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Westports Holdings Berhad

(Company No. 199301008024 (262761-A))

(Incorporated in Malaysia)

**Quarterly Financial Report for the
First Quarter Ended 31 March 2024**

Westports Holdings Berhad
(199301008024 (262761-A))
(Incorporated in Malaysia)

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Westports Holdings Berhad
(199301008024 (262761-A))
(Incorporated in Malaysia)

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

For The Period Ended 31 March 2024

These figures have not been audited

	3 months ended			3 months ended		
	31.03.2024	31.03.2023	Changes	31.03.2024	31.03.2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	543,153	512,915	6%	543,153	512,915	6%
Cost of sales	(219,079)	(218,951)	0%	(219,079)	(218,951)	0%
Gross profit	324,074	293,964	10%	324,074	293,964	10%
Other income	1,698	5,990	-72%	1,698	5,990	-72%
Administrative expenses	(7,063)	(5,152)	37%	(7,063)	(5,152)	37%
Other expenses	(48,432)	(49,538)	-2%	(48,432)	(49,538)	-2%
Results from operating activities	270,277	245,264	10%	270,277	245,264	10%
Finance income	3,801	2,760	38%	3,801	2,760	38%
Finance costs	(12,305)	(13,632)	-10%	(12,305)	(13,632)	-10%
Share of results of a joint venture	3,658	2,489	47%	3,658	2,489	47%
Profit before tax	265,431	236,881	12%	265,431	236,881	12%
Tax expense	(60,924)	(53,295)	14%	(60,924)	(53,295)	14%
Total comprehensive income for the period attributable to owners of the Company	204,507	183,586	11%	204,507	183,586	11%
Basic earnings per ordinary share (sen)	6.00	5.38	11%	6.00	5.38	11%

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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

Westports Holdings Berhad
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Condensed Consolidated Statement of Financial Position

As At 31 March 2024

	Unaudited	Audited
	As at	As at
	31.03.2024	31.12.2023
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	1,718,785	1,738,979
Concession assets	2,817,719	2,477,758
Right-of-use assets	73,505	66,959
Investment in a joint venture	174,870	171,212
Total non-current assets	4,784,879	4,454,908
Current assets		
Inventories	5,524	5,349
Tax recoverable	-	20,384
Trade and other receivables	290,827	280,739
Cash and short term investments	345,451	577,858
Total current assets	641,802	884,330
Total assets	5,426,681	5,339,238
Equity		
Share capital	1,038,000	1,038,000
Reserves	2,389,276	2,482,121
Total equity	3,427,276	3,520,121
Non-current liabilities		
Borrowings	725,000	725,000
Employee benefits	8,527	8,503
Deferred tax liabilities	424,890	428,323
Lease liabilities	49,690	41,179
Total non-current liabilities	1,208,107	1,203,005
Current liabilities		
Trade and other payables	162,139	158,950
Provisions	265,292	244,451
Tax payable	43,945	-
Borrowings	250,000	125,000
Service concession obligation	45,741	60,989
Lease liabilities	24,181	26,722
Total current liabilities	791,298	616,112
Total liabilities	1,999,405	1,819,117
Total equity and liabilities	5,426,681	5,339,238

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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

Westports Holdings Berhad
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Condensed Consolidated Statement of Changes in Equity

For The Period Ended 31 March 2024

These figures have not been audited

	Attributable to the owners of the Company			Total RM'000
	Non-distributable Share Capital RM'000	Goodwill Written off Reserve RM'000	Distributable Retained Earnings RM'000	
At 1 January 2023	1,038,000	(47,732)	2,284,086	3,274,354
Profit for the year	-	-	183,586	183,586
Total comprehensive income for the period	-	-	183,586	183,586
<i>Distributions to owners of the Company</i>				
- Dividends	-	-	(254,386)	(254,386)
Total transactions with owners of the Company	-	-	(254,386)	(254,386)
At 31 March 2023	<u>1,038,000</u>	<u>(47,732)</u>	<u>2,213,286</u>	<u>3,203,554</u>
At 1 January 2024	1,038,000	(47,732)	2,529,853	3,520,121
Profit for the year	-	-	204,507	204,507
Total comprehensive income for the period	-	-	204,507	204,507
<i>Distributions to owners of the Company</i>				
- Dividends	-	-	(297,352)	(297,352)
Total transactions with owners of the Company	-	-	(297,352)	(297,352)
At 31 March 2024	<u>1,038,000</u>	<u>(47,732)</u>	<u>2,437,008</u>	<u>3,427,276</u>

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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

Westports Holdings Berhad
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Condensed Consolidated Statement of Cash Flows

For The Period Ended 31 March 2024

These figures have not been audited

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	265,431	236,881
Adjustments for :		
Share of results of a joint venture	(3,658)	(2,489)
Amortisation of concession assets	21,962	21,457
Depreciation of right-of-use assets	8,141	6,703
Depreciation of property, plant and equipment	35,274	35,917
Dredging expenditure	2,406	1,805
Finance costs - accretion of service concession obligation	800	1,522
Finance costs - lease liabilities	849	728
Finance costs - borrowings and others	10,656	11,382
Finance income	(3,304)	(1,679)
Income from money market funds	(497)	(1,081)
Provision for retirement benefits	101	108
Gain on disposal of property, plant and equipment	-	(722)
Property, plant and equipment written off	-	31
Reversal of impairment loss on trade receivables	(50)	(109)
	338,111	310,454
Operating profit before working capital changes		
Changes in working capital:		
Trade and other receivables, excluding payment for dredging expenses	(12,445)	(41,818)
Payment for dredging expenses	-	(5,494)
Trade and other payables	(1,514)	7,193
Inventories	(175)	(333)
Provisions	20,841	18,685
	344,818	288,687
Cash generated from operations		
Income tax paid	(28)	(71,926)
Interest paid	(5,954)	(8,675)
Retirement benefits paid	(77)	(78)
	338,759	208,008
Net cash generated from operating activities		
Cash flows from investing activities		
Interest received	3,304	1,679
Income from money market funds	497	1,081
Purchase of property, plant and equipment	(15,080)	(45,974)
Construction of concession assets	(361,923)	(28,136)
Proceeds from disposal of property, plant and equipment	-	731
	(373,202)	(70,619)
Net cash used in investing activities		

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Condensed Consolidated Statement of Cash Flows (Continued)

For The Period Ended 31 March 2024

These figures have not been audited

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Cash flows from financing activities		
Fixed deposits pledged for borrowings	(312)	(272)
Redemption of borrowings-SMTN	(50,000)	(75,000)
Drawdown of borrowings	175,000	-
Dividends paid to shareholders	(297,352)	(254,386)
Repayment of lease liabilities		
- Principal	(8,715)	(7,266)
- Interest	(849)	(728)
Annual lease paid for use of port infrastructures and facilities	(16,048)	(15,258)
Net cash used in financing activities	<u>(198,276)</u>	<u>(352,910)</u>
Net decrease in cash and cash equivalents	(232,719)	(215,521)
Cash and cash equivalents at 1 January	535,217	510,572
Cash and cash equivalents at 31 March	<u>302,498</u>	<u>295,051</u>

(a) Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

Cash and bank balances	217,436	212,004
Money market funds	71,016	69,093
Fixed deposits with licensed banks	56,999	55,710
	<u>345,451</u>	<u>336,807</u>
Less : Pledged deposits	(42,953)	(41,756)
	<u>302,498</u>	<u>295,051</u>

(b) Reconciliation of liabilities arising from financing activities

The table below details the reconciliation of the movement of liabilities in the statements of cash flows:

	Net changes from financing cash flows				
	1.1.2024	Additions	cash flows	Accretion of interest	31.03.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Borrowing	850,000	175,000	(50,000)	-	975,000
Lease liabilities	67,901	14,685	(9,564)	849	73,871
Service concession obligation	60,989	-	(16,048)	800	45,741
Total liabilities from financing	<u>978,890</u>	<u>189,685</u>	<u>(75,612)</u>	<u>1,649</u>	<u>1,094,612</u>

	Net changes from financing cash flows				
	1.1.2023	Additions	cash flows	Accretion of interest	31.03.2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Borrowing	975,000	-	(75,000)	-	900,000
Lease liabilities	65,324	-	(7,994)	728	58,058
Service concession obligation	115,932	-	(15,258)	1,522	102,196
Total liabilities from financing	<u>1,156,256</u>	<u>-</u>	<u>(98,252)</u>	<u>2,250</u>	<u>1,060,254</u>

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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

**Notes to Condensed Consolidated Financial Statements
for the First Quarter Ended 31 March 2024**

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 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. These condensed consolidated interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the financial year ended 31 December 2023.

2. Material Accounting Policies

The significant accounting policies adopted in these condensed consolidated financial statements are consistent with the annual audited consolidated financial statements for the financial year ended 31 December 2023 except for the adoption of the following Amendments to MFRSs during the current financial period:

- *Amendments to MFRS 16 Lease Liability in a Sale and Leaseback*
- *Amendments to MFRS 101 Classification of Liabilities as Current or Non-current*
- *Amendments to MFRS 101 Non-current Liabilities with Covenants*
- *Amendments to MFRS 112 International Tax Reform- Pillar Two Model Rules*
- *Amendments to MFRS 7 and MFRS 107 Supplier Finance Arrangements*

The adoption of these Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and has no significant effect on these condensed consolidated financial statements.

As at the date of authorisation of these condensed consolidated interim financial statements, the following amendments to MFRSs which were in issue but not yet effective and have not been early adopted by the Group:

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Amendments to MFRSs	Effective for annual periods beginning on or after
Amendments to MFRS 121	<i>Lack of Exchangeability</i> 1 January 2025
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between on Investor and Its Associate or Joint Venture</i> Deferred

The adoption of these amendments to MFRSs are not expected to have any material financial impact on the financial statements of the Group in the period of initial application.

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 2023.

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

Liquid Bulk Cement Terminal Incident

There was an incident at its wholly-owned subsidiary, Westports Malaysia Sdn Bhd (“WMSB”), on 8 October 2023, whereby a berthing conventional vessel collided with Berthing Dolphin No. 3 (“BD3”) at our Liquid Bulk Cement Terminal (“LBCT”). This resulted in the collapse of BD3 towards the landside of the berth. As a safety measure, WMSB has closed the berth to assess the damages.

The total cost of salvaging and constructing of a new berthing mooring is estimated at RM15,000,000 and we have secured a Letter of Undertaking from the insurer for the abovementioned amount. These expenditures would be incurred progressively and would correspondingly be reimbursed by the Insurer in the same manner, subject to the terms and conditions of the policy.

Save as disclosed above, there were no other 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.

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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.

7. Debt and Equity Securities

There was redemption of SMTN borrowings of RM50 million by the Group for the financial period to date.

Save as above, there were no other issuance and repurchase of debts and equity securities by the Group for the financial period to date.

8. Dividend Paid

During the financial period, the Company has paid the following dividend:

	RM'000
Second interim dividend of 8.72 sen per ordinary share in respect of financial year ended 31 December 2023 on 29 February 2024	<u>297,352</u>

9. Events Subsequent to the End of the Financial Period

There were no other material events subsequent to the 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 presented regularly to the Board of Directors and hence, no disclosure is made on segment assets.

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Segment liabilities

Segment liabilities information is presented regularly to the Board of Directors and hence, no disclosure is made on segment liabilities.

	Port development and management of port operations			
	3 months ended		3 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Profit				
Reportable segment profit	270,864	245,918	270,864	245,918
<i>Included in the measure of segment profit are :</i>				
Revenue - external customer	540,989	503,248	540,989	503,248
- construction services	2,164	9,667	2,164	9,667
Share of results of a joint venture	3,658	2,489	3,658	2,489
Amortisation of concession assets	(21,962)	(21,457)	(21,962)	(21,457)
Depreciation of right-of-use assets	(8,141)	(6,703)	(8,141)	(6,703)
Depreciation of property, plant and equipment	(35,274)	(35,917)	(35,274)	(35,917)
Property, plant and equipment written off	-	(31)	-	(31)
Gain on disposal of property, plant and equipment	-	722	-	722
Reversal of Impairment loss of trade receivables	50	109	50	109
Reconciliation of reportable segment profit and revenue				
Profit				
Reportable segment	270,864	245,918	270,864	245,918
Non-reportable segment	(587)	(654)	(587)	(654)
Share of results of a joint venture	3,658	2,489	3,658	2,489
Finance income	3,801	2,760	3,801	2,760
Finance costs	(12,305)	(13,632)	(12,305)	(13,632)
Consolidated profit before tax	<u>265,431</u>	<u>236,881</u>	<u>265,431</u>	<u>236,881</u>
Revenue				
Reportable segment	543,153	512,915	543,153	512,915
Non-reportable segment	-	-	-	-
Consolidated revenue	<u>543,153</u>	<u>512,915</u>	<u>543,153</u>	<u>512,915</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 and Contingent Assets

There were no material contingent liabilities or contingent assets as at 24 April 2024, the latest practicable date which shall not be earlier than 7 days from the date of issuance of this quarterly report.

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13. Capital Commitments

The amount of commitments for capital expenditure not provided for in the condensed consolidated interim financial statements as at 31 March 2024 is as follows:

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Capital expenditure commitments:		
Property, plant and equipment and concession assets		
- Authorised and contracted for	150,454	512,554

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 Directors have significant financial interest
Westports Foundation ("WF")	Company in which Directors have significant financial interest
PKT Logistics (M) Sdn Bhd ("PKT")	Company in which a Director has significant financial interest
Harbour 360 Sdn Bhd ("HB")	Company in which Directors have significant financial interest

The transactions incurred for the financial period are as follows:

	3 months ended 31.03.2024 RM'000	3 months ended 31.03.2023 RM'000	3 months ended 31.03.2024 RM'000	3 months ended 31.03.2023 RM'000
PR - Office rental and administrative expenses	11	14	11	14
C10 - Flight ticket and accommodation	823	373	823	373
WF - Financial support to community	134	115	134	115
PKT - Port and storage income	431	1,492	431	1,492
HB - Hiring of tug boat	648	-	648	-

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15. Review of Performance

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

	3 months ended			3 months ended		
	31.03.2024	31.03.2023	Changes	31.03.2024	31.03.2023	Changes
	RM'000	RM'000		RM'000	RM'000	
Revenue as reported	543,153	512,915	6%	543,153	512,915	6%
Less : Construction revenue (N1)	(2,164)	(9,667)	-78%	(2,164)	(9,667)	-78%
Operational revenue	540,989	503,248	7%	540,989	503,248	7%
Cost of sales as reported	219,079	218,951	0%	219,079	218,951	0%
Less : Construction cost (N1)	(2,142)	(9,571)	-78%	(2,142)	(9,571)	-78%
Operational cost of sales	216,937	209,380	4%	216,937	209,380	4%
Gross Profit	324,074	293,964	10%	324,074	293,964	10%
Profit before interest and tax	270,277	245,264	10%	270,277	245,264	10%
Profit before tax	265,431	236,881	12%	265,431	236,881	12%
Profit after tax	204,507	183,586	11%	204,507	183,586	11%

N1 - The construction revenue and cost are recorded in accordance with IC Interpretation 12 – Service Concession Arrangements and related to the construction of port development infrastructure under the privatisation agreements. The port development infrastructure is recognised as concession assets in the statement of financial position and amortised over the remaining concession period.

Quarter Ended 31 March 2024 compared to Quarter Ended 31 March 2023

In the first quarter ended 31 March 2024 (“1Q2024”), the Group recorded operational revenue of RM541 million, a growth of 7% compared to the corresponding quarter of previous year (“1Q2023”). It was mainly due to the increase in container revenue.

Profit before tax (“PBT”) for the Group in 1Q2024 showed an improvement of 12% to RM265 million compared with 1Q2023. It was mainly attributed to the increase in revenue.

The Group’s profit after tax (“PAT”) increased by 11% to RM205 million due to 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:

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	3 months ended		
	31.03.2024	31.12.2023	Changes
	RM'000	RM'000	
Operational revenue	540,989	536,771	1%
Gross profit	324,074	318,916	2%
Profit before interest and tax	270,277	271,758	-1%
Profit before tax	265,431	263,107	1%
Profit after tax	204,507	206,078	-1%

PBT of the Group reported a 1% growth to RM265 million on the back of higher operational revenue in 1Q2024.

PAT of the Group was RM205 million, which declined slightly due to lower Qualifying Expenditures in 1Q2024 for Investment Tax Allowance.

17. Prospects for 2024

The key exposure of the Company is to container volume within Intra-Asia. Barring a significant escalation of conflict beyond the Middle East and a sharp reduction in economic growth in many major developed economies, the Company is cautiously forecasting a low single-digit growth rate over the previous year. The interest rate increase was a critical feature of last year's economic landscape. The prospects of stable or lower rates in the current year could provide some buffer to consumers' containerised consumption.

