



SURIA CAPITAL HOLDINGS BERHAD

(COMPANY NO: 198301001662 (96895-W))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2021

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**Condensed consolidated statements of profit or loss and
other comprehensive income**
For the quarter and year-to-date ended 31 March 2021

	Note	Quarter and Year-to-date ended	
		31.03.2021 Unaudited RM'000	31.03.2020 Unaudited RM'000
Revenue			
Revenue from operations		50,322	53,396
Revenue from construction services for concession infrastructure		4,366	3,544
Total revenue		54,688	56,940
Cost of sales			
Operational cost		(36,334)	(35,880)
Construction services cost for concession infrastructure		(4,366)	(3,544)
Total cost of sales		(40,700)	(39,424)
Gross profit		13,988	17,516
Other items of income			
Interest income		405	494
Other income		5,810	7,457
Other items of expense			
Administrative expense		(8,432)	(8,409)
Finance costs		(105)	(213)
Other expenses		(246)	(3,986)
Profit before tax	A14	11,420	12,859
Income tax expense	A15	(2,447)	(2,321)
Profit net of tax		8,973	10,538
Other comprehensive income		-	-
Total comprehensive income for the period		8,973	10,538
Profit net of tax attributable to:			
Owners of the Company		8,973	10,538
Non-controlling interests		-	-
		8,973	10,538

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



**Condensed consolidated statements of profit or loss and
other comprehensive income (continued)**
For the quarter and year-to-date ended 31 March 2021

	Note	Quarter and Year-to-date ended	
		31.03.2021 Unaudited RM'000	31.03.2020 Unaudited RM'000
Earnings per ordinary share attributable to owners of the Company (sen per share):			
Basic	A16	2.59	3.05

The above 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 2020 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

Condensed consolidated statements of financial position
As at 31 March 2021

	Note	As at 31.03.2021 Unaudited RM'000	As at 31.12.2020 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A17	57,994	58,572
Investment properties		70,179	70,179
Concession assets	A18	794,143	802,920
Deferred tax assets		15,323	16,142
Other assets		28,836	24,404
Trade and other receivables		140,154	140,154
		1,106,629	1,112,371
Current assets			
Inventories	A19	8,826	8,729
Trade and other receivables		101,657	100,881
Other assets		16,080	8,848
Tax recoverable		9,975	7,800
Investment securities	A21	57,429	61,871
Cash and bank balances	A20	71,899	75,021
		265,866	263,150
TOTAL ASSETS		1,372,495	1,375,521

Condensed consolidated statements of financial position (continued)
As at 31 March 2021

	Note	As at 31.03.2021 Unaudited RM'000	As at 31.12.2020 Audited RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Borrowings	A22	13,002	18,002
Concession liabilities	A23	8,279	11,038
Contract liability		-	1,775
Tax payable		7	7
Trade and other payables		42,306	44,368
Lease liabilities		554	695
		64,148	75,885
Net current assets			
		201,718	187,265
Non-current liabilities			
Concession liabilities	A23	106,229	104,401
Employee defined benefit liability		77	77
Deferred tax liabilities		57,259	59,348
Tax payable		27,757	27,889
Other Payable		1,677	1,446
Lease liabilities		30	130
		193,029	193,291
TOTAL LIABILITIES			
		257,177	269,176
Net assets			
		1,115,318	1,106,345
Equity attributable to owners of the Company			
Share capital	A8	358,825	358,825
Other reserves		(393)	(393)
Retained earnings		756,898	747,925
		1,115,330	1,106,357
Non-controlling interests			
		(12)	(12)
TOTAL EQUITY			
		1,115,318	1,106,345
TOTAL EQUITY AND LIABILITIES			
		1,372,495	1,375,521

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 31 March 2021

	Note	-----Attributable to owners of the Company-----							
		Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Non-Distributable Share capital RM'000	Distributable Retained earnings RM'000	Other reserves total RM'000	Non-Distributable Employee share option reserve RM'000	Premium paid on acquisition of non-controlling interests RM'000	Non-controlling interests RM'000
Opening balance at 1 January 2021		1,106,345	1,106,357	358,825	747,925	(393)	-	-	(12)
Profit net of tax		8,973	8,973	-	8,973	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the period		8,973	8,973	-	8,973	-	-	-	-
Transactions with owners									
Forfeited and expired ESOS		-	-	-	-	-	-	-	-
Dividends on ordinary shares	A9	-	-	-	-	-	-	-	-
Total transactions with owners		-	-	-	-	-	-	-	-
Closing balance at 31 March 2021		1,115,318	1,115,330	358,825	756,898	(393)	-	-	(12)

