



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 SEPTEMBER 2024

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

	Note	Current quarter 3 months ended		Year-to-date ended	
		30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000
Revenue					
Revenue from operations		67,012	61,936	202,868	182,290
Revenue from construction services for concession infrastructure		4,524	15,179	21,451	28,428
Total revenue		71,536	77,115	224,319	210,718
Cost of sales					
Operational cost		(41,342)	(40,546)	(125,591)	(122,640)
Construction services cost for concession infrastructure		(4,524)	(15,179)	(21,451)	(28,428)
Total cost of sales		(45,866)	(55,725)	(147,042)	(151,068)
Gross profit		25,670	21,390	77,277	59,650
Other items of income					
Interest income		3,529	7,026	10,091	9,223
Other income		6,622	3,144	12,382	7,349
Other items of expense					
Administrative expenses		(8,444)	(7,822)	(23,607)	(21,075)
Finance costs		(2,579)	(2,128)	(7,806)	(6,247)
Other expenses		(2,455)	(1,986)	(7,534)	(7,336)
Share of profit of associate (net of tax)	A22	22	-	22	-
Profit before tax	A14	22,365	19,624	60,825	41,564
Income tax expense	A15	(5,384)	(4,874)	(14,077)	(12,421)
Profit net of tax		16,981	14,750	46,748	29,143
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		16,981	14,750	46,748	29,143
Profit net of tax attributable to:					
Owners of the Company		16,981	14,750	46,748	29,144
Non-controlling interests		-	-	-	(1)
		16,981	14,750	46,748	29,143

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

	Note	Current quarter 3 months ended		Year-to-date ended	
		30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000
Earnings per ordinary share attributable to owners of the Company (sen per share):					
Basic	A16	4.91	4.27	13.52	8.43

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 September 2024

	Note	As at 30.09.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A17	56,058	100,072
Land held for property development	A17A	48,475	48,475
Investment properties	A21 (C)	72,041	73,175
Investment in an associate company	A22	3,442	-
Concession assets	A18	691,899	713,845
Deferred tax assets		200	1,349
Other assets		151,542	145,769
Trade and other receivables		18,029	18,757
		1,041,686	1,101,442
Current assets			
Inventories	A19	30,008	30,109
Land held for sale	A23	42,472	-
Trade and other receivables		35,591	31,161
Other assets		15,045	7,610
Tax recoverable		115	65
Investment securities	A21 (A)	159,878	142,489
Cash and bank balances	A20	123,932	131,428
		407,041	342,862
TOTAL ASSETS		1,448,727	1,444,304

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

	Note	As at 30.09.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	A24	23,085	10,178
Concession liabilities	A25	2,948	11,792
Tax payable		3,361	8,323
Trade and other payables		34,755	37,873
Provisions		10,234	4,424
		74,383	72,590
Net current assets		332,658	270,272
Non-current liabilities			
Loans and borrowings	A24	21,882	66,608
Concession liabilities	A25	95,621	90,851
Deferred tax liabilities		22,972	21,029
Tax payable		-	2,611
Provisions		75,125	73,432
		215,600	254,531
TOTAL LIABILITIES		289,983	327,121
Net assets		1,158,744	1,117,183
Equity attributable to owners of the Company			
Share capital	A8	358,825	358,825
Other reserves		(393)	(393)
Retained earnings		800,312	758,751
TOTAL EQUITY		1,158,744	1,117,183
TOTAL EQUITY AND LIABILITIES		1,448,727	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 30 September 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		46,748	46,748	-	46,748 -
Other comprehensive income		-	-	-	- -
Total comprehensive income for the period		46,748	46,748	-	46,748 -
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 September 2024		1,158,744	1,158,744	358,825	800,312 (393)

Condensed Consolidated Statements of Changes in Equity (continued)
For the year-to-date ended 30 September 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		29,143	29,143	-	29,143	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		29,143	29,143	-	29,143	-	-
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 September 2023, as restated		1,118,922	1,118,935	358,825	760,503	(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 September 2024

