



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 30 JUNE 2024

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**Condensed Consolidated Statements of Profit and Loss and
Other Comprehensive Income
For the quarter and year-to-date ended 30 June 2024**

	Note	Current quarter 3 months ended		Year-to-date ended	
		30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000
Revenue					
Revenue from operations		68,965	61,054	135,856	120,354
Revenue from construction services for concession infrastructure		9,989	8,596	16,927	13,249
Total revenue		78,954	69,650	152,783	133,603
Cost of sales					
Operational cost		(43,762)	(47,056)	(84,249)	(82,094)
Construction services cost for concession infrastructure		(9,989)	(8,596)	(16,927)	(13,249)
Total cost of sales		(53,751)	55,652	(101,176)	(95,343)
Gross profit		25,203	13,998	51,607	38,260
Other items of income					
Interest income		3,252	1,142	6,562	2,197
Other income		2,817	2,143	5,760	4,205
Other items of expense					
Administrative expenses		(7,541)	(4,379)	(15,163)	(13,253)
Finance costs		(2,605)	(2,106)	(5,227)	(4,119)
Other expenses		(2,414)	(2,903)	(5,079)	(5,350)
Profit before tax	A14	18,712	7,895	38,460	21,940
Income tax expense	A15	(3,803)	(4,132)	(8,693)	(7,547)
Profit net of tax		14,909	3,763	29,767	14,393
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		14,909	3,763	29,767	14,393
Profit net of tax attributable to:					
Owners of the Company		14,909	3,763	29,767	14,394
Non-controlling interests		-	-	-	(1)
		14,909	3,763	29,767	14,393

**Condensed Consolidated Statements of Profit and Loss and
 Other Comprehensive Income (continued)
 For the quarter and year-to-date ended 30 June 2024**

	Note	Current quarter 3 months ended		Year-to-date ended	
		30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000
Earnings per ordinary share attributable to owners of the Company (sen per share):					
Basic	A16	4.31	1.09	8.61	4.16

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 30 June 2024

	Note	As at 30.06.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A17	99,067	100,072
Land held for property development		48,475	48,475
Investment properties	A21 (C)	72,419	73,175
Investment in a Joint Venture Company		50	-
Concession assets	A18	701,818	713,845
Deferred tax assets		267	1,349
Other assets		145,769	145,769
Trade and other receivables		18,029	18,757
		1,085,894	1,101,442
Current assets			
Inventories	A19	30,257	30,109
Trade and other receivables		36,967	31,161
Other assets		17,449	7,610
Tax recoverable		3,221	65
Investment securities	A21 (A)	161,133	142,489
Cash and bank balances	A20	143,451	131,428
		392,478	342,862
TOTAL ASSETS		1,478,372	1,444,304

Condensed Consolidated Statements of Financial Position (continued)
As at 30 June 2024

	Note	As at 30.06.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	A22	4,703	10,178
Concession liabilities	A23	11,531	11,792
Tax payable		2,196	8,323
Trade and other payables		45,614	37,873
Provisions		8,297	4,424
		72,341	72,590
Net current assets		320,137	270,272
Non-current liabilities			
Loans and borrowings	A22	72,283	66,608
Concession liabilities	A23	88,396	90,851
Deferred tax liabilities		26,418	21,029
Tax payable		2,611	2,611
Provisions		74,560	73,432
		264,268	254,531
TOTAL LIABILITIES		336,609	327,121
Net assets		1,141,763	1,117,183
Equity attributable to owners of the Company			
Share capital	A8	358,825	358,825
Other reserves		(393)	(393)
Retained earnings		783,331	758,751
TOTAL EQUITY		1,141,763	1,117,183
TOTAL EQUITY AND LIABILITIES		1,478,372	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.

