16,879)	(18,991)	(11.12)	(51,381)	(56,449)	(8.98)
Finance income	4,771	3,708	28.67	12,721	10,926	16.43
Profit before tax	44,846	24,886	80.21	130,491	92,217	41.50
Income tax expense	(16,188)	(3,125)	418.02	(38,478)	(25,835)	48.94
Profit net of tax, representing total comprehensive income for the period	28,658	21,761	31.69	92,013	66,382	38.61
Basic earnings per share (sen)	6.23	4.73	31.69	20.00	14.43	38.61

Note: Certain comparative figures were reclassified to conform with current year presentation.

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 NINE MONTHS ENDED 30 SEPTEMBER 2022 & 30 SEPTEMBER 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	-	92,013	-	92,013
Foreign currency translation ¹	-	-	684	684
<i>Transaction with owners</i>				
Dividend paid / payable	-	(50,600)	-	(50,600)
Closing balance at 30 September, 2022	890,818	840,587	789	1,732,194
Opening balance at 1 January, 2021	890,818	486,583	54	1,377,455
Net profit for the period	-	66,382	-	66,382
Foreign currency translation ¹	-	-	16	16
<i>Transaction with owners</i>				
Dividend payables	-	(36,800)	-	(36,800)
Closing balance at 30 September, 2021	890,818	516,165	70	1,407,053

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

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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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 & 30 SEPTEMBER 2021**

	9 months ended 30 September, 2022 RM'000	9 months ended 30 September, 2021 RM'000
Operating activities		
Profit before tax	130,491	92,217
<u>Adjustments for:</u>		
Amortisation of intangible assets	112,496	119,047
Depreciation of property, plant and equipment	26,240	25,608
Depreciation of right of use	26,206	27,482
Finance cost – Unwinding of discount	14,823	18,761
Finance cost – Borrowings	36,558	37,688
Loss / (Gain) on disposal of property, plant and equipment	149	(1)
Loss on fair value of investments in securities	4,958	9,258
Realised loss in foreign exchange	253	678
Provision for staff gratuities	448	-
Provision for maintenance dredging costs	24,473	29,068
Provision for replacement cost	5,807	5,843
MFRS 16 adjustment	(1,766)	-
Income from sublease	(518)	(517)
Dividend income from investment	(7,984)	(15,150)
Interest income	(12,203)	(10,409)
Total adjustments	229,940	247,356
Operating cash flows before changes in working capital	360,431	339,573
<u>Changes in working capital</u>		
Receivables	12,910	13,638
Payables	(19,043)	332
Total changes in working capital	(6,133)	13,970
Cash generated from operating activities	354,298	353,543

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 & 30 SEPTEMBER 2021
(Continued)

	9 months ended 30 September, 2022 RM'000	9 months ended 30 September, 2021 RM'000
Payment of concession arrangements	(108,932)	(108,709)
Payment of lease liabilities	(29,550)	(29,819)
Payment of dredging cost	(5,897)	(3,847)
Income tax paid	(35,885)	(43,001)
Director gratuities paid	(37)	(139)
Staff gratuities paid	(2,541)	(2,532)
Cash flows from operating activities	171,456	165,496
Investing activities		
Interest received	11,053	10,074
Purchase of property, plant and equipment	(5,405)	(6,955)
Increase in intangible assets	(2,280)	(7,693)
Proceeds from disposal of property, plant and equipment	267	-
Changes in investment in Securities	(40,002)	(69,824)
Net cash flows used in investing activities	(36,367)	(74,398)
Financing Activities		
Dividend paid	(36,800)	(23,000)
Repayment of profit expense on SUKUK	(18,660)	(18,763)
Net Cash flows used in financing activities	(55,460)	(41,763)
Net increase in cash and cash equivalents	79,629	49,335
Effects of exchange rate changes	1,263	11
Cash and cash equivalents at 1 January	671,644	648,539
Cash and cash equivalents at 30 September	752,536	697,885

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 & 30 SEPTEMBER 2021
(Continued)

	9 months ended 30 September, 2022	9 months ended 30 September, 2021
	RM'000	RM'000
Cash and cash equivalents comprise:		
Deposits and REPO with licensed financial institutions	755,109	711,195
Cash and Bank Balances	16,192	5,455
	771,301	716,650
Less: Deposit with maturity period of more than 3 months	(18,765)	(18,765)
	752,536	697,885

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.

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

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- MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts

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

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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.

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 until 31 July 2022. Currently, Bintulu Port has secured a one-year contract to provide pilotage service at Brunei from August 2022. No segmental reporting by geographical information is provided as the Group's operation outside Malaysia is not significant.

