

Stock Digest

Initiating Coverage – Suria Capital Holdings Bhd

Monday, 11 Dec, 2017



MALACCA SECURITIES SDN BHD

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Hotline: 1300 22 1233

Email: support@mplusonline.com.my

Website: www.mplusonline.com.my

Expanding Horizons

Investment Highlights

- We initiate coverage on Suria Capital Holdings Bhd (Suria) with a **BUY** recommendation and a target price of RM2.30. Started off as a property developer and subsequently transformed into a financial entity, Suria has now established itself as a prominent port operator in East Malaysia with a track record of approximately 10 years of operational experience in the port operations industry.
- We like Suria for its ability to generate a stream of recurring income, coupled with stable port operating margin between 28.0%-31.0% over the past four years. We reckon that its expansion plan and transforming Sapangar Bay Container Port (SBCP) into a transshipment hub of East Malaysia will be a key driver for earnings growth – a project that is funded by the Federal government as an initiative under the 11th Malaysia Plan.
- Suria is capitalising on the value of its ports land in Sabah. Suria provides the land and facilitates the implementation of two projects, whilst its joint venture partners are responsible for the overall construction and completion at their own expenses. Therefore, we reckon that Suria will carry minimal risks in both the sizeable property development projects.
- We arrive at our target price by ascribing a sum-of-parts (SOP) approach as we value its port operations and property development businesses on a discounted cash flow approach (WACC: 8.5%, Terminal Growth: 1.5%); whereas we ascribe 10.0x PER to both its 2018 logistics & bunkering & contract and engineering & ferry terminal operations businesses. At the target price, Suria's implied PERs are about 20% discount to its peers, but we think the discount is fair given Suria's smaller revenue base and market capitalisation.

Financial Highlights					
FYE Dec (RM mln)	2014A	2015A	2016A	2017F	2018F
Revenue	273.1	496.7	258.5	301.0	332.4
EBITDA	123.0	193.1	126.9	125.0	127.4
Net Profit	52.1	126.4	66.7	50.2	54.6
Revenue Growth (%)	3.7	81.8	-47.9	16.5	10.4
EBITDA Growth (%)	-1.2	57.0	-34.3	-1.5	1.9
Net Profit Growth (%)	-8.1	142.6	-47.3	-24.7	8.6
EPS (sen)	18.1	43.9	23.1	17.5	18.9
P/E (x)	10.5	4.3	8.2	10.9	10.0
DPS (sen)	7.0	7.0	7.0	7.0	7.0
Dividend Yield (%)	3.7	3.7	3.7	3.7	3.7
P/BV (x)	0.6	0.6	0.5	0.5	0.5
ROE (%)	6.1	13.0	6.6	4.8	5.1

Source: Company Data & MSSB Research

Recommendation: BUY

Share Price: RM1.90

Target Price: RM2.30

Expected Return: +21.1%

Expected Dividend Return: +3.7%

Expected Total Return: +24.7%

FBM KLCI: 1,719.05

Key Statistics

Bursa Code: 6521

Bloomberg Ticker: SURIA MK Equity

Stock Information: Engaged in the provision of port services and facilities and property development

Listing Market: Main Market

Share Issued (mln): 288.2

Market Capital (RM mln): 547.5

Par Value (RM): N/A

52 week high/low: RM2.56/RM1.85

Estimated free float: 34.9%

Beta (x): 0.7

3-month average volume ('000): 69.2

Major Shareholders:

Warisan Harta Sdn Bhd	45.4%
Lembaga Tabung Haji	9.3%
Yayasan Sabah	3.7%

Analyst:

Kenneth Leong

kennethleong@malaccasecurities.com.my

+603 7876 1533

BURSA



www.bursamids.com

Recommendation

We like Suria for its position as the leading port operator in Sabah, having secured long-term concession agreements with relevant authorities until 2034 and a relatively large scale expansion plan in the pipeline. Suria has accumulated over 10 years of operational experience in the port operations and currently owns a total of eight ports in Sabah (four each in the east and west coast). Over the years, Suria has established itself as a key player in the regional connectivity mode of sea transportation.

We reckon that the port operations business will remain resilient and we like the aforementioned business for being more defensive in nature vs. other industries to weather any economic downturn. As it is, the port operations segment dominated the group's revenue (averaging at 79.1% of the group's total revenue over the past four years), whilst delivering commendable and stable operating margin of between 28.0%-31.0% over the same period.

We are sanguine on the group's expansion plans for SBCP as it moves towards becoming a transshipment hub of East Malaysia. The group will embark on a large scale expansion which will increase its Twenty-Foot Equivalent Unit (TEU) handling capacity to 1.25 mln (from 0.5 mln) per annum. The expansion will also boost Sabah's economic competitiveness in order to address the issue of trade imbalances, lower cost of business activities and reduce the cost of living in Sabah.

