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Westports Holdings Berhad

(Company No. 262761-A)

(Incorporated in Malaysia)

**Quarterly Financial Report for the
Third Quarter Ended 30 September 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 September 2016

These figures have not been audited

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	474,411	400,775	1,461,752	1,204,777
Cost of sales	(230,042)	(181,846)	(719,858)	(552,473)
Gross profit	244,369	218,929	741,894	652,304
Other income	1,206	1,047	24,001	3,665
Administrative expenses	(11,226)	(6,184)	(22,153)	(17,550)
Other expenses	(40,343)	(35,187)	(115,307)	(106,621)
Results from operating activities	194,006	178,605	628,435	531,798
Finance income	3,067	3,832	10,158	11,924
Finance costs	(19,422)	(20,105)	(57,957)	(59,743)
Profit before tax	177,651	162,332	580,636	483,979
Tax expense	(26,618)	(32,291)	(98,653)	(111,660)
Profit for the period	151,033	130,041	481,983	372,319
Other comprehensive income, net of tax				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Fair value of available-for-sale financial assets	-	8,463	(20,149)	15,264
Profit / Total comprehensive income for the period attributable to owners of the Company	151,033	138,504	461,834	387,583
Basic earnings per ordinary share (sen)	4.43	3.81	14.13	10.92

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 September 2016

	Unaudited As at 30.09.2016 RM'000	Audited As at 31.12.2015 RM'000
Non-current assets		
Property, plant and equipment	1,474,271	1,369,283
Concession assets	1,989,076	1,920,752
Total non-current assets	<u>3,463,347</u>	<u>3,290,035</u>
Current assets		
Investment in securities	-	103,165
Trade and other receivables	316,798	240,182
Cash and cash equivalents	322,315	396,173
Total current assets	<u>639,113</u>	<u>739,520</u>
Total assets	<u>4,102,460</u>	<u>4,029,555</u>
Equity		
Share capital	341,000	341,000
Share premium	697,000	697,000
Reserves	875,927	860,121
Total equity	<u>1,913,927</u>	<u>1,898,121</u>
Non-current liabilities		
Borrowings	1,150,000	1,150,000
Employee benefits	10,762	10,302
Deferred tax liabilities	305,094	288,475
Service concession obligation	349,116	368,876
Total non-current liabilities	<u>1,814,972</u>	<u>1,817,653</u>
Current liabilities		
Trade and other payables	197,616	149,298
Provisions	134,397	96,014
Tax payable	14,298	38,507
Service concession obligation	27,250	29,962
Total current liabilities	<u>373,561</u>	<u>313,781</u>
Total liabilities	<u>2,188,533</u>	<u>2,131,434</u>
Total equity and liabilities	<u>4,102,460</u>	<u>4,029,555</u>

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 September 2016

These figures have not been audited

	←————— Attributable to the owners of the Company —————→					Total RM'000
	←————— Non-distributable		—————→ Distributable			
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Goodwill Written off Reserve RM'000	Retained Earnings RM'000	
At 1 January 2015	341,000	697,000	-	(47,732)	773,967	1,764,235
Fair value of available-for-sale financial assets	-	-	15,264	-	-	15,264
Profit for the period	-	-	-	-	372,319	372,319
Total comprehensive income for the period	-	-	15,264	-	372,319	387,583
<i>Distributions to owners of the Company</i>						
- Dividends	-	-	-	-	(391,127)	(391,127)
Total transactions with owners of the Company	-	-	-	-	(391,127)	(391,127)
At 30 September 2015	<u>341,000</u>	<u>697,000</u>	<u>15,264</u>	<u>(47,732)</u>	<u>755,159</u>	<u>1,760,691</u>
At 1 January 2016	341,000	697,000	20,149	(47,732)	887,704	1,898,121
Disposal of available-for-sale financial assets	-	-	(20,149)	-	-	(20,149)
Profit for the period	-	-	-	-	481,983	481,983
Total comprehensive income for the period	-	-	(20,149)	-	481,983	461,834
<i>Distributions to owners of the Company</i>						
- Dividends	-	-	-	-	(446,028)	(446,028)
Total transactions with owners of the Company	-	-	-	-	(446,028)	(446,028)
At 30 September 2016	<u>341,000</u>	<u>697,000</u>	<u>-</u>	<u>(47,732)</u>	<u>923,659</u>	<u>1,913,927</u>

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.

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Condensed Consolidated Statement of Cash Flows

For The Financial Period Ended 30 September 2016

These figures have not been been audited

	9 months ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	580,636	483,979
Adjustments for :		
Amortisation of dredging expenditure	2,356	955
Amortisation of concession assets	47,863	46,453
Depreciation of property, plant and equipment	74,432	68,069
Gain on disposal of property, plant and equipment	(395)	(421)
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	15,705	17,645
Finance costs - borrowings	42,252	42,098
Finance income	(10,158)	(11,924)
Provision for retirement benefits	618	411
Gain on disposal of investment in securities	(20,384)	-
Impairment of property, plant and equipment	4,500	-
Concession assets written off	-	610
Dividend income	-	(313)
Impairment loss on trade receivables	2,283	-
Operating profit before working capital changes	739,239	647,562
Changes in working capital:		
Trade and other receivables	(81,255)	6,145
Trade and other payables	43,225	29,779
Provisions	38,383	(12,752)
Cash generated from operations	739,592	670,734
Income tax paid	(106,243)	(26,500)
Retirement benefits paid	(158)	(94)
Net cash generated from operating activities	633,191	644,140
Cash flows from investing activities		
Interest received	10,158	11,924
Proceeds from disposal of investment in securities	103,400	-
Proceeds from disposal of property, plant and equipment	628	543
Purchase of property, plant and equipment	(204,183)	(131,249)
Additions to concession assets	(116,187)	(49,491)
Payment for dredging expenditure	-	(3,919)
Purchase of spares, net	(1,118)	(903)
Concession assets cost reimbursement from Government of Malaysia	12,600	-
Investment in securities	-	(72,420)
Dividend received	-	313
Net cash used in investing activities	(194,702)	(245,202)

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Condensed Consolidated Statement of Cash Flows (Continued)

For The Financial Period Ended 30 September 2016

These figures have not been been audited

	9 months ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
Cash flows from financing activities		
Fixed deposits pledged for borrowings	(861)	(825)
Interest paid	(28,143)	(28,143)
Dividends paid to shareholders	(446,028)	(391,127)
Annual lease paid for use of port infrastructures and facilities	(38,176)	(49,066)
Net cash used in financing activities	(513,208)	(469,161)
Net decrease in cash and cash equivalents	(74,719)	(70,223)
Cash and cash equivalents at 1 January	364,727	414,202
Cash and cash equivalents at 30 September	290,008	343,979

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

Cash and bank balances	218,089	96,443
Fixed deposits with licensed banks	104,226	278,717
	322,315	375,160
Less : Pledged deposits	(32,307)	(31,181)
	290,008	343,979

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.

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**Notes to Condensed Consolidated Interim Financial Statements
for the Third Quarter Ended 30 September 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:

MFRSs and Amendments to MFRSs	<i>Effective for annual periods beginning on or after</i>	
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
Amendments to MFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>	1-Jan-18
MFRS 16	<i>Leases</i>	1-Jan-19
Amendments to MFRS 10 and 128	<i>Consolidated Financial Statements and 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 September 2016.

6. Changes in Estimates

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

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8. Dividend Paid

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

	RM'000
a) 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	197,098
b) First interim dividend of 7.30 sen per ordinary share of RM0.10 each in respect of financial year ending 31 December 2016 on 23 August 2016	248,930
	<u>446,028</u>

9. Events Subsequent to the End of the Financial Period

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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	Port development and management of port operations			
	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Profit				
Reportable segment profit	194,588	179,129	609,934	533,323
<i>Included in the measure of segment profit are :</i>				
Revenue - external customer	449,856	388,952	1,335,281	1,162,142
- construction service	24,555	11,823	126,471	42,635
Amortisation of concession assets	16,318	15,571	47,863	46,453
Depreciation of property, plant and equipment	26,220	23,371	74,432	68,069
Reconciliation of reportable segment profit and revenue				
Profit				
Reportable segment	194,588	179,129	609,934	533,323
Non-reportable segment	(582)	(524)	18,501	(1,525)
Finance income	3,067	3,832	10,158	11,924
Finance costs	(19,422)	(20,105)	(57,957)	(59,743)
Consolidated profit before tax	<u>177,651</u>	<u>162,332</u>	<u>580,636</u>	<u>483,979</u>
Revenue				
Reportable segment	474,411	400,775	1,461,752	1,204,777
Non-reportable segment	-	-	-	-
Consolidated revenue	<u>474,411</u>	<u>400,775</u>	<u>1,461,752</u>	<u>1,204,777</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 3 November 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 September 2016 are as follows:

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
Capital expenditure commitments:		
Property, plant and equipment and concession assets		
- Authorised and contracted for	922,588	604,983
- Authorised but not contracted for	103,503	8,566

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:

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
C10 - Flight ticket and accomodation	660	322	1,400	863
GH - Office rental	72	71	213	228
WEBS - Rental income	-	(222)	-	(666)
PKT - Revenue and rental income	(490)	-	(1,168)	-

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15. Review of Performance

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

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Revenue as reported	474,411	400,775	1,461,752	1,204,777
Less : Construction revenue (N1)	(24,555)	(11,823)	(126,471)	(42,635)
Operational revenue	<u>449,856</u>	<u>388,952</u>	<u>1,335,281</u>	<u>1,162,142</u>
Cost of sales as reported	230,042	181,846	719,858	552,473
Less : Construction cost (N1)	(24,555)	(11,823)	(126,471)	(42,635)
Operational cost of sales	<u>205,487</u>	<u>170,023</u>	<u>593,387</u>	<u>509,838</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 September 2016 compared to Quarter Ended 30 September 2015

The Group recorded operational revenue of RM449.9 million for the quarter ended 30 September 2016 (“Q316”) compared to RM389.0 million for the corresponding quarter last year, which represents an increase of 16%. Container throughput has increased by 9% from 2.29 million to 2.49 million Twenty-foot Equivalent Units (“TEUs”) for the period under review.

The Group recorded profit before tax (“PBT”) of RM177.7 million for Q316 compared to RM162.3 million for the quarter ended 30 September 2015, an increase of 9%. The lower growth in PBT were attributable to impairment of property, plant and equipment and impairment loss on receivables, otherwise the growth would be at 14%. The PBT growth was mainly attributed to growth in container throughput and revision in container tariff.

Nine Months Ended 30 September 2016 compared to Nine Months Ended 30 September 2015

The Group recorded operational revenue of RM1.335 billion for nine months period ended 30 September 2016 compared to RM1.162 billion for the corresponding period last year, which represents an increase of 15%. Container throughput has increased by 10% from 6.71 million to 7.39 million TEUs for period under review.

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The Group recorded PBT of RM580.6 million for nine months period ended 30 September 2016 compared to RM484.0 million for nine months period ended 30 September 2015, an increase of 20%. The higher growth in PBT was due to one-off gain on disposal of investment in securities partially offset by impairment of property, plant and equipment and impairment loss on receivables, otherwise the growth would be at 17%. The higher growth in PBT was attributable to increase in container throughput, revision in container tariff and lower fuel cost.

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

The Group achieved a PBT of RM177.7 million for the quarter under review, decreased by 7% compared to PBT of RM192.0 million achieved in the immediately preceding quarter ended 30 June 2016. Excluding impairment of property, plant and equipment and impairment loss on receivables recorded in the current quarter, PBT was down by 4% due to flat volume growth and increase in depreciation and amortisation arising from expansion of capacity.

17. Current Year's Prospects

We expect our container throughput growth ranging from 7% to 10% for 2016 mainly driven by transshipment segment.

All our expansion plans are on-going as per schedule.

18. Profit Forecast or Profit Guarantee

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

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19. Tax Expense

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

	Current quarter 30.09.2016 RM'000	Financial period-to-date 30.09.2016 RM'000
Current tax	24,526	82,034
Deferred tax	<u>2,092</u>	<u>16,619</u>
	<u>26,618</u>	<u>98,653</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 3 November 2016, the latest practicable date which shall not be earlier than 7 days from date of issue of this quarterly report.

21. Borrowings and Debts Securities

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

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
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.

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22. Changes in Material Litigation

There was no material litigation action as at 3 November 2016, the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report.

23. Dividends

Save as disclosed in Note 8, the Directors did not recommend any dividend for the period ended 30 September 2016.

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.

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary shareholders of the Company	151,033	130,041	481,983	372,319
Weighted average number of ordinary shares in issues (million)	3,410	3,410	3,410	3,410
Basic earnings per ordinary share (sen)	4.43	3.81	14.13	10.92

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:-

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Finance cost	19,422	20,105	57,957	59,743
Amortisation of concession assets	16,318	15,571	47,863	46,453
Depreciation of property, plant and equipment	26,220	23,371	74,432	68,069
Amortisation of dredging expenditure	785	-	2,356	955
Provision for retirement benefits	168	137	618	411
Property, plant and equipment written off	-	-	214	-
Net realised foreign exchange loss	39	43	90	61
Gain on disposal of property, plant and equipment	(194)	(29)	(395)	(421)
Gain from proceeds received for concession assets cost reimbursement from Government of Malaysia	-	-	(683)	-
Impairment on property, plant and equipment	4,500	-	4,500	-
Impairment loss on receivables	2,283	-	2,283	-
Finance income	(3,067)	(3,832)	(10,158)	(11,924)
Gain on disposal of investment in securities	-	-	(20,384)	-
Concession assets written off	-	343	-	610
Dividend income	-	-	-	(313)

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 and year-to-date results.

27. 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.

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

	Fair value of financial instrument carried at fair value			Fair Value RM'000	Carrying amount RM'000
	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000		
As at 30 September 2016					
Financial Assets					
Investment in Securities	-	-	-	-	-
As at 31 December 2015					
Financial Assets					
Investment in Securities	103,165	-	-	103,165	103,165
	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		
As at 30 September 2016					
Financial Liabilites					
Borrowings	-	-	1,098,715	1,098,715	1,150,000
Sevice Concession Obligation	-	-	302,546	302,546	376,366
As at 31 December 2015					
Financial Liabilites					
Borrowings	-	-	1,114,639	1,114,639	1,150,000
Sevice Concession Obligation	-	-	323,423	323,423	398,838

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

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:-

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	1,228,753	1,176,179
- unrealised	(305,094)	(288,475)
Consolidated Retained Earnings	<u>923,659</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.