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

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A6. Segmental Reporting (Continued)

9 months ended 30 September 2021	Port Operation RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	510,678	31,447	-	-	542,125
Inter-segment	8,121	4,117	157,679	(169,917)	-
Total revenue	<u>518,799</u>	<u>35,564</u>	<u>157,679</u>	<u>(169,917)</u>	<u>542,125</u>
Results:					
Segment profit	<u>79,537</u>	<u>13,910</u>	<u>122,028</u>	<u>(123,258)</u>	<u>92,217</u>
Assets:					
Segment assets	<u>2,589,990</u>	<u>176,451</u>	<u>1,262,011</u>	<u>(1,105,597)</u>	<u>2,922,855</u>
Liabilities:					
Segment liabilities	<u>1,520,867</u>	<u>32,147</u>	<u>31,627</u>	<u>(68,839)</u>	<u>1,515,802</u>

A7. Comments about Seasonal or Cyclical Factors

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

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

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

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A9. Tax Expense

i. Tax expense comprises:

	Current year quarter 30 September 2022 RM'000	Current year to date 30 September 2022 RM'000
Current tax expense	16,348	42,147
Deferred tax	(160)	(3,669)
	16,188	38,478

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. Furthermore, there is additional tax expense due to recognition of one-off Prosperity Tax rate of 33%.

A10. Earnings Per Share

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

	Current year quarter 30 September		Current year-to-date 30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders (RM'000)	28,658	21,761	92,013	66,382
Number of ordinary shares in issue ('000)	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	6.23	4.73	20.00	14.43

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A11. Dividends Paid

	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000
<u>Ordinary</u>		
Interim Single Tier Dividend for 2020 2020 – 2.00 Sen Per Share Single Tier Fourth Interim Dividend, paid on 15 th April 2021	-	9,200
Interim Single Tier Dividend for 2021 2021 – 3.00 Sen Per Share Single Tier First Interim Dividend, paid on 3 rd August 2021	-	13,800
Interim Single Tier Dividend for 2022 2021 – 3.00 Sen Per Share Single Tier Fourth Interim Dividend, paid on 14 th April 2022	13,800	-
2022 – 5.00 Sen Per Share Single Tier First Interim Dividend, paid on 2 nd August 2022	23,000	-
TOTAL PAID	36,800	23,000

During the Board Meeting held on 25th May 2022, the Board has recommended a second interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares, amounting to RM13,800,000 in respect of the period ended 30th June 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 6th October 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.

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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 finalising the terms and conditions for the new concession agreement. In the meantime, an Interim Agreement has been signed on 24 November 2022 for six months from 1 January 2023.

There were no 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.

A16. Acquisitions and Disposals of Property, Plant and Equipment

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

A17. Commitments

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

	RM'000
Approved and contracted for :	
Property, plant and equipment / Intangible assets	33,469
Approved but not contracted for :	
Property, plant and equipment / Intangible assets	1,090

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34,559

A19. Significant Related Party Transactions

	Current year quarter 30 September 2022 RM'000	Current year- to-date 30 September 2022 RM'000
a) Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad:		
<u>Rendering of services:</u>		
Malaysia LNG Sdn.Bhd	34,854	103,712
Petronas Carigali Sdn. Bhd.	2,730	6,856
Petronas Dagangan Berhad	502	1,539
Petronas Chemical Marketing (L) Ltd	230	441
Petronas Floating LNG 1 (L) Ltd	46,175	46,175
Vestigo Petroleum Sdn. Bhd.	126	339
<u>Purchases of fuel and lubricants:</u>		
Petronas Dagangan Berhad	(7,022)	(18,529)
b) Transactions with subsidiaries of a substantial shareholder, State Financial Secretary (Sarawak Government):		
<u>Purchases of gas fuel:</u>		
Petroleum Sarawak Berhad	(1,002)	(2,209)

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		Changes	Cumulative quarter		Changes
	ending 30 September 2022	2021		ending 30 September 2022	2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue from operations	198,130	172,177	15.07	590,399	539,086	9.52
Revenue from construction services	986	549	79.60	1,302	3,039	(57.16)
	199,116	172,726	15.28	591,701	542,125	9.14
Other income	8,415	15,220	(44.71)	8,948	15,993	(44.05)
Cost of construction services	(986)	(549)	79.60	(1,302)	(3,039)	(57.16)
Operating expenses	(94,849)	(87,975)	7.81	(259,447)	(239,359)	8.39
Amortisation	(35,400)	(39,734)	(10.91)	(112,496)	(119,047)	(5.50)
Depreciation	(17,406)	(17,878)	(2.64)	(52,446)	(53,090)	(1.21)
Provision for replacement cost	(1,936)	(1,641)	17.98	(5,807)	(5,843)	(0.62)
	(150,577)	(147,777)	1.89	(431,498)	(420,378)	2.65
Operating Profit	56,954	40,169	41.76	169,151	137,740	22.80
Finance cost	(16,879)	(18,991)	(11.12)	(51,381)	(56,449)	(8.98)
Finance income	4,771	3,708	28.67	12,721	10,926	16.43
Profit before tax	44,846	24,886	80.21	130,491	92,217	41.50

Quarter Ended 30 September 2022 compared to Quarter Ended 30 September 2021

The Group registered a profit before taxation amounting to RM44.85 million in the current quarter against RM24.89 million achieved in the preceding year corresponding quarter.