Condensed consolidated statements of changes in equity (continued)
For the year-to-date ended 31 March 2021

	Note	----- Attributable to owners of the Company -----							Non-controlling interests RM'000
		Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	Other reserves total RM'000	Non-distributable Employee share option reserve RM'000	Premium paid on acquisition of non-controlling interests RM'000	
Opening balance at 1 January 2020, as previously stated		1,113,392	1,113,403	358,825	753,077	1,501	-	-	(11)
Prior year adjustment		(27,889)	(27,889)	-	(27,889)	-	-	-	-
At 1 January 2020, as restated		1,085,503	1,085,514	358,825	725,188	1,501	-	-	(11)
Profit net of tax		10,538	10,538	-	10,538	-	-	-	-
Total comprehensive income for the period		10,538	10,538	-	10,538	-	-	-	-
Transactions with owners									
Dividends on ordinary shares	A9	-	-	-	-	-	-	-	-
Total transactions with owners		-	-	-	-	-	-	-	-
Closing balance at 31 March 2020, as restated		1,096,041	1,096,052	358,825	735,726	1,501	-	-	(11)

The above condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

Condensed consolidated statements of cash flows
For the year-to-date ended 31 March 2021

	Year-to-date ended	
	31.03.2021 Unaudited RM'000	31.03.2020 Unaudited RM'000
Operating activities		
Profit before tax	11,420	12,859
<u>Adjustments for:</u>		
Amortisation of concession assets	12,336	12,590
Allowance for impairment loss on:		
- trade receivables	148	217
- other receivables	-	-
Concession assets written off	-	3,865
Depreciation of property, plant and equipment	607	510
Employee leave entitlement	-	161
Employee leave entitlement written back	(28)	(94)
Finance costs	105	213
Gain on disposal of concession assets	-	-
Gain on disposal of property, plant and equipment	-	-
Impairment loss on other receivables	-	-
Interest income	(405)	(494)
Investment income from investment securities	(226)	(322)
Net fair value gain on held for trading investment securities	(39)	(89)
Plant and equipment written off	-	-
Rent concessions	-	-
Revision to estimated cash flows on receivables	-	-
Unrealised exchange loss/(gain)	-	-
Unwinding of discount on:		
- long term receivables	(3,269)	(4,891)
- concession liabilities	1,827	1,888
- dredging costs	-	-
Total adjustments	11,056	13,554
Operating cash flows before changes in working capital	22,476	26,413
<u>Changes in working capital:</u>		
(Increase)/decrease in inventories	(97)	1,991
Increase in trade and other receivables	(776)	(3,769)
Increase in other assets	(11,664)	(11,745)
Increase in contract asset	-	(1,018)
Decrease in trade and other payables	(1,831)	(10,670)
Decrease in contract liability	(1,775)	-
Payment of concession liabilities	(2,759)	(2,702)
Total changes in working capital	(18,902)	(27,913)

Condensed consolidated statements of cash flows (continued)
For the year-to-date ended 31 March 2021

	Year ended	
	31.03.2021 Unaudited RM'000	31.03.2020 Unaudited RM'000
Cash flows from/(used in) operations	3,574	(1,500)
Interest received	-	-
Income tax paid	(6,059)	(3,755)
Income tax refunded	-	-
Net cash flows used in operating activities	(2,485)	(5,255)
Investing activities		
(Increase)/decrease in cash at banks and deposits pledged and deposits with maturity more than 3 months	(198)	3,138
Purchase of concession assets	(3,559)	(3,665)
Proceeds from disposal of concession assets	-	-
Proceeds from disposal of plant and equipment	-	-
Proceeds from disposal of investment securities	4,826	6,000
Purchase of investment securities	(2,528)	(5,625)
Purchase of property, plant and equipment	(26)	(1)
Investment income received from investment securities	226	322
Interest received	405	494
Net cash flows (used in)/from investing activities	(854)	663
Financing activities		
Dividends paid	-	-
Drawdown of short-term revolving credit	-	-
Interest paid	(184)	(373)
Decrease in trust receipt	-	-
Repayment of short-term revolving credit	(5,000)	(1,482)
Repayment of obligations under finance leases	(15)	(16)
Repayment of loan from Sabah State Government	-	(5,927)
Payment of principal portion of lease liabilities	-	(284)
Net cash flows used in financing activities	(5,199)	(8,082)
Net decrease in cash and cash equivalents	(8,538)	(12,674)
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	65,653	46,362
Cash and cash equivalents at 31 March (Note A20)	57,115	33,688
Composition of cash and cash equivalents		
Cash on hand and at banks	31,170	14,303
Short term deposits with licensed banks	25,945	19,385
Cash and cash equivalents at 31 March (Note A20)	57,115	33,688

