



**PROVEN. TRUSTED. FRIENDLY.**

**Westports Holdings Berhad**

(Company No. 262761-A)

(Incorporated in Malaysia)

**Quarterly Financial Report for the  
Second Quarter Ended 30 June 2019**

**Westports Holdings Berhad (262761-A)**  
(Incorporated in Malaysia)

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**Westports Holdings Berhad (262761-A)**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and  
Other Comprehensive Income**

For The Period Ended 30 June 2019

*These figures have not been audited*

	3 months ended			6 months ended		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Revenue	454,453	394,035	15%	869,640	779,127	12%
Cost of sales	(167,143)	(167,080)	0%	(326,330)	(326,477)	0%
<b>Gross profit</b>	<b>287,310</b>	<b>226,955</b>	<b>27%</b>	<b>543,310</b>	<b>452,650</b>	<b>20%</b>
Other income	3,518	2,538	39%	6,151	4,805	28%
Administrative expenses	(6,732)	(4,617)	46%	(12,949)	(9,926)	30%
Other expenses	(45,820)	(41,120)	11%	(92,684)	(81,010)	14%
<b>Results from operating activities</b>	<b>238,276</b>	<b>183,756</b>	<b>30%</b>	<b>443,828</b>	<b>366,519</b>	<b>21%</b>
Finance income	3,597	2,270	58%	6,471	5,829	11%
Finance costs	(23,065)	(24,422)	-6%	(45,815)	(47,140)	-3%
<b>Profit before tax</b>	<b>218,808</b>	<b>161,604</b>	<b>35%</b>	<b>404,484</b>	<b>325,208</b>	<b>24%</b>
Tax expense	(52,491)	(39,792)	32%	(98,263)	(79,598)	23%
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>166,317</b>	<b>121,812</b>	<b>37%</b>	<b>306,221</b>	<b>245,610</b>	<b>25%</b>
<b>Basic earnings per ordinary share (sen)</b>	<b>4.88</b>	<b>3.57</b>	<b>37%</b>	<b>8.98</b>	<b>7.20</b>	<b>25%</b>

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial statements.

**Westports Holdings Berhad (262761-A)**  
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**Condensed Consolidated Statement of Financial Position**

As At 30 June 2019

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,733,803	1,776,807
Concession assets	2,395,943	2,429,240
Right-of-use assets	73,374	-
<b>Total non-current assets</b>	4,203,120	4,206,047
<b>Current assets</b>		
Inventories	6,011	6,146
Trade and other receivables	446,621	431,176
Cash and short term investments	596,493	444,051
<b>Total current assets</b>	1,049,125	881,373
<b>Total assets</b>	5,252,245	5,087,420
<b>Equity</b>		
Share capital	1,038,000	1,038,000
Reserves	1,467,454	1,377,086
<b>Total equity</b>	2,505,454	2,415,086
<b>Non-current liabilities</b>		
Borrowings	1,400,000	1,400,000
Trade and other payables	162	589
Employee benefits	10,059	9,855
Deferred tax liabilities	373,500	373,495
Service concession obligation	238,462	261,111
Lease liabilities	42,237	-
<b>Total non-current liabilities</b>	2,064,420	2,045,050
<b>Current liabilities</b>		
Borrowings	100,000	100,000
Trade and other payables	145,172	177,190
Provisions	332,780	290,608
Tax payable	28,717	16,447
Service concession obligation	44,169	43,039
Lease liabilities	31,533	-
<b>Total current liabilities</b>	682,371	627,284
<b>Total liabilities</b>	2,746,791	2,672,334
<b>Total equity and liabilities</b>	5,252,245	5,087,420

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial statements.

