



SURIA CAPITAL HOLDINGS BERHAD

(COMPANY NO: 198301001662 (96895-W))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024

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**Condensed Consolidated Statements of Profit and Loss and
Other Comprehensive Income
For the quarter and year-to-date ended 31 March 2024**

	Note	Quarter and Year-to-date ended	
		31.03.2024 Unaudited RM'000	31.03.2023 Unaudited RM'000
Revenue			
Revenue from operations		66,891	59,300
Revenue from construction services for concession infrastructure		6,938	4,653
Total revenue		73,829	63,953
Cost of sales			
Operational cost		(40,487)	(35,038)
Construction services cost for concession infrastructure		(6,938)	(4,653)
Total cost of sales		(47,425)	(39,691)
Gross profit		26,404	24,262
Other items of income			
Interest income		3,310	1,055
Other income		2,943	2,062
Other items of expense			
Administrative expenses		(7,622)	(8,874)
Finance costs		(2,622)	(2,013)
Other expenses		(2,665)	(2,447)
Profit before tax	A14	19,748	14,045
Income tax expense	A15	(4,890)	(3,415)
Profit net of tax		14,858	10,630
Other comprehensive income		-	-
Total comprehensive income for the period		14,858	10,630
Profit net of tax attributable to:			
Owners of the Company		14,858	10,630
Non-controlling interests		-	-
		14,858	10,630

**Condensed Consolidated Statements of Profit and Loss and
 Other Comprehensive Income (continued)**
For the quarter and year-to-date ended 31 March 2024

	Note	Quarter and Year-to-date ended	
		31.03.2024 Unaudited RM'000	31.03.2023 Unaudited RM'000
Earnings per ordinary share attributable to owners of the Company (sen per share):			
Basic	A16	4.30	3.07

The above unaudited condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

Condensed Consolidated Statements of Financial Position
As at 31 March 2024

	Note	As at 31.03.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A17	99,621	100,072
Land held for property development		48,475	48,475
Investment properties	A21 (C)	72,797	73,175
Concession assets	A18	706,657	713,845
Deferred tax assets		812	1,349
Other assets		145,837	145,769
Trade and other receivables		19,512	18,757
		1,093,711	1,101,442
Current assets			
Inventories	A19	30,332	30,109
Trade and other receivables		31,672	31,161
Other assets		20,974	7,610
Tax recoverable		71	65
Investment securities	A21 (A)	151,744	142,489
Cash and bank balances	A20	124,909	131,428
		359,702	342,862
TOTAL ASSETS		1,453,413	1,444,304

Condensed Consolidated Statements of Financial Position (continued)
As at 31 March 2024

	Note	As at 31.03.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	A22	5,578	10,178
Concession liabilities	A23	11,531	11,792
Tax payable		4,417	8,323
Trade and other payables		32,954	37,873
Provisions		6,361	4,424
		60,841	72,590
Net current assets		298,861	270,272
Non-current liabilities			
Loans and borrowings	A22	71,164	66,608
Concession liabilities	A23	89,754	90,851
Deferred tax liabilities		23,005	21,029
Tax payable		2,611	2,611
Provisions		73,997	73,432
		260,531	254,531
TOTAL LIABILITIES		321,372	327,121
Net assets		1,132,041	1,117,183
Equity attributable to owners of the Company			
Share capital	A8	358,825	358,825
Other reserves		(393)	(393)
Retained earnings		773,609	758,751
TOTAL EQUITY		1,132,041	1,117,183
TOTAL EQUITY AND LIABILITIES		1,453,413	1,444,304

The above unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

SURIA CAPITAL HOLDINGS BERHAD
(Company No: 198301001662 (96895-W))



Condensed Consolidated Statements of Changes in Equity
For the year-to-date ended 31 March 2024