The above condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 25 May 2021.

A2. Basis of preparation

The condensed consolidated interim financial statements of the Group for the first quarter ended 31 March 2021 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") 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 2020. 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 2020.

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 2020, except for the adoption of the following Amendments to MFRSs, which are applicable during the current financial year.

Effective for annual periods beginning on or after 1 January 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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 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
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment—Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020 Cycle	1 January 2022
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
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 and transactions that would have had a material impact on the financial position and performance of the Group as at 31 March 2021.

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 period.

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

There was no material unusual item affecting assets, liabilities, equity, net income, or cash flows during the financial year-to-date ended 31 March 2021.

Notes to the condensed consolidated interim financial statements
Part A: Explanatory notes pursuant to MFRS 134

A7. Changes in estimates

There was no change in estimates that had a material effect in the current quarter results and preceding quarter.

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

During the quarter and year-to-date ended 31 March 2021, there was no new issuance of share capital.

A9. Dividends paid

There was no payment of dividend during the current quarter and financial year-to-date ended 31 March 2021 (31 March 2020: Nil).

A10. Segmental information

The Group is organised into business units based on their products and services, and has six operating segments as follows:

- (a) The port operations are involved in the provision and maintenance of port services and facilities, and the regulation and control of the management of ports.
- (b) The logistics and bunkering services segment deals with the provisions of bunkering and related services.
- (c) The contract and engineering segment deals with contracts and project management consultancy works.
- (d) The ferry terminal operations segment deals with ferry and international cruise terminal operations.
- (e) The investment holding segment is involved in Group-level corporate services, treasury functions and investment in marketable securities.
- (f) The property development segment is involved in joint venture projects for mixed commercial development.

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

Notes to the condensed consolidated interim financial statements
Part A: Explanatory notes pursuant to MFRS 1312

A10. Segmental information (continued)

Port operations

For the current quarter and year-to-date, the port operations segment contributed 94% to the Group's revenue (31 March 2020: 95%) and 74% (31 March 2020: 71%) 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 the State's economy as shipping is widely used to transport imports and exports.

The cargo volume handled at Sabah Ports is closely correlated to the Sabah State's economy and also the regional economy. For the current quarter and year-to-date, there was a decrease in cargo throughput of 12% as compared to the preceding year's corresponding quarter, mainly attributed to lower bulk oil and palm oil throughput. The total tonnage handled for the current quarter and year-to-date was 5.7 million metric tonnes (31 March 2020: 6.5 million metric tonnes).

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 and year-to-date by 6% to 95,293 from 89,579 TEUs in the preceding year's corresponding quarter and year-to-date.

Profit before tax has decreased by RM0.7 million (7%) to RM8.5 million for the current quarter and year-to-date from RM9.1 million in prior year-to-date. This was mainly due to lower revenue from operations registered during the current quarter and year-to-date.

With resumption of businesses and availability of vaccine in the beginning of year 2021, we expect there will be gradual increase in cargo throughput and containers going through the wharves for the coming months.

Logistics and bunkering services

For the current quarter and year-to-date, the logistics and bunkering services segment contributed <1% (31 March 2020: <1%) to the Group's revenue.

Although low revenue was registered for the segment, the company will continue to support the ports business as agent in logistics handling, marine and ancillary services.

Notes to the condensed consolidated interim financial statements
Part A: Explanatory notes pursuant to MFRS 134

A10. Segmental information (continued)

Contract and engineering and ferry terminal operations

For the current quarter and year-to-date, this segment contributed 6% of the Group's revenue (31 March 2020: 4%).

The main contributor to the contract segment's revenue is the Railway upgrading project connecting Halogilat and Tenom for Sabah State Railway Department amounted to RM3.1 million for the year-to-date (31 March 2020: RM1.0 million).

In the ferry terminal operations, the passenger fees from Jesselton Point operations used to be the main source of revenue, contributed only 4% for the year-to-date (31 March 2020: 51%). During the current quarter and year-to-date, the business was adversely affected by the COVID-19 pandemic and the imposition of various movement restrictions as well as closing of international borders which has affected the State's tourism sector. Other revenues are derived from berthing fees, retail outlets, indoor soccer centre and handling of cruise ship passengers at Kota Kinabalu Port.

Gross profit margin for this segment is at 19% which is at par with the prior year's corresponding quarter.

Investment holding

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

Other income derived from short term investments securities and fixed deposits with licensed financial institutions are classified under other income category.

Property development

The property development's revenue was derived from the Joint Venture with SBC Corporation Berhad to develop a parcel of development land approximately 16.25 acres, namely Jesselton Quay project at Tanjung Lipat, Kota Kinabalu.

This segment's revenue has been fully recognised in 2015 based on the minimum entitlement as per the Joint Venture Agreement but discounted to the net present value, as the proceeds will be receivable over 8 years.

Thus, for the year 2021, there would not be any amount recognised in Group's revenue except for the unwinding of discount on long term trade receivable amounted to RM3.3 million (31 March 2020: RM4.9 million) recognised under other income.

The physical works of the first phase of the project have commenced in December 2016 and has been progressing well until the imposition of the Movement Control Order ("MCO") starting 18 March 2020 and followed by various movement restrictions. Due to the MCO and movement restrictions, the completion of the project is expected to be deferred to third quarter of 2021.

Notes to the condensed consolidated interim financial statements
Part A: Explanatory notes pursuant to MFRS 134

A10. Segmental information (continued)

The segment results are as follows:

	Quarter and Year-to-date ended	
	31.03.2021 RM'000	31.03.2020 RM'000
Segment revenue		
Investment holding	2,670	2,670
Property development	-	-
Port operations		
- Operating revenue	46,886	50,819
- Construction services revenue	4,366	3,544
Logistics and bunkering services	155	279
Contract and engineering and ferry terminal operations	3,281	2,298
Revenue including inter-segment sales	57,358	59,610
Elimination of inter-segment sales	(2,670)	(2,670)
Total revenue	54,688	56,940

	Quarter and Year-to-date ended	
	31.03.2021 RM'000	31.03.2020 RM'000
Segment results		
Investment holding	527	225
Property development	3,269	4,891
Port operations	8,459	9,127
Logistics and bunkering services	27	133
Contract and engineering and ferry terminal operations	713	58
Profit from operations including inter- segment transactions	12,995	14,434
Elimination of inter-segment transactions	(1,575)	(1,575)
Total profit before tax	11,420	12,859

Notes to the condensed consolidated interim financial statements
Part A: Explanatory notes pursuant to MFRS 134

A11. Subsequent events after the reporting period

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

A12. Changes in the composition of the Group

There were no changes in the composition of the Group during the interim financial year-to-date ended 31 March 2021.

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 ended 31 March 2021 and 31 March 2020:

	Quarter and Year-to-date ended	
	31.03.2021 RM'000	31.03.2020 RM'000
<i>Subsidiaries:</i>		
Dividend income	1,575	1,575
Interest income	257	19
Management fees income	1,095	1,095
Rental income	23	23

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

All outstanding balances with these related parties are unsecured and are to be settled in cash within three (3) months of the reporting date.

Notes to the condensed consolidated interim financial statements
Part A: Explanatory notes pursuant to MFRS 134

A14. Profit before tax

Included in the profit before tax are the following items:

	Quarter and Year-to-date ended	
	31.03.2021 RM'000	31.03.2020 RM'000
Employee benefits expense	14,928	16,118
Non-executive directors' remuneration	163	153
Allowance for impairment loss on:		
- trade receivables	148	217
- other receivables	-	-
Amortisation of concession assets	12,336	12,590
Auditors' remuneration:		
Statutory audit:		
- current year	36	36
- under/(over) provision in respect of previous year	3	-
Other services:		
- current year	-	-
- under/(over) provision in respect of previous year	-	-
Depreciation of property, plant and equipment	607	510
Depreciation of right-of-use assets		
Hiring of equipment and motor vehicles	6	-
Concession assets written off	-	3,865
Leasing of port land	2,007	2,042
Net fair value (gain)/loss on financial instruments:		
- Investment securities	(39)	(89)
(Gain)/loss on disposal of property, plant and equipment	-	-
Plant and equipment written off	-	-
Realised (gain)/loss on foreign exchange	-	-
Rental of office premises	47	54
Reversal of allowance for impairment loss:		
- trade and other receivables	-	-
Unrealised exchange (gain)/loss	-	-
Unwinding discount on:		
- concession liabilities	1,827	1,888
- dredging costs	-	-

Notes to the condensed consolidated interim financial statements
Part A: Explanatory notes pursuant to MFRS 134

A15. Income tax expense

	Quarter and Year-to-date ended	
	31.03.2021 RM'000	31.03.2020 RM'000
Income tax expense for the year:		
Malaysian income tax	1,662	1,147
Deferred tax	785	1,174
	2,447	2,321

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year-to-date.

A16. Earnings per share

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

	Quarter and Year-to-date ended	
	31.03.2021 RM'000	31.03.2020 RM'000
Profit net of tax for the financial year-to-date	8,973	10,538
Add: Attributable to non-controlling interest	-	-
Profit net of tax attributable to owners of the Company	8,973	10,538
Weighted average number of ordinary shares (*)	345,821	345,821
Basic earnings per ordinary share (sen)	2.59	3.05

(*) 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 RM26,096 (31 March 2020: RM977).

During the quarter and year-to-date ended 31 March 2021, there were no disposal of assets (31 March 2020: Nil).

Write-down of property, plant and equipment

During the quarter and year-to-date ended 31 March 2021, there were no write-down of property, plant and equipment (31 March 2020: Nil).

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 2021	213,679	45,296	1,146,596	1,405,571
Addition	-	-	3,559	3,559
Disposal	-	-	-	-
Write off	-	-	-	-
At 31 March 2021	213,679	45,296	1,150,155	1,409,130
Accumulated amortisation and impairment:				
At 1 January 2021	115,012	24,662	462,977	602,651
Amortisation	1,803	377	10,156	12,336
Disposal	-	-	-	-
Write off	-	-	-	-
At 31 March 2021	116,815	25,039	473,133	614,987
Net carrying amount:				
At 31 December 2020	98,667	20,634	683,619	802,920
At 31 March 2021	96,864	20,257	677,022	794,143

Additional capital expenditure for the quarter represents concession assets that are capitalised during the period whereas revenue from construction services for concession infrastructure as reflected in the Statements of Comprehensive Income represents capital expenditure incurred during the quarter, of which some have been partially capitalised in this same quarter of 2021.

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

There were no inventories been written down during the current quarter and financial year-to-date ended 31 March 2021 (31 March 2020: Nil).

A20. Cash and cash equivalents

	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
Cash at banks and on hand	31,170	28,678
Short term deposits pledged as securities for bank guarantees and facilities	55	2,734
Short term deposits with licensed banks	25,945	36,975
Deposits with maturity more than 3 months	14,729	6,634
	71,899	75,021

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 interests at the respective short-term deposit rates. The weighted average effective interest rate as at 31 March 2021 for the Group was 2.3% (2020: 3.3%).

Deposits with maturity more than 3 months are made for a period of 1 year (2020: 6 months to 24 months) and the weighted average effective interest rate as at 31 March 2021 for the Group was 3.25% (2020: 3.75%).

Included in deposits with maturity more than 3 months of the Group are deposits amounting to RM6,749,000 (2020: RM6,634,000) held under lien to secure bank guarantees made in favour of the Sabah Ports Authority against lease rental of port land payable to Sabah Ports Authority and the due maintenance of Sabah Ports' properties and facilities.

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

	As at 31.03.2021 RM'000	As at 31.03.2020 RM'000
Cash on hand and at banks	31,170	14,303
Short term deposits with licensed banks	25,945	19,385
	57,115	33,688

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 financial assets measured at fair value at the reporting period:

	Fair value measurements at the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets				
Investment securities				
- 31 March 2021	-	57,429	-	57,429
- 31 March 2020	-	44,142	-	44,142

B. Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy.

