

Initiation Report | Thursday, 30 June 2022

Suria Capital Holdings Berhad

(6521 | SURIA MK) Transportation & Logistics | Industrials

Initiate with BUY

More upsides in the long-term

Target Price: RM1.24

KEY INVESTMENT HIGHLIGHTS

- We initiate our coverage on Suria with a **BUY** recommendation and **TP of RM1.24**
- The **TP** was derived by using **DCF method (WACC: 9%, terminal growth 3%), implying FY23F PER of 8.4x**
- We are sanguine on Suria's longer-term outlook due to it being at the centre of the **BIMP-EAGA region** and it is well-positioned to benefit from **Sabah's industrialisation**

Company Background.

Suria Capital Holdings Berhad ("Suria" or "the Group") was established in 1983 as a financial conglomerate. The Group had then exited the banking business during the consolidation and rationalisation of the domestic banking industry in 1999-2000. In 2004, Suria took over the management and operations of the 8 main ports in Sabah from the Sabah Ports Authority (SPA). Suria is also involved in other port-related businesses such as the logistics & bunkering services, contract & engineering and ferry terminal operations and property development.

Executive Summary.

Suria holds a monopoly over the main ports in Sabah, with port operations contributing about 90% of its revenue per annum. We like the Group due to its strategic location and it being well-positioned to benefit from Sabah's industrialisation as the state is a key producer for the country's palm and crude oil production. However, we have factored in the Group's tepid outlook as most of its major expansion and development plans have experienced several delays in the past and have yet to complete. Therefore, we initiate our coverage on Suria with a **BUY** recommendation and a DCF-derived **TP of RM1.24**, which implies a valuation of 8.4x based on its estimated FY23 EPS of 14.1 sen.

Investment Thesis.

- Suria can be used as a proxy to Sabah's economy due to it being the sole concessionaire of the state's major ports.
- Sabah Ports are strategically located at the centre of the BIMP-EAGA region, with minimum diversion from the East-West route.
- Suria has diversified into property development to tap into the growth of the state's tourism industry.

RETURN STATISTICS

Price @ 29 th June 2022 (RM)	1.14
Expected share price return (%)	+8.8
Expected dividend yield (%)	+4.3
Expected total return (%)	+13.1

SHARE PRICE CHART



Share price performance (%)	Absolute	Relative
1 month	-2.6	3.8
3 months	-3.4	6.3
12 months	3.6	10.6

KEY STATISTICS

FBM KLCI	1,451.48
Syariah compliant	Yes
Issue shares (m)	345.82
F4BGM Index	No
ESG Grading Band (Star rating)	☆☆☆
Estimated free float (%)	37.35
Market Capitalisation (RM'm)	394.24
52-wk price range	RM1.02-RM1.35
Beta vs FBM KLCI (x)	0.73
Monthly velocity (%)	-
Monthly volatility (%)	15.64
3-mth average daily volume (m)	0.11
3-mth average daily value (RM'm)	0.13
Top Shareholders (%)	
Warisan Harta Sdn Bhd	45.40
Urusharta Jamaah Sdn Bhd	4.09
Yayasan Sabah	3.67

A. BUSINESS OVERVIEW

Suria was incorporated in 1983 and was listed on the Main Market of Bursa Malaysia Securities Berhad since 1996. The company was initially established as a financial conglomerate with Sabah Bank Berhad and Sabah Development Bank Berhad operating under its wing. The company had then exited the banking business during the consolidation and rationalisation of the domestic banking institution during the 1999-2000 period. Following this event, Suria underwent a major corporate restructuring which enabled them to enter the port operations business. Following a privatisation scheme in 2004, Suria had successfully acquired the business operations of all the 8 major ports in Sabah from SPA. The ports privatisation exercise came with a 30-year concession period which will end on 31 August 2034. Suria is currently involved in the following businesses: (i) port operations, (ii) logistics & bunkering services, (iii) contract & engineering and ferry terminal operations and (iv) property development.

Port operations

Suria operates the ports via its wholly owned subsidiary, Sabah Ports Sdn Bhd (Sabah Ports). On the West Coast, Suria operates the Sapangar Bay Container Port (SBCP), Sapangar Bay Oil Terminal (SBOT), Kota Kinabalu Port (KK Port) and Kudat Port. Meanwhile, on the East Coast, it manages the Sandakan Port, Tawau Port, Lahad Datu Port and Kunak Port. Most of the cargoes at Sabah Ports are for imports and exports, whereas those in Peninsular Malaysia are mainly for transshipment. Apart from cargo handling, Sabah Ports also offers berthing and storage facilities. Table 1 shows the type(s) of cargo(es) handled at each port. A Marine Unit was recently established under Sabah Ports to oversee all marine-related services including vessel traffic surveillance at the ports, hydrographic surveying, and provision of ancillary marine services such as pilotage, towage, and marine advisory services. Through this unit, Sabah Ports offers marine support services to PETRONAS on its maiden Liquefied Natural Gas (LNG) bunkering operations in Sandakan. In addition, S.P. Satria Sdn Bhd (S.P. Satria) was set up as a subsidiary of Sabah Ports to procure port equipment and spare parts to support the port operations.