Condensed Consolidated Statements of Changes in Equity
For the year-to-date ended 30 June 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		29,767	29,767	-	29,767
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		29,767	29,767	-	29,767
Transactions with owners					
Dividends on ordinary shares	A9	(5,187)	(5,187)	-	(5,187)
Total transactions with owners		(5,187)	(5,187)	-	(5,187)
Closing balance at 30 June 2024		1,141,763	1,141,763	358,825	783,331 (393)

Condensed Consolidated Statements of Changes in Equity (continued)
For the year-to-date ended 30 June 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 Share capital RM'000	Distributable Retained earnings RM'000		Non- distributable Other reserves total RM'000
Opening balance at 1 January 2023		1,098,425	1,098,438	358,825	740,006	(393)	(13)
Profit net of tax, as restated		14,393	14,393	-	14,393	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		14,393	14,393	-	14,393	-	-
Transactions with owners							
Dividends on ordinary shares	A9	(8,646)	(8,646)	-	(8,646)	-	-
Total transactions with owners		(8,646)	(8,646)	-	(8,646)	-	-
Closing balance at 30 June 2023, as restated		1,104,172	1,104,185	358,825	745,753	(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 30 June 2024

	Year-to-date ended	
	30.06.2024	30.06.2023
	Unaudited	Restated
	RM'000	RM'000
Operating activities		
Profit before tax	38,460	21,940
<u>Adjustments for:</u>		
Amortisation of concession assets	28,954	28,038
Allowance for impairment loss on trade receivables	513	20
Depreciation of property, plant and equipment	1,005	892
Depreciation of investment properties	756	756
Employee leave entitlement	127	374
Employee leave entitlement written back	(110)	(113)
Finance costs	5,227	4,119
Interest income	(2,053)	(2,197)
Investment income from investment securities	(954)	(1,195)
Net loss on disposal of property, plant and equipment	-	19
Net fair value gain on held for trading investment securities	(1,581)	(1,619)
Plant and equipment written off	-	*
Provisions	3,607	2,252
Realised gain on foreign exchange	(25)	(15)
Unwinding of discount on receivables	(4,509)	(990)
Total adjustments	30,957	30,341
Operating cash flows before changes in working capital	69,417	52,281
<u>Changes in working capital:</u>		
(Increase)/ decrease in inventories	(147)	705
Increase in trade and other receivables	(5,078)	(2,982)
Decrease in other assets	(3,156)	(9,788)
Increase/ (decrease) in trade and other payables	2,554	(1,181)
Payment of concession liabilities	(5,896)	(5,766)
Total changes in working capital	(11,723)	(19,012)

* Below RM1,000

Condensed Consolidated Statements of Cash Flows (continued)
For the year-to-date ended 30 June 2024

		Year-to-date ended	
	Note	30.06.2024	30.06.2023
		Unaudited	Restated
		RM'000	RM'000
Cash flows from operations		57,694	33,269
Income tax paid		(8,877)	(7,242)
Income tax refunded		5	12
Net cash flows from operating activities		48,822	26,039
Investing activities			
Decrease/ (increase) in cash at banks and deposits pledged and deposits with maturity more than 3 months		2,161	(15,799)
Increase in concession assets	A18	(16,927)	(13,249)
Proceeds from disposal of investment securities		1,530	250
Purchase of investment securities		(23,000)	(14,307)
Purchase of property, plant and equipment	A17	(169)	(1,444)
Investment income received from investment securities		954	1,195
Interest received		2,053	2,197
Net cash flows used in investing activities		(33,398)	(41,157)
Financing activities			
Drawdown of borrowings		5,648	8,390
Interest paid		(1,312)	(1,491)
Repayment of borrowings		(5,315)	(1,597)
Net cash flows (used in)/ from financing activities		(979)	5,302
Net increase in cash and cash equivalents		14,445	(9,816)
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 30 June (Note A20)		119,931	78,789
Composition of cash and cash equivalents			
Cash at banks and on hand		62,506	17,697
Short term deposits with licensed banks		57,425	61,092
Cash and cash equivalents at 30 June (Note A20)		119,931	78,789

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 29 August 2024.