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**Condensed Consolidated Statement of Changes in Equity**

For The Period Ended 30 June 2019

*These figures have not been audited*

	Attributable to the owners of the Company			Total RM'000
	Non-distributable	Distributable	Retained Earnings RM'000	
	Goodwill			
	Share Capital RM'000	Written off Reserve RM'000		
<b>At 1 January 2018</b>	1,038,000	(47,732)	1,284,413	2,274,681
Profit for the period	-	-	245,610	245,610
<b>Total comprehensive income for the period</b>	-	-	245,610	245,610
<i>Distributions to owners of the Company</i>				
- Dividends	-	-	(271,095)	(271,095)
<b>Total transactions with owners of the Company</b>	-	-	(271,095)	(271,095)
<b>At 30 June 2018</b>	1,038,000	(47,732)	1,258,928	2,249,196
<b>At 1 January 2019</b>	1,038,000	(47,732)	1,424,818	2,415,086
Profit for the period	-	-	306,221	306,221
<b>Total comprehensive income for the period</b>	-	-	306,221	306,221
<i>Distributions to owners of the Company</i>				
- Dividends	-	-	(215,853)	(215,853)
<b>Total transactions with owners of the Company</b>	-	-	(215,853)	(215,853)
<b>At 30 June 2019</b>	1,038,000	(47,732)	1,515,186	2,505,454

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

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**Condensed Consolidated Statement of Cash Flows**

For The Period Ended 30 June 2019

*These figures have not been audited*

	<b>6 months ended</b>	
	<b>30.06.2019</b>	<b>30.06.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	404,484	325,208
Adjustments for :		
Amortisation of concession assets	40,809	40,626
Depreciation of right-of-use assets	18,976	-
Depreciation of property, plant and equipment	68,185	63,988
Dredging expenditure	2,712	781
Finance costs - accretion of service concession obligation	7,984	8,855
Finance costs - right-of-use assets	1,921	-
Finance costs - borrowings	35,910	38,285
Finance income	(6,471)	(5,829)
Provision for retirement benefits	278	278
Gain on disposal of property, plant and equipment	-	(376)
Impairment loss on trade receivables	178	323
Reversal of impairment loss on trade receivables	(172)	(539)
	574,794	471,600
<b>Operating profit before working capital changes</b>		
Changes in working capital:		
Trade and other receivables	(12,413)	(43,570)
Payment for dredging expenses	(5,750)	(28,547)
Trade and other payables	(32,152)	(170,468)
Inventories	135	4,619
Provisions	42,172	(48,095)
	566,786	185,539
<b>Cash generated from operations</b>		
Income tax paid	(85,988)	(23,928)
Interest paid	(36,205)	(38,644)
Retirement benefits paid	(74)	(116)
	444,519	122,851
<b>Net cash generated from operating activities</b>		
<b>Cash flows from investing activities</b>		
Interest received	6,471	5,829
Purchase of property, plant and equipment	(25,181)	(42,721)
Additions to concession assets	(7,512)	(51,779)
Proceeds from disposal of property, plant and equipment	-	492
	(26,222)	(88,179)
<b>Net cash used in investing activities</b>		

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**Condensed Consolidated Statement of Cash Flows (Continued)**

For The Period Ended 30 June 2019

*These figures have not been audited*

	6 months ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
<b>Cash flows from financing activities</b>		
Fixed deposits pledged for borrowings	(710)	(661)
Dividends paid to shareholders	(215,853)	(271,095)
Repayment of lease liabilities	(20,500)	-
Annual lease paid for use of port infrastructures and facilities	(29,503)	(25,450)
<b>Net cash used in financing activities</b>	(266,566)	(297,206)
<b>Net increase/(decrease) in cash and cash equivalents</b>	151,731	(262,534)
Cash and cash equivalents at 1 January	406,615	524,244
<b>Cash and cash equivalents at 30 June</b>	558,346	261,710

**(a) Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:**

Cash and bank balances	341,484	160,656
Money market fund	255,009	-
Fixed deposits with licensed banks	-	137,776
	596,493	298,432
Less : Pledged deposits	(38,147)	(36,722)
	558,346	261,710

**(b) Reconciliation of liabilities arising from financing activities**

The table below details the reconciliation of the movement of borrowings in the statements of cash flows is as follows:

	Net changes from financing			30.06.2019 RM'000
	1.1.2019 RM'000	cash flows RM'000	Accretion of interest RM'000	
Sukuk MTN	1,500,000	-	-	1,500,000
Lease liabilities	92,349	(20,500)	1,921	73,770
Service concession obligation	304,150	(29,503)	7,984	282,631
<b>Total liabilities from financing activities</b>	1,896,499	(50,003)	9,905	1,856,401

