

**Unaudited Condensed Consolidated**

**Financial Statements**

**31 March 2021**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **31 March, 2021** | **31 December, 2020** |
|  |  |  | **(UNAUDITED)** | **(AUDITED)** |
|  |  |   | **RM'000** | **RM'000** |
|  | **ASSETS** |  |  |
|  | **Non- current assets** |  |  |
|  |  Property, plant and equipment | 264,032 | 273,352 |
|  |  Right of use assets | 83,551 | 92,336 |
|  |  Intangible assets | 1,505,700 | 1,532,213 |
|  |  Deferred tax assets | 60,630 | 58,857 |
|  |  Trade and other receivable | 10,294 | 10,269 |
|  |  |   | 1,924,207 | 1,967,027 |
|  |  |  |  |
|  | **Current assets** |  |  |
|  | Inventories | 3,811 | 3,705 |
|  |  Tax recoverable | 2,611 | 2,794 |
|  |  Trade and other receivables | 65,268 | 82,404 |
|  |  Investment in securities | 298,567 | 229,902 |
|  |  Cash and cash equivalents | 675,856 | 667,304 |
|  |  |  | 1,046,113 | 986,109 |
|  | **TOTAL ASSETS** | **2,970,320** | **2,953,136** |
|  |  |  |  |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **31 March, 2021** | **31 December, 2020** |
|  |  |  | **(UNAUDITED)** | **(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 | 146 | 54 |
|  |  Retained earnings | 502,083 | 486,583 |
|  | **Total Equity** | 1,393,047 | 1,377,455 |
|  |  |  |  |
|  | **Non-current liabilities** |  |  |
|  |  Other Payables | 65,373 | 59,906 |
|  |  Loan and borrowings | 940,710 | 940,338 |
|  |  Lease liabilities | 316,236 | 325,860 |
|  |  Provision | 20,459 | 17,622 |
|  |  | 1,342,778 | 1,343,726 |
|  |  |  |  |  |
|  | **Current liabilities** |  |  |
|  |  Dividend payables | 9,200 | - |
|  |  Other payables | 38,305 | 38,513 |
|  |  Lease liabilities | 150,653 | 170,627 |
|  |  Provision | 31,972 | 19,453 |
|  |  Income tax payable | 4,365 | 3,362 |
|  |   | 234,495 | 231,955 |
|  | **Total liabilities** | 1,577,273 | 1,575,681 |
|  | **TOTAL EQUITY AND LIABILITIES** | **2,970,320** | **2,953,858** |
|  |  |  |  |  |
|  | **NET ASSET PER SHARE (RM)** | **3.03** | **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.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Individual quarter** |  |  **Cumulative quarter**  |  |
|  |  **ending 31 March** | **Changes** | **ending 31 March** | **Changes** |
|  | 2021RM’000 | 2020RM’000 | % | 2021RM’000 | 2020RM’000 | % |
|  |  |  |  |  |  |  |
| Revenue from operations | 184,800 | 177,709 | 3.99 | 184,800 | 177,709 | 3.99 |
| Revenue from construction services  | 1,155 | 2,019 | (42.79) | 1,155 | 2,019 | (42.79) |
|  | 185,955 | 179,728 | 3.46 | 185,955 | 179,728 | 3.46 |
|  |  |  |  |  |  |  |
| Other income | 311 | 1,239 | (74.90) | 311 | 1,239 | (74.90) |
|  |  |  |  |  |  |  |
| Cost of construction services | (1,155) | (2,019) | (42.79) | (1,155) | (2,019) | (42.79) |
| Staff costs | (29,007) | (25,574) | 13.42 | (29,007) | (25,574) | 13.42 |
| Maintenance and operational supplies | (36,972) | (35,399) | 4.44 | (36,972) | (35,399) | 4.44 |
| Administrative expenses | (6,997) | (8,238) | (15.06) | (6,997) | (8,238) | (15.06) |
| Amortisation of Leased Concession Assets | (21,994) | (20,811) | 5.68 | (21,994) | (20,811) | 5.68 |
| Amortisation of Other Intangibles | (17,642) | (17,386) | 1.47 | (17,642) | (17,386) | 1.47 |
| Depreciation of PPE | (8,231) | (8,208) | 0.28 | (8,231) | (8,208) | 0.28 |
| Depreciation of Right of Use Assets | (9,111) | (2,997) | 204.00 | (9,111) | (2,997) | 204.00 |
| Provision for replacement cost | (2,562) | (1,587) | 61.44 | (2,562) | (1,587) | 61.44 |
|  | (133,671) | (122,219) | 9.37 | (133,671) | (122,219) | 9.37 |
|  |  |  |  |  |  |  |
| **Operating Profit**  | **52,595** | **58,748** | **(10.47)** | **52,595** | **58,748** | **(10.47)** |
|  |  |  |  |  |  |  |
| Finance cost | (18,834) | (18,161) | 3.71 | (18,834) | (18,161) | 3.71 |
| Finance income  | 3,637 | 6,606 | (44.94) | 3,637 | 6,606 | (44.94) |
|  |  |  |  |  |  |  |
| **Profit before tax** | **37,398** | **47,193** | **(20.75)** | **37,398** | **47,193** | **(20.75)** |
|  |  |  |  |  |  |  |
| Tax expense | (12,698) | (16,124) | (21.25) | (12,698) | (16,124) | (21.25) |
|  |  |  |  |  |  |  |
| **Profit net of tax, representing total**  **comprehensive income for the period** | **24,700** | **31,069** | **(20.50)** | **24,700** | **31,069** | **(20.50)** |
|  |  |  |  |  |  |  |
| **Basic earnings per share (sen)** | **5.37** | **6.75** | **(20.50)** | **5.37** | **6.75** | **(20.50)** |

**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.**

**Unaudited Condensed consolidated**

**statementS of changes in equity**

**FOR THE THREE MONTHS ENDED 31 MARCH 2021 & 31 MARCH 2020**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Share** **capital** | **Retained Profits** | **Foreign currency translation reserve** | **Total** |
|  | **RM’000** | **RM’000** | **RM’000** | **RM’000** |
|  |  |  |  |  |
| **Opening balance at 1 January, 2021** | 890,818 | 486,583 | 54 | 1,377,455 |
| Net profit for the period | - |  24,700 | - | 24,700 |
| Foreign currency translation1 | - | - | 92 | 92 |
|  |  |  |  |  |
| *Transaction with owners* |  |  |  |  |
| Dividend paid / payable | - | (9,200) | - | (9,200) |
|  |  |  |  |  |
| **Closing balance at 31 March, 2021** | **890,818** | **502,083** | **146** | **1,393,047** |
|  |  |  |  |  |
| **Opening balance at 1 January, 2020** | 890,818 | 439,282 | - | 1,330,100 |
| Net profit for the period | - | 31,069 | - | 31,069 |
|  |  |  |  |  |
| *Transaction with owners* |  |  |  |  |
| Dividend payables | - | (9,200) | - | (9,200) |
|  |  |  |  |  |
| **Closing balance at 31 March, 2020** | **890,818** | **461,151** | **-** | **1,351,969** |

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

**The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements of the Group for the year ended 31 December, 2020 and the accompanying explanatory notes attached to the interim financial statements.**

**UNAUDITED Condensed consolidated STATEMENTs OF CASH FLOW**

**FOR THE THREE MONTHS ENDED 31 MARCH 2021 & 31 MARCH 2020**

|  |  |  |  |
| --- | --- | --- | --- |
|  | 3 months ended |  | 3 months ended |
|  | 31 March, 2021 |  | 31 March, 2020 |
|  | RM’000 |  | RM’000 |
| **Operating activities** |  |  |  |
| Profit before tax | 37,398 |  | 47,193 |
|  Adjustments for: |  |  |  |
|  Amortisation of intangible assets | 39,636 |  | 38,197 |
|  Depreciation of property, plant and equipment | 8,231 |  | 8,208 |
|  Depreciation of right of use | 9,111 |  | 2,997 |
|  Finance cost – Unwinding of discount | 6,782 |  | 5,975 |
|  Finance cost – Borrowings | 12,052 |  | 12,186 |
|  Loss on disposal of property, plant and equipment | - |  | 2 |
|  Loss / (Gain) on fair value of investments in securities | 1,227 |  | (819) |
|  Realised loss in foreign exchange | 282 |  | 5 |
|  Provision for staff gratuities | - |  | 250 |
|  Provision for maintenance dredging costs | 12,142 |  | 9,632 |
|  Provision for replacement cost | 2,562 |  | 1,587 |
|  Dividend income from investment | (63) |  | - |
|  Income from LAD | - |  | (63) |
|  Income from sublease | (175) |  | - |
|  Interest income | (3,461) |  | (6,649) |
|  |  |  |  |
|  Total adjustments | 88,326 |  | 71,508 |
|  |  |  |  |
|  **Operating cash flows before changes in**  **working capital** | 125,724 |  | 118,701 |
|  |  |  |  |
| Changes in working capital |  |  |  |
|  Receivables | (14,913) |  | 21,300 |
|  Payables | 26,718 |  | (17,969) |
|  |  |  |  |
| Total changes in working capital | 11,805 |  | 3,331 |
|  |  |  |  |
| **Cash generated from operating activities**  | 137,529 |  | 122,032 |
|  |  |  |  |
| Payment of concession arrangements | (36,236) |  | (36,232) |
| Payment of lease liabilities | (8,975) |  | (3,680) |
| Payment of dredging cost | - |  | (8,723) |
| Income tax paid | (13,310) |  | (14,457) |
| Staff gratuities paid | (1,084) |  | (1,317) |
|  |  |  |  |
|  |  |  |  |
| **Cash flows from operating activities** | 77,924 |  | 57,623 |
|  |  |  |  |