The Group's operating revenue of RM198.13 million for the current quarter is higher by RM25.95 million (15.07%) compared to RM172.18 million achieved in the corresponding quarter. The revenue recorded from port's services at Bintulu Port is RM141.80 million in Q3 2022 as compared to RM125.01 million achieved in Q3 2021. The revenue generated from the operation at Samalaju Industrial Port during the quarter under review is RM44.26 million against RM35.42 million in corresponding year quarter. The revenue from bulking facilities is RM12.07 million as against RM11.75 million in Q3 2021.

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B1. Review of Performance (Continued)

Revenue from construction services for concession infrastructure of RM0.99 million was recognized in Q3 2022 whilst RM0.55 million was recognized in Q3 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 is RM166.47 million (Q3 2021: RM166.22 million).

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

Nine months ended 30 September 2022 compared to nine months ended 30 September 2021

The achieved profit before tax of RM130.49 million for the nine months ended 30 September 2022, is higher by RM38.27 million (41.50%) compared to nine months ended 30 September 2021 of RM92.22 million.

The Group's operating revenue of RM590.40 million for the nine months ended 30 September 2022 is higher by RM51.31 million (9.52%) compared to nine months of preceding year. Revenue generated from port's services at Bintulu Port is RM433.64 million as against RM407.49 million during the nine months of preceding year. Samalaju Industrial Port generated RM125.63 million of revenue compared to RM100.15 million of revenue generated during the nine months of preceding year. The revenue from bulking facilities is RM31.13 million as against RM31.45 million during the period under review.

Revenue from construction services for concession infrastructure of RM1.30 million was recognized against RM3.04 million in nine months of preceding year. The corresponding cost of construction for concession were also recognized.

The expenditure during the period under review of RM481.58 million is higher by RM7.79 million compared to RM473.79 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 September 2022 RM'000	Preceding Quarter Ended 30 June 2022 RM'000	Changes %
Revenue from operations	198,130	194,164	2.04
Revenue from construction services	986	317	211.04
	199,116	194,481	2.38
Other income	8,415	324	2,497.22
Cost of construction services	(986)	(317)	211.04
Operating expenses	(94,849)	(94,024)	0.88
Amortisation	(35,400)	(38,614)	(8.32)
Depreciation	(17,406)	(17,659)	(1.43)
Provision for replacement cost	(1,936)	(1,936)	-
	(150,577)	(152,550)	(1.29)
Operating profit	56,954	42,255	34.79
Finance cost	(16,879)	(17,023)	(0.85)
Finance income	4,771	4,187	13.95
Profit before taxation	44,846	29,419	52.44

The pre-tax profit for the third quarter of 2022 amounting to RM44.85 million is higher compared to RM29.42 million achieved in the preceding quarter.

The Group's operating revenue is higher by RM3.97 million from RM194.16 million achieved in Q2 2022 to RM198.13 million in Q3 2022. Revenue contribution from the handling of cargoes and vessel calls at Bintulu Port in Q3 2022 is RM141.80 million as against RM145.43 million in Q2 2022. Revenue at Samalaju Industrial Port is higher by RM4.80 million from RM39.46 million in Q2 2022 to RM44.26 million in Q3 2022. The revenue from the bulking services is higher by RM2.80 million from RM9.27 million in Q2 2022 to RM12.07 million in Q3 2022.

Revenue from construction services on concession infrastructure recognized in Q3 2022 is RM0.99 million whilst revenue from construction services on concession infrastructure of RM0.32 million was recognized in Q2 2022. The corresponding cost of construction were also recognized during the quarter under review.

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The expenditure during the quarter under review is lower by RM2.79 million from RM169.25 million in Q2 2022 to RM166.47 million in Q3 2022 mainly due to reduction in amortisation cost as certain intangible assets are fully amortised.

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

B3. Current Year's Prospects

The Group expect to perform better in the year 2022 spurred by the positive growth from the cargo handled at Samalaju Port as well as cargo from LNG, palm oil and container at Bintulu Port. Revenue from handling of LNG cargo will remain as the main contributor to the Group despite the disruption caused by the Petronas's Sarawak Sabah Gas Pipeline (SSGP) incident that happened towards end September 2022.

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 September 2022 RM'000	Current year quarter 30 September 2021 RM'000
Non-current		
<u>Unsecured:</u>		
Sukuk Murabahah	942,978	941,467

Sukuk Murabahah

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

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

Summary of the Sukuk Murabahah is tabulated below:

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

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

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

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

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

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

B9. Material Litigation

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

B10. Dividend Proposed

- a) The Board has recommended a third interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares, amounting to RM13,800,000 in respect of the financial year ending 31 December 2022 (previous corresponding period: third interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares amounting to RM13,800,000).
- b) The total interim single tier dividend for the current financial year is 11.00 sen per share (previous corresponding year: 9.00 sen per share).
- c) Shareholders who are on the Register of Members at the close of business on 13th December 2022 will be entitled for the dividend. The dividend payment date is 28th December 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 24th November 2022.

BY ORDER OF THE BOARD

ROSLI BIN IDRIS
(MIA15730)
Company Secretary
Date: 25th November 2022