Table 1: Type of Cargo by Port

Port	Bulk oil	Container	Fertiliser Bulk	General	Palm Oil	PKE
KK Port				x		
Kudat Port				x		
Kunak Port					x	x
Lahad Datu Port			x		x	x
Sandakan Port	x	x	x	x	x	x
SBCP		x				
SBOT	x			x		
Tawau Port	x	x	x	x	x	x

Source: Suria

Logistics and bunkering services

Through SP Marine Services Sdn Bhd (SP Marine), Suria is a licensed bunker supplier, and it also provides ancillary services which include supplying fresh water, provision of scheduled waste disposal services for vessels, mooring gang, logistics and transportation services. SP Marine is also registered under the Royal Malaysian Customs Department as a licensed shipping agent which offers shipping agency services to ships that call at the ports in Sabah.

Contract & engineering and ferry terminal operations

Under the ferry terminal operations, Suria's subsidiary, SCHB Engineering Services Sdn Bhd (SCHB Engineering), runs the Jesselton Point Ferry Terminal in Kota Kinabalu which is the main gateway to the surrounding islands, and it provides the 'meet and greet' facilities for cruise ship passengers at KK Port. As for the contract and engineering section, SCHB Engineering had been involved in several projects in the state which include doing the upgrading works for railway tracks and refurbishment of mosques. The company has also been actively supervising most of the port constructions in Sabah as the Project Management Consultant.

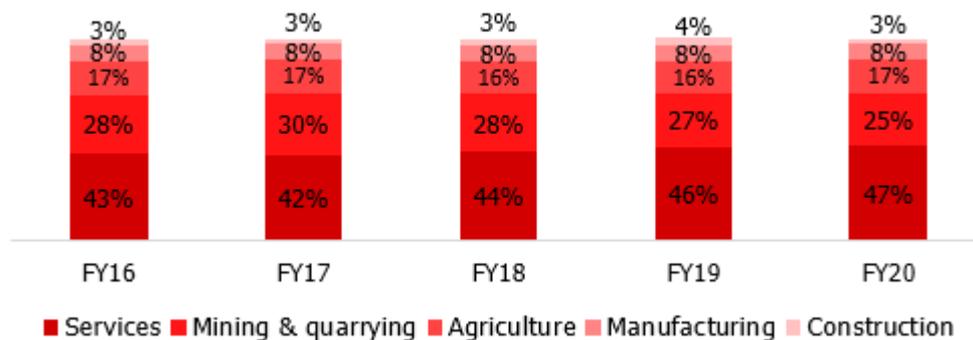
Property development

Suria had entered into a joint venture agreement (JVA) with SBC Corporations Berhad (SBC) in 2013 to jointly develop Jesselton Quay which is located within the vicinity of Kota Kinabalu. The Jesselton Quay development features (i) service suits apartments, (ii) condo residences, (iii) a recreation club, (iv) hotels, (v) commercial gallery shoppes, (vi) car park facilities and (vii) Suria’s corporate office. The Jesselton Quay project will complement other developments in the area including the Sabah International Convention Centre (SICC) and Kota Kinabalu Convention City (KKCC). This project forms part of the larger Jesselton Waterfront City which is planned as a new city focus for the state and as the latest waterfront destination. Previously, Suria had entered into a JVA with Gabungan AQRS Berhad (AQRS) to develop the 7-acre land adjacent to Jesselton Quay, called One Jesselton Waterfront. However, both parties had mutually agreed to terminate the JVA in September 2021 due to the prevailing unfavourable economic and market conditions.

B. INVESTMENT THESIS

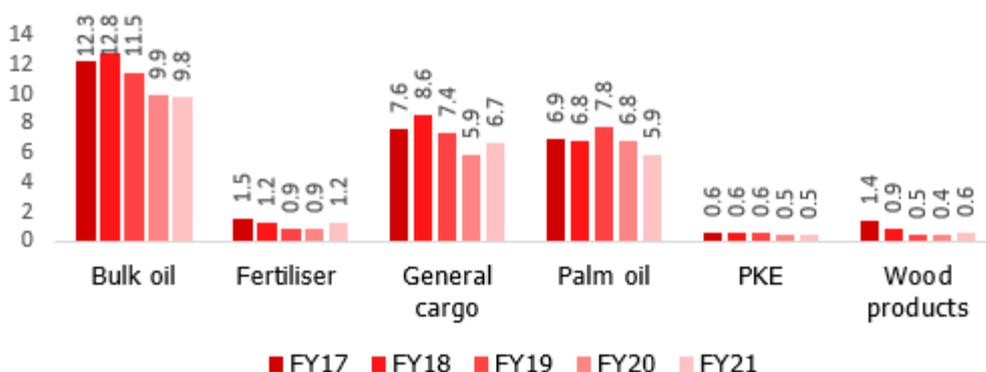
Direct exposure to Sabah’s economy. Suria’s financial performance is being largely driven by the state of Sabah’s economy. Based on Sabah’s GDP composition (Chart 1), the services sector has historically been the largest contributor to the state’s economy. To increase its exposure to the booming tourism industry, Suria has embarked on plans to develop the Jesselton Waterfront City to increase its vibrancy as the new city focus for Sabah. In the near future, Suria is expected to generate recurring rental income from its main project called Jesselton Quay. Underpinned by the substantial investments drawn into the state’s oil and gas industry throughout the years, the mining and quarrying sector is its second largest GDP contributor. The throughput of bulk oil, which consisted of petroleum products, accounted for the largest volume or about 40% on average of the total cargo throughput at Sabah Ports. Moreover, with Sabah housing one of the largest oil palm planted area and it being the country’s largest crude palm oil producer (Charts 3 and 4), the agriculture sector is the next significant GDP contributor. This has effectively placed palm oil as the other major commodity with about 25% on average of the total cargo throughput handled by Sabah Ports, particularly in the East Coast.