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 is as follows:-

	Current quarter 31.03.2024 RM'000	Financial period-to-date 31.03.2024 RM'000
Current tax	64,357	64,357
Deferred tax	(3,433)	(3,433)
	60,924	60,924

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20. Status of Proposed Expansion

The Company had on 8 December 2023 announced to Bursa that its wholly owned subsidiary, WMSB has entered into a Third Supplemental Privatisation Agreement (“Third SA”) with the Government of Malaysia and Port Klang Authority (“PKA”) for the Proposed Expansion of Container Terminals (“CT”) 10 to 17 (“Proposed Expansion”).

The concession period has been extended to 31 August 2070 covering CT10 to CT13. The Group will fund the development capital expenditure with a combination of internally generated funds, borrowings and/or dividend reinvestment. WMSB has established a new RM5 billion Sukuk Wakalah Programme to finance the Proposed Expansion.

Upon WMSB completing the acquisition of the third parcel of underwater land from the Selangor State Government and transferred the land to PKA by 31 August 2045 for the development of CT14 to CT17, the concession period will be extended from 1 September 2070 to 31 August 2082.

21. Borrowings and Debts Securities

The Group’s borrowings position as at 31 March 2024 is as follows: -

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Non-current		
Unsecured Sukuk Musharakah Medium Term Note ("SMTN")	725,000	725,000
Current		
Unsecured Sukuk Musharakah Medium Term Note ("SMTN")	75,000	125,000
Revolving Credit	175,000	-
Total Borrowings	975,000	850,000

SMTN has been implemented on a clean basis and certain pledged deposits (as disclosed in the statement of cash flows) are maintained in the Finance Service Reserve Account. The above borrowings are denominated in Ringgit Malaysia.

On 5 December 2023, RAM Rating Services Berhad has reaffirmed the AAA/Stable rating of WMSB for its Sukuk Musharakah Programme.

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The Company had on 19 April 2024 announced to Bursa that its wholly owned subsidiary, WMSB had successfully established the Sukuk Wakalah Programme of up to RM5.0 billion in Nominal Value based on the Shariah Principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah Programme”).

The Sukuk Wakalah Programme shall have a perpetual tenure. The Sukuk Wakalah Programme will also give the Issuer the flexibility to issue sustainability Sukuk Wakalah and sustainability-linked Sukuk Wakalah in the future, which will be in compliance with, any one or more of the relevant guidelines, frameworks, standards or principles, as amended and/or substituted from time to time.

The Sukuk Wakalah Programme has been assigned a final rating of AAA by RAM Rating Services Berhad.

22. Changes in Material Litigation

There was no material litigation action as at 24 April 2024, the latest practicable date which shall not be earlier than 7 days from the date of issuance of this quarterly report.

23. 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.

	3 months ended		3 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary shareholders of the Company	204,507	183,586	204,507	183,586
Weighted average number of ordinary shares in issue (million)	3,410	3,410	3,410	3,410
Basic earnings per ordinary share (sen)	6.00	5.38	6.00	5.38

Diluted earnings per share

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

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24. Profit Before Tax

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

	3 months ended		3 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Finance costs	12,305	13,632	12,305	13,632
Finance income	(3,801)	(2,760)	(3,801)	(2,760)
Share of results of a joint venture	(3,658)	(2,489)	(3,658)	(2,489)
Amortisation of concession assets	21,962	21,457	21,962	21,457
Depreciation of right-of-use assets	8,141	6,703	8,141	6,703
Depreciation of property, plant and equipment	35,274	35,917	35,274	35,917
Property, plant and equipment written off	-	31	-	31
Gain on disposal of property, plant and equipment	-	(722)	-	(722)
Dredging expenditure	2,406	1,805	2,406	1,805
Net realised foreign exchange loss/(gain)	100	(48)	100	(48)
Provision for retirement benefits	101	108	101	108
Reversal of impairment loss on trade receivables	(50)	(109)	(50)	(109)

25. 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 is 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.

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	Fair value of financial instrument not carried at fair value			Fair Value RM000	Carrying amount RM000
	Level 1	Level 2	Level 3		
	RM000	RM000	RM000		
At 31 March 2024					
Financial Liabilities					
Borrowings	-	-	910,528	910,528	975,000
Lease liabilities	-	-	73,871	73,871	73,871
Service concession obligation	-	-	45,741	45,741	45,741
At 31 December 2023					
Financial Liabilities					
Borrowings	-	-	954,604	954,604	850,000
Lease liabilities	-	-	67,901	67,901	67,901
Service concession obligation	-	-	60,989	60,989	60,989

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

26. Authorisation for Issue

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