



PRESS RELEASE

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PRIVATISATION AGREEMENT – SURIA GROUP’S COMMITMENT OVER 30-YEAR CONCESSION PERIOD

The Privatisation of Sabah ports in 2004 resulted in total consideration of RM210 million paid by Suria Capital Holdings Berhad to the State Government of Sabah for the followings:

- (i) Transfer of 7 ports under Sabah Ports Authority to Sabah Ports Sdn Bhd and development of the new Sapangar Bay Container Port;
- (ii) Transfer of all moveable assets; and
- (iii) Alienation of approximately 23.25 acres of land in Kota Kinabalu Port for which is currently being developed into Jesselton Quay and One Jesselton Waterfront.

In addition to the RM210 million consideration paid for the take-over of Sabah ports, Sabah Ports Sdn Bhd (the wholly-owned subsidiary of Suria Capital Holdings Berhad) is obliged to pay the Sabah State Government via the Sabah Ports Authority, the annual payments as stipulated in the Privatisation Agreement. The annual payments consist of both fixed and variable sums, and they are the lease rental, annual licence fee, annual concession fee and annual sufferance wharf charges.

TOTAL PAYMENT MADE TO THE SABAH STATE GOVERNMENT SINCE PRIVATISATION IN 2014

The main financial contributions by Suria Capital Holdings Berhad and Sabah Ports Sdn Bhd to the Sabah State Government is two-fold:

- (i) the annual fixed and varied (based on throughput) payments to the **Sabah Ports Authority** for the licence, lease rental and concession as per the Privatisation Agreement; and
- (ii) the annual dividend payment to the **Sabah State Government** via Warisan

Harta Sabah Sdn Bhd, Yayasan Sabah and Chief Minister Incorporated Sabah, being the majority shareholders of Suria Capital Holdings Berhad with collective shareholding of 50.73%.

(i) ANNUAL PAYMENTS MADE TO THE SABAH PORTS AUTHORITY PURSUANT TO THE PRIVATISATION AGREEMENT FROM 2004 TO-DATE

Lease rental	Licence fee	Concession fee	Sufferance wharves charges	Bad debts recovered	Total
RM mil	RM mil	RM mil	RM mil	RM mil	RM mil
94.328	0.750	60.006	26.554	1.059	182.697*

* Inclusive of the advance payment of RM18.852 million to the Sabah Ports Authority for 2018. Total payment made to the Sabah Ports Authority from 2004 to 2017 totaled to RM163.845 million.

(ii) DIVIDEND PAYMENT TO THE SABAH STATE GOVERNMENT FROM 2004 TO 2017

Since 2004, Suria Capital Holdings Berhad have paid the annual dividend of **RM104.490 million** in total to the Sabah State Government by virtue of their shareholding in Suria Capital Holdings Berhad.

TOTAL PAYMENT MADE TO THE SABAH STATE GOVERNMENT FROM 2004 TO 2017

Suria Capital Holdings Berhad and Sabah Ports Sdn Bhd have collectively paid about **RM268.335 million** contributions to the Sabah State Government (inclusive of payments to the Sabah Ports Authority) by the end of 2017. Suria Capital Holdings Berhad and Sabah Ports Sdn Bhd have been able to pay the contributions to the Sabah State Government at an increasing rate consistently and timely every year. This is attributed to the sound management of Suria Group and its commitment to deliver sustainable returns to its shareholders.

Dividend Payment To the Sabah State Government	Periodic Payment to the Sabah Ports Authority as per the Privatisation Agreement	Total Payment
RM mil	RM mil	RM mil
104.490	163.845	268.335

CAPEX SPENT TO-DATE

Besides the annual financial contributions to the Sabah State Government, the Privatisation exercise comes with a commitment by Sabah Ports Sdn Bhd to spend RM1.363 billion on capital expenditure to enhance and build port facilities for the Sabah State Government to improve efficiency and to cater for the increasing demand. Based on the “Build, Operate and Transfer” model of the Privatisation, these facilities will be transferred back to the Sabah Port Authority upon expiry of the concession period. To date, Sabah Ports Sdn Bhd has spent more than RM1 billion on expanding port infrastructure and procurement of cargo handling equipment.

	Infrastructure RM mil	Equipment RM mil	Total RM mil
Commitment	780.200	582.748	1,362.948
<u>Incurred</u>			
Sapangar Bay Container Port	(328.335)	(284.125)	(612.460)
Sapangar Bay Oil Terminal	(48.575)	(0.006)	(48.581)
Sandakan	(179.936)	(35.547)	(215.483)
Lahad Datu	(13.027)	(7.048)	(20.075)
Kunak	(57.440)	(0.097)	(57.537)
Tawau	(0.996)	(26.767)	(27.763)
Kota Kinabalu	(1.800)	(26.065)	(27.865)
Port Management System		(18.250)	(18.25)
	(630.109)	(397.905)	(1,028.014)
BALANCE TO BE SPENT*	150.091	184.843	334.934

**Sabah Ports Sdn Bhd may spend more than the balance of RM334.934 million commitment on building the infrastructure or upgrading port facilities in the future, if necessary.*



Caption of picture:

Puan Noorida responding to shareholders during the 35th AGM of Suria Capital.

About Suria Capital Holdings Berhad

Suria Capital Holdings Berhad is a public-listed company on the Main Market of Bursa Malaysia since 1996. Incorporated in 1983, the core business is in the provision of port services following the privatization of ports in 2004. Its subsidiary, Sabah Ports Sdn Bhd manages and operates eight ports in Sabah namely Kota Kinabalu Port, Sapangar Bay Container Port, Sapangar Bay Oil Terminal, Kudat Port, Sandakan Port, Lahad Datu Port, Tawau Port and Kunak Port. The port business is further complemented by subsidiaries of Sabah Port Sdn Bhd., S.P. Satria Sdn Bhd and S.P. Satria Logistics Sdn Bhd, which are respectively involved in the supply and maintenance of port equipment as well as in the provision of bunkering services.

Suria Capital has also diversified its business activities into the property development in Sabah through its involvement in its upcoming mega development projects, namely Jesselton Quay and One Jesselton Waterfront at the Kota Kinabalu Port land.

Its engineering arm, SCHB Engineering Services Sdn Bhd has been involved in engineering works in Sabah including the railway rehabilitation project from Tanjung Aru to Beaufort. The subsidiary also operates Jesselton Point Ferry Terminal in Kota Kinabalu and provides the “meet and greet” facilities for cruise ship passengers at Kota Kinabalu Port.

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