Chart 1: Sabah’s GDP by Economic Activity (%)



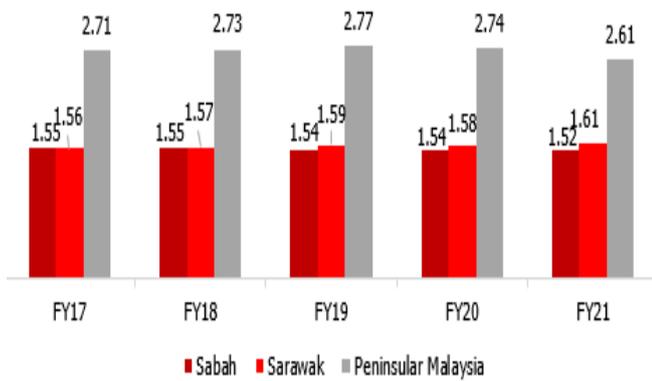
Source: DOSM

Chart 2: Major Cargo Throughput by Commodity (m MT)



Source: Suria

Chart 3: Oil Palm Planted Area by State (m hectares) **Chart 4: CPO Production by State in FY21 (%)**



Source: MPOB



Source: MPOB

Strategic location. The state of Sabah is strategically located in the heart of Southeast Asia. This presents the opportunity for Sabah Ports to tap into the regional and global maritime trade. Due to its high connectivity, SBCP which is undergoing a large-scale capacity expansion, is poised to become the regional transshipment hub. This is attributable to it being at the centre of the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) region, with minimum diversion from the main East-West route and major transshipment hubs such as Port of Singapore, Port Klang and Port of Hong Kong. Moreover, the strategic location of Sabah Ports facilitates the movement of feeder vessels that carry cargoes to be transported to smaller ports around the northern coast of Kalimantan, Indonesia, and Southern Philippines.

Figure 1: Location of Sabah Ports



Source: Suria

Diversification into property development. In its efforts to diversify its business, Suria had previously entered into a JVA with SBC to develop Jesselton Quay. For this project, Suria is entitled for 18% of the minimum NSV of RM1.8b. Jesselton Quay Central (JQC), the first phase of the 16.25-acre Jesselton Quay development, comprises of (i) 2 towers of commercial suites called CityPads, (ii) 8-storey i-tower, (iii) 37 blocks of Gallery Shoppes and (iv) a podium that houses a recreation club called BeachClub (Figure 2). JQC phase 1 was 99.5% completed as of end-FY21 and it had obtained the certificate of occupancy in January 2022. Meanwhile, the 7.0-acre land adjacent to Jesselton Quay, which was originally designated for the One Jesselton Waterfront project, is now available for future mixed commercial development via strategic partnership(s) following the termination of the JVA between Suria and AQRs. It is also part of Suria’s longer term plan to develop a dedicated International Cruise Terminal in the area.

Figure 2: Artist's Impression of Jesselton Quay Central

Source: Suria

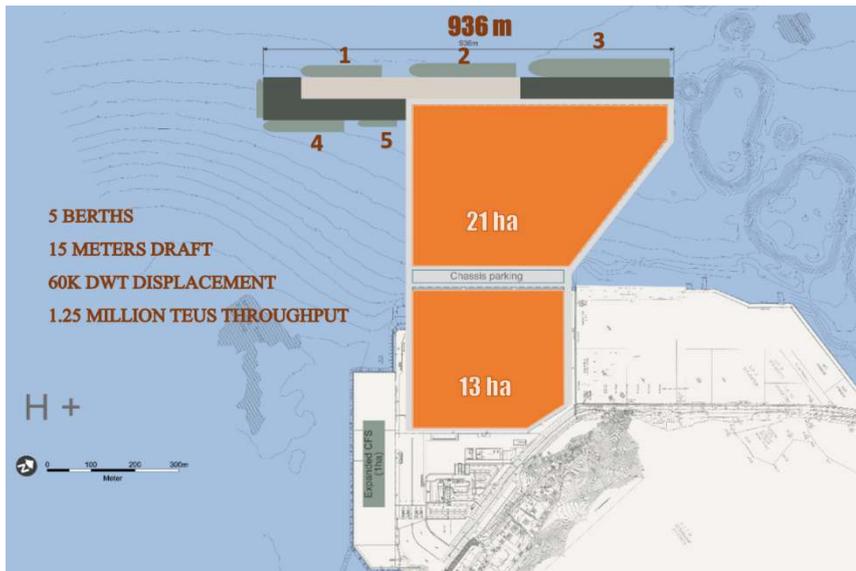
Figure 3: Development of the Jesselton Waterfront City