Meanwhile, its investment in the local property development segment will not only unlock the value of the landbank, but will also be earnings accretive in the long run. Both projects are strategically located in the capital city of Sabah with good connectivity. The Jesselton Quay development project is located approximately 10 km from the Kota Kinabalu International Airport and is next to the proposed International Cruise Terminal, whilst the One Jesselton Waterfront project is also within the proposed integrated development.

At current price of RM1.90, we think that its share price is slightly undervalued, trading at prospective 2017 and 2018 PERs of 10.9x and 10.0x, which are at a discount to its peers average of 14.8x and 14.2x respectively. This implies potential upside vis-à-vis its peers in the similar industry.

At the target price of RM2.30, Suria will trade an implied PER of 13.2x and 12.2x for 2017 and 2018 respectively, which is at approximately 20% discount to its peers. We think that the discount is fair to reflect Suria's smaller revenue base and market capitalisation.

Investment Risk

Risks to our recommendation include severe weather changes. Abnormal weather such as heavy rain that leads to flood, haze, dense fog and low visibility could disrupt port operations. The yearly rainy season in most of Sabah is from October to February.

Suria's port activities are dependent and sensitive to prices of commodity products (mainly crude oil and crude palm oil). Rising commodity prices encourages more transactions and vice versa. In 2016, commodity products make up to RM76.9 mln or 30.9% of the port operation's segment revenue.

The port operation business requires a number of approvals, licenses, registrations and permits from various regulatory authorities. Port operations are highly regulated by the State and Sabah Ports Authority (SPA).

With Suria diversifying into the property development market, weaker-than-expected property sales could see delays in payments from its joint-venture partners. Any delay in project completion from the expected timeline completion will tighten cash flow projections and thus reducing our DCF valuations.

Company Background

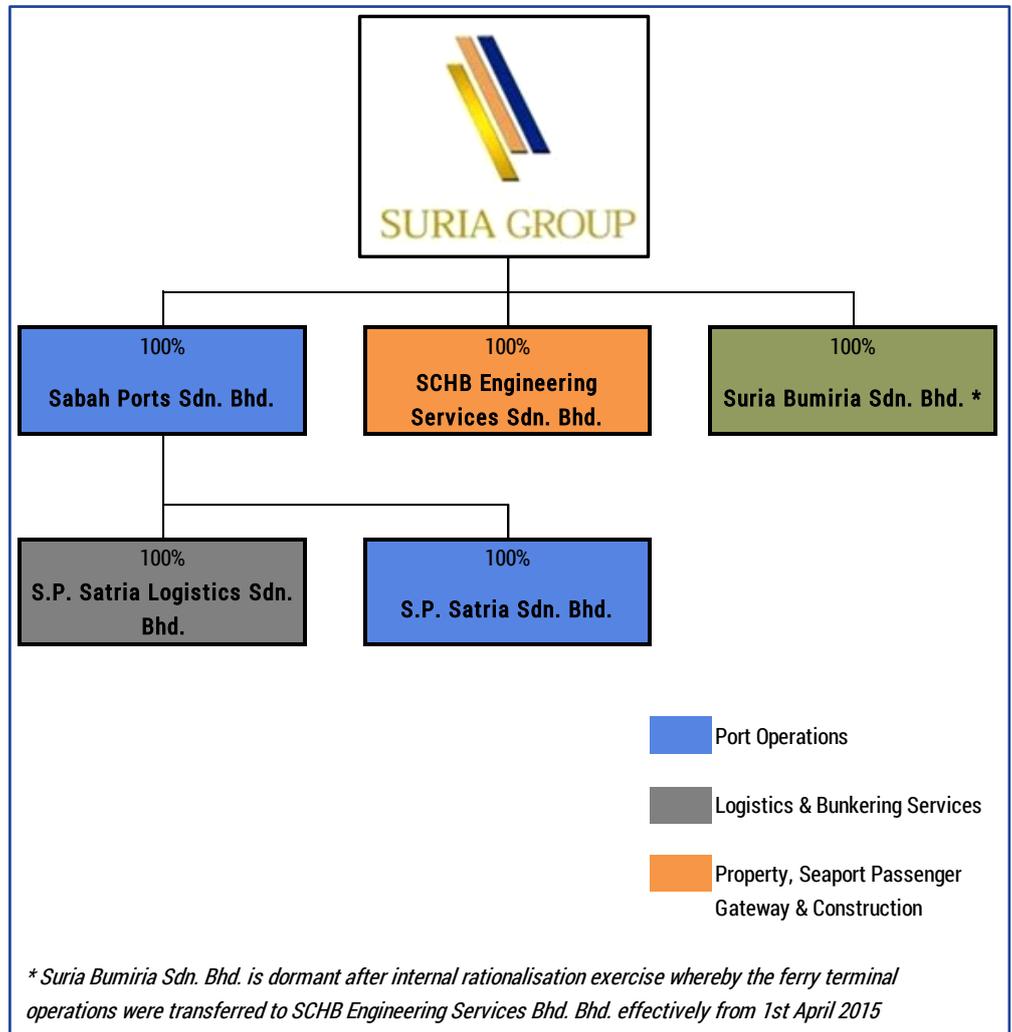
Suria started off as a property development company in 1983 and subsequently turned into a financial entity via the acquisitions of Sabah Bank Bhd (SBB) and Sabah Development Bank (SDB) in 1996. The group was then listed on the Main Board of Bursa Malaysia in 1996.

