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**Westports Holdings Berhad**

(Company No. 262761-A)

(Incorporated in Malaysia)

**Quarterly Financial Report for the  
Second Quarter Ended 30 June 2016**

**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 2016

*These figures have not been audited*

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	522,627	405,280	987,341	804,002
Cost of sales	<u>(272,282)</u>	<u>(187,110)</u>	<u>(489,816)</u>	<u>(370,627)</u>
<b>Gross profit</b>	250,345	218,170	497,525	433,375
Other income	1,205	1,413	22,795	2,618
Administrative expenses	(5,273)	(6,217)	(10,927)	(11,366)
Other expenses	<u>(38,562)</u>	<u>(35,738)</u>	<u>(74,964)</u>	<u>(71,434)</u>
<b>Results from operating activities</b>	207,715	177,628	434,429	353,193
Finance income	3,543	4,372	7,091	8,092
Finance costs	<u>(19,268)</u>	<u>(19,952)</u>	<u>(38,535)</u>	<u>(39,638)</u>
<b>Profit before tax</b>	191,990	162,048	402,985	321,647
Tax expense	<u>(32,118)</u>	<u>(39,955)</u>	<u>(72,035)</u>	<u>(79,369)</u>
<b>Profit for the period</b>	159,872	122,093	330,950	242,278
<b>Other comprehensive income, net of tax</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Fair value of available-for-sale financial assets	-	6,801	(20,149)	6,801
<b>Profit / Total comprehensive income for the period attributable to owners of the Company</b>	<u>159,872</u>	<u>128,894</u>	<u>310,801</u>	<u>249,079</u>
<b>Basic earnings per ordinary share (sen)</b>	4.69	3.58	9.71	7.10

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 2015 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 2016

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.06.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,466,631	1,369,283
Concession assets	1,980,160	1,920,752
<b>Total non-current assets</b>	3,446,791	3,290,035
<b>Current assets</b>		
Investment in securities	-	103,165
Trade and other receivables	301,686	240,182
Cash and cash equivalents	405,918	396,173
<b>Total current assets</b>	707,604	739,520
<b>Total assets</b>	4,154,395	4,029,555
<b>Equity</b>		
Share capital	341,000	341,000
Share premium	697,000	697,000
Reserves	973,824	860,121
<b>Total equity</b>	2,011,824	1,898,121
<b>Non-current liabilities</b>		
Borrowings	1,150,000	1,150,000
Employee benefits	10,616	10,302
Deferred tax liabilities	303,002	288,475
Service concession obligation	353,895	368,876
<b>Total non-current liabilities</b>	1,817,513	1,817,653
<b>Current liabilities</b>		
Trade and other payables	168,517	149,298
Provisions	107,381	96,014
Tax payable	19,198	38,507
Service concession obligation	29,962	29,962
<b>Total current liabilities</b>	325,058	313,781
<b>Total liabilities</b>	2,142,571	2,131,434
<b>Total equity and liabilities</b>	4,154,395	4,029,555

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 2015 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 2016

*These figures have not been audited*

	←———— Attributable to the owners of the Company —————→					
	←———— Non-distributable —————→			Distributable		
	Share Capital	Share Premium	Fair Value Reserve	Goodwill Written off Reserve	Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2015</b>	341,000	697,000	-	(47,732)	773,967	1,764,235
Fair value of available-for-sale financial assets	-	-	6,801	-	-	6,801
Profit for the period	-	-	-	-	242,278	242,278
<b>Total comprehensive income for the period</b>	-	-	6,801	-	242,278	249,079
<i>Distributions to owners of the Company</i>						
- Dividends	-	-	-	-	(209,715)	(209,715)
<b>Total transactions with owners of the Company</b>	-	-	-	-	(209,715)	(209,715)
<b>At 30 June 2015</b>	341,000	697,000	6,801	(47,732)	806,530	1,803,599
<b>At 1 January 2016</b>	341,000	697,000	20,149	(47,732)	887,704	1,898,121
Fair value of available-for-sale financial assets	-	-	(20,149)	-	-	(20,149)
Profit for the period	-	-	-	-	330,950	330,950
<b>Total comprehensive income for the period</b>	-	-	(20,149)	-	330,950	310,801
<i>Distributions to owners of the Company</i>						
- Dividends	-	-	-	-	(197,098)	(197,098)
<b>Total transactions with owners of the Company</b>	-	-	-	-	(197,098)	(197,098)
<b>At 30 June 2016</b>	341,000	697,000	-	(47,732)	1,021,556	2,011,824

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 2015 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 Cash Flows**