Source: Suria

C. KEY CATALYSTS

The large-scale capacity expansion of SBCP. Container cargoes are the largest revenue generator for the Group, contributing about 40% to its topline in FY21. SBCP, the flagship port, has handled 285,619 TEUs or about 72% of the total container cargo throughput in FY21. The expansion of SBCP will see: (i) an increase in number of quay cranes from 4 units to 12 units, (ii) deepening of draft from 12 metres to 15 metres, (iii) extension of quay length from 500 metres to 1 kilometre and (iv) an increase in cargo capacity from 500,000 TEUs to 1.25m TEUs. This expansion project is being funded by the Federal Government with an allocation of RM1.03b, whereas Sabah Ports is required to commit to the procurement of port equipment. The groundworks had commenced in September 2021, and it is expected to be fully completed in February 2025. The expansion will enable SBCP to position itself as the regional hub for the BIMP-EAGA and the larger ASEAN regions, thus creating more opportunities for direct connectivity with the international market. The management had previously mentioned that the main line operators (MLOs) do not call at Sabah ports as there are no economies of scale. With more direct calls by the MLOs, freight costs could possibly be reduced, and this would subsequently lower the cost of doing business as well as the cost of living in Sabah. In addition, a free trade zone will be identified to complement the expansion to spur cargo-generating activities in the state.

Figure 4: Proposed Layout for SBCP Expansion



Source: Suria

New oil jetty at SBOT. SBOT is a dedicated terminal for refined petroleum and chemical products, and it is surrounded by major oil and gas facilities such as Shell, Esso, and Petronas. Being the only oil terminal serving the West Coast, it handles an average of 1.2m MT of bulk oil per annum. Currently, the existing jetty can berth vessels of up to 30,000 deadweight tonnage (DWT) and it is almost reaching its maximum handling capacity at about 90%. The construction of the new oil jetty had commenced in October 2020 and the progress stood at 35.8% in end-FY21 due to pandemic-induced delays. Upon the completion of the twin-berth oil jetty in 4QFY22, which can berth vessels of up to 60,000 DWT, SBOT will be able to handle 2 vessels at any one time and this will ease the congestion and reduce vessel waiting time. Consequently, SBOT will be able to undertake additional port activities and the new jetty will also give way for the major maintenance needed by the existing oil jetty which has been in operation since the 1980s.

Proposed development of the Sapangar Bay Conventional Cargo Terminal (SBCCT). KK Port handles an average of 1.0m MT of general cargo per annum. In light of the mixed development taking place within the vicinity of the port, Suria has embarked on a plan to relocate the general cargo operations to Sapangar Bay. In support of Suria’s longer-term expansion plan, this relocation will facilitate the development of a dedicated international cruise terminal with related commercial realties aimed to serve as the home port for regional and international cruise liners at KK Port’s existing land. The development of SBCCT is currently at the design stage. The initial plan has previously been revised to include the infrastructure for the operational needs to provide port and related services to the oil and gas sector. The implementation stage is expected to take place by end-FY22 and will take 3 years to complete.

D. SWOT ANALYSIS

Table 2: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Sole operator of the main ports in Sabah. ▪ Good relationship with the Sabah State Government due to them being the major shareholder. 	<ul style="list-style-type: none"> ▪ The Group’s businesses are not well diversified as most of its revenue is generated from port operations. ▪ Suria has no control over the port tariffs which are set in accordance with Sabah Ports Authority (Scale of Dues and Charges). The proposed tariff revision has not been implemented after being approved in principle by the State Government in 2020.

Opportunities	Threats
<ul style="list-style-type: none"> ▪ Sabah is strategically located in the heart of Southeast Asia with SBCP set to become the regional transshipment hub for the BIMP-EAGA region. ▪ The Jesselton Waterfront City development will help increase the vibrancy of Kota Kinabalu as the latest waterfront destination. 	<ul style="list-style-type: none"> ▪ Inability to renew the concession of Sabah Ports which will expire on 31 August 2034. ▪ Elevated fuel costs might put downward pressure on Suria's profit margins. ▪ Any further disruptions to the global supply chain will adversely affect the trade flows at Sabah ports.