Suria disposed both SDB and SBB to the Sabah State Government and Alliance Bank respectively in 2001. Following the aforementioned disposals, Suria slipped into the Practice Note 10 status. The group then exited the aforementioned status in 2004 after venturing into port operations in the same year via the acquisition of seven ports from SPA with a 30-year concession agreement. Today, Suria operates a total of eight ports in Sabah, providing maintenance of port services, facilities and equipment maintenance services.

Suria returned as a property developer in 2013 via a joint venture with **SBC Corporation Bhd** for a mixed development project comprising of commercial suites, retail mall, retail units, office towers and hotel. The group then undertook its second property development project via a joint venture with **Gabungan AQRS Bhd**.

Suria is backed by the Sabah State Government who collectively owns 50.8% equity stake in the group via Warisan Harta Sabah Sdn Bhd (45.4%), Yayasan Sabah (3.7%) and Chief Minister, State of Sabah (1.7%). The group also counts on several local institutional funds such as Lembaga Tabung Haji, I-Capital biz Bhd, Public Islamic Opportunities Fund, Kumpulan Wang Persaraaan and Eastspring Investment Small-Cap Fund as its shareholders. This highlights the group's position as one of the top local port operators in its ability to attract institutional investors.

Corporate Structure

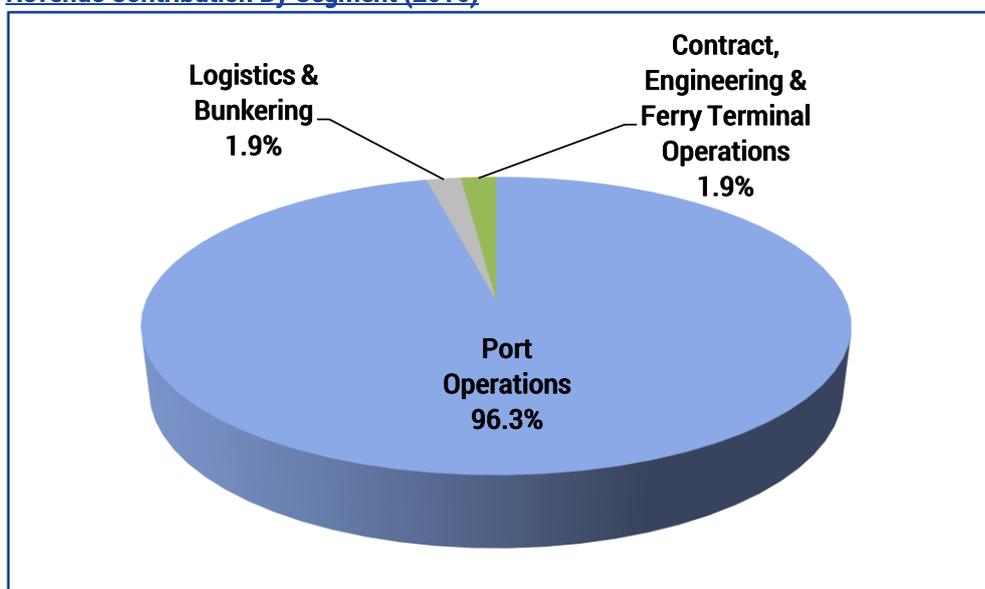


Source: Company Data

Business Segments and Outlook

Suria operations are categorised into: (i) port operations, (ii) logistics and bunkering, (iii) contract and engineering and ferry terminal operations, and (iv) property development. In 2016, the port operations segment was the main contributor, accounting to RM248.8 mln or 96.3% of the group's turnover, whilst both the contract and engineering and ferry terminal operations and logistics and bunkering segment complement its core business, recording RM4.9 mln and RM4.8 mln in revenue respectively – each representing 1.9% of the group's total revenue.