A2. Basis of preparation

The condensed consolidated interim financial statements of the Group for the second quarter and year-to-date ended 30 June 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 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 not expected 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 have no material impact on the financial statements in the year of initial application.

A4. Significant events and transactions

There were no significant events or transactions that would have had a material impact on the financial position and performance of the Group as at 30 June 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 six months period ended 30 June 2024.

A7. Changes in estimates

As at 31 December 2023, there was a change in the amortization on concession assets which was previously amortised over the extended concession period up to 2064 for prior year quarters' results. After further assessment, the Group revised the amortization on concession assets based on the initial concession period ending 31 August 2034, which has been reflected in the prior year quarters' result. This change in estimates was disclosed in detail in the Group's audited financial statements for the financial year ended 31 December 2023. There were no other changes in estimates that had a material effect in the current quarters' results.

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

There were no new issuance of share capital, cancellation, repurchases, resales and repayment of debt and equity securities since 31 December 2023.

A9. Dividends

During the current quarter ended 30 June 2024, final dividend for year 2023 of 1.5 sen per share, was declared.

	Current quarter 3 months ended		Year-to-date ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
For 2022: 2.5 sen final single-tier dividend, on 345,820,779 ordinary shares, declared on 28 April 2023 and approved on 27 June 2023	-	8,646	-	8,646
For 2023: 1.5 sen final single-tier dividend, on 345,820,779 ordinary shares, declared 30 April 2024 and approved on 20 June 2024	5,187	-	5,187	-
	5,187	8,646	5,187	8,646

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

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 carpark 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.

Port operations

For the current quarter, the port operations segment contributed 87% to the Group's revenue (30 June 2023: 81%) and 68% (30 June 2023: 43%) to the Group's profit before tax.

For the year-to-date, the port operations segment contributed 90% to the Group's revenue (30 June 2023: 86%) and 77% (30 June 2023: 65%) to the Group's profit before tax.

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

The cargo volume handled at Sabah Ports is closely correlated to Sabah's economy, festive and seasonal regional demand. For the current quarter, there was an increase in cargo throughput by 9%. Similarly, the cargo throughput for year-to-date recorded an overall increase by 6%, mainly attributed to higher bulk oil, fertilizer, wood products and general cargo throughput. The total tonnage handled for the current quarter and year-to-date was 5.6 million metric tonnes and 11.1 million metric tonnes respectively.

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 12% to 120,416 TEUs from 107,605 TEUs in the prior year's corresponding quarter. Year-to-date, total TEUs was 15% higher at 238,220 TEUs as compared to 206,585 TEUs registered in prior year-to-date.

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

A10. Segmental information (continued)

Logistics and bunkering services

For the current quarter and year-to-date, the logistics and bunkering services segment contributed <1% (30 June 2023: <1%) to the Group's revenue. Lower revenue was registered for the segment for the current quarter. However, it registered a slightly higher revenue for year-to-date 30 June 2024 and the Group will continue 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, this segment contributed 2% of the Group's revenue (30 June 2023: 1%) and for the year-to-date, this segment contributed 2% of the Group's revenue (30 June 2023: 2%).

The revenue for the contract and engineering segment is project management consultancy services rendered to Sabah Ports Sdn. Bhd. for the extension of Sapangar Bay Oil Terminal.

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

Investment holding

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

Interest income derived from short term investments securities and deposits with licensed financial institutions and other loans and receivables are classified under interest income category.

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

A10. Segmental information (continued)

Property development and leasing

The property development and leasing's revenues were derived from the lease of Gallery Shoppes and carpark 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 will be 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 fulfilled by RM32 million in-cash and RM174 million in-kind in the form of the delivery of the identified to be completed commercial properties.

With respect to this property development, there would not be any amount recognised in the Group's revenue for the year 2024 except for the unwinding of discount on receivables amounted to RM4.5 million (30 June 2023: RM1.0 million) recognised under interest income.

For the current quarter, the property leasing segment contributed <1% to the Group's revenue (30 June 2023: <1%). For the year-to-date, this segment contributed <1% of the Group's revenue (30 June 2023: <1%). As of 30 June 2024, the leasing occupancy rate of the gallery shoppes is 82%.

In addition to the entitlement mentioned above, 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 carpark operation in the fourth quarter of 2023.

For the current quarter, the carpark operation contributed <1% to the Group's revenue (30 June 2023: Nil). For the year-to-date, this segment contributed <1% of the Group's revenue (30 June 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:

	Current Quarter 3 months ended		Year-to-date ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Segment revenue				
Investment holding	7,710	13,610	10,620	16,520
Property development and leasing				
- Rental income	529	287	1,050	467
- Carpark income	467	-	814	-
Port operations				
- Operating revenue	66,436	59,522	130,651	117,346
- Construction services revenue	9,989	8,596	16,927	13,249
Logistics and bunkering services	407	458	860	837
Contract and engineering and ferry terminal operations	1,377	1,131	2,978	2,360
Revenue including inter-segment sales	86,915	83,604	163,900	150,779
Elimination of inter-segment sales	(7,961)	(13,954)	(11,117)	(17,176)
Total revenue	78,954	69,650	152,783	133,603

	Current Quarter 3 months ended		Year-to-date ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Profit before tax				
Investment holding	5,376	11,338	5,113	11,711
Property development and leasing				
- Property development	2,270	190	4,509	990
- Rental income	(41)	-	(168)	(497)
- Carpark income	(129)	-	(82)	-
Port operations	17,074	8,958	35,757	23,900
Logistics and bunkering services	186	265	387	447
Contract and engineering and ferry terminal operations	351	(40)	894	(220)
Profit from operations including inter-segment transactions	25,087	20,711	46,410	36,331
Elimination of inter-segment transactions	(6,375)	(12,816)	(7,950)	(14,391)
Total profit before tax	18,712	7,895	38,460	21,940

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 30 June 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-date ended 30 June 2024 and 30 June 2023:

	Current quarter 3 months ended		Year-to-date ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
<i>Subsidiaries:</i>				
Dividend income	6,375	12,275	7,950	13,850
Interest income	1	1	3	2
Interest expenses	34	34	67	67
Management fees income	1,335	1,335	2,670	2,670
Rental income	22	22	45	45

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:

	Current quarter 3 months ended		Year-to-date ended	
	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000
Employee benefits expense	16,810	15,538	35,151	33,296
Non-executive directors' remuneration	362	292	693	543
Allowance for impairment loss on:				
- trade receivables	513	20	513	20
Amortisation of concession assets	14,828	21,534	28,954	28,038
Auditors' remuneration:				
Statutory audit:				
- current year	42	32	88	71
- under/(over) provision in respect of previous year	-	3	-	9
Other services:				
- current year	3	6	3	6
Depreciation of property, plant and equipment	410	415	1,005	892
Depreciation of investment properties	378	378	756	756
Leasing of port land	623	1,048	1,246	2,096
Loss on disposal of fixed asset	-	-	-	19
Net fair value gain on investment securities	(776)	(792)	(1,581)	(1,619)
Realised gain on foreign exchange, net	(27)	(19)	(25)	(15)

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

A15. Income tax expense

	Current quarter 3 months ended		Year-to-date ended	
	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000
Income tax expense for the year:				
Malaysian income tax	3,258	4,011	7,611	7,309
Deferred tax	545	121	1,082	238
	3,803	4,132	8,693	7,547

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 net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding.

	Current quarter 3 months ended		Year-to-date ended	
	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000
Profit net of tax for the financial year-to-date	14,909	3,763	29,767	14,394
Add: Attributable to non-controlling interest	-	-	-	(1)
Profit net of tax attributable to owners of the Company	14,909	3,763	29,767	14,393
Weighted average number of ordinary shares (*)	345,821	345,821	345,821	345,821
Basic earnings per ordinary share (sen)	4.31	1.09	8.61	4.16

(*) 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 RM169,423 (30 June 2023: RM1,444,066).

There were no assets been disposed-off by the Group during the year-to-date ended 30 June 2024 (30 June 2023: RM29,961). The assets disposed as at 30 June 2023 resulted in a loss on disposal of RM19,272 , which has been recognised in the Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income.

Write-down of property, plant and equipment

During the quarter and year-to-date ended 30 June 2024, there were no write-down of property, plant and equipment (30 June 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	-	-	16,927	16,927
At 30 June 2024	<u>213,679</u>	<u>45,296</u>	<u>1,186,092</u>	<u>1,445,067</u>
Accumulated amortisation:				
At 1 January 2024	136,608	29,191	548,496	714,295
Amortisation	3,599	755	24,600	28,954
At 30 June 2024	<u>140,207</u>	<u>29,946</u>	<u>573,096</u>	<u>743,249</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 30 June 2024	<u>73,472</u>	<u>15,350</u>	<u>612,996</u>	<u>701,818</u>

Capital expenditure represents concession assets that are recognised during the period and capital work-in-progress. Capital expenditures are reflected in the Condensed Consolidated Statements of Profit and Loss and Other 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 30.06.2024 RM'000	As at 31.12.2023 RM'000
Completed development properties held for sale	18,666	18,666
Consumables	11,591	11,443
	30,257	30,109

There was no write-down of inventories during the current quarter and financial year-to-date ended 30 June 2024 (30 June 2023: Nil).

A20. Cash and cash equivalents

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
Cash at banks and on hand	62,506	54,415
Cash at banks pledged as security for bank facilities	213	474
Short term deposits with licensed banks	57,425	51,071
Deposits with maturity more than 3 months	23,307	25,468
	143,451	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 weighted average effective interest rate as at 30 June 2024 for the Group was 3.4% (2023: 3.4%).

Deposits with maturity of more than 3 months are placed for a period of 1 year (2023: 1 year) and the weighted average effective interest rate as at 30 June 2024 for the Group was 2.8% (2023: 2.6%).

Included in deposits with maturity more than 3 months of the Group are deposits amounting to RM7,299,678 (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 maintenance of Sabah Ports' properties and facilities.

For the purpose of the Condensed Consolidated Statements of Cash Flows, cash and cash equivalents comprise of the following at the reporting date:

	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
Cash at banks and on hand	62,506	17,697
Short term deposits with licensed banks	57,425	61,092
	119,931	78,789

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				
- 30 June 2024	161,133	-	-	161,133
- 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 30 June 2024					
Investment properties	-	81,800	-	81,800	72,419
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 30 June 2024 and 31 December 2023 were as follows:

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
Current		
Secured:		
- Islamic financing facilities	1,712	3,411
- Tawarruq financing		2,935
Unsecured:		
- Lease liabilities	55	32
- Short-term revolving credit	2,936	3,800
	4,703	10,178
Non- current		
Secured:		
- Islamic financing facilities	24,060	24,060
- Tawarruq financing	48,196	42,548
Unsecured:		
- Lease liabilities	27	-
	72,283	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 30.06.2024 RM'000	As at 31.12.2023 RM'000
At 1 January	102,643	107,460
Unwinding of discount	3,180	6,714
Payments	(5,896)	(11,531)
	99,927	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	51,345	48,597
	88,396	90,851
	99,927	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

A24. Capital commitments

	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
Approved and contracted for		
Sapangar Bay bunkering line	-	149
Jetty extension at Sapangar Bay Oil Terminal	14,568	43,847
Sapangar Bay Conventional Cargo Terminal	3,373	4,004
Other projects and equipment	1,796	2,973
	19,737	50,973
Approved but not contracted for		
Purchase of property, plant and equipment and port infrastructure facilities	199,202	189,723
	218,939	240,696

The approved but not contracted for amounting to RM199.2 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.