	Net changes from financing			30.06.2018 RM'000
	1.1.2018 RM'000	cash flows RM'000	Accretion of interest RM'000	
Sukuk MTN	1,500,000	-	-	1,500,000
Service concession obligation	337,341	(25,450)	8,855	320,746
<b>Total liabilities from financing activities</b>	1,837,341	(25,450)	8,855	1,820,746

**The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.**

**Notes to Condensed Consolidated Interim Financial Statement  
for the Second Quarter Ended 30 June 2019**

**1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the requirements of the Companies Act 2016 in Malaysia. This condensed consolidated interim financial statements also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the financial year ended 31 December 2018.

**2. Significant Accounting Policies**

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with the annual audited consolidated financial statements for the financial year ended 31 December 2018 except for the adoption of the following MFRSs, Amendments to MFRSs and IC interpretation during the current financial period:

- *MFRS 16 Leases*
- *Amendments to MFRS 9 Prepayment Features with Negative Compensation*
- *Amendments to MFRS119 Employee Benefits Plan Amendment, Curtailment or Settlement*
- *Amendments to MFRS 128 Long-term Interest in Associates and Joint Ventures*
- *IC Interpretation 23 Uncertainty over Income Tax Treatments*
- *MFRS 3 Business Combinations and MFRS 11 Joint Arrangements – Previously held interest in a joint operation (Annual improvements to MFRSs 2015-2017 cycle)*
- *MFRS 112 Income Taxes – Income tax consequences of payments on financial instruments classified as equity (Annual improvements to MFRSs 2015-2017 cycle)*
- *MFRS 123 Borrowing Costs – Borrowing costs eligible for capitalization (Annual improvements to MFRSs 2015-2017 cycle)*

The adoption of the above MFRSs, Amendments to MFRSs and IC interpretation did not have any material financial impact on these condensed consolidated interim financial statements.



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As at the date of authorisation of these condensed consolidated financial statements, the following new MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

<b>MFRSs and Amendments to MFRSs and IC interpretation</b>		<b><i>Effective for annual periods beginning on or after</i></b>
MFRSs	<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	01-Jan-20
Amendments to MFRS 3	<i>Definition of a Business</i>	01-Jan-20
Amendments to MFRS 101 and MFRS 108	<i>Definition of Material</i>	01-Jan-20
MFRS 17	<i>Insurance Contracts</i>	01-Jan-21
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an investor and its Associate or Joint Venture</i>	Yet to be confirmed

The Group plans to apply the above applicable MFRSs, amendments and interpretations in the respective annual periods based on their effective dates and applicability.

The initial application of the accounting standards, amendments and interpretation are not expected to have any material financial impact on the financial statements of the Group.

**3. Qualification of Audit Report for the Preceding Annual Financial Statements**

There was no qualification on financial statements prepared for the financial year ended 31 December 2018.

**4. Seasonality or Cyclicity of Interim Operations**

There has been no material seasonal or cyclical factor affecting the results of the quarter under review.

**5. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows because of their nature, size or incidence for the financial period to date.

**6. Changes in Estimates**

There were no changes in estimates that have had a material effect for the current quarter and financial period to date.

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**7. Debt and Equity Securities**

There were no issuance, repurchase and repayment of debt and equity securities by the Group for the financial period to date.

**8. Dividend Paid**

During the financial period, the Company has paid second interim ordinary dividend of 6.33 sen per ordinary share totalling to RM215,853,000 in respect of financial year ended 31 December 2018 on 1 March 2019.

**9. Events Subsequent to the End of the Financial Period**

There were no other material events subsequent to quarter under review that have not been reflected in the quarterly financial statements.

**10. Segmental Information**

The Group has identified the business of port development and management of port operations as its sole operating segment.

The Board of Directors does not consider investment holding activities as a reportable operating segment. For the purpose of segmental reporting, non-reportable segment relates to administrative expenses of the holding company.

No segmental information is provided on a geographical basis as the Group's activities are carried out predominantly in Malaysia.

Performance is measured based on segment profit before finance income, finance cost and taxation as included in the internal management reports that are reviewed by the Board of Directors.