Revenue Contribution By Segment (2016)



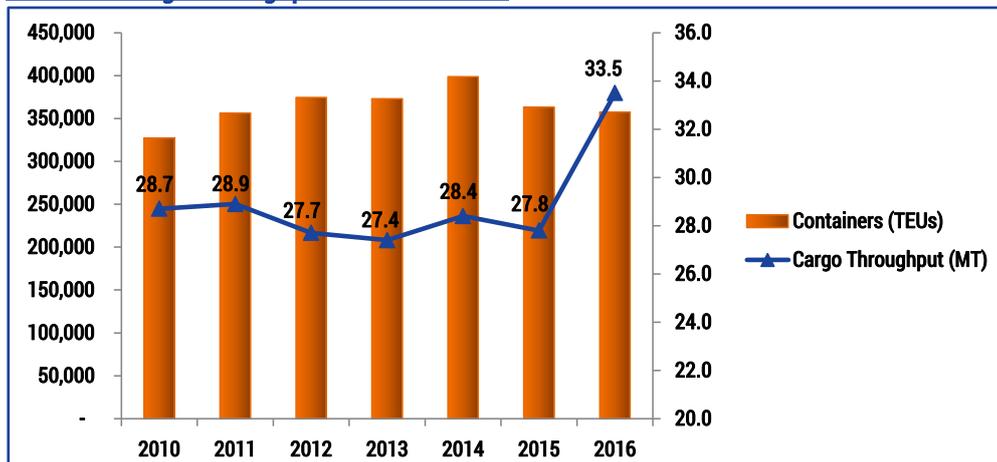
Source: Company Data

Port Operations

The port operations segment, which is the core business of the group, contributed 96.3% or RM248.8 mln to Suria's total revenue in 2016. The aforementioned segment yields a relatively high pretax profit margin of 30.9% in 2016 (five-year average pretax margin at 30.4%).

Suria currently operates eight ports, namely SBCP, Sandakan Port, Tawau Port, Kota Kinabalu Port, Lahad Datu Port, Sapangar Bay Oil Terminal, Kunak Port and Kudat Port, of which all located in the state of Sabah. All, but the Kudat Port generated profits to the segment's earnings in 2016 as the latter's losses were mainly due to the insignificant contribution at the topline (0.1% of the segment's revenue in 2016).

Historical Cargo Throughput and Containers



Source: Company Data

Suria's concession agreement with SPA since 1st September 2004, allows the group to generate a stream of recurring income until 2034. Port operations revolves around berthing of ships, mooring, pilotage and tugboat services, stevedoring services, provision of reefer containers, provision of storage of containers, provision of container freight station and water supply and bunkering services.

The port operation segment handles various commodities such as bulk oil, palm oil, wood products, fertiliser, palm kernel expeller and general cargo. The group's container business has grown rapidly over the years, from handling 154,693 TEUs in 1997 to 357,386 TEUs in 2016, representing a 20-year CAGR of 4.5%. Container shipping was introduced in the late 1950s and in the ensuing years, it became the most adopted method of transporting goods (particularly for consumer products and commodities) by sea, due to its effectiveness in terms of costing and timing. The adoption of container shipping has reduced the cost to ship cargo by over 90% vis-à-vis the conventional break bulk cargo which involves the reliance of a great number of laborers for the transferring of products.

Meanwhile, the group handled a total of 33.5 mln tonnes of cargo throughput in 2016. Cargos are handled either at wharf or anchor. Throughput at wharf handled using port facilities, whilst throughput at anchor handled at private jetties or mid-stream.

Moving forward, Suria will embark on a large-scale transformation of the SBCP to cater for larger vessels and higher volumes. The transformation of SBCP into a transshipment hub of East Malaysia is part of the Sabah Development Corridor (SDC) initiative under the 11th Malaysia Plan and the National Blue Ocean Strategy. SBCP will also leverage on China's 'One Belt, One Road' (OBOR) initiative to encourage trade in East Malaysia.

The five-year expansion plan revolves around enlarging the current 12 meter draft and 500 meter quay length into 15 meter draft and 1,000 meter quay length, whilst the existing 500,000 TEUs capacity will be expanded into 1,250,000 TEUs capacity by 2026. The federal government has approved an allocation of RM1.03 bln for the said expansion which will be channeled through the Sabah Economic Development Investment Authority.

Suria will also leverage on Malaysia and China's bilateral agreement to form a port alliance. The port alliance primarily aims to accelerate the development of shipping, logistics and related industries between the countries. The port alliance agreement involves collaborations of nine ports in Malaysia (Port Klang, Malacca, Penang, Sabah, Kuching, Kemamam, Johor, Kuantan and Bintulu) and 12 ports in China.

Although the port earnings are likely to see minimal growth, we expect the port operations segment to continue dominating the group's revenue over the foreseeable future. The group is also in the process of negotiating for a potential tariff hike with relevant authorities, given that port tariffs remain unchanged over the past 30 years.

We also note that Suria is in talks with **MMC Corporation Bhd** on a potential equity sale in its wholly owned unit, Sabah Ports Sdn Bhd. The proposed sale, however, is still at the preliminary stage and we have not imputed the stake sale into our forecast until

there are further developments on the disposal.

Logistics & Bunkering

The logistics and bunkering segment involves fuel supply services to the ports, vessels and industries or factories. They contributed to 1.9% or RM4.8 mln to Suria's total revenue in 2016. However, the segment's pretax loss stood at RM0.5 mln due to lower volume of fuel supplied (3.2 mln liters in 2015 vs. 2.5 mln liters in 2016). The major downturn is mainly due to the weaker crude oil prices, coupled with the high cost of storing the fuel.