	Note	Equity, total RM'000	-----Attributable to owners of the Company-----		
			Equity attributable to owners of the Company, total RM'000	Non-Distributable Share capital RM'000	Distributable Retained earnings RM'000
Opening balance at 1 January 2024		1,117,183	1,117,183	358,825	758,751 (393)
Profit net of tax		14,858	14,858	-	14,858
Other comprehensive Income		-	-	-	-
Total comprehensive income for the period		14,858	14,858	-	14,858
Transactions with owners					
Dividends on ordinary shares	A9	-	-	-	-
Total transactions with owners		-	-	-	-
Closing balance at 31 March 2024		1,132,041	1,132,041	358,825	773,609 (393)

Condensed consolidated statements of changes in equity (continued)
For the year-to-date ended 31 March 2024

	Note	Equity, total RM'000	----- Attributable to owners of the Company -----				Non-controlling interests RM'000
			Equity attributable to owners of the Company, total RM'000	Non- distributable	Distributable	Non- distributable	
			Share capital RM'000	Retained earnings RM'000	Other reserves total RM'000		
Opening balance at 1 January 2023		1,178,022	1,178,035	358,825	819,603	(393)	(13)
Profit net of tax							
Other comprehensive income		10,630	10,630	-	10,630	-	-
		-	-	-	-	-	-
Total comprehensive income for the period		10,630	10,630	-	10,630	-	-
Transactions with owners							
Dividends on ordinary shares	A9	-	-	-	-	-	-
Total transactions with owners		-	-	-	-	-	-
Closing balance at 31 March 2023		1,188,652	1,188,665	358,825	830,233	(393)	(13)

The above unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

Condensed Consolidated Statements of Cash Flows
For the year-to-date ended 31 March 2024

	Year-to-date ended	
	31.03.2024	31.03.2023
	Unaudited	Unaudited
	RM'000	RM'000
Operating activities		
Profit before tax	19,748	14,045
<u>Adjustments for:</u>		
Amortisation of concession assets	14,126	6,504
Depreciation of property, plant and equipment	595	477
Depreciation of investment properties	378	378
Employee leave entitlement	174	120
Employee leave entitlement written back	(104)	(5)
Finance costs	2,622	2,013
Interest income	(1,071)	(567)
Investment income from investment securities	(440)	(326)
Loss on disposal of property, plant and equipment	290	30
Net fair value gain on held for trading investment securities	(805)	(827)
Plant and equipment written off	-	1
Provisions	528	(151)
Realised loss on foreign exchange	2	4
Reversal of impairment loss on:		
- trade receivables	-	(175)
Unwinding of discount on receivables	(2,239)	(488)
Total adjustments	14,056	6,988
Operating cash flows before changes in working capital	33,804	21,033
<u>Changes in working capital:</u>		
(Increase)/ decrease in inventories	(223)	1,026
Increase in trade and other receivables	(1,266)	(5,616)
Increase in other assets	(12,278)	(872)
Increase in trade and other payables	(4,919)	(5,444)
Payment of concession liabilities	(2,948)	(2,883)
Total changes in working capital	(21,634)	(13,789)

Condensed Consolidated Statements of Cash Flows (continued)
For the year-to-date ended 31 March 2024

	Note	Year-to-date ended	
		31.03.2024 Unaudited RM'000	31.03.2023 Unaudited RM'000
Cash flows from operations		12,170	7,244
Income tax paid		(4,977)	(3,938)
Income tax refunded		5	-
Net cash flows from operating activities		7,198	3,306
Investing activities			
Decrease/ (increase) in cash at banks and deposits pledged and deposits with maturity more than 3 months		2,222	(178)
Increase in concession assets	A18	(6,938)	(4,653)
Proceeds from disposal of investment securities		3,201	-
Proceeds from disposal of plant and equipment		11	-
Purchase of investment securities		(10,000)	(3,540)
Purchase of property, plant and equipment	A17	(60)	(25)
Investment income received from investment securities		440	326
Interest received		1,071	567
Net cash flows used in investing activities		(10,053)	(7,503)
Financing activities			
Decrease in cash at banks pledged		-	-
Drawdown of borrowings		4,516	2,900
Interest paid		(2,285)	(746)
Payment of principal portion of lease liabilities		-	-
Repayment of borrowings		(4,722)	(2,682)
Net cash flows used in financing activities		(2,491)	(528)
Net increase in cash and cash equivalents		(5,346)	(4,725)
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		105,486	88,605
Cash and cash equivalents at 31 March (Note A20)		100,140	83,880
Composition of cash and cash equivalents			
Cash on hand and at banks		50,746	11,355
Short term deposits with licensed banks		49,394	72,525
Cash and cash equivalents at 31 March (Note A20)		100,140	83,880

The above unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A1. Corporate information

Suria Capital Holdings Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Main Market of Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 23 May 2024.

A2. Basis of preparation

The condensed consolidated interim financial statements of the Group for the first quarter and year-to-date ended 31 March 2024 are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standard (IFRS) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

A3. Changes in accounting policies

The significant accounting policies adopted in these condensed consolidated interim financial statements are consistent with the audited consolidated financial statements for the financial year ended 31 December 2023, except for the adoption of the following Amendments to MFRSs, which are applicable 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 initial application or adoption of the above Amendments to MFRSs are expected not to have any material financial impact on these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A3. Changes in accounting policies (continued)

New MFRSs and Amendments to MFRSs

The new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of these unaudited condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning or after
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards and interpretations will not have any material impact on the financial statements in the year of initial application.

A4. Significant events and transactions

There were no significant events and transactions that would have had a material impact on the financial position and performance of the Group as at 31 March 2024.

A5. Comments about seasonal or cyclical factors

The businesses of the Group were not materially affected by the various festive seasons or cyclical fluctuations during the year.

A6. Unusual items due to their nature, size or incidence

There was no material unusual item affecting assets, liabilities, equity, net income, or cash flows during the financial year-to-date ended 31 March 2024.

A7. Changes in estimates

There was no change in estimates that had a material effect in the current quarters' results. However, there was a change in the amortisation on concession assets which was previously amortised over the extended concession period up to 2064 for prior quarters' results. After further assessment, the Group revised the amortisation on concession assets based on the initial concession period ending 31 August 2034, which has been reflected in the immediate preceding quarters' result.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A8. Issues, repurchases and repayments of debt and equity securities

During the quarter and year-to-date ended 31 March 2024, there was no new issuance of share capital, cancellation, repurchases, resales and repayment of debt and equity securities since 31 December 2023.

A9. Dividends

There was no payment of dividend during the current quarter and financial year-to-date ended 31 March 2024 (31 March 2023: Nil).

A10. Segmental information

For management purpose, the Group is organised into business units based on its products and services, and has five reportable operating segments as follow:

- (a) Investment holding – investments in deposits and investment securities for interest, dividend and investment income.
- (b) Property development and leasing– the development and leasing of commercial properties and car park operation.
- (c) Port operations – provision and maintenance of port services and facilities, the regulation and control of the management of ports and distributor of port cargo handling equipment and related spare parts.
- (d) Logistics and bunkering – provision of bunkering and related services.
- (e) Contract and engineering and ferry terminal operations – construction contractor, provision of project management, technical support services and operating of ferry terminal.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A10. Segmental information (continued)

Port operations

For the current quarter and year-to-date, the port operations segment contributed 92% to the Group's revenue (31 March 2023: 93%) and 88% to the Group's profit before tax (31 March 2023: 96%).

The operations for this segment are mainly in Sabah and Sabah Ports plays an important role in supporting the State's economy as shipping is widely used to transport imports and exports.

The volume of cargo handled at Sabah Ports is intricately connected to the overall economic activity in the Sabah State and is significantly influenced by the seasonal fluctuations in regional demand, especially during festivals. For the current quarter and year-to-date, there was an increase in overall cargo throughput (except container) by 4%, mainly attributed to higher throughput for bulk oil, fertiliser, wood products and general cargo. The total tonnage handled for the current quarter and year-to-date was 4.9 million metric tonnes as compared to 4.7 million metric tonnes recorded in prior year-to-date.

Meanwhile, the category of container which is charged differently as per the Sabah Ports' Tariff registered an increase in total TEUs handled in the current quarter by 19% to 117,804 TEUs from 98,980 TEUs in the preceding year's corresponding quarter.