Source: MIDFR

E. OUTLOOK

Muted near term outlook but optimistic of its long term future. In the near-term, we expect the volume of cargoes to improve in tandem with the recovery in CPO production and stable throughput from the oil and gas segment. Based on our in-house projections, exports and imports are expected to grow by +16.9% and +19.2% respectively in CY22. However, there are lack of near-term catalysts for Suria as most of its expansion and development projects have long gestational period and are not expected to make meaningful contributions to its earnings in the near future. On a longer-term horizon, we are sanguine on the prospects of the Group as we believe that Sabah could draw more investments into the state due to its economic potential and the expansion and development plans that are underway would strategically position Suria to capitalise on this.

Reopening of borders. The ferry terminal operations were badly hit since the onset of the pandemic hence the contract & engineering and ferry terminal operations segment has not been doing well in the past 2 years. Nonetheless, SCHB Engineering had previously offered rental discounts of between 20%-70% to the tenants and tour operators at Jesselton Point to help ease their burden. In tandem with the reopening of our country's border since early April, we expect this segment to fare better in the coming quarters with the return of tourists which will boost the activities at the Jesselton Point Ferry Terminal. Nonetheless, the contribution from this segment remains minimal relative to Suria's total revenue.

F. RISKS RELATED TO THE BUSINESS AND INDUSTRY

Dependency on the CPO output. As palm oil products form a large share of its cargo volume, a drop in palm oil yield would subsequently generate lower cargo throughput for its ports that are in the East Coast. Factors that could trigger the decline include unfavourable weather conditions and prolonged labour shortage.

Reliance on the economic initiatives pledged by the government. The activities at Sabah Ports highly correlate with the state's economy. Therefore, Suria's performance is dependent on the successful implementation of various economic development projects announced by the government including road upgrades, improved reliability of water and electricity supplies and the Pan Borneo Sabah Highway which is expected to be completed in CY24.

Any delays in its expansion or development plans. Suria's planned expansion and development plans have experienced several delays in the past and there is no guarantee that these projects would be completed based on the proposed timeline. Should these projects face further delays, especially its large-scale SBCP port expansion, it might hurt Suria's longer-term growth prospects amid the lack of near-term catalysts for the Group.

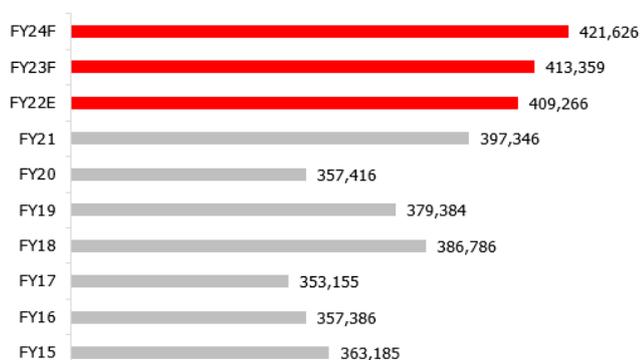
Worsening of the Covid-19 outbreak. The previous rounds of movement restrictions had adversely impacted Suria's cargo throughput as lesser port activities had taken place during that period, while its ferry terminal operations suffered due to the sharp drop in tourist arrivals. On that account, any other lockdowns to contain the Covid-19 outbreak could further disrupt the recovery of the global supply chain and delay Suria's development and expansion plans.

G. FINANCIALS

Snapshot of 1QFY22 results. Suria reported revenue and PATAMI of RM71.0m (+29.8%yoy) and RM13.9m (+54.8%) respectively in 1QFY22 on the back of stronger contribution from its port operations. This was mainly underpinned by the increase in cargo throughput whereby container volume was higher at 101,597 TEUs (+6.6%yoy) and total tonnage rose to 6.0m MT (+5.3%yoy). On a quarter-on-quarter basis, revenue of RM71.0m (+3.7%) was slightly higher due to the abovementioned reason. The container volume was marginally higher by +0.3%qoq from 101,331 TEUs, while the total tonnage handled fell by -11.8%qoq from 6.8m MT. PATAMI of RM13.9m (>100%yoy) saw a significant improvement from RM2.8m in 4QFY21 due to the deferred tax expense of RM5.9m in relation to the previous land disposals.

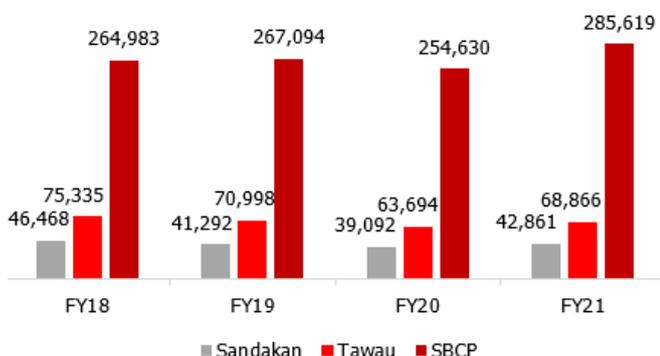
Forecast. We expect Suria's earnings to grow at a CAGR of 9.3% for the next 3 years. As Suria's main expansion and development projects have yet to complete and some are still in the planning stage, we did not input any potential contributions from these projects in our forecast. The Group is expected to incur higher interest costs and amortisation charges from FY22F onwards due to its massive capital expenditure (capex) planned for the year which amounted to RM515.7m to expand and upgrade its ports (Table 4 in the Appendix). Suria's cash stood at RM62.1m in end-FY21 hence the capex is expected to be partly financed by bank borrowings. On the other hand, Suria pays out dividend of up to 35% of its PAT. Based on that, we expect the dividend yields to range between 4.1%-4.6% in FY22E-FY24F.