Moving forward, Suria aims to operate and manage oil tankage facilities in the ports in collaboration with a partner in the industry in order to tap into the local oil and gas market.

Contract, Engineering & Ferry Terminal Operations

The contract, engineering and ferry terminal segment contributed 1.9% or RM4.9 mln to Suria's total revenue in 2016. Although the aforementioned segment recorded a pretax loss of RM0.7 mln, it improved vs. a pretax loss of RM5.3 mln recorded in 2015 due to impairment of trade receivables.

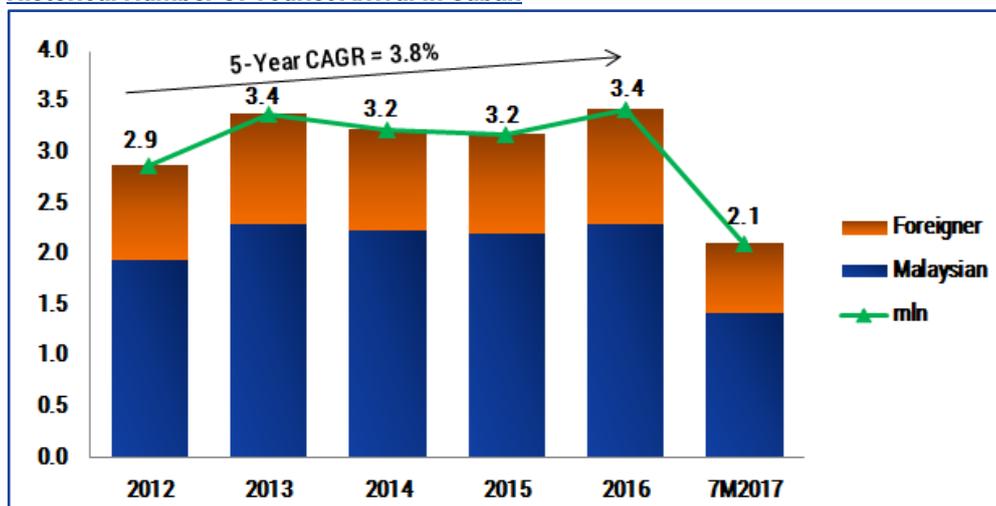
The major revenue driver comes from passenger fees from the Jesselton Point ferry terminal (public ferry terminal) and handling of international cruise ship passengers at the Kota Kinabalu port. The tariff fees charged for an adult and child (below 12 years of age) passengers are RM7.20 and RM3.60 respectively.



Source: Various

The ferry terminal operations are part of the group's activity and a support to the tourism industry in Sabah. According to the Sabah Tourism Board, the number of tourist arrivals to Sabah stood at a record high of 3.4 mln in 2016 – representing a five-year CAGR of 3.8%. As of 2016, the tourism sector in Sabah remains as one of the key drivers for the state's economic growth, contributing RM7.25 bln or 9.0% of the state's GDP in 2016.

Historical Number Of Tourist Arrival In Sabah



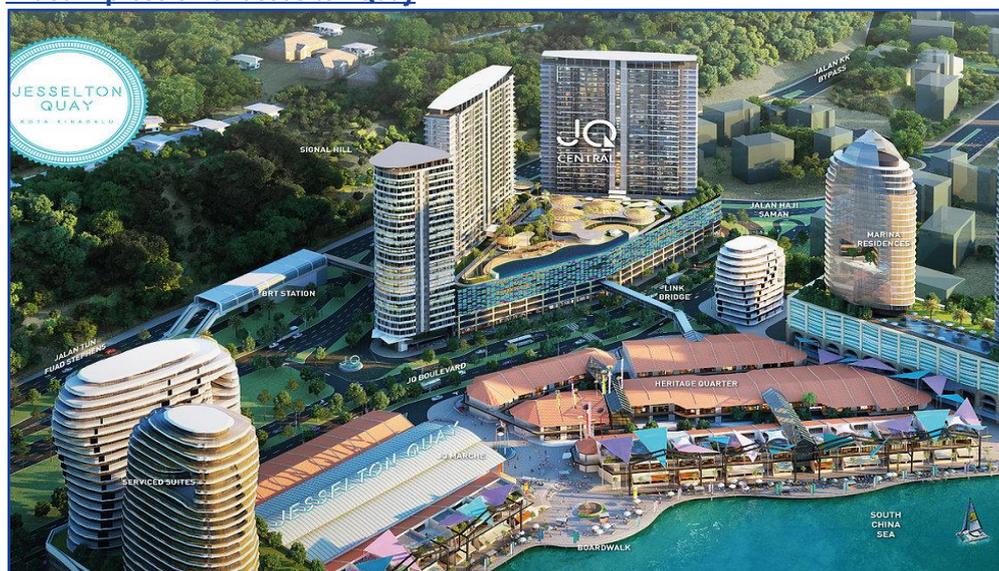
Source: Sabah Tourism Board

Property Development

Although the property development segment did not generate any revenue in 2016, the group has already booked-in proceeds from a disposal of land held for the joint venture development of the Jesselton Quay (JQ) project worth RM229.2 mln in 2015.