**Segment assets**

Segment assets information is not presented regularly to the Board of Directors and hence, no disclosure is made on segment assets.

**Segment liabilities**

Segment liabilities information is not presented regularly to the Board of Directors and hence, no disclosure is made on segment liabilities.

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	<b>Port development and management of port operations</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit</b>				
Reportable segment profit	238,981	184,328	445,155	367,820
<i>Included in the measure of segment profit are :</i>				
Revenue - external customer	454,453	394,035	869,640	779,127
Amortisation of concession assets	(20,388)	(20,378)	(40,809)	(40,626)
Depreciation of property, plant and equipment	(34,655)	(32,518)	(68,185)	(63,988)
Gain on disposal of property, plant and equipment	-	376	-	376
Impairment of trade receivable	84	(229)	(178)	(323)
Reversal of Impairment of trade receivable	(188)	539	172	539

**Reconciliation of reportable segment profit and revenue**

<b>Profit</b>				
Reportable segment	238,981	184,328	445,155	367,820
Non-reportable segment	(705)	(572)	(1,327)	(1,301)
Finance income	3,597	2,270	6,471	5,829
Finance costs	(23,065)	(24,422)	(45,815)	(47,140)
Consolidated profit before tax	<u>218,808</u>	<u>161,604</u>	<u>404,484</u>	<u>325,208</u>
<b>Revenue</b>				
Reportable segment	454,453	394,035	869,640	779,127
Non-reportable segment	-	-	-	-
Consolidated revenue	<u>454,453</u>	<u>394,035</u>	<u>869,640</u>	<u>779,127</u>

## 11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

## 12. Contingent Liabilities

	<b>As at</b>	<b>As at</b>
	<b>30.06.2019</b>	<b>30.06.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Claims related to Bills of Demand issued by the Royal Malaysian Customs Department	35,355	35,355
Bank guarantees (unsecured)	<u>6,765</u>	<u>12,009</u>

The subsidiary, Westports Malaysia Sdn Bhd ("WMSB"), was subjected to Port Clearance Audit by the Royal Malaysian Customs Department ("Customs") on 23 November 2016.

The Customs had issued several Bills of Demand which were dated between 17 July 2017 and 29 December 2017 totalling to RM59,508,000. The Bills of Demand included, inter alia, assessments for the years 2008 to 2011, import

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duty remittance for purchases of equipment and Goods and Services Tax for purchases made after April 2015.

WMSB has been engaging with the Customs and the Ministry of Finance and has also sought additional inputs to provide guidance but received an unfavourable decision from the authorities on 19 December 2017. An appeal is being processed to facilitate the convergence towards an amicable settlement in relation to the Bills of Demand.

The above contingent liability has not been provided and is contingent upon WMSB having an unfavourable outcome.

### 13. Capital Commitments

The amount of commitments for capital expenditure not provided for in the condensed consolidated interim financial statements as at 30 June 2019 are as follows:

	<b>As at 30.06.2019 RM'000</b>	<b>As at 31.12.2018 RM'000</b>
Capital expenditure commitments:		
Property, plant and equipment and concession assets		
- Authorised and contracted for	<u>60,056</u>	<u>61,704</u>
- Authorised but not contracted for	<u>-</u>	<u>-</u>

### 14. Related Party Transactions

Related party transactions have been entered into in the normal course of business and under negotiated terms. Details of the relationships and transactions between the Group and its significant related parties are as follows:

<u>Name of Company</u>	<u>Relationship</u>
Pembinaan Redzai Sdn Bhd ("PR")	Corporate shareholder
Cloud Ten Executive Travel & Tours Sdn Bhd ("C10")	Company in which a Director has significant financial interest
Gryss Holdings Sdn Bhd ("GH")	Company in which a Director has significant financial interest
PKT Logistics (M) Sdn Bhd ("PKT")	Company in which a Director has significant financial interest

The transactions incurred for the financial period are as follows:

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	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
PR - Administrative expenses	5	5	6	7
C10 - Flight ticket and accomodation	275	556	652	963
GH - Office rental	94	94	184	190
PKT - Revenue and rental income	(575)	(819)	(1,628)	(2,275)

## 15. Review of Performance

The summary of the operational results and costs are as follows:

	3 months ended			6 months ended		
	30.06.2019	30.06.2018	Changes	30.06.2019	30.06.2018	Changes
	RM'000	RM'000		RM'000	RM'000	
Revenue as reported	454,453	394,035	15%	869,640	779,127	12%
<b>Operational revenue</b>	<b>454,453</b>	<b>394,035</b>	<b>15%</b>	<b>869,640</b>	<b>779,127</b>	<b>12%</b>
Cost of sales as reported	167,143	167,080	0%	326,330	326,477	0%
<b>Operational cost of sales</b>	<b>167,143</b>	<b>167,080</b>	<b>0%</b>	<b>326,330</b>	<b>326,477</b>	<b>0%</b>
Gross Profit	287,310	226,955	27%	543,310	452,650	20%
Profit before interest and tax	238,276	183,756	30%	443,828	366,519	21%
Profit before tax	218,808	161,604	35%	404,484	325,208	24%
Profit after tax	166,317	121,812	37%	306,221	245,610	25%

### Quarter Ended 30 June 2019 compared to Quarter Ended 30 June 2018

The Group recorded revenue of RM454.5 million in quarter ended 30 June 2019 ("2Q19"), growth by 15% compared to corresponding period last year ("2Q18"). It was mainly attributed to double digit growth in container volume and the implementation of Container tariff hike with effect from 1 March 2019.

The Group recorded profit before tax ("PBT") of RM218.8 million in 2Q19 representing 35% increase compared to 2Q18. The growth in PBT were due to higher gross profit.

The Group profit after tax ("PAT") of RM166.3 million was increased by 37% compared to 2Q18 and was due to similar reasons mentioned above.

### Six Months Ended 30 June 2019 compared to Six Months Ended 30 June 2018

The Group recorded operational revenue of RM869.6 million for first half of year ended 30 June 2019 ("1H19"), growth by 12% compared to corresponding period last year ("1H18"). It was mainly attributed to growth of container volume and tariff hike with effect from 1 March 2019.

The Group achieved PBT of RM404.5 million in 1H19, increase by 24% compared to 1H18. The growth in PBT were due to higher gross profit.

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The Group PAT at RM306.2 million, increase by 25% and was due to similar reasons mentioned above.

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

The summary of the operational results are as follows:

	3 months ended		Changes
	30.06.2019	31.03.2019	
	RM'000	RM'000	
Operational revenue	454,453	415,187	9%
Gross profit	287,310	256,000	12%
Profit before interest and tax	238,276	205,552	16%
Profit before tax	218,808	185,676	18%
Profit after tax	166,317	139,904	19%

The Group operational revenue in 2Q19 growth by 9% compared to the preceding quarter ended 31 March 2019 ("1Q19") mainly attributed to growth of container volume by 8%.

The Group recorded PBT of RM218.8 million in 2Q19, up by 18% compared to 1Q19. The growth in PBT were due to higher gross profit.

The Group PAT of RM166.3 million, increased by 19% and was due to similar reasons mentioned above.

**17. Current Year's Prospects**

Westports Container throughput is expected to register a high single-digit percentage growth rate in 2019.

**18. Profit Forecast or Profit Guarantee**

The Group did not provide any profit forecast or profit guarantee.

**19. Tax Expense**

The breakdown between current tax and deferred tax for the Group are as follows:-

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	<b>Current quarter 30.06.2019 RM'000</b>	<b>Financial period-to-date 30.06.2019 RM'000</b>
Current tax	63,572	98,258
Deferred tax	<u>(11,081)</u>	<u>5</u>
	<u>52,491</u>	<u>98,263</u>

**20. Status of Proposed Expansion**

On 25 August 2017 the Company announced to Bursa, that its wholly-owned subsidiary, WMSB has received an Approval-in-Principle (“AIP”) from the Government of Malaysia (“GOM”), to expand its container terminal facilities beyond CT9 (“Proposed Expansion”). The terms and conditions of the Proposed Expansion are subjected to further deliberations between the GOM and WMSB. In the meantime, the Company has appointed professional consultants to undertake the various studies required.