Chart 5: Container Throughput (TEUs)



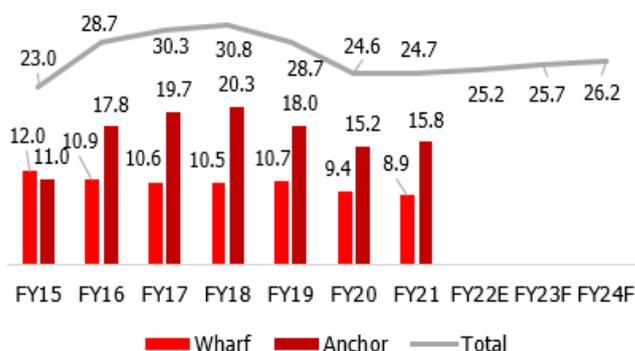
Sources: Suria & MIDFR

Chart 7: Container Throughput by Port (TEUs)



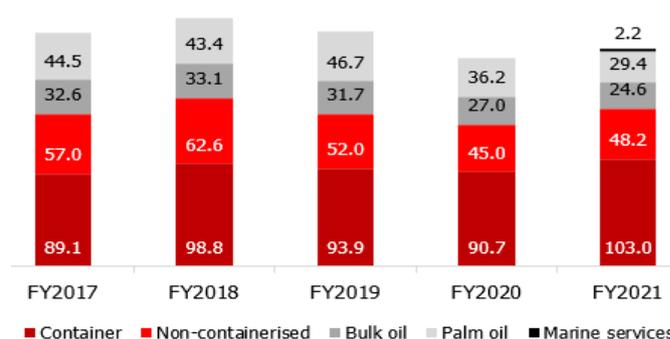
Source: Suria

Chart 6: Conventional Throughput (m Tonnes)



Sources: Suria & MIDFR

Chart 8: Revenue Breakdown by Cargo (RM'm)



Source: Suria

H. VALUATION

We initiate our coverage on Suria with a **BUY** call and a DCF-derived TP of **RM1.24** (WACC: 9%, terminal growth: 3%) which implies a valuation of 8.4x based on its FY23 estimated EPS of 14.1 sen. We believe our valuation is justified given the Group's position as the sole operator of the main ports in Sabah which gives it the opportunity to tap into the state's industrialisation. We have also factored in the lack of near-term catalysts for Suria given the long gestational period of its port expansion and development plans. Key upside catalyst to our call would be Suria getting the long-

awaited approval from the state government for the port tariffs to be revised. This has been approved in principle by the state government in CY20. We were made to understand that the tariff revision would be implemented in 2 phases to help soften the financial impact on consumers. According to the management, we are looking at an estimated increase of 20% for Phase 1. 

INCOME STATEMENT

(All in RM'm unless stated otherwise)	FY2020A	FY2021A	FY2022E	FY2023F	FY2024F
Revenue	228.0	251.3	758.6	276.2	279.5
Gross profit	72.6	78.4	87.1	88.2	89.5
EBITDA	88.8	96.1	125.4	135.6	137.6
EBIT	39.2	47.6	65.3	66.2	67.1
PATAMI	32.9	39.5	45.8	48.6	51.6
Core PATAMI	33.3	39.5	45.8	48.6	51.6
Core EPS (sen)	9.6	11.4	13.2	14.1	14.9
PER (x)	11.8x	10.0x	8.6x	8.1x	7.6x
DPS (sen)	3.5	3.8	4.6	4.9	5.2
Dividend yield (%)	3.1%	3.3%	4.1%	4.3%	4.6%

BALANCE SHEET

(All in RM'm unless stated otherwise)	FY2020A	FY2021A	FY2022E	FY2023F	FY2024F
ASSETS					
PPE	58.6	56.7	55.5	54.2	52.5
Concession assets	802.9	802.2	1,260.6	1,223.5	1,185.5
Trade receivables	140.2	103.1	115.3	116.8	118.5
Others	110.7	123.2	123.2	123.2	123.2
Non-current assets	1,112.4	1,085.3	1,554.6	1,517.8	1,479.8
Inventories	8.7	10.6	11.9	12.1	12.3
Trade and other receivables	100.9	122.0	136.4	138.2	140.2
Cash and cash balances	75.0	79.9	85.6	70.4	59.7
Others	78.5	99.1	99.1	99.1	99.1
Current assets	263.2	311.6	333.1	319.8	311.4
Total assets	1,375.5	1,396.9	1,887.6	1,837.5	1,791.2
LIABILITIES					
Borrowings	0.1	10.4	300.5	280.5	260.5
Others	193.2	191.1	191.1	191.1	191.1
Non-current liabilities	193.3	201.5	491.6	471.6	451.6
Borrowings	18.7	0.1	146.8	86.8	26.8
Trade payables	44.4	38.9	34.8	35.3	35.8
Others	12.8	24.5	52.2	50.1	49.7
Current liabilities	75.9	63.4	233.9	172.2	112.3
Total liabilities	269.2	264.9	725.4	643.7	563.9