Suria involves in the property development business through a joint venture agreement with **SBC Corporation Bhd** dated 21st May 2013. The JQ project sits on a 16.3 ac. land and will be developed over several phases in a span of 8-10 years with a minimum net saleable value (NSV) of RM1.80 bln. We reckon Suria will carry minimal risks as the group will provides the land and facilitates the project implementation whilst the overall construction will be handled by the joint venture partner. In return, Suria will be entitled 18.0% (RM324.0 mln) of the minimum NSV.

Artist Impression of Jesselton Quay



Source: Company Data

Piling works have commenced for the first phase of the JQ development, namely JQ Central which comprises of: (i) a 25-storey next generation office tower, (ii) two 25-storey commercial suites towers, (iii) 37 showroom galleries, and (iv) 2 ac. tropical-themed commercial recreation club. Within two hours of launching on 26th October 2016, Block A of the JQ Central saw a full take up rate, which is impressive considering the sluggish general property market in Malaysia.

The first payment of RM2.0 mln has been received upon the execution of joint venture agreement in 2013. The remaining RM322.0 mln will be received in tranches within 8-10 years. The second payment of RM80.0 mln will be received via a combination of RM20.0 mln in cash and RM60.0 mln in the form of entitlement in-kind on a commercial property upon the completion of retail shops development over the next 2-3 years.

Meanwhile, Suria is also undertaking another property development project – One Jesselton Waterfront through a joint venture with **Gabungan AQRS Bhd**. The aforementioned project will be developed on a seven ac. land at the Kota Kinabalu Port. Likewise, Suria will be entitled for 18.0% (RM198.0 mln) of the minimum NSV of RM1.10 bln, comprising of RM31.6 mln in cash plus a corporate office and a retail mall valued at RM52.0 mln and RM114.4 mln respectively. Construction is expected to commence in 2018 and is expected to take six years to complete.

In the meantime, the group aims to develop an international cruise terminal at the existing Kota Kinabalu Port. The aforementioned development is in line with Thrust 1 of the 11th Malaysia Plan – Re-engineering Economic Growth that will likely boost the number of tourist arrival. To this end, Suria is planning to acquire a 28.9 ac. land in Kota Kinabalu Port for the purpose. The acquisition will be financed partly from the proceeds of a potential rights issue exercise, which is still in planning stage.

Artist Impression of One Jesselton Waterfront



Source: Company Data

Earnings Outlook

Suria's revenue has been checkered over the past few years, dragged down by the decline in the logistics and bunkering segment. Despite that, its bottom line grew at a three-year CAGR of 13.1% over the same period to RM66.7 mln in 2016, lifted by the higher contribution from its core business – the port operations segment.

We estimate Suria could register a blended net profit margin of between 15.0%-20.0% over the next two years, lower than 25.8% recorded in 2016 – assuming its port tariff remain unchanged whilst operational expenses from utilities, wages, and transportation increases. In the meantime, we think that the container volume growth will be marginal at 2.2% over the foreseeable future, until the relatively large scale SBCP expansion that will transform the port into a Transshipment Hub of East Malaysia, is completed.

For 2017, we forecast Suria's revenue to record RM301.0 mln (+16.5% Y.o.Y) and consequently grow 10.4% Y.o.Y to RM332.4 mln in 2018. 2017 net profit, however, is expected to contract 24.7% Y.o.Y to RM50.2 mln, translating to a lower net profit margin of 16.7% (vs. 25.8% registered in 2016). The decline is mainly due to the potentially higher effective tax rate of 35.0% vs. 20.2% in 2016 (9M2017 effective tax rate at 38.4%). However, we think that net profit margin should find stability in 2018 at 16.4% (net profit of RM54.6 mln, +8.6% Y.o.Y)

Suria continues to maintain a healthy balance sheet with a low net gearing below 15.0% over the past four years. The group's gearing level has declined from a high of 27.9% recorded in 2013, to a low of 11.0% in 2016. We expect the group to continue trimming its gearing level to 8.8% and 7.7% in 2017 and 2018 respectively, backed by its positive free cash flow from its port operations segment. The group has also earmarked approximately RM1.00 bln as CAPEX over the next five years, mainly for its SBCP expansion plan. The CAPEX will be funded via a potential cash call which could involve undertaking a rights issue exercise. However, the aforementioned exercise is in the preliminary stage and we have not imputed any dilution effect into our forecast.

In 9M2017, Suria's topline added 20.8% Y.o.Y to RM218.0 mln. Despite that, 9M2017 net profit decreased 31.3% Y.o.Y to RM31.2 mln on higher operating expenses, mainly from the port operations segment.