For The Financial Period Ended 30 June 2016

*These figures have not been been audited*

	<b>6 months ended</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	402,985	321,647
Adjustments for :		
Amortisation of dredging expenditure	1,571	955
Amortisation of concession assets	31,545	30,882
Depreciation of property, plant and equipment	48,212	44,698
Gain on disposal of property, plant and equipment	(201)	(392)
Gain from proceeds received for concession assets cost reimbursement from Government of Malaysia	(683)	-
Property, plant and equipment written off	214	-
Finance costs - accretion of concession liability	10,469	11,726
Finance costs - borrowings	28,066	27,912
Finance income	(7,091)	(8,092)
Provision for retirement benefits	450	274
Gain on disposal of investment in securities	(20,384)	-
Concession assets written off	-	267
Dividend income	-	(313)
<b>Operating profit before working capital changes</b>	<b>495,153</b>	<b>429,564</b>
Changes in working capital:		
Trade and other receivables	(63,075)	4,589
Trade and other payables	32,814	22,787
Provisions	11,367	(12,752)
<b>Cash generated from operations</b>	<b>476,259</b>	<b>444,188</b>
Income tax paid	(76,817)	(18,001)
Retirement benefits paid	(137)	(63)
<b>Net cash generated from operating activities</b>	<b>399,305</b>	<b>426,124</b>
<b>Cash flows from investing activities</b>		
Interest received	7,091	8,092
Proceeds from disposal of investment in securities	103,400	-
Proceeds from disposal of property, plant and equipment	238	505
Purchase of property, plant and equipment	(170,336)	(91,371)
Additions to concession assets	(90,953)	(35,894)
Purchase of spares, net	(909)	(339)
Concession assets cost reimbursement from Government of Malaysia	12,600	-
Investment in securities	-	(28,309)
Dividend received	-	313
<b>Net cash used in investing activities</b>	<b>(138,869)</b>	<b>(147,003)</b>

**Westports Holdings Berhad (262761-A)**  
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**Condensed Consolidated Statement of Cash Flows (Continued)**

For The Financial Period Ended 30 June 2016

*These figures have not been been audited*

	6 months ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
<b>Cash flows from financing activities</b>		
Fixed deposits pledged for borrowings	(569)	(545)
Interest paid	(28,143)	(28,143)
Dividends paid to shareholders	(197,098)	(209,715)
Annual lease paid for use of port infrastructures and facilities	(25,450)	(24,533)
<b>Net cash used in financing activities</b>	(251,260)	(262,936)
<b>Net increase in cash and cash equivalents</b>	9,176	16,185
Cash and cash equivalents at 1 January	364,727	414,202
<b>Cash and cash equivalents at 30 June</b>	373,903	430,387

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

Cash and bank balances	141,752	66,905
Fixed deposits with licensed banks	264,166	394,383
	405,918	461,288
Less : Pledged deposits	(32,015)	(30,901)
	373,903	430,387

**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 2015 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial statements.**

**Westports Holdings Berhad (262761-A)**  
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**Notes to Condensed Consolidated Interim Financial Statements  
for the Second Quarter Ended 30 June 2016**

*These figures have not been audited*

**1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“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”). 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 2015.

**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 2015 except for the adoption of the following MFRS and Amendments to MFRSs during the current financial period.

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*



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

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

<b>MFRSs and Amendments to MFRSs</b>	<b><i>Effective for annual periods beginning on or after</i></b>
Amendments to MFRS 107	<i>Statement of Cash Flows – Disclosure Initiative</i> 1-Jan-17
Amendments to MFRS 112	<i>Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses</i> 1-Jan-17
MFRS 15	<i>Revenue from Contracts with Customers</i> 1-Jan-18
Clarifications to MFRS 15	<i>Revenue from Contracts with Customers</i> 1-Jan-18
MFRS 9	<i>Financial Instruments (2014)</i> 1-Jan-18
MFRS 16	<i>Leases</i> 1-Jan-19
Amendments to MFRS 10 and 128	<i>Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – 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 and its consequential amendments in the respective annual periods based on their effective dates and applicability.

The initial application of the accounting standards and amendments are not expected to have any material financial impacts on the financial statements of the Group except as mentioned below:

**MFRS 15, Revenue from Contracts with Customers**

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

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***MFRS 9, Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

**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 2015.

**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 ended 30 June 2016.

**6. Changes in Estimates**

There were no changes in estimates that have had a material effect for the financial period ended 30 June 2016.

**7. Debt and Equity Securities**

There were no issuance, repurchase and repayment of debt and equity securities by the Group for the financial period ended 30 June 2016.