(All in RM'm unless stated otherwise)	FY2020A	FY2021A	FY2022E	FY2023F	FY2024F
EQUITY					
Share capital	358.8	358.8	358.8	358.8	358.8
Retained earnings	747.9	773.6	803.4	835.0	868.5
Equity	1,106.4	1,132.1	1,162.2	1,193.8	1,227.3

CASH FLOW

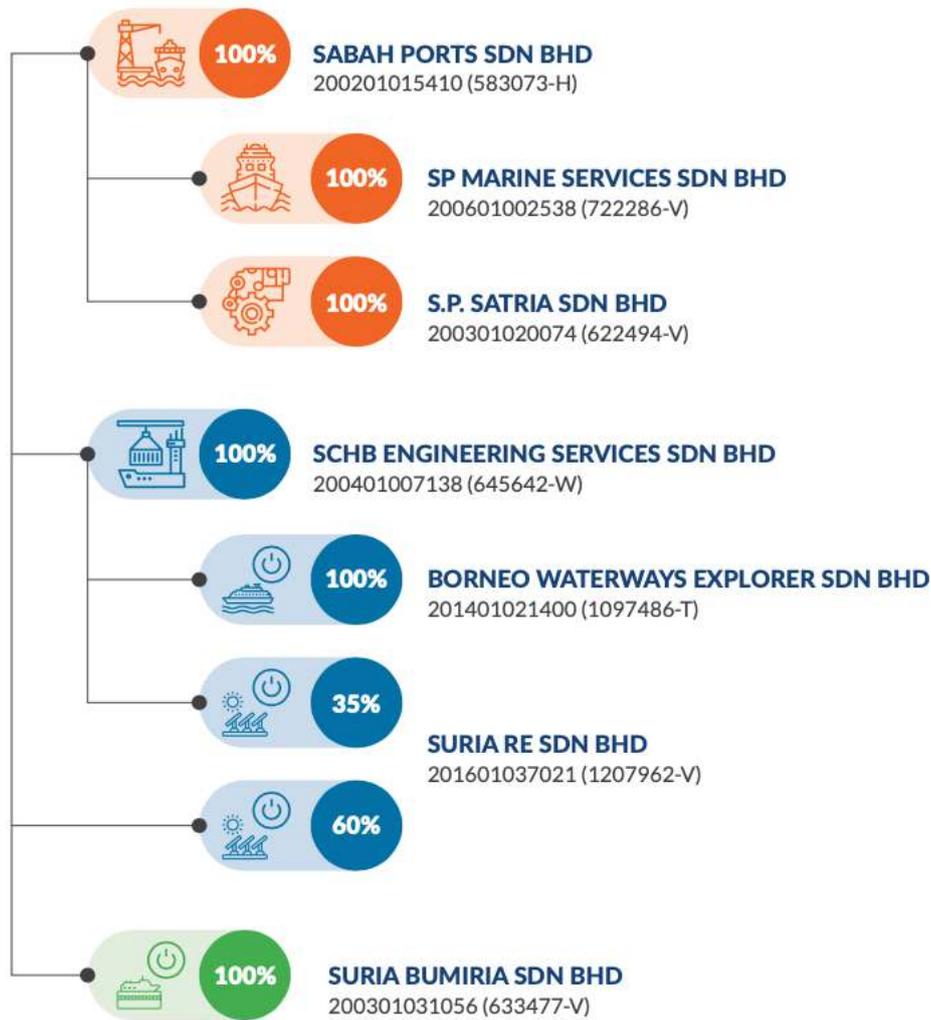
(All in RM'm unless stated otherwise)	FY2020A	FY2021A	FY2022E	FY2023F	FY2024F
PBT	48.0	58.6	65.4	69.5	73.6
Depreciation & amortisation	49.5	48.5	60.1	69.5	70.5
Changes in working capital	(17.7)	3.4	13.7	(5.2)	(3.8)
Tax paid	(17.6)	(20.2)	(19.6)	(20.8)	(22.1)
Others	(5.5)	(11.9)	-	-	-
CFO	56.7	78.3	119.6	112.9	118.2
	0.0	0.0	0.0	0.0	0.0
Capital expenditure	(15.1)	(35.3)	(516.8)	(31.1)	(30.8)
Others	0.9	(21.8)	-	-	-
CFI	(13.4)	(57.9)	(516.8)	(31.1)	(30.8)
	0.0	0.0	0.0	0.0	0.0
Dividends paid	(12.1)	(13.1)	(16.0)	(17.0)	(18.0)
Changes in borrowings	(10.9)	(9.8)	436.8	(80.0)	(80.0)
Others	(1.0)	(0.7)	-	-	-
CFF	(24.0)	(23.6)	420.8	(97.0)	(98.0)
	0.0	0.0	0.0	0.0	0.0
Net cash flow	19.3	(3.6)	23.6	(15.3)	(10.7)
Beginning cash & cash equivalents	46.4	65.7	62.1	85.6	70.4
Ending cash & cash equivalents	65.7	62.1	85.6	70.4	59.7

