



SURIAGROUP



# *Questions from* **Minority Shareholder Watchdog Group (MSWG)**

**ENHANCING SUSTAINABILITY  
AMIDST UNCERTAINTY**

The Group diversifies its business into property development to capitalise and maximise the value of its land assets within the Central Business District adjacent to Kota Kinabalu Port's land.

### QUESTION 1 (a)

The certificate of occupancy for Jesselton Quay Central (JQC) Phase 1 was awarded on 19 January 2022. How many percent of SURIA's entitlement as the landowner of the development was in the form of cash and payment in kinds (property units)?

- *For Phase 1 (JQC), Suria's entitlement is as follows:*
  - *Cash – approx. 32%*
  - *In-kind – approx. 68%*
- *As of the present, Suria now owns 90 of the 216 ocean-facing gallery shoppes. The ground and first floors will be leased to produce rental revenue, the second floor will be available for sale, and the third floor will be mainly occupied as Suria's corporate office.*
- *Investors and business owners have shown significant interest in leasing and purchasing the property because of the high density of residents - Citypads total of 700 units and its superb waterfront position and accessibility to Kota Kinabalu City Centre.*

SUMMARY	SIZE (SQFT)	NO. OF UNITS
GROUND FLOOR	25,694	15
FIRST FLOOR	17,276	15
SECOND FLOOR	16,832	26
THIRD FLOOR	21,924	24
<b>TOTAL</b>	<b>81,726</b>	<b>90</b>

## QUESTION 1 (b)

The Phase 2 of JQC and Parcel A of Jesselton Quay which will be developed on the remaining parcel of land, are being re-planned and targeted to be launched before the end of 2022. What are the components in Phase 2 of JQC and Parcel A of Jesselton Quay and what is the estimated gross development value?

- *Phase 1 of JQ, called JQ Central, had been completed and the second phase of JQ, known as Parcel A, is envisaged to consist of hospitality towers, high-end residents and a low-rise heritage precinct.*
- *The estimated gross development value of Parcel A is RM1.1 billion.*

*Master Plan View 1*



*Master Plan View 2*



## QUESTION 1 (c)

**Suria and Gabungan AQRS Berhad had mutually agreed to terminate the plan to jointly develop One Jesselton Waterfront. Does SURIA have any immediate plan the 6.28-acre land?**

*Suria has received inquiries from prospects who have expressed interest to form a joint venture to develop the 6.28-acre land. However, Suria does not foresee entering into any collaboration agreement in the year 2022 as there is a need to first re-plan the development to take into account the revised masterplan for the whole of Jesselton Waterfront City.*

During the financial year, the Group recognised a reversal of impairment loss of RM11,219,000. The reversal was primarily due to the increase in the recoverable amount of the concession assets after considering the approval received from the State Government for the increase in tariff rates for the port operations.

### QUESTION 2 (a)

What was the effective date of the revised tariff rates?

*The Tariff Revision was approved in principle by the State Cabinet in 2020 for implementation at a date to be decided by the State government. Roadshows will be conducted and implementation is planned for 2022.*

### QUESTION 2 (b)

What was the quantum of the tariff rate adjustments?

*The Tariff Revision was proposed to be implemented in two phases, the first phase projected that the total increase will be around 20.0 %, and the implementation will occur in phases.*

### QUESTION 3

Revenue for the ferry and cruise terminal operations had declined to RM36k in 2021 from RM5.9m a year ago. There was no cruise ship arrival in Kota Kinabalu and Sandakan in 2021. In 2020, 7 cruise ships with 19,785 cruise passengers arrived at Kota Kinabalu Port and Sandakan Port. With the recent reopening of international borders, have cruise vessels returned to Sabah?

*There are no cruise ships scheduled to arrive at our cruise terminal in the next six months.*

*We did, in fact, get reservations for this year and the following two years, since cruise ship owners and operators often book two to three years ahead of