	Year-to-date ended	
	30.09.2024	30.09.2023
	Unaudited	Restated
	RM'000	RM'000
Operating activities		
Profit before tax	60,825	41,564
<u>Adjustments for:</u>		
Amortisation of concession assets	43,397	41,980
Depreciation of property, plant and equipment	1,552	1,341
Depreciation of investment properties	1,134	1,134
Employee leave entitlement	174	239
Employee leave entitlement written back	(90)	(108)
Finance costs	7,806	6,247
Interest income	(3,256)	(2,255)
Investment income from investment securities	(1,401)	(311)
Net loss on disposal of property, plant and equipment	-	19
Net fair value gain on held for trading investment securities	(2,508)	(2,367)
Plant and equipment written off	-	*
Provisions	5,411	4,941
Realised gain on foreign exchange	(83)	(20)
Reversal of impairment loss on:		
- trade receivables	(360)	-
Unwinding of discount on receivables	(6,835)	(6,968)
Total adjustments	44,941	43,872
Operating cash flows before changes in working capital	105,766	85,436
<u>Changes in working capital:</u>		
Decrease in inventories	101	761
Increase in trade and other receivables	(3,702)	(7,995)
Increase in other assets	(13,208)	(8,123)
Decrease in trade and other payables	(3,118)	(5,844)
Payment of concession liabilities	(8,844)	(8,648)
Total changes in working capital	(28,771)	(29,849)

* Below RM1,000

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

		Year-to-date ended	
	Note	30.09.2024	30.09.2023
		Unaudited	Restated
		RM'000	RM'000
Cash flows from operations		76,995	55,587
Income tax paid		(19,607)	(15,145)
Income tax refunded		5	6,935
Net cash flows from operating activities		57,393	47,377
Investing activities			
Decrease in cash at banks and deposits pledged and deposits with maturity more than 3 months		1,545	2,192
Increase in concession assets	A18	(21,451)	(28,428)
Proceeds from disposal of investment securities		6,561	5,750
Purchase of investment securities		(10,898)	(14,960)
Purchase of property, plant and equipment	A17	(647)	(1,555)
Investment in an Associate Company	A22	(3,442)	-
Investment income received from investment securities		1,401	311
Interest received		3,256	9,223
Net cash flows used in investing activities		(23,675)	(27,467)
Financing activities			
Dividends paid		(5,187)	(8,646)
Drawdown of borrowings		29,188	8,390
Interest paid		(2,402)	(2,898)
Repayment of borrowings		(61,007)	(20,736)
Net cash flows used in financing activities		(39,408)	(23,890)
Net decrease in cash and cash equivalents		(5,690)	(3,980)
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 September (Note A20)		99,796	84,625
Composition of cash and cash equivalents			
Cash at banks and on hand		51,061	34,645
Short term deposits with licensed banks		48,735	49,980
Cash and cash equivalents at 30 September (Note A20)		99,796	84,625

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 the Main Market of Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 November 2024.

A2. Basis of preparation

The condensed consolidated interim financial statements of the Group for the third quarter and year-to-date ended 30 September 2024 are unaudited and have been prepared in accordance with the 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 gain 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 September 2024 except for the transaction with DP World which is explained in the Note A22.

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 nine months period ended 30 September 2024.

A7. Changes in estimates

As at 31 December 2023, there was a change in the amortisation 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 amortisation 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 quarter's 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 and financial year-to-date ended 30 September 2024, there were final dividends declared for year 2023 of 1.5 Sen per share (30 September 2022: 2.5 sen), as follows:

	Current quarter 3 months ended		Year-to-date ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 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 on 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, investment income and investment in an associate company (as disclosed in Note A22).
- (b) Property development and leasing – development and leasing of commercial properties and carpark operation.
- (c) Port operations – provision and maintenance of port services and facilities, 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 92% to the Group's revenue (30 September 2023: 94%) and 89% (30 September 2023: 74%) to the Group's profit before tax.