**UNAUDITED Condensed consolidated STATEMENT OF CASH FLOW**

**FOR THE THREE MONTHS ENDED 31 MARCH 2021 & 31 MARCH 2020 (Continued)**

|  |  |  |
| --- | --- | --- |
|  | 3 months ended | 3 months ended |
|  | 31 March, 2021 |  31 March, 2020 |
|  | RM’000 | RM’000 |
|   |  |  |
|  **Investing activities** |  |  |
| Interest received | 2,994 | 6,346 |
| Purchase of property, plant and equipment | (1,512) | (2,644) |
| Increase in intangible assets | (1,206) | (2,666) |
| Net Changes of investment in Securities | (69,828) | (58) |
|  |  |  |
|  |  |  |
| **Net cash flows (used in) / from investing activities**  | (69,552) | 978 |
| **Net increase in cash and cash equivalents** | 8,372 | 58,601 |
| Effects of exchange rate changes | 180 | - |
| **Cash and cash equivalents at 1 January** | 648,539 | 675,944 |
|  |  |  |
| **Cash and cash equivalents at 31 March** | **657,091** | **734,545** |

**UNAUDITED Condensed consolidated STATEMENT OF CASH FLOW**

**FOR THE THREE MONTHS ENDED 31 MARCH 2021 & 31 MARCH 2020 (Continued)**

|  |  |  |
| --- | --- | --- |
|  | 3 months ended | 3 months ended |
|  | 31 March, 2021 |  31 March, 2020 |
|  | RM’000 | RM’000 |
|  |  |  |
| **Cash and cash equivalents comprise:** |  |  |
|  |  |  |
| Deposits and REPO with licensed financial institutions | 668,895 | 712,080 |
|  |  |  |
| Cash and Bank Balances | 6,961 | 41,225 |
|  |  |  |
|  |  |  |
|  | 675,856 | 753,305 |
|  |  |  |
|  Less: Deposit with maturity period of more than 3 months | (18,765) | (18,760) |
|  | **657,091** | **734,545** |

**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 FIRST QUARTER ENDED 31 MARCH 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 March 2021 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements have been prepared under the historical cost convention and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December, 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December, 2020.

The financial statements of the Group are presented in Ringgit Malaysia (“RM”) and all are rounded to the nearest thousand (RM’000) except when otherwise indicated.

**A3. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020.

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

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

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

**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.

**A6. Segmental Reporting (Continued)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **3 months ended** **31 March 2021** | **Port Operation RM’000** |  | **Bulking Services RM’000** |  | **Others RM’000** |  | **Adjustments and eliminations** **RM’000** |  | **Consolidated RM’000** |
| **Revenue:** |  |  |  |  |  |  |  |  |  |
| External customers | 176,255 |  | 9,700 |  | - |  | - |  | 185,955 |
| Inter-segment | 2,610 |  | 1,129 |  | 46,856 |  | (50,595) |  | - |
| Total revenue | 178,865 |  | 10,829 |  | 46,856 |  | (50,595) |  | 185,955 |
|  |  |  |  |  |  |  |  |  |  |
| **Results:** |  |  |  |  |  |  |  |  |  |
| Segment profit | 33,450 |  | 4,207 |  | 36,044 |  | (36,303) |  | 37,398 |
|  |  |  |  |  |  |  |  |  |  |
| **Assets:** |  |  |  |  |  |  |  |  |  |
| Segment assets | 2,690,714 |  | 178,161 |  | 1,199,863 |  | (1,098,418) |  | 2,970,320 |
|  |  |  |  |  |  |  |  |  |  |
| **Liabilities:** |  |  |  |  |  |  |  |  |  |
| Segment liabilities | 1,574,997 |  | 36,777 |  | 27,863 |  | (62,364) |  | 1,577,273 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **3 months ended** **31 March 2020** | **Port Operation RM’000** |  | **Bulking Services RM’000** |  | **Others RM’000** |  | **Adjustments and eliminations** **RM’000** |  | **Consolidated RM’000** |
| **Revenue:** |  |  |  |  |  |  |  |  |  |
| External customers | 170,345 |  | 9,383 |  | - |  | - |  | 179,728 |
| Inter-segment | 210 |  | 1,266 |  | 45,150 |  | (46,626) |  | - |
| Total revenue | 170,555 |  | 10,649 |  | 45,150 |  | (46,626) |  | 179,728 |
|  |  |  |  |  |  |  |  |  |  |
| **Results:** |  |  |  |  |  |  |  |  |  |
| Segment profit | 45,003 |  | 4,621 |  | 33,855 |  | (36,286) |  | 47,193 |
|  |  |  |  |  |  |  |  |  |  |
| **Assets:** |  |  |  |  |  |  |  |  |  |
| Segment assets | 2,775,661 |  | 170,217 |  | 1,127,524 |  | (1,068,685) |  | 3,004,717 |
|  |  |  |  |  |  |  |  |  |  |
| **Liabilities:** |  |  |  |  |  |  |  |  |  |
| Segment liabilities | 1,627,569 |  | 29,270 |  | 29,899 |  | (33,990) |  | 1,652,748 |

**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** | **Current year to date** |
|  | **31 March 2021** | **31 March 2021** |
|  |  **RM’000** | **RM’000** |
|  |  |  |
| Current tax expense | 13,948 | 13,948 |
| Deferred tax | (1,250) | (1,250) |
|  |  |  |
|  | **12,698** | **12,698** |

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** | **Current year-to-date** |
|  |  **31 March** |  **31 March** |
|  | 2021RM’000 | 2020RM’000 | 2021RM’000 | 2020RM’000 |
|  |  |  |  |  |
| Net profit attributable to shareholders (RM’000) | 24,700 | 31,069 | 24,700 | 31,069 |
| Number of ordinary shares in issue (‘000) | 460,000 | 460,000 | 460,000 | 460,000 |
|  |  |  |  |  |
| Basic earnings per share (sen) | 5.37 | 6.75 | 5.37 | 6.75 |

**A11. Dividends Paid**

There was no dividend paid during the quarter under review.

The fourth interim single tier dividend of 2.0 sen per share on 460,000,000 ordinary shares, amounting to RM9,200,000 for the financial year ended 31 December 2020 was paid on 15 April 2021.

**A12. Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

**A13. Subsequent Events**

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

**A14. Valuation of Property, Plant and Equipment**

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

**A15. Contingent Liabilities or Contingent Assets**

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

**A16. Acquisitions and Disposals of Property, Plant and Equipment**

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

**A17. Commitments**

As at 31 March 2021, the commitments were as follows:

|  |  |
| --- | --- |
|  | **RM’000** |
|  |  |
| Approved and contracted for : |  |
|  Property, plant and equipment / Intangible assets  | 13,967 |
|  |  |
| Approved but not contracted for : |  |
|  Property, plant and equipment / Intangible assets  | 300 |
|  |  |
|  | **14,267** |

**A18. Significant Related Party Transactions**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Current year quarter** | **Current year-to-date** |
|  |  | **31 March 2021** | **31 March 2021** |
|  |  | **RM’000** | **RM’000** |
|  |  |  |  |
| a) | Transactions with subsidiaries of a substantial shareholder, Petroliam Nasional Berhad: |
|  |  |  |  |
|  | Rendering of services: |  |  |
|  |  |  |  |
|  |  Malaysia LNG Sdn.Bhd | 45,654 | 45,654 |
|  |  |  |  |
|  |  Petronas Carigali Sdn. Bhd. | 1,269 | 1,269 |
|  |  |  |  |
|  |  Petronas Dagangan Berhad | 375 | 375 |
|  |  |  |  |
|  |  Petronas Chemical Marketing (L) Ltd | 90 | 90 |
|  |  |  |  |
|  |  Vestigo Petroleum Sdn. Bhd. | 94 | 94 |
|  |  |  |  |
|  | Purchases of fuel and lubricants: |  |  |
|  |  |  |  |
|  |  Petronas Dagangan Berhad | (2,725) | (2,725) |
|  |  |  |  |
| b) | Transactions with subsidiaries of a substantial shareholder, State Financial Secretary (Sarawak Government): |
|  |  |  |  |
|  | Purchases of gas fuel: |  |  |
|  |  |  |  |
|  |  Petroleum Sarawak Berhad | (385) | (385) |
|  |  |  |  |

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.

**PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Performance**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Individual quarter** |  |  **Cumulative quarter**  |  |
|  | **ending 31 March** | **Changes** | **ending 31 March** | **Changes** |
|  | 2021RM’000 | 2020RM’000 | % | 2021RM’000 | 2020RM’000 | % |
|  |  |  |  |  |  |  |
| Revenue from operations | 184,800 | 177,709 | 3.99 | 184,800 | 177,709 | 3.99 |
| Revenue from construction services  | 1,155 | 2,019 | (42.79) | 1,155 | 2,019 | (42.79) |
|  | 185,955 | 179,728 | 3.46 | 185,955 | 179,728 | 3.46 |
|  |  |  |  |  |  |  |
| Other income | 311 | 1,239 | (74.90) | 311 | 1,239 | (74.90) |
|  |  |  |  |  |  |  |
| Cost of construction services | (1,155) | (2,019) | (42.79) | (1,155) | (2,019) | (42.79) |
| Operating expenses | (72,976) | (69,211) | 5.44 | (72,976) | (69,211) | 5.44 |
| Amortisation of Leased Concession Assets | (21,994) | (20,811) | 5.68 | (21,994) | (20,811) | 5.68 |
| Amortisation of Other Intangibles | (17,642) | (17,386) | 1.47 | (17,642) | (17,386) | 1.47 |
| Depreciation of PPE | (8,231) | (8,208) | 0.28 | (8,231) | (8,208) | 0.28 |
| Depreciation of Right of Use Assets | (9,111) | (2,997) | 204.00 | (9,111) | (2,997) | 204.00 |
| Provision for replacement cost | (2,562) | (1,587) | 61.44 | (2,562) | (1,587) | 61.44 |
|  | (133,671) | (122,219) | 9.37 | (133,671) | (122,219) | 9.37 |
|  |  |  |  |  |  |  |
| **Operating Profit**  | **52,595** | **58,748** | **(10.47)** | **52,595** | **58,748** | **(10.47)** |
|  |  |  |  |  |  |  |
| Finance cost | (18,834) | (18,161) | 3.71 | (18,834) | (18,161) | 3.71 |
| Finance income  | 3,637 | 6,606 | (44.94) | 3,637 | 6,606 | (44.94) |
|  |  |  |  |  |  |  |
| **Profit before tax** | **37,398** | **47,193** | **(20.75)** | **37,398** | **47,193** | **(20.75)** |

Quarter Ended 31 March 2021 compared to Quarter Ended 31 March 2020

The Group registered a profit before taxation amounting to RM37.40 million in the current quarter against RM47.19 million achieved in the preceding year corresponding quarter.

The Group’s operating revenue of RM184.80 million for the current quarter is higher by RM7.09 million (3.99%) compared to RM177.71 million achieved in the corresponding quarter. The revenue recorded from port’s services at Bintulu Port is RM142.46 million in Q1 2021 as compared to RM142.48 million achieved in Q1 2020. The revenue generated from the operation at Samalaju Industrial Port during the quarter under review is RM32.64 million against RM25.85 million in corresponding year quarter. The revenue from bulking facilities is RM9.70 million as against RM9.38 million in Q1 2020.

**B1. Review of Performance (Continued)**

Revenue from construction services for concession infrastructure of RM1.16 million was recognized in Q1 2021 as against RM2.02 million in Q1 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 RM151.35 million is higher by RM12.99 million compared to Q1 2020 of RM138.36 million mainly due to recognition of additional depreciation on right of use asset under MFRS 16: *Leases* for new charter hire of vessels at BPSB which commenced from Q2 2020 and provision of maintenance dredging at BPSB and SIPSB.

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

**B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Current Quarter Ended 31 March 2021RM’000 | Preceding Quarter Ended 31 December 2020RM’000 | **Changes** |
|  |
|  | % |
|  |  |  |  |
| Revenue from operations | 184,800 | 186,406 | (0.86) |
| Revenue from construction services | 1,155 | 4,946 | (76.65) |
|  | 185,955 | 191,352 | (2.82) |
|  |  |  |  |
| Other income | 311 | 3,810 | (91.84) |
|  |  |  |  |
| Cost of construction services | (1,155) | (4,946) | (76.65) |
| Operating expenses | (72,976) | (87,957) | (17.03) |
| Amortisation of Leased Concession Assets | (21,994) | (20,811) | 5.68 |
| Amortisation of Other Intangibles | (17,642) | (17,582) | 0.34 |
| Depreciation of PPE | (8,231) | (9,107) | (9.62) |
| Depreciation of Right of Use Assets | (9,111) | (10,568) | (13.79) |
| Provision for replacement cost | (2,562) | (244) | 905.00 |
|  | (133,671) | (151,215) | (11.60) |
|  |  |  |  |
| **Operating profit** | **52,595** | **43,947** | **19.68** |
|  |  |  |  |
| Finance cost | (18,834) | (19,393) | (2.88) |
| Finance income  | 3,637 | 3,352 | 8.50 |
| **Profit before taxation**  | **37,398** | **27,906** | **34.01** |

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

The pre-tax profit for the first quarter of 2021 amounting to RM37.40 million is higher compared to RM27.91 million achieved in the preceding quarter.

The Group’s operating revenue is lower by RM1.61 million from RM186.41 million achieved in Q4 2020 to RM184.80 million in Q1 2021. Revenue contribution from the handling of cargoes and vessel calls at Bintulu Port in Q1 2021 is RM142.46 million as against RM144.22 million in Q4 2020. Revenue at Samalaju Industrial Port is higher by RM2.68 million from RM29.96 million in Q4 2020 to RM32.64 million in Q1 2021. The revenue from the bulking services is lower by RM2.53 million from RM12.23 million in Q4 2020 to RM9.70 million in Q1 2021.

Revenue from construction services on concession infrastructure recognized in Q1 2021 is RM1.16 million whilst in Q4 2020 was RM4.95 million. The corresponding cost of construction were also recognized.

The expenditure during the quarter under review is lower by RM14.31 million from RM165.66 million in Q4 2020 to RM151.35 million in Q1 2021 mainly due to the timing of expenditure being incurred and year end close for Q4 2020.

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

**B3. Current Year’s Prospects**

The Group has commenced the handling of LNG ISO Tank in February 2021 and this will spur growth for the container sector. The planned commencement of Malaysian Phosphate Additives (Sarawak) Sdn. Bhd. (MPA) in Q3 2021 is also expected to contribute to revenue growth for the Group in 2021.

The Group continues to closely monitor the impact of Covid-19 pandemic which continues to disrupt the supply chain in the logistics industry.

**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.

**B7. Loans and Borrowings**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **Current year quarter** |  | **Current year quarter** |
|  |  |  | **31 March 2021** |  | **31 March 2020** |
|  | **Maturity** |  | **RM’000** |  | **RM’000** |
| **Non-current** |  |  |  |  |  |
|  |  |  |  |  |  |
| Unsecured: |  |  |  |  |  |
|  |  |  |  |  |  |
| Sukuk Murabahah |  |  | 940,710 |  | 939,202 |

Sukuk Murabahah

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

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

Summary of the Sukuk Murabahah is tabulated below:

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

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

**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**

1. The Board has recommended a first interim single tier dividend of 3.00 sen per share on 460,000,000 ordinary shares, amounting to RM13,800,000 in respect of the financial year ending 31 December 2021 (previous corresponding period: first interim single tier dividend of 2.00 sen per share on 460,000,000 ordinary shares amounting to RM9,200,000).
2. The total interim single tier dividend for the current financial year is 3.00 sen per share (previous corresponding year: 2.00 sen per share).
3. Details of the book closure will be announced separately.

**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.

**B12. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 27th May 2021.

**BY ORDER OF THE BOARD**

**ROSLI BIN IDRIS**

(MIA15730)

Company Secretary

Date: 27th May 2021