A25. 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 3 months ended			Year-to-date ended		
	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000	%	30.06.2024 Unaudited RM'000	30.06.2023 Restated RM'000	%
Revenue						
Revenue from operations	68,965	61,054	13	135,856	120,354	13
Cost of sales						
Operational cost	(43,762)	(47,056)	(7)	(84,249)	(82,094)	3
	25,203	13,998	80	51,607	38,260	35
Revenue from construction services for concession infrastructure	9,989	8,596	16	16,927	13,249	28
Construction services cost for concession infrastructure	(9,989)	(8,596)	16	(16,927)	(13,249)	28
	-	-	-	-	-	-
Gross Profit	25,203	13,998	80	51,607	38,260	35
Profit before tax	18,712	7,895	>100	38,460	21,940	75

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 ended 30 June 2024, the Group registered revenue from operations of RM 69.0 million, increased by RM 8.0 million or 13% when compared to revenue in the previous year's corresponding quarter ended 30 June 2023 of RM61.0 million. The increase in revenue was mainly due to higher revenue generated from 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, revenue from construction services amounted to RM10.0 million (30 June 2023: RM 8.6 million), was higher by RM1.4 million (16%). 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 a pre-tax profit of RM18.7 million for the current quarter ended 30 June 2024, significantly higher by RM10.8 million (>100%) from RM7.9 million for the corresponding quarter ended 30 June 2023, mainly due to adjustments on amortisation of concession assets based on the initial concession period in the previous year's corresponding quarter.

Year-to-date

For the year-to-date ended 30 June 2024, the Group registered operational revenue of RM135.9 million, increased by RM15.5 million or 13% when compared to the prior year-to-date ended 30 June 2023 of RM120.4 million. The increase in revenue was mainly due to higher revenue from its core business of port operations.

The Group registered a pre-tax profit of RM38.5 million for the year-to-date ended 30 June 2024, increased by RM16.5 million (75%) from RM21.9 million for the prior year-to-date ended 30 June 2023, mainly due higher revenue, interest and other income during the year 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 pre-tax profit of RM18.7 million for the current quarter as compared to RM19.7 million for the immediate preceding quarter, representing a decrease of RM1.0 million (5%), mainly due to higher operational cost during the current quarter under review.

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's financial results as the business environment is expected to continue its upward momentum supported by improving economic activities, as well as improving domestic demand.

The Group, through its wholly-owned subsidiary, Sabah Ports Sdn. Bhd. ("SPSB") has recently entered into a conditional Share Subscription Agreement with DP World FZE via a joint venture company named SBCP Sdn. Bhd. on 24 April 2024. The collaboration is a strategic move to optimise the operational efficiency and development potential of the Sapangar Bay Container Port. This collaboration is likely to be effective in the second half of 2024 subject to satisfaction of all condition precedent.

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

Earlier this year, the Group has 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. On 4 June 2024, the Group has signed the Joint Development Agreement 1 ("JDA 1") with Jesselton Docklands 1 Sdn. Bhd. for development of approximately 2.543 hectares held under Town Lease 017561974 ("Land 1") situated Jalan Tanjung Lipat, Kota Kinabalu, Sabah. The JDA 1 laid down the terms and conditions in regards to development works and execution of the project and it is conditional upon signing of Joint Development Agreement 2 ("JDA 2") with Jesselton Docklands 2 Sdn. Bhd. for development of approximately 11.54 hectares held under Country Lease 015753241 ("Land 2").

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.

Notes to the condensed consolidated interim financial statements
Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad

B6. Corporate proposals

There were no other corporate proposals except on the proposed collaboration between Suria Capital Holdings Berhad with BEDI Development Sdn. Bhd. as well as Sabah Ports Sdn. Bhd. with DP World. Both collaborations are expected to be executed in third quarter of 2024.

B7. Changes in material litigation

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

B8. Dividends declared

No interim dividend has been recommended in respect of the financial year-to-date ended 30 June 2024 (30 June 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 30 June 2024 and 30 June 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 29 August 2024.