For the year-to-date, the port operations segment contributed 91% to the Group's revenue (30 September 2023: 90%) and 81% (30 September 2023: 77%) 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 a slight drop in cargo throughput by 2% from 5.4 million metric tonnes to 5.3 million metric tonnes. However, the cargo throughput for year-to-date recorded an overall increase by 3%, mainly attributed to higher fertiliser, wood products and general cargo throughput. The total tonnage handled for the year-to-date was 16.4 million metric tonnes as compared to prior year's corresponding quarter of 15.6 million metric tonnes.

Meanwhile, the category of container which is charged differently as per the Sabah Ports' Tariff registered a marginal drop in total TEUs handled in the current quarter by 1% to 110,595 TEUs from 111,546 TEUs in the prior year's corresponding quarter. The drop of 1% is mainly due to the transfer of Sapangar Bay Container Port ("SBCP") to DP World Sabah on 9 September 2024. Total TEUs handled at SBCP from 9 September 2024 to 30 September 2024 was 23,092 TEUs. Year-to-date, total TEUs was 10% higher at 348,815 TEUs as compared to 318,131 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 September 2023: <1%) to the Group's revenue. Higher revenue was registered for the segment for the current quarter as well as year-to-date 30 September 2024. The segment will continue to support the ports business as an 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 September 2023: 2%) and for the year-to-date, this segment contributed 2% of the Group's revenue (30 September 2023: 2%).

The revenue for the contract and engineering segment is from the project management consultancy services rendered to Sabah Ports Sdn. Bhd. for the jetty 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 and share of profits from investment in an associate company. These are eventually eliminated at the Group level except for share of profits from investment in an associate company.

Interest income derived from short term investments securities and deposits with licensed financial institutions, unwinding of discount on receivables 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 December 2024.

This property development's revenue has been fully recognised 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 RM6.8 million (30 September 2023: RM6.9 million) recognised under interest income.

For the current quarter, the property leasing segment contributed <1% to the Group's revenue (30 September 2023: <1%). For the year-to-date, this segment contributed <1% of the Group's revenue (30 September 2023: <1%). As of 30 September 2024, the leasing occupancy rate of the Gallery Shoppes is 88%.

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 September 2023: Nil). For the year-to-date, this segment contributed <1% of the Group's revenue (30 September 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	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Segment revenue				
Investment holding				
- Management fee and dividend income	2,910	2,910	13,530	19,430
Property development and leasing				
- Rental income	557	402	1,607	869
- Carpark income	375	-	1,189	-
Port operations				
- Operating revenue	64,707	60,150	195,358	177,496
- Construction services revenue	4,524	15,179	21,451	28,428
Logistics and bunkering services	587	398	1,447	1,235
Contract and engineering and ferry terminal operations	1,618	1,431	4,596	3,791
Revenue including inter-segment sales	75,278	80,470	239,178	231,249
Elimination of inter-segment sales	(3,742)	(3,355)	(14,859)	(20,531)
Total revenue	71,536	77,115	224,319	210,718

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	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit before tax				
Investment holding				
- Management fee and dividend income	(346)	(94)	4,767	11,617
- Share of profit from an associate company	22	-	22	-
Property development and leasing				
- Property development	2,326	5,976	6,835	6,966
- Rental income	43	(335)	(125)	(832)
- Carpark income	(6)	(449)	(88)	(449)
Port operations	21,518	15,625	57,275	39,525
Logistics and bunkering services	305	184	692	631
Contract and engineering and ferry terminal operations	524	292	1,418	72
Profit from operations including inter-segment transactions	24,386	21,199	70,796	57,530
Elimination of inter-segment transactions	(2,021)	(1,575)	(9,971)	(15,966)
Total profit before tax	22,365	19,624	60,825	41,564

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 September 2024 except for the investment in an associate company (Note A22).

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 September 2024 and 30 September 2023:

	Current quarter 3 months ended		Year-to-date ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
<i>Subsidiaries:</i>				
Dividend income	1,575	1,575	9,525	15,425
Interest income	1	2	4	4
Interest expenses	33	33	100	100
Management fees income	1,335	1,335	4,005	4,005
Rental income	23	23	68	68
<i>Associate company:</i>				
- Rental fee	2,510	-	2,510	-
- Management fees	679	-	679	-

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	
	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000
Employee benefits expense	16,846	16,347	51,997	49,643
Non-executive directors' remuneration	349	329	1,042	872
Allowance for impairment loss on:				
- trade receivables	(360)	-	153	-
Amortisation of concession assets	14,443	13,942	43,397	41,980
Auditors' remuneration:				
Statutory audit:				
- current year	50	32	138	103
- underprovision in respect of previous year	-	18	-	27
Other services:				
- current year	7	15	10	21
Depreciation of property, plant and equipment	547	449	1,552	1,341
Depreciation of investment properties	378	378	1,134	1,134
Leasing of port land	623	1,048	1,868	3,144
Loss on disposal of fixed asset	-	-	-	19
Net fair value gain on investment securities	(927)	(48)	(2,508)	(2,367)
Realised gain on foreign exchange, net	(58)	(5)	(83)	(20)
Reversal of impairment loss on:				
- Trade receivable	-	(78)	-	(78)

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	
	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000
Income tax expense for the year:				
Malaysian income tax	4,826	3,440	12,437	10,749
Deferred tax	558	1,434	1,640	1,672
	5,384	4,874	14,077	12,421

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	
	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000
Profit net of tax for the financial year-to-date	16,981	14,750	46,748	29,144
Add: Attributable to non-controlling interest	-	-	-	(1)
Profit net of tax attributable to owners of the Company	16,981	14,750	46,748	29,143
Weighted average number of ordinary shares (*)	345,821	345,821	345,821	345,821
Basic earnings per ordinary share (sen)	4.91	4.27	13.52	8.43

(*) 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 RM646,716 (30 September 2023: RM1,544,516).

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

Write-down of property, plant and equipment

During the quarter and year-to-date ended 30 September 2024, there were no write-down of property, plant and equipment (30 September 2023: RM436).

A17A. Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at the lower of cost and net realisable value.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

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	-	-	21,451	21,451
At 30 September 2024	<u>213,679</u>	<u>45,296</u>	<u>1,190,616</u>	<u>1,449,591</u>
Accumulated amortisation:				
At 1 January 2024	136,608	29,191	548,496	714,295
Amortisation	5,398	1,132	36,867	43,397
At 30 September 2024	<u>142,006</u>	<u>30,323</u>	<u>585,363</u>	<u>757,692</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 September 2024	<u>71,673</u>	<u>14,973</u>	<u>605,253</u>	<u>691,899</u>

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

A18. Concession assets (continued)

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 or 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.

The Company, Sabah Ports Sdn. Bhd. (a subsidiary of the Group), the State Government of Sabah and Sabah Ports Authority entered into the Privatisation Agreement on 23 September 2003 ("Privatisation Agreement") to privatise the business of port undertakings of Sabah Ports Authority at the seven (7) ports of Sabah for a period of 30 years and can be extended for a further period of 30 years.

Subsequent to the initial recognition, concession assets are measured at cost, less accumulated amortisation and accumulated impairment losses. Concession assets are amortised over the remaining concession period ending 31 August 2034 using the straight-line method less impairment loss, if any.

The Group has received a letter from the State Economic Planning Unit dated 29 November 2022, conveying the decision by the State Government of Sabah approving a 30 years extension of concession from 1 September 2034 to 31 August 2064 ("new concession period"). Following the said decision, the Group can commence negotiation with the State Government to agree on the terms and conditions of the concession. The outcome of the negotiation on the new terms are to be tabled for consideration and approval by the State Cabinet. At the reporting date, the State Government of Sabah has yet to commence the negotiation with the Group on the terms and conditions of the concession.

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

A19. Inventories

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
Completed development properties held for sale	18,666	18,666
Consumables	11,342	11,443
	30,008	30,109

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

A20. Cash and cash equivalents

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
Cash at banks and on hand	51,061	54,415
Cash at banks pledged as security for bank facilities	213	474
Short term deposits with licensed banks	48,735	51,071
Deposits with maturity more than 3 months	23,923	25,468
	123,932	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 September 2024 for the Group was 3.5% (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 September 2024 for the Group was 3.3% (2023: 3.1%).

Included in deposits with maturity more than 3 months of the Group are deposits amounting to RM7,320,556 (2023: RM7,326,000) 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 30.09.2024 RM'000	As at 30.09.2023 RM'000
Cash at banks and on hand	51,061	34,645
Short term deposits with licensed banks	48,735	49,980
	99,796	84,625

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 September 2024	159,878	-	-	159,878
- 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 September 2024					
Investment properties	-	81,800	-	81,800	72,041
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 a comparable approach using similar properties with significant unobservable inputs including factor adjustments made for location, size, accessibility, building conditions and amenities.

A22. Investment in an Associate Company

Sabah Ports Sdn. Bhd. ("SPSB") entered into a Collaboration Agreement with DP World FZE ("DPW") on 9 September 2024 marking the formal transfer of management and operations of SBCP to DP World Sabah Sdn. Bhd. (formally known as SBCP Sdn. Bhd.)

As part of the Collaboration Agreement, DPW has subscribed to 3,570,000 new ordinary shares and SPSB has subscribed to 3,420,000 new ordinary shares at nominal value of RM1.00 each share representing 51% and 49%, respectively in DP World Sabah Sdn. Bhd. (formally known as SBCP Sdn. Bhd.)

The Group accounts for its investment in this associate company using the equity method of accounting and the Group's share of profit is RM22,404 for the 22 days of operations from 9 September 2024 to 30 September 2024.

A23. Land held for sale

In accordance with the Joint Development Agreement 1 ("JDA1") with Jesselton Docklands 1 Sdn. Bhd. signed on 4 June 2024, a 2.543 hectares land earmarked for development located at Jalan Tanjung Lipat, Kota Kinabalu, Sabah has been reclassified from Property, Plant and Equipment to Land held for sale.

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

A24. Loans and borrowings

Total Group's loans and borrowings as at 30 September 2024 and 31 December 2023 were as follows:

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
Current		
Secured:		
- Islamic financing facilities	3,030	3,411
- Tawarruq financing	-	2,935
Unsecured:		
- Lease liabilities	55	32
- Short-term revolving credit	20,000	3,800
	23,085	10,178
Non- current		
Secured:		
- Islamic financing facilities	21,868	24,060
- Tawarruq financing	-	42,548
Unsecured:		
- Lease liabilities	14	-
	21,882	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.

A25. Concession liabilities

Group	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
At 1 January	102,643	107,460
Unwinding of discount	4,770	6,714
Payments	(8,844)	(11,531)
	98,569	102,643
Current		
Within 1 year	2,948	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	58,570	48,597
	95,621	90,851
	98,569	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

A26. Capital commitments

	As at 30.09.2024 RM'000	As at 30.09.2023 RM'000
Approved and contracted for		
Sapangar Bay bunkering line	-	149
Jetty extension at Sapangar Bay Oil Terminal	9,036	34,477
Sapangar Bay Conventional Cargo Terminal	2,560	3,696
Other projects and equipment	1,044	2,742
	12,640	41,064
Approved but not contracted for		
Purchase of property, plant and equipment and port infrastructure facilities	179,663	183,441
	192,302	224,505

The approved but not contracted for amounting to RM192.3 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.

A27. 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		
	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000	%	30.09.2024 Unaudited RM'000	30.09.2023 Restated RM'000	%
Revenue						
Revenue from operations	67,012	61,936	8	202,868	182,290	11
Cost of sales						
Operational cost	(41,342)	(40,546)	2	(125,591)	(122,640)	2
	25,670	21,390	20	77,277	59,650	30
Revenue from construction services for concession infrastructure	4,524	15,179	(70)	21,451	28,428	(25)
Construction services cost for concession infrastructure	(4,524)	(15,179)	(70)	(21,451)	(28,428)	(25)
	-	-	-	-	-	-
Gross Profit	25,670	21,390	20	77,277	59,650	30
Share of profit of associate	22	-	100	22	-	100
Profit before Tax	22,365	19,624	14	60,825	41,564	46
EBITDA	40,290	36,521	10	114,692	92,266	24

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 September 2024, the Group registered revenue from operations of RM 67.0 million, an increased by RM 5.1 million or 8% when compared to revenue in the previous year's corresponding quarter ended 30 September 2023 of RM61.9 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 RM4.5 million (30 September 2023: RM 15.2 million), lower by RM10.7 million (45%). 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 RM22.4 million for the current quarter ended 30 September 2024, higher by RM2.8 million (14%) from RM19.6 million for the corresponding quarter ended 30 September 2023, mainly due to improved revenue from operations and other income during the quarter under review.

Year-to-date

For the year-to-date ended 30 September 2024, the Group registered operational revenue of RM202.9 million, an increased by RM20.6 million or 11% when compared to the prior year-to-date ended 30 September 2023 of RM182.3 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 RM60.8 million for the year-to-date ended 30 September 2024, an increased by RM19.2 million (46%) from RM41.6 million for the prior year-to-date ended 30 September 2023, mainly due higher revenue, interest income 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 RM22.4 million for the current quarter as compared to RM18.7 million for the immediate preceding quarter, representing an increase of RM3.7 million (20%), mainly due to higher other income 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 officially concluded the signing of a strategic collaboration agreement with DPW on 9 September 2024, marking the formal transfer of management and operations of Sapangar Bay Container Port ("SBCP") to DP World Sabah Sdn. Bhd. (formally known as SBCP Sdn. Bhd.)

This significant partnership aims to establish SBCP as a regional trade hub, particularly serving the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA). The long-term view here is by integrating SBCP into DP World's extensive global network, this collaboration is set to enhance the port's operational capacity, competitiveness, and its strategic role in both regional and international trade of which the financial returns to the Group may not be immediate.

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 December 2024.

On 10 September 2024, the Group formalised a Joint Development Agreement (JDA) with Jesselton Docklands 2 Sdn. Bhd., a joint venture company between Suria and BEDI Development, to develop an 11.54-hectare prime parcel within the Kota Kinabalu Port area. This project seeks to enhance Kota Kinabalu's urbanisation, unlock Sabah's tourism potential, and boost cruise-related activities. The agreement builds upon the earlier JDA signed in June 2024 with Jesselton Docklands 1 Sdn. Bhd., which covers the development of Jesselton Docklands 1 on an adjacent 2.543-hectare site. Together, these projects aim to reshape Kota Kinabalu's landscape and position Sabah as a leading integrated tourism hub.

The Jesselton Docklands 2 project is scheduled to commence in 2026 and will be developed in phases over 15 years. Key components include commercial and residential suites, retail and office spaces, a luxury hotel, an integrated cruise terminal, an international school and a wellness center.

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

No additional corporate proposals were presented for the current quarter under review. The corporate proposals disclosed in the second quarter for the year under review, specifically the collaboration between Suria Capital Holdings Berhad and BEDI Development Sdn. Bhd. as well as between Sabah Ports Sdn. Bhd. and DP World have now been finalized.

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 September 2024 (30 September 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 September 2024 and 30 September 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 28 November 2024.