We note that Suria adopted a formal dividend policy, paying up to 35.0% payout from the net profit. Suria has been consistently rewarding its shareholders with dividends over the years. The group's four-year average payout ratio stands at 30.1% of its net profit. We expect Suria to maintain its regular dividend payments over the next two years at 7.0 sen per share for both 2017 and 2018 respectively. This translates to a decent dividend yield of 3.7% for the upcoming two years.

Suria wholly-owned subsidiary, SCHB Engineering Services Sdn Bhd has secured a contract for the upgrading works for Gorge Line between Halogilat and Tenom station valued at RM49.5 mln, to be completed over the next 18 months. The group has also secured a development of 2.0MW large scale solar photovoltaic plant with a joint venture with RAPS Solution Sdn Bhd.

SWOT

<p>Strength</p> <ul style="list-style-type: none"> ▪ Exclusive port concessionaire in Sabah to generate a stream of recurring income. ▪ Commendable and stable port operational margins. 	<p>Weakness</p> <ul style="list-style-type: none"> ▪ Ports expansion plan requires substantive CAPEX which could require external funding and eventually erode margins. ▪ Decline in CPO production to weigh on port activities.
<p>Opportunity</p> <ul style="list-style-type: none"> ▪ Potential port tariff hike as a re-rating catalyst. ▪ Diversification into property development segment to provide a boost to its stable port operations earnings. 	<p>Threat</p> <ul style="list-style-type: none"> ▪ Port operations performance highly correlated with commodities fluctuations (mainly CPO and crude oil prices). ▪ Delay in port expansion and implementation of two sizeable property development projects will limit earnings growth.

Valuation

We value Suria through a sum-of-parts (SOP) approach as we valued both its port operations and property development segments on a discounted cash flow approach (key assumptions include a WACC of 8.5%, terminal growth rate of 1.5%) to reflect its ability to generate recurring revenues and steady earnings growth over the longer term. Meanwhile, we ascribe a 10.0x PER to both its logistics and bunkering and contract, engineering and ferry terminal operations business, based on their potential earnings contribution in 2018.

At the target price of RM2.30, Suria will trade at implied PERs of 13.2 and 12.2x for 2017 and 2018 respectively, which are at a 20.0% discount to its peers in the similar industry. The discount is to reflect Suria's smaller revenue base and market capitalisation, vis-à-vis Malaysia's port operator giants.

Peer Comparison

	WPRTS	BIPORT	SURIA	AVERAGE
FYE	Dec	Dec	Dec	
Share Price @ 7 Dec, 2017	3.41	6.05	1.90	
Market Capitalisation (RM mln)	11628.1	2783.0	547.5	
P/E 2017 (x)	17.0	18.3	8.2	14.5
P/E 2018 x)	15.9	15.1	10.9	14.0
P/B 2017 (x)	5.6	1.1	0.5	2.4
ROE (%)	30.8	8.1	6.6	15.1
DPS (Sen)	14.0	0.0	7.0	7.0
Dividend Yield (%)	4.1	0.0	3.7	2.6

Source: Company Data & MSSB Research

Financial Highlights

Income Statement					
FYE Dec (RM mln)	2014A	2015A	2016A	2017F	2018F
Revenue	273.1	496.7	258.5	301.0	332.4
EBITDA	123.0	193.1	126.9	125.0	127.4
Depreciation & Amortisation	-43.6	-40.8	-39.8	-45.0	-47.5
Net Interest Expense	-6.6	-4.1	-3.5	-2.8	-2.0
Associates	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	72.8	148.2	83.5	77.3	77.9
Effective Tax Rate	28.4%	15.2%	20.2%	35.0%	30.0%
Net Profit	52.1	126.4	66.7	50.2	54.6
EBITDA Margin	45.0%	38.9%	49.1%	41.5%	38.3%
PreTax Margin	26.7%	29.8%	32.3%	25.7%	23.4%
Net Margin	19.1%	25.5%	25.8%	16.7%	16.4%

Source: Company Data & MSSB Research

Balance Sheet					
FYE Dec (RM mln)	2014A	2015A	2016A	2017F	2018F
Total Assets	1248.7	1332.3	1348.8	1381.5	1441.0
Fixed Assets	64.0	63.4	62.2	67.2	69.7
Current Assets	290.0	352.1	262.4	262.3	297.7
Other LT Assets	894.7	916.8	1024.1	1052.0	1073.6
Current Liabilities	89.5	89.3	92.2	86.5	86.5
LT Liabilities	308.9	272.1	241.1	249.5	274.6
Share Capital	283.3	288.2	288.2	288.2	288.2
Shareholder's Funds	850.3	971.0	1015.5	1045.5	1079.9
Minority Interests	2.0	1.7	0.0	0.0	0.0