Logistics and bunkering services

For the current quarter and year-to-date, the logistics and bunkering services segment contributed <1% (31 March 2023: <1%) to the Group's revenue. Higher revenue was registered for the segment as the company continues to support the ports business as agent in logistics handling, marine and ancillary services.

Contract and engineering and ferry terminal operations

For the current quarter and year-to-date, this segment contributed 2% of the Group's revenue (31 March 2023: 2%).

The revenue for the contract and engineering segment is the Project management consultancy fee rendered to its Joint Venture Partner for development of properties in Tawau.

In the ferry terminal operations, growth was recorded in this segment due to higher domestic and international tourists' arrival in the State. Other revenues are derived from berthing fees, retail outlets, indoor soccer centre and handling of offshore crew at Kota Kinabalu International Cruise Terminal.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A10. Segmental information (continued)

Investment holding

The investment holding or corporate segment's revenue, mainly from management fees and dividend income receivable from subsidiaries are eventually eliminated at Group's level.

Interest income derived from deposits with licensed financial institutions, unwinding of discount on receivables and other loans and receivables are classified under interest income category.

Property development and leasing

The property development and leasing's revenue were derived from the lease of Gallery Shoppes and car park operation at Jesselton Quay Central. These Gallery Shoppes are part of the entitlement accorded to the Group from the first phase of the Joint Venture with SBC Corporation Berhad ("SBC") which has been completed and delivered in year 2022. It is expected that the second phase of the project will commence in year 2024.

This property development's revenue has been fully recognized in 2015 based on its minimum entitlement as per the Joint Venture Agreement but discounted to the net present value, as the proceeds are receivable over 7 years. On 30 November 2022, the Group signed an Amended and Restated Agreement with SBC whereby the remaining entitlement of RM206 million would be settled by RM32 million in-cash and RM174 million in-kind in the form of the delivery of the identified commercial properties to be completed by end of 2027.

Thus, for the year 2024, there would not be any amount recognised in Group's revenue except for the unwinding of discount on receivables amounted to RM2.2 million (31 March 2023: RM0.5 million) recorded under interest income.

For the current quarter and year-to-date, the property leasing segment contributed <1% to the Group's revenue (31 March 2023: <1%). As of the interim financial date, the leasing occupancy rate of the gallery shoppes is 82%.

In addition to the abovementioned entitlement, the Group was accorded additional entitlement in the form of carpark units for agreeing to vary the mode and manner of the original payment milestone as initially agreed in the Joint Venture Agreement with SBC. The Group commenced its car park operation in the fourth quarter of 2023.

For the current quarter and year-to-date, the carpark operation contributed <1% to the Group's revenue (31 March 2023: Nil).

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A10. Segmental information (continued)

The segment revenue and results are as follows:

	Quarter and Year-to-date ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Segment revenue		
Investment holding	2,910	2,910
Property development and leasing		
- Rental income	521	179
- Carpark income	347	-
Port operations		
- Operating revenue	64,215	57,825
- Construction services revenue	6,938	4,653
Logistics and bunkering services	453	379
Contract and engineering and ferry terminal operations	1,601	1,229
Revenue including inter-segment sales	76,985	67,175
Elimination of inter-segment sales	(3,156)	(3,222)
Total revenue	73,829	63,953

	Quarter and Year-to-date ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Profit before tax		
Investment holding	(263)	700
Property development and leasing		
- Property development	2,239	488
- Rental income	(127)	(332)
- Carpark income	47	(180)
Port operations	18,683	14,942
Logistics and bunkering services	201	182
Contract and engineering and ferry terminal operations	543	(180)
Profit from operations including inter- segment transactions	21,323	15,620
Elimination of inter-segment transactions	(1,575)	(1,575)
Total profit before tax	19,748	14,045

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A11. Subsequent events after the reporting period

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

A12. Changes in the composition of the Group

There were no changes in the composition of the Group during the interim financial year-to-date ended 31 March 2024.