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**8. Dividend Paid**

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

	<b>RM'000</b>
Second interim dividend of 5.78 sen per ordinary share of RM0.10 each in respect of financial year ended 31 December 2015 on 2 March 2016	<u>197,098</u>

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

Save as disclosed in Note 23, there were no 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>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit</b>				
Reportable segment profit	208,326	177,968	415,346	354,194
<i>Included in the measure of segment profit are :</i>				
Revenue - external customer	449,125	386,442	885,425	773,190
- construction service	73,502	18,838	101,916	30,812
Amortisation	15,931	15,562	31,545	30,882
Depreciation	24,507	22,584	48,212	44,698
 <b>Reconciliation of reportable segment profit and revenue</b>				
<b>Profit</b>				
Reportable segment	208,326	177,968	415,346	354,194
Non-reportable segment	(611)	(340)	19,083	(1,001)
Finance income	3,543	4,372	7,091	8,092
Finance costs	(19,268)	(19,952)	(38,535)	(39,638)
Consolidated profit before tax	191,990	162,048	402,985	321,647
<b>Revenue</b>				
Reportable segment	522,627	405,280	987,341	804,002
Non-reportable segment	-	-	-	-
Consolidated revenue	522,627	405,280	987,341	804,002

## 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 20 July 2016, the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report.

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**13. Capital Commitments**

The amount of commitments for capital expenditure not provided for in interim condensed financial statements as at 30 June 2016 are as follows:

	<b>As at 30.06.2016 RM'000</b>	<b>As at 31.12.2015 RM'000</b>
Capital expenditure commitments:		
Property, plant and equipment and concession assets		
- Authorised and contracted for	<u>525,821</u>	<u>604,983</u>
- Authorised but not contracted for	<u>67,107</u>	<u>8,566</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>
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
Westports Bunkering Services Sdn Bhd ("WEBS")	Wholly-owned subsidiary of Pembinaan Redzai Sdn Bhd, a Corporate shareholder
PKT Logistic Group Sdn Bhd ("PKT")	Common director

The transactions incurred for the financial period are as follows:

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
C10 - Flight ticket and accomodation	351	401	740	541
GH - Office rental	72	72	141	157
WEBS - Rental income	-	(222)	-	(444)
PKT - Revenue and rental income	(299)	-	(678)	-

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**15. Review of Performance**

The operational revenue and cost of sales excluding construction revenue and costs are as follows:

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue as reported	522,627	405,280	987,341	804,002
Less : Construction revenue (N1)	<u>(73,502)</u>	<u>(18,838)</u>	<u>(101,916)</u>	<u>(30,812)</u>
Operational revenue	<u>449,125</u>	<u>386,442</u>	<u>885,425</u>	<u>773,190</u>
Cost of sales as reported	272,282	187,110	489,816	370,627
Less : Construction cost (N1)	<u>(73,502)</u>	<u>(18,838)</u>	<u>(101,916)</u>	<u>(30,812)</u>
Operational cost of sales	<u>198,780</u>	<u>168,272</u>	<u>387,900</u>	<u>339,815</u>

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

Quarter Ended 30 June 2016 compared to Quarter Ended 30 June 2015

The Group recorded operational revenue of RM449.1 million for the quarter ended 30 June 2016 (“Q216”) compared to RM386.4 million for the corresponding quarter last year, which represents an increase of 16%. Container throughput has increased by 16% from 2.16 million to 2.50 million Twenty-foot Equivalent Units (“TEUs”) for period under review.

The Group recorded profit before tax (“PBT”) of RM192.0 million for Q216 compared to RM162.0 million for the quarter ended 30 June 2015, an increase of 19%. The higher growth in PBT were attributable to revision in container tariff and lower fuel cost.

Six Months Ended 30 June 2016 compared to Six Months Ended 30 June 2015

The Group recorded operational revenue of RM885.4 million for six months period ended 30 June 2016 compared to RM773.2 million for the corresponding period last year, which represents an increase of 15%. Container throughput has increased by 11% from 4.42 million to 4.90 million Twenty-foot Equivalent Units (“TEUs”) for period under review.

The Group recorded profit before tax (“PBT”) of RM403.0 million for six months period ended 30 June 2016 compared to RM321.6 million for six months period ended 30 June 2015, an increase of 25%. The higher growth in PBT is due to one-off gain on disposal of investment in securities and excluding the one-off gain, the growth is at 19%. The higher growth in PBT were attributable to revision in container tariff and lower fuel cost.

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

The Group achieved a PBT of RM192.0 million for the quarter under review, decreased by 9% compared to PBT of RM211.0 million achieved in the immediately preceding quarter ended 31 March 2016. Excluding the one-off gain on disposal of investment in securities recorded in the quarter ended 31 March 2016, the growth would be at 1%.

**17. Current Year's Prospects**

We expect our container throughput to grow between 5% to 10% in 2016 driven by transshipment segment.

The first phase of Container Terminal 8, consisting of a 300-meter wharf and supporting port equipment and facilities has commenced operations in the quarter under review.

**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:-

	<b>Current quarter 30.06.2016 RM'000</b>	<b>Financial period-to-date 30.06.2016 RM'000</b>
Current tax	18,422	57,508
Deferred tax	<u>13,696</u>	<u>14,527</u>
	<u><u>32,118</u></u>	<u><u>72,035</u></u>

The effective tax rate for current quarter and financial period-to-date are lower than statutory tax rate mainly due to tax incentives from investment tax allowance for capital expenditure incurred for port development works.

**20. Status of Corporate Proposals**

There is no corporate proposal which is announced but not completed as at 20 July 2016, the latest practicable date which shall not be earlier than 7 days from date of issue of this quarterly report.

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**21. Borrowings and Debts Securities**

The Group's borrowing position as at 30 June 2016 is as follows:-

	<b>As at 30.06.2016 RM'000</b>	<b>As at 31.12.2015 RM'000</b>
Non-current		
Sukuk Musharakah Medium Term Note ("SMTN")	1,150,000	1,150,000
	<u>1,150,000</u>	<u>1,150,000</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 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 2016, 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 7.30 sen per share for the financial year ending 31 December 2016 amounting to RM248.930 million to be paid on 23 August 2016. The entitlement date for the dividend payment is 11 August 2016.

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

- (i) shares transferred to the depositor's securities account before 4.00 pm on 11 August 2016 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 single tier dividend of 5.32 sen per share was paid on 26 August 2015 amounted to RM181.412 million.



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**24. Investment in securities**

In the last financial year, the Group acquired investment in quoted share in Malaysia amounted to RM83.02 million. In the current financial year, the Group has disposed the said investment for RM103.4 million and recognised a gain on disposal of RM20.38 million.

**25. 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.

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to ordinary shareholders of the Company	159,872	122,093	330,950	242,278
Weighted average number of ordinary shares in issues (million)	3,410	3,410	3,410	3,410
Basic earnings per ordinary share (sen)	4.69	3.58	9.71	7.10

Diluted earnings per share

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.

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**26. Profit Before Tax**

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

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Finance cost	19,268	19,952	38,535	39,638
Amortisation of concession assets	15,931	15,562	31,545	30,882
Depreciation of property, plant and equipment	24,507	22,584	48,212	44,698
Amortisation of dredging expenditure	786	-	1,571	955
Provision for retirement benefits	198	137	450	274
Property, plant and equipment written off	1	-	214	-
Net realised foreign exchange loss	55	30	51	18
Gain on disposal of property, plant and equipment	1	(29)	(201)	(392)
Gain from proceeds received for concession assets cost reimbursement from Government of Malaysia	(683)	-	(683)	-
Finance income	(3,543)	(4,372)	(7,091)	(8,092)
Gain on disposal of investment in securities	-	-	(20,384)	-
Concession assets written off	-	267	-	267
Dividend income	-	(313)	-	(313)

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

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**27. Fair Value Information**

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate 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			Fair Value RM'000	Carrying amount RM'000
	carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
As at 30 June 2016					
<b>Financial Assets</b>					
Investment in Securities	-	-	-	-	-
As at 31 December 2015					
<b>Financial Assets</b>					
Investment in Securities	103,165	-	-	103,165	103,165
	Fair value of financial instrument			Fair Value RM'000	Carrying amount RM'000
	not carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
As at 30 June 2016					
<b>Financial Liabilities</b>					
Borrowings	-	-	1,088,355	1,088,355	1,150,000
Service Concession Obligation	-	-	299,924	299,924	383,857
As at 31 December 2015					
<b>Financial Liabilities</b>					
Borrowings	-	-	1,114,639	1,114,639	1,150,000
Service Concession Obligation	-	-	323,423	323,423	398,838

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**28. Disclosure of Realised and Unrealised Profit or Loss**

The breakdown of the retained earnings of the Group, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:-

	<b>As at 30.06.2016 RM'000</b>	<b>As at 31.12.2015 RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- realised	1,324,558	1,176,179
- unrealised	<u>(303,002)</u>	<u>(288,475)</u>
Consolidated Retained Earnings	<u>1,021,556</u>	<u>887,704</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

**29. Authorisation for Issue**

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