Source: Company Data & MSSB Research

Per Share Data					
FYE Dec	2014A	2015A	2016A	2017F	2018F
Book Value (Sen)	2.95	3.37	3.52	3.63	3.75
Cash Flow (Sen)	38.4	67.6	34.6	29.5	30.3
Net Earnings (sen)	18.1	43.9	23.1	17.4	18.9
Dividend (sen)	7.0	7.0	7.0	7.0	7.0
Payout Ratio (%)	38.7%	16.0%	30.3%	40.2%	37.0%
Dividend Yield (%)	3.7	3.7	3.7	3.7	3.7
PER (x)	10.5	4.3	8.2	10.9	10.0
P/Cash Flow (x)	0.0	0.0	0.1	0.1	0.1
P/Book Value (x)	0.6	0.6	0.5	0.5	0.5
ROA (%)	4.2	9.5	4.9	3.6	3.8
ROE (%)	6.1	13.0	6.6	4.8	5.1
Gearing (%)	18.3	12.7	8.7	8.8	7.7
Net Gearing (%)	3.9	0.9	2.7	3.7	1.4

Source: Company Data & MSSB Research

Stock Price Performance vs KLCI



Price Performance	1 month	3 months	12 months
Absolute (%)	0.00%	-9.95%	-4.52%
Relative (%)	1.82%	-6.37%	-9.83%

Source: Company Data, Bloomberg

Appendix 1: Board of Directors Profile

Board of Directors	Profile
Datuk Hj. Faisyal bin Datuk Yusof Hamdain Diego	Independent and Non-Executive Chairman of Suria since 1st January 2013. He graduated from the York University, Toronto, Canada with a Bachelor of Arts (Hons) in Economics and a Master's degree in Shipping and Logistics from Middlesex University London in November 2016. He is also the Non-Independent Non-Executive Director of KUB Malaysia Bhd.
Madam Ng Kiat Min	Group Managing Director of Suria since 1st April 2016. She graduated with a degree in Accounting and Finance from University of Lancaster, United Kingdom. She is also a fellow member of the Chartered Association of Certified Accountants, United Kingdom (ACCA) and a Chartered Accountant registered with the Malaysian Institute of Accountants (MIA).
Datuk Ismail bin Awang Besar	Independent and Non-Executive Director of Suria since 6th June 1996. He graduated with a Bachelor of Arts (Hons), majoring in International Studies from the University of Staffordshire, United Kingdom and obtained a postgraduate Diploma in Development Administration from University of Birmingham, United Kingdom.
Datuk Dr. Mohd. Yaakub bin Hj. Johari	Non-Independent and Non-Executive Director of Suria since 24th August 1996. He holds a Bachelor of Science (Hons) from the University of Sussex and a Master of Science (Liberal Studies) from the University of Manchester, England. In 1982, he obtained his Ph.D in Sociology from the University of Salford, England.
Datuk Mohd. Hasnol bin Ayub	Non-Independent and Non-Executive Director of Suria since 1st July 2001. He holds a postgraduate Diploma in Business Administration and a Masters Degree in Business Administration both from the University of Wales, United Kingdom.
Hj. Muluk bin Samad	Non-Independent and Non-Executive Director of Suria since 26th June 2011. He graduated with a Bachelor of Science in Business Administration from Indiana State University, United States. He obtained his Master of Business Administration (International Business) from University of New Haven, United States.
Kee Mustafa	Independent and Non-Executive Director of Suria since 1st July 2014. He has a Bachelor of Arts of Anthropology and Sociology from University Malaya, Kuala Lumpur. He is also Independent and Non-Executive Director of Berjaya Land Bhd.
Chin Kiang Ming	Independent and Non-Executive Director of Suria since 1st July 2014. He has a Bachelor of Business (Accounting) from Curtin University of Technology, Australia. He is a member of Australia Society of CPAs, member of Malaysian Institute of Accountants PA (M) and a member of Malaysian Institute of Taxation ATII (M).
Datuk Ramlee bin Marahaban	Non-Independent and Non-Executive Director of Suria since 3rd March 2016. He graduated with a Bachelor of Science Degree in Economics from Indiana State University, United States.
Georgina L. George	Non-Independent and Non-Executive Director of Suria since 23rd January 2017. She holds a Bachelor of Economics Degree from University of Malaya, Kuala Lumpur.

Source: Company Data, Annual Report 2016

Disclaimer

This report has been prepared by Malacca Securities Sdn Bhd pursuant to the Mid & Small Cap Research Scheme (MidS) administered by Bursa Malaysia Bhd. This report has been produced independent of any influence from Bursa Malaysia Bhd or the subject company. Bursa Malaysia and its group of companies disclaim any and all liability, however, arising, out of or in relation to the administration of MidS and/or this report. Malacca Securities have been compensated for this report and is independent from the influences of Bursa Malaysia or the company (ies) in this report. For further information about the scheme, please visit: www.bursamids.com

All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.