On 30 April 2018, the Company announced the acquisition of a piece of leasehold land under the sea with the size of 154.2 hectares (381 acres) from Perbadanan Kemajuan Negeri Selangor (“PKNS”) after going through a successful bidding process. The Company is now evaluating the proposed acquisition of a second piece of adjacent land that would be required to facilitate the Proposed Expansion in the future.

The Company wish to update that ongoing preparations are being carried out towards the Proposed Expansion.

**21. Borrowings and Debts Securities**

The Group’s borrowing position as at 30 June 2019 is as follows:-

	<b>As at 30.06.2019 RM'000</b>	<b>As at 31.12.2018 RM'000</b>
Non-current		
Unsecured Sukuk Musharakah Medium Term Note ("SMTN")	1,400,000	1,400,000
Current		
Unsecured Sukuk Musharakah Medium Term Note ("SMTN")	100,000	100,000
Total Borrowings	<u>1,500,000</u>	<u>1,500,000</u>

SMTN has been implemented on a clean basis and certain pledged deposits (as disclosed in the statement of cash flow) are maintained in the Finance

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Service Reserve Account. The above borrowings are denominated in Ringgit Malaysia.

**22. Changes in Material Litigation**

There was no material litigation action as at 20 July 2019, the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report.

**23. Dividends**

The Board of Directors has approved a first interim single-tier dividend of 6.74 sen per share in respect of the financial year ending 31 December 2019 amounting to RM229.834 million to be paid on 23 August 2019. The entitlement date for the dividend payment is on 14 August 2019.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) shares transferred to the depositor's securities account before 4.30 pm on 14 August 2019 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

For the preceding year corresponding period, a first interim dividend of 5.40 sen per share was paid on 20 August 2018 amounted to RM184.140 million.

**24. Earnings per Share**

Basic earnings per share

The basic earnings per ordinary share is calculated by dividing the profit attributable to ordinary shareholders of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period.



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	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary shareholders of the Company	166,317	121,812	306,221	245,610
Weighted average number of ordinary shares in issues (million)	3,410	3,410	3,410	3,410
Basic earnings per ordinary share (sen)	4.88	3.57	8.98	7.20
<u>Diluted earnings per share</u>				

The diluted earnings per share of the Group are similar to the basic earnings per share as the Group does not have any dilutive instruments.

## 25. Profit Before Tax

Profit before tax for the financial period is arrived at after charging/(crediting) the following items:-

	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Finance costs	23,065	24,422	45,815	47,140
Finance income	(3,597)	(2,270)	(6,471)	(5,829)
Amortisation of concession assets	20,388	20,378	40,809	40,626
Depreciation of property, plant and equipment	34,655	32,518	68,185	63,988
Gain on disposal of property, plant and equipment	-	(376)	-	(376)
Dredging expenditure	1,931	781	2,712	781
Net realised foreign exchange (gain)/loss	32	(1,050)	229	(1,051)
Provision for retirement benefits	139	139	278	278
Impairment loss on trade receivables	(84)	229	178	323
Reversal of impairment loss on trade receivables	188	(539)	(172)	(539)

There were no other gains/losses on disposal or impairment of properties and/or derivatives included in the results for the current quarter and preceding year corresponding quarter.

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**26. Fair Value Information**

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate their fair values due to the relatively short term nature of these financial instruments.

Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical financial assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liabilities, either directly or indirectly
- Level 3 – Inputs for the financial asset or liabilities that are not based on observable market data

The following table analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instrument not carried at fair value			Fair Value RM'000	Carrying amount RM'000
	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000		
<b>At 30 June 2019</b>					
<b>Financial Liabilities</b>					
Trade and other payables	-	-	162	162	162
Borrowings	-	-	1,307,545	1,307,545	1,500,000
Service concession obligation	-	-	226,043	226,043	282,631
<b>At 31 December 2018</b>					
<b>Financial Liabilities</b>					
Trade and other payables	-	-	589	589	589
Borrowings	-	-	1,422,683	1,422,683	1,500,000
Service concession obligation	-	-	256,856	256,856	304,150

The fair value of the borrowings and service concession obligation are calculated based on the present value of net cash flows, discounted at the indicative market profit rate at the end of the reporting period.

**27. Authorisation for Issue**

This quarterly financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors.