

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



**Unaudited Condensed Consolidated
Financial Statements
31 December 2021**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
 POSITION AS AT 31 DECEMBER 2021**

	31 December, 2021 (UNAUDITED) RM'000	31 December, 2020 (AUDITED) RM'000
ASSETS		
Non- current assets		
Property, plant and equipment	251,378	273,352
Right of use assets	56,073	92,336
Intangible assets	1,390,985	1,532,213
Deferred tax assets	337,367	58,857
Trade and other receivable	10,358	10,269
	2,046,161	1,967,027
Current assets		
Inventories	3,623	3,705
Tax recoverable	18,177	2,794
Trade and other receivables	87,468	82,404
Investment in securities	306,426	229,902
Cash and cash equivalents	690,409	667,304
	1,106,103	986,109
TOTAL ASSETS	3,152,264	2,953,136

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 DECEMBER 2021 (Continued)**

	31 December, 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	105	54
Retained earnings	799,174	486,583
Total Equity	1,690,097	1,377,455
Non-current liabilities		
Other Payables	67,209	59,906
Loan and borrowings	941,848	940,338
Lease liabilities	169,684	325,860
Provision	48,629	17,622
	1,227,370	1,343,726
Current liabilities		
Other payables	39,072	38,513
Lease liabilities	171,284	170,627
Provision	23,055	19,453
Income tax payable	1,386	3,362
	234,797	231,955
Total liabilities	1,462,167	1,575,681
TOTAL EQUITY AND LIABILITIES	3,152,264	2,953,136
NET ASSET PER SHARE (RM)	3.67	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 FOURTH QUARTER ENDED 31 DECEMBER**

	Individual quarter			Cumulative quarter		
	ending 31 December		Changes	ending 31 December		Changes
	2021 RM'000	2020 RM'000	%	2021 RM'000	2020 RM'000	%
Revenue from operations	189,300	186,406	1.55	728,387	707,312	2.98
Revenue from construction services	3,828	4,946	(22.60)	6,867	8,392	(18.17)
	193,128	191,352	0.93	735,254	715,704	2.73
Other income	369	4,487	(91.78)	16,362	13,288	23.13
Cost of construction services	(3,828)	(4,946)	(22.60)	(6,867)	(8,392)	(18.17)
Staff costs	(32,470)	(30,789)	5.46	(129,492)	(128,869)	0.48
Maintenance and operational supplies	(35,741)	(45,153)	(20.84)	(148,041)	(150,447)	(1.60)
Administrative expenses	(12,111)	(12,015)	0.80	(42,148)	(36,810)	14.50
Amortisation of Leased Concession Assets	(21,904)	(20,811)	5.25	(87,887)	(83,243)	5.58
Amortisation of Other Intangibles	(17,908)	(17,582)	1.85	(70,973)	(69,745)	1.76
Depreciation of PPE	(9,200)	(9,107)	1.02	(34,808)	(33,860)	2.80
Depreciation of Right of Use Assets	(9,152)	(10,568)	(13.40)	(36,635)	(29,977)	22.21
Provision for replacement cost	(3,020)	(244)	1,137.70	(8,863)	(5,006)	77.05
	(145,334)	(151,215)	(3.89)	(565,714)	(546,349)	3.54
Operating Profit	48,163	44,624	7.93	185,902	182,643	1.78
Finance cost	(17,834)	(19,393)	(8.04)	(74,282)	(75,176)	(1.19)
Finance income	3,769	2,675	40.90	14,695	19,199	(23.46)
Profit before tax	34,098	27,906	22.19	126,315	126,666	(0.28)
Tax expense	262,711	(3,039)	8,744.65	236,876	(33,365)	809.95
Profit net of tax, representing total comprehensive income for the period	296,809	24,867	1,093.59	363,191	93,301	289.27
Basic earnings per share (sen)	64.52	5.41	1,093.59	78.95	20.28	289.27

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 TWELVE MONTHS ENDED 31 DECEMBER 2021 & 31 DECEMBER 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	-	363,191	-	363,191
Foreign currency translation ¹	-	-	51	51
<i>Transaction with owners</i>				
Dividend paid / payable	-	(50,600)	-	(50,600)
Closing balance at 31 December, 2021	890,818	799,174	105	1,690,097
Opening balance at 1 January, 2020	890,818	439,282	-	1,330,100
Net profit for the period	-	93,301	-	93,301
Foreign currency translation ¹	-	-	54	54
<i>Transaction with owners</i>				
Dividend payables	-	(46,000)	-	(46,000)
Closing balance at 31 December, 2020	890,818	486,583	54	1,377,455

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
 FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2021 & 31 DECEMBER 2020**

	12 months ended 31 December, 2021 RM'000	12 months ended 31 December, 2020 RM'000
Operating activities		
Profit before tax	126,315	126,666
<u>Adjustments for:</u>		
Amortisation of intangible assets	158,860	152,988
Depreciation of property, plant and equipment	34,808	33,860
Depreciation of right of use	36,635	29,977
Finance cost – Unwinding of discount	23,893	24,653
Finance cost – Borrowings	50,389	50,523
Gain on disposal of property, plant and equipment	(1)	(315)
Loss / (Gain) on fair value of investments in securities	8,062	(1,240)
Gain on derecognition of right of use assets	-	(650)
Realised loss in foreign exchange	989	-
Unrealised gain in foreign exchange	-	(10)
Provision for staff gratuities	-	1,001
Provision for directors' gratuities	299	229
Provision for maintenance dredging costs	27,434	36,399
Provision for replacement cost	8,863	5,006
Inventories written off	-	170
Bad debts written off	391	-
Lease obligation	(850)	-
Dividend income from investment	(15,190)	(9,989)
Interest income	(14,695)	(19,199)
Total adjustments	319,887	303,403
Operating cash flows before changes in working capital	446,202	430,069
<u>Changes in working capital</u>		
Receivables	(21,899)	15,401
Payables	(2,356)	(12,969)
Total changes in working capital	(24,255)	2,432
Cash generated from operating activities	421,947	432,501

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2021 & 31 DECEMBER 2020
(Continued)

	12 months ended 31 December, 2021 RM'000	12 months ended 31 December, 2020 RM'000
Payment of concession arrangements	(144,945)	(144,927)
Payment of lease liabilities	(40,209)	(32,179)
Payment of dredging cost	(3,847)	(56,991)
Income tax paid	(59,195)	(43,520)
Income tax refund	191	-
Director gratuities paid	(482)	(332)
Staff gratuities paid	(4,190)	(5,170)
Cash flows from operating activities	169,270	149,382
Investing activities		
Interest received	13,907	20,056
Purchase of property, plant and equipment	(13,283)	(10,476)
Increase in intangible assets	(8,150)	(9,390)
Proceed from disposal of property, plant & equipment	5	358
Changes in investment	(69,395)	(93,821)
Net movement in fixed deposit placed	-	(5)
Net cash flows used in investing activities	(76,916)	(93,278)
Financing Activities		
Dividend paid	(50,600)	(46,000)
Repayment of profit expense on SUKUK	(18,763)	(37,527)
Net Cash flows used in financing activities	(69,363)	(83,527)
Net increase in cash and cash equivalents	22,991	(27,423)
Effects of exchange rate changes	114	18
Cash and cash equivalents at 1 January	648,539	675,944

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Cash and cash equivalents at 31 December	671,644	648,539
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2021 & 31 DECEMBER 2020
(Continued)

	12 months ended 31 December, 2021	12 months ended 31 December, 2020
	RM'000	RM'000
Cash and cash equivalents comprise:		
Deposits and REPO with licensed financial institutions	683,285	658,365
Cash and Bank Balances	7,124	8,939
	690,409	667,304
Less: Deposit with maturity period of more than 3 months	(18,765)	(18,765)
	671,644	648,539

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
FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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

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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.

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)

12 months ended 31 December 2021	Port Operation RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	691,884	43,370	-	-	735,254
Inter-segment	10,800	5,678	165,145	(181,623)	-
Total revenue	<u>702,684</u>	<u>49,048</u>	<u>165,145</u>	<u>(181,623)</u>	<u>735,254</u>
Results:					
Segment profit	<u>116,470</u>	<u>17,898</u>	<u>115,558</u>	<u>(123,611)</u>	<u>126,315</u>
Assets:					
Segment assets	<u>2,808,762</u>	<u>176,407</u>	<u>1,229,636</u>	<u>(1,062,541)</u>	<u>3,152,264</u>
Liabilities:					
Segment liabilities	<u>1,438,790</u>	<u>29,285</u>	<u>19,522</u>	<u>(25,430)</u>	<u>1,462,167</u>
<hr/>					
12 months ended 31 December 2020	Port Operation RM'000	Bulking Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	669,285	46,419	-	-	715,704
Inter-segment	10,263	6,332	168,616	(185,211)	-
Total revenue	<u>679,548</u>	<u>52,751</u>	<u>168,616</u>	<u>(185,211)</u>	<u>715,704</u>
Results:					
Segment profit	<u>112,699</u>	<u>22,320</u>	<u>118,186</u>	<u>(126,539)</u>	<u>126,666</u>
Assets:					
Segment assets	<u>2,665,773</u>	<u>176,011</u>	<u>1,166,159</u>	<u>(1,054,807)</u>	<u>2,953,136</u>
Liabilities:					

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Segment liabilities	1,544,164	29,621	21,004	(19,108)	1,575,681
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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 31 December 2021 RM'000	Current year to date 31 December 2021 RM'000
Current tax expense	10,640	41,111
Deferred tax	(273,351)	(277,987)
	(262,711)	(236,876)

ii. Effective tax rate

The effective tax rate for the current year is lower compared to statutory rate primarily due to recognition of deferred tax assets at a subsidiary which have unabsorbed capital allowance and investment tax allowance to set off against future taxable profits.

iii. Deferred tax assets recognition

Deferred tax assets have not been recognised on the unutilised tax losses of RM51.89 million.

Investment tax allowance

Investment tax allowance was granted to Samalaju Industrial Port Sdn Bhd (SIPSB) in 2017. On 18 January 2017, Samalaju Industrial Port Sdn Bhd was given 100% investment tax allowance on qualifying expenditure to be set off against 70% statutory income, from 30 August 2012 to 29 August 2017 under Section 127(3A) of Income Tax Act (ITA) 1967.

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In 2019, further to the Finance Act 2018 which was gazetted in December 2018, with effect from YA 2019, it was confirmed that companies with exemptions granted under Section 127(3A) of the ITA 1967 will not be subject to 7-year carry forward restriction.

A9. Tax Expense (continued)

Subsequent to the confirmation until financial year ended 31 December 2020, as there were uncertainties caused by COVID-19, the Company is of the view that the probability of utilising the deferred tax assets arising from investment tax allowance remained uncertain.

For the financial year ended 31 December 2021, following the positive growth of Samalaju Industrial Port and current business conditions of current port users, the performance of SIPSB has now improved and is now in chargeable income tax position as opposed to making tax losses in the previous years. SIPSB has recognised deferred tax assets of RM264.52million arising from investment tax allowance following the certainty of available projected taxable profits against the unutilised investment tax allowance.

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	
	31 December		31 December	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders (RM'000)	296,809	24,867	363,191	93,301
Number of ordinary shares in issue ('000)	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	64.52	5.41	78.95	20.28

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A11. Dividends Paid

	3 months ended 31 December 2021 RM'000	12 months ended 31 December 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
First interim paid:		
2021 – 3.00 sen Per Share Single Tier First Interim Dividend, paid on 3 rd August 2021	-	13,800
Second interim paid:		
2021 – 3.00 sen Per Share Single Tier Second Interim Dividend, paid on 7 th October 2021	13,800	13,800
Third interim paid:		
2021 – 3.00 sen Per Share Single Tier Third Interim Dividend, paid on 28 th December 2021	13,800	13,800
TOTAL PAID	27,600	50,600

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. 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

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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 31 December 2021, the commitments were as follows:

	RM'000
Approved and contracted for :	
Property, plant and equipment / Intangible assets	31,843
Approved but not contracted for :	
Property, plant and equipment / Intangible assets	7,350
	39,193

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A18. Significant Related Party Transactions

	Current year quarter 31 December 2021 RM'000	Current year- to-date 31 December 2021 RM'000
a) Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad:		
<u>Rendering of services:</u>		
Malaysia LNG Sdn.Bhd	41,129	159,254
Petronas Carigali Sdn. Bhd.	3,514	9,449
Petronas Dagangan Berhad	589	1,705
Petronas Chemical Marketing (L) Ltd	132	719
Vestigo Petroleum Sdn. Bhd.	200	503
<u>Purchases of fuel and lubricants:</u>		
Petronas Dagangan Berhad	(4,231)	(13,587)
b) Transactions with subsidiaries of a substantial shareholder, State Financial Secretary (Sarawak Government):		
<u>Purchases of gas fuel:</u>		
Petroleum Sarawak Berhad	(744)	(2,168)

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 31 December		Changes %	Cumulative quarter ending 31 December		Changes %
	2021	2020		2021	2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue from operations	189,300	186,406	1.55	728,387	707,312	2.98
Revenue from construction services	3,828	4,946	(22.60)	6,867	8,392	(18.17)
	193,128	191,352	0.93	735,254	715,704	2.73
Other income	369	4,487	(91.78)	16,362	13,288	23.13
Cost of construction services	(3,828)	(4,946)	(22.60)	(6,867)	(8,392)	(18.17)
Operating expenses	(80,322)	(87,957)	(8.68)	(319,681)	(316,126)	1.12
Amortisation of Leased Concession Assets	(21,904)	(20,811)	5.25	(87,887)	(83,243)	5.58
Amortisation of Other Intangibles	(17,908)	(17,582)	1.85	(70,973)	(69,745)	1.76
Depreciation of PPE	(9,200)	(9,107)	1.02	(34,808)	(33,860)	2.80
Depreciation of Right of Use Assets	(9,152)	(10,568)	(13.40)	(36,635)	(29,977)	22.21
Provision for replacement cost	(3,020)	(244)	1,137.70	(8,863)	(5,006)	77.05
	(145,334)	(151,215)	(3.89)	(565,714)	(546,349)	3.54
Operating Profit	48,163	44,624	7.93	185,902	182,643	1.78
Finance cost	(17,834)	(19,393)	(8.04)	(74,282)	(75,176)	(1.19)
Finance income	3,769	2,675	40.90	14,695	19,199	(23.46)
Profit before tax	34,098	27,906	22.19	126,315	126,666	(0.28)

Quarter Ended 31 December 2021 compared to Quarter Ended 31 December 2020

The Group registered a profit before taxation amounting to RM34.10 million in the current quarter against RM27.91 million achieved in the preceding year corresponding quarter.

The Group's operating revenue of RM189.30 million for the current quarter is higher by RM2.89 million (1.55%) compared to RM186.41 million achieved in the corresponding quarter. The revenue recorded from port's services at Bintulu Port is RM140.63 million in Q4 2021 as compared to RM144.22 million achieved in Q4 2020. The revenue generated from the operation at Samalaju Industrial Port during the quarter under review is RM36.75 million against RM29.96 million in

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corresponding year quarter. The revenue from bulking facilities is RM11.92 million as against RM12.23 million in Q4 2020.

B1. Review of Performance (Continued)

Revenue from construction services for concession infrastructure of RM3.83 million was recognized in Q4 2021 as against RM4.95 million in Q4 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 RM159.34 million is lower by RM6.32 million compared to Q4 2020 of RM165.66 million mainly due to lower provision for maintenance dredging at SIPSB.

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 2021 compared to twelve months ended 31 December 2020

The achieved profit before tax of RM126.32 million for the twelve months ended 31 December 2021, is lower by RM0.35 million (0.28%) compared to twelve months ended 31 December 2020 of RM126.67 million.

The Group's operating revenue of RM728.39 million for the twelve months ended 31 December 2021 is higher by RM21.08 million (2.98%) compared to twelve months of preceding year. Revenue generated from port's services at Bintulu Port is RM548.12 million as against RM549.82 million during the twelve months of preceding year. Samalaju Industrial Port generated RM136.90 million of revenue compared to RM111.08 million of revenue generated during the twelve months of preceding year. The revenue from bulking facilities is RM43.37 million as against RM46.42 million during the period under review.

Revenue from construction services for concession infrastructure of RM6.87 million was recognized against RM8.39 million in twelve months of preceding year. The corresponding cost of construction for concession were also recognized.

The expenditure during the period under review of RM633.13 million is higher by RM20.00 million compared to RM613.13 million of the preceding year. The increase in expenditure during the period under review is mainly due to the higher provision of replacement cost, recognition of depreciation of right of use assets on new charter hire of vessels at BPSB and additional amortization on lease of LPG Jetty.

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 2021 RM'000	Preceding Quarter Ended 30 September 2021 RM'000	Changes %
Revenue from operations	189,300	172,177	9.94
Revenue from construction services	3,828	549	597.27
	193,128	172,726	11.81
Other income	369	3,554	(89.62)
Cost of construction services	(3,828)	(549)	597.27
Operating expenses	(80,322)	(76,309)	5.26
Amortisation of Leased Concession Assets	(21,904)	(21,994)	(0.41)
Amortisation of Other Intangibles	(17,908)	(17,740)	0.95
Depreciation of PPE	(9,200)	(8,694)	5.82
Depreciation of Right of Use Assets	(9,152)	(9,184)	(0.35)
Provision for replacement cost	(3,020)	(1,641)	84.03
	(145,334)	(136,111)	6.78
Operating profit	48,163	40,169	19.90
Finance cost	(17,834)	(18,991)	(6.09)
Finance income	3,769	3,708	1.65
Profit before taxation	34,098	24,886	37.02

The pre-tax profit for the fourth quarter of 2021 amounting to RM34.10 million is higher compared to RM24.89 million achieved in the preceding quarter.

The Group's operating revenue is higher by RM17.12 million from RM172.18 million achieved in Q3 2021 to RM189.30 million in Q4 2021 mainly due to higher revenue generated from the services rendered from the handling of cargoes and vessel calls on LNG at Bintulu Port. Revenue contribution from the handling of cargoes and vessel calls at Bintulu Port in Q4 2021 is RM140.63 million as against RM125.01 million in Q3 2021. Revenue at Samalaju Industrial Port is higher by RM1.33 million from RM35.42 million in Q3 2021 to RM36.75 million in Q4 2021. The revenue from the bulking services is higher by RM0.17 million from RM11.75 million in Q3 2021 to RM11.92 million in Q4 2021.

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Revenue from construction services on concession infrastructure recognized in Q4 2021 is RM3.82 million whilst in Q3 2021 was RM0.55 million. The corresponding cost of construction were also recognized.

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

The expenditure during the quarter under review is lower by RM6.88 million from RM166.22 million in Q3 2021 to RM159.34 million in Q4 2021 mainly due to lower provision for maintenance dredging at SIPSB due to adjustment as per awarded contract.

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

B3. Current Year's Prospects

Despite the challenging environment caused by the resurgence of the Covid-19 pandemic to the logistics supply chain in 2021, the Group's pre-tax profit achieved for the financial year ended 31 December 2021 of RM126.32 million is comparable to year ended 2020 of RM126.67 million.

For the financial year ended 31 December 2021 the Group's after tax profit surged to RM363.19 million from RM93.30 million in the previous year 2020 due to a one-off transaction on the recognition of deferred tax assets arising from the unutilised investment tax allowance at Samalaju Industrial Port Sdn Bhd.

For Year 2022, the Group expects to have positive momentum on cargo throughput from LNG, Palm Oil, Dry Bulk and Container sectors on the assumption the global economy continues to gradually recover from the effects of the unprecedented Covid-19 pandemic.

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 31 December 2021 RM'000	Current year quarter 31 December 2020 RM'000
Non-current		
<u>Unsecured:</u>		
Sukuk Murabahah	941,848	940,338

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 2021 (previous corresponding period: fourth 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 12.00 sen per share (previous corresponding year: 10.00 sen per share).
- c) Shareholders who are on the Register of Members at the close of business on 25th March 2022 will be entitled for the dividend. The dividend payment date is 14th April 2022.

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 24th February 2022.

BY ORDER OF THE BOARD

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