A13. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the three months period and year-to-dated ended 31 March 2024 and 31 March 2023:

	Current quarter and Year-to-dated ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
<i>Subsidiaries:</i>		
Dividend income	1,575	1,575
Interest income	2	1
Interest expenses	33	33
Management fees income	1,335	1,335
Rental income	23	23

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

All outstanding balances with these related parties are unsecured.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A14. Profit before tax

The following items have been included in arriving at profit before tax:

	Quarter and Year-to-date ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Employee benefits expense	18,341	17,758
Non-executive directors' remuneration	331	251
Amortisation of concession assets	14,126	6,504
Auditors' remuneration:		
Statutory audit:		
- current year	46	39
- under/(over) provision in respect of previous year	-	6
Depreciation of property, plant and equipment	595	477
Depreciation of investment properties	378	378
Leasing of port land	623	1,048
Loss on disposal of fixed asset	290	30
Net fair value gain on investment securities	(805)	(827)
Plant and equipment written off	-	1
Provisions		
Realised loss on foreign exchange	2	4
Reversal of allowance for impairment loss on:		
- Trade receivables	-	175

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A15. Income tax expense

	Quarter and Year-to-date ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Income tax expense for the year:		
Malaysian income tax	4,353	3,298
Deferred tax	537	117
	4,890	3,415

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year-to-date.

A16. Earnings per share

Basic earnings per share amount is calculated by dividing profit for the year-to-date, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year-to-date.

	Quarter and Year -to-date ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Profit net of tax for the financial year-to-date	14,858	10,630
Add: Attributable to non-controlling interest	-	-
Profit net of tax attributable to owners of the Company	14,858	10,630
Weighted average number of ordinary shares (*)	345,821	345,821
Basic earnings per ordinary share (sen)	4.30	3.07

(*) The weighted average number of ordinary shares after the bonus issue.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A17. Property, plant and equipment

Acquisitions and disposals

The cash outflow on acquisition of property, plant and equipment amounted to RM59,924 (31 March 2023: RM25,284).

There were assets with carrying amount RM608,885 has been disposed-off by the Group during the year-to-date ended 31 March 2024 (31 March 2023: RM29,524), resulting in a loss on disposal of RM290,482 (31 March 2023: RM29,524), which has been recognised under administrative expenses in statements of comprehensive income.

Write-down of property, plant and equipment

During the quarter and year-to-date ended 31 March 2024, there were no write-down of property, plant and equipment (31 March 2023: RM436).

A18. Concession assets

Group	Port concession rights RM'000	Leased port infrastructure and facilities RM'000	Capital expenditure RM'000	Total RM'000
Cost:				
At 1 January 2024	213,679	45,296	1,169,165	1,428,140
Addition	-	-	6,938	6,938
At 31 March 2024	<u>213,679</u>	<u>45,296</u>	<u>1,176,103</u>	<u>1,435,078</u>
Accumulated amortisation:				
At 1 January 2024	136,608	29,191	548,496	714,295
Amortisation	1,799	377	11,950	14,126
At 31 March 2024	<u>138,407</u>	<u>29,568</u>	<u>560,446</u>	<u>728,421</u>
Net carrying amount:				
At 31 December 2023	<u>77,071</u>	<u>16,105</u>	<u>620,669</u>	<u>713,845</u>
At 31 March 2024	<u>75,272</u>	<u>15,728</u>	<u>615,657</u>	<u>706,657</u>

Additional capital expenditure for the year represents concession assets that are recognised during the year and the capital work-in-progress is reflected in the Statements of Comprehensive Income. Capital expenditures recognised as concession assets are to be handed over at no costs to Sabah Ports Authority upon the expiry of the concession period.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A19. Inventories

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Completed development properties held for sale	18,668	18,668
Consumables	11,664	11,441
	30,332	30,109

There was no write-down of inventories during the current quarter and financial year-to-date ended 31 March 2024 (31 March 2023: Nil).

A20. Cash and cash equivalents

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Cash at banks and on hand	50,746	54,415
Cash at banks pledged as security for bank facilities	474	474
Short term deposits with licensed banks	49,394	51,071
Deposits with maturity more than 3 months	24,295	25,468
	124,909	131,428

Short term deposits are made for varying periods of between 1 month and 3 months depending on the immediate cash requirements of the Group, and earn profits and interests at the respective short-term deposit rates. The effective profit or interest rates as at 31 March 2024 for the Group was 2.9%- 3.85% (2023: 3.2 -3.8%).

Deposits with maturity of more than 3 months are placed for a period of 6 months to 1 year (2023: 1 year) and the effective profit or interest rate as at 31 March 2024 for the Group was 3.3%- 3.8% (2023: 2.6% -3.7%).

Included in deposits with maturity more than 3 months of the Group are deposits amounting to RM7,238,000 (2023: RM7,236,000) held under lien to secure bank guarantees made in favour of the Sabah Ports Authority against lease rental of port land payable to Sabah Ports Authority and the due maintenance of Sabah Ports' properties and facilities.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
Cash at bank and on hand	50,746	11,355
Short term deposits with licensed banks	49,394	72,525
	100,140	83,880

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A21. Fair value of assets and liabilities

A. Assets measured at fair value

The following table shows an analysis of the class of assets measured at fair value at the reporting date:

	Fair value measurements at the reporting date using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets				
Investment securities				
- 31 March 2024	151,744	-	-	151,744
- 31 December 2023	142,489	-	-	142,489

B. Level 1 fair value measurements

The fair value of investment securities are determined by reference to prices quoted by independent brokers.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A21. Fair value of assets and liabilities (continued)

C. Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value at the reporting date but for which fair value is disclosed:

	Fair value measurements at the reporting date using				Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
At 31 March 2024					
Investment properties	-	81,800	-	81,800	72,797
At 31 December 2023					
Investment properties	-	81,800	-	81,800	73,175

The fair value of the investment properties is based on valuation performed by an accredited independent valuer. The valuation is based on comparable approach using similar properties with significant unobservable inputs including factor adjustments made for location, size, accessibility, building conditions and amenities.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A22. Loans and borrowings

Total Group's loans and borrowings as at 31 March 2024 and 31 December 2023 were as follows:

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Current		
Secured:		
- Islamic financing facilities	2,561	3,411
- Tawarruq financing	-	2,935
Unsecured:		
- Lease liabilities	81	32
- Short-term revolving credit	2,936	3,800
	5,578	10,178
Non- current		
Secured:		
- Islamic financing facilities	24,060	24,060
- Tawarruq financing	47,063	42,548
Unsecured:		
- Lease liabilities	41	-
	71,164	66,608

The above borrowings are denominated in RM. There were no loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period.

A23. Concession liabilities

Group	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
At 1 January	102,643	107,460
Unwinding of discount	1,590	6,714
Payments	(2,948)	(11,531)
At 31 March	101,285	102,643
Current		
Within 1 year	11,531	11,792
Non-current:		
More than 1 year and less than 2 years	12,064	11,275
More than 2 years and less than 5 years	24,987	30,979
5 years or more	52,703	48,597
	89,754	90,851
	101,285	102,643

This represents provision for annual fixed periodic lease payments and concession fees payable to the Sabah Ports Authority.

Notes to the Condensed Consolidated Interim Financial Statements
Part A: Explanatory notes pursuant to MFRS 134

A25. Capital commitments

	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
Approved and contracted for		
Sapangar Bay bunkering line	-	149
Jetty extension at Sapangar Bay Oil Terminal	20,325	37,173
Sapangar Bay Conventional Cargo Terminal	3,696	4,423
Other projects and equipment	2,764	4,297
	26,785	46,042
Approved but not contracted for		
Purchase of property, plant and equipment and port infrastructure facilities	208,620	203,398
	235,405	249,440

The approved but not contracted for amounting to RM208.6 million represents the balance of the total capital expenditures commitment of RM1.3 billion during the first concession period of 30 years under the Ports Privatisation Agreement signed in 2003.

A26. Contingent liabilities

There were no changes to the status of contingent liabilities since the last balance sheet date.

Notes to the Condensed Consolidated Interim Financial Statements
Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad

B1. Performance review

	Current quarter and Year-to-date ended		%
	31.03.2024 Unaudited RM'000	31.03.2023 Unaudited RM'000	
Revenue			
Revenue from operations	66,891	59,300	13
Cost of sales			
Operational cost	(40,487)	(35,038)	8
	26,404	24,262	9
Revenue from construction services for concession infrastructure	6,938	4,653	49
Construction services cost for concession infrastructure	(6,938)	(4,653)	49
	-	-	-
Gross Profit	26,404	24,262	9
Profit before tax	19,748	14,045	41

Notes to the Condensed Consolidated Interim Financial Statements
Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad

B1. Performance review (continued)

Current quarter

For the current quarter and year-to-date ended 31 March 2024, the Group registered revenue from operations of RM66.9 million, increased by RM7.6 million or 13% when compared to revenue in the previous year's corresponding quarter ended 31 March 2023 of RM59.3 million. The rise in revenue was mainly due to higher contribution from the core business of port operations.

In accordance with IC Interpretation 12: Service Concession Arrangements, the port operations shall register revenue from construction services arising from upgrading and construction of ports infrastructure and facilities. During the quarter and year-to-date, revenue from construction services amounted to RM6.9 million (31 March 2023: RM4.7 million), was higher by RM2.2 million (47%). However, this revenue from construction services has no impact to the Group's profit as the same amount of construction services cost was recognised under cost of sales and zeroed at gross profit level.

The Group registered profit before tax of RM19.7 million for the current quarter and year-to-date ended 31 March 2024, higher by RM5.7 million (41%) from RM14.0 million for the corresponding quarter and year-to-date ended 31 March 2023, mainly due to higher revenue from operations for the quarter under review.

Explanatory comment on the performance of each of the Group's business activities is provided in Note A10.

B2. Comment on preceding quarter's profit before taxation

The Group reported a profit before tax of RM19.7 million for the current quarter as compared to pre-tax loss of RM0.3 million for the immediate preceding quarter, representing an increase of RM20.0 million (>100%), mainly due to adjustments on additional amortization of concession assets and provision for replacement obligation in the immediate preceding quarter.

Notes to the Condensed Consolidated Interim Financial Statements
Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad

B3. Commentary on prospects

Moving forward, the port operations will continue to be the core business of the Group and remain resilient and contribute positively to the Group as the business environment continues its momentum supported by normal economic activities, as well as strong domestic demand.

The Group, through its wholly-owned subsidiary, Sabah Ports Sdn. Bhd. ("SPSB") has recently entered into a conditional Share Subscription Agreement and Shareholders Agreement with DP World FZE on 24 April 2024. The collaboration is a strategic move to optimize the operational efficiency and development potential of the Sapangar Bay Container Port.

Apart from port operations, the Board is also optimistic about the property development projects. The second phase of the Group's ongoing Joint Venture with SBC Corporation Berhad has been planned to commence in 2024.

The Group has recently signed two conditional Joint Venture cum Shareholders Agreements with BEDI Development Sdn. Bhd. to develop two pieces of land in Kota Kinabalu with collective net development value of approximately RM4.2 billion.

B4. Statement by directors on achievability of revenue or profit estimate, forecast, projection or internal targets

The statement by directors on achievability of revenue or profit estimate, forecast, projection or internal targets are not applicable. The Board did not announce or disclose any profit estimate, forecast, projection or internal management targets in a public document.

B5. Profit forecast or profit guarantee

The disclosure requirements for explanatory information for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

B6. Corporate proposals

There were no other corporate proposals announced as at the date of issue of these financial statements.

B7. Changes in material litigation

There were no material litigations for the current financial quarter and financial year-to-date.

Notes to the Condensed Consolidated Interim Financial Statements
Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad

B8. Dividends declared

No interim dividend has been recommended in respect of the financial year-to-date ended 31 March 2024 (31 March 2023: Nil), please refer note A9.

B9. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not enter any commitment which give rise to any financial liabilities measured at fair value through profit or loss as at 31 March 2024 and 31 March 2023.

B10. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2023 was not qualified.

B11. Authorisation for issue

The Interim Financial Statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 May 2024.