Investment securities

The fair value of investment securities is 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 period using				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
At 31 March 2021					
Financial liabilities (Non-current)					
Borrowings					
- Obligations under finance leases	-	-	-	-	-
<hr/>					
At 31 March 2020					
Financial liabilities (Non-current)					
Borrowings					
- Obligations under finance leases	-	-	-	-	-
<hr/>					

The fair value disclosed in the table above are estimated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

Notes to the condensed consolidated interim financial statements
Part A: Explanatory notes pursuant to MFRS 134

A22. Interest-bearing loans and borrowings

Total Group's loans and borrowings as at 31 March 2021 and 31 December 2020 were as follows:

	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
Current		
Unsecured:		
- Short-term revolving credit	13,002	18,002
	13,002	18,002

The above borrowings are denominated in local currency.

There were no loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period.

A23. Concession liabilities

Group	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
At 1 January	115,440	118,694
Unwinding of discount	1,827	7,552
Payments	(2,759)	(10,807)
At 30 June	114,508	115,439
Current	8,279	11,038
Non current:		
More than 1 year and less than 2 years	11,280	10,542
More than 2 years and less than 5 years	35,388	28,902
5 years or more	59,561	64,957
	106,229	104,401
	114,508	115,439

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 31.03.2021 RM'000	As at 31.03.2020 RM'000
Approved and contracted for		
Sapangar Bay bunkering line	-	149
Jetty head extension at Sapangar Bay Oil Terminal	82,238	604
Jetty extension at Karamunting Palm Oil Terminal, Sandakan Port	8,351	8,353
Sapangar Bay Conventional Cargo Terminal	4,842	173
Other projects and equipment	7,361	10,067
	102,792	19,346
Approved but not contracted for		
Purchase of property, plant and equipment	265,737	202,711
Improvement to port infrastructure facilities	(45,685)	25,283
	220,052	227,994
	322,844	247,340

The approved but not contracted for amounting to RM220.1 million represents the balance of the total capital expenditures commitment of RM1.3 billion during the concession period of 30 years under the Ports Privatisation Agreement.

A25. Contingent liabilities or assets

There were no changes in contingent liabilities or contingent assets 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

For the current quarter and year-to-date ended 31 March 2021, the Group registered revenue of RM54.7 million, decreased by RM2.2 million or 4% when compared to revenue in the previous year's corresponding quarter and year-to-date ended 31 March 2020 of RM56.9 million. The decrease in revenue was mainly due to lower contribution from operating activities across all business segments.

The ports' operating revenue was registered lower in the current quarter at RM46.9 million compared to RM50.8 million in the previous year's corresponding quarter, lower by RM3.9 million (8%). Besides, 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 RM4.4 million (31 March 2020: RM3.5 million), was lower by RM0.9 million (26%). 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 zeroised at gross profit level.

The Group registered a pre-tax profit of RM11.4 million for the current quarter and year-to-date ended 31 March 2021, lower by RM1.5 million (12%) from RM12.9 million for the corresponding quarter and year-to-date ended 31 March 2020, mainly due to lower revenue for the quarter under review.

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

B2. Comment on material change in profit before taxation

The Group reported a pre-tax profit of RM11.4 million for the current quarter as compared to RM11.7 million for the immediate preceding quarter, representing a decrease of RM0.3 million (3%), mainly due to lower revenue during the current quarter.

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

B3. Commentary on prospects

The business environment will continue to be very challenging in 2021 in view of the uncertain economic outlook following the widespread of COVID-19 pandemic to most countries around the world and the imposition of various movement control orders during the year under review. Notwithstanding the above, port operations, being categorised as essential service continues to operate as usual despite the movement restrictions.

With resumption of businesses and availability of vaccine in the beginning of year 2021, the Board is positive that the port operations being the core business of the Group will be able to deal with the challenges and will remain resilient to contribute positive results for the Group for the financial year.

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

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

B5. Profit forecast or profit guarantee

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

B6. Corporate proposals

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

B7. Changes in material litigation

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

B8. Dividends declared

No interim dividend has been recommended in respect of the financial year-to-date ended 31 March 2021 (31 March 2020: Nil). Please refer note A9.

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

The Group did not enter into any financial liabilities measured at fair value through profit or loss as at 31 March 2021 and 31 March 2020.

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

B10. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2020 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 25 May 2021.