Sources: Suria & MIDFR

APPENDIX



SURIA CAPITAL HOLDINGS BERHAD
198301001662 (96895-W)



Investment Holding & Property Development

Logistics & Bunkering Services

Construction Contractor, Ferry Terminal Operator, Project Management & Technical Support Services

Ferry Terminal Operator

Port Operations

Distribution of Port Cargo Handling Equipment & Related Spare Parts

Dormant Company

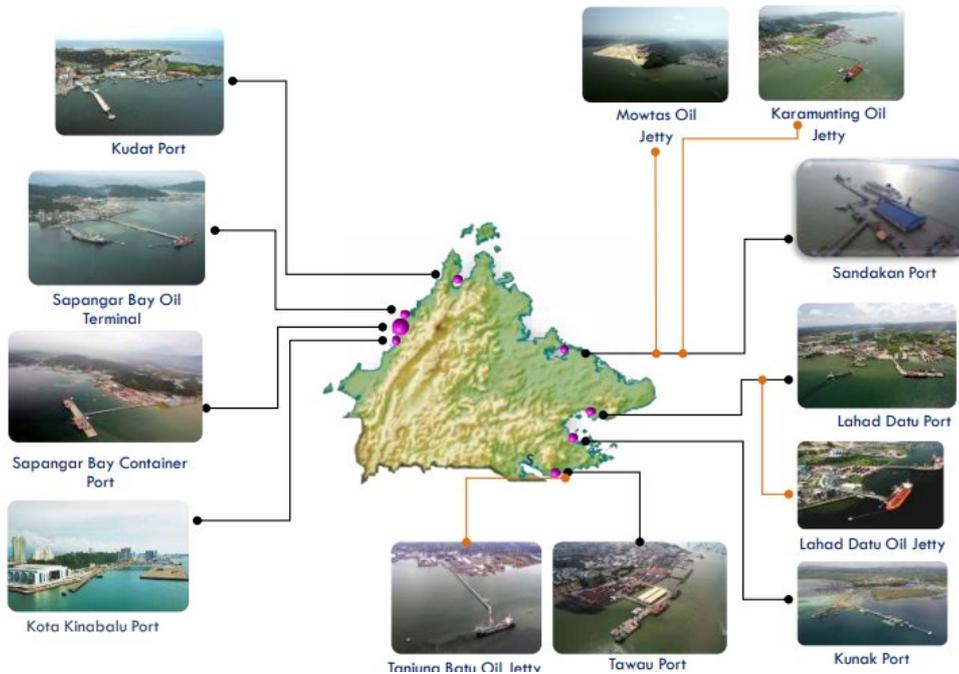
Water Taxi Operation

Renewable Energy

A. Corporate Structure

Source: Suria

B. Location of the Ports



Source: Suria

C. Table 3: The Utilisation Rates of Sabah Ports

Ports	Max	Tonnage	Rate	Tonnage	Rate	Tonnage	Rate	Tonnage	Rate
		2018		2019		2020		2021	
KK Port	7,000,000	1,164,645	17%	1,199,371	17%	1,040,040	15%	1,307,647	19%
Sandakan Port	8,000,000	4,432,962	55%	4,557,678	57%	4,247,534	53%	3,693,702	46%
Tawau Port	2,500,000	2,114,148	85%	1,969,090	79%	1,826,773	73%	2,008,400	80%
Lahad Datu Port	3,500,000	2,257,402	64%	2,349,824	67%	1,980,424	57%	1,756,814	50%
Kunak Port	2,800,000	1,229,794	44%	1,230,823	44%	1,029,502	37%	975,422	35%
Kudat Port	500,000	61	0%	142	0%	434	0%	994	0%
SBOT	1,100,000	1,154,417	105%	1,185,952	108%	843,675	77%	879,581	80%
SBCP (TEUs)	500,000	264,983	53%	267,094	53%	254,630	51%	285,619	57%

Source: Suria

D. Table 4: Planned CAPEX for Development of Ports in FY22

Development	Amount
Sapangar Bay Conventional Cargo Terminal	313.0
Sapangar Bay Oil Terminal	133.2
Lahad Datu Port	52.6
Tawau Port	9.2
Sapangar Bay Container Port	6.7
Kudat Port	1.0
Total	515.7

Source: Suria

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(Bank Pelaburan)

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MIDF AMANAH INVESTMENT BANK : GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	Stock price is expected to <i>rise</i> by >10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	Stock price is expected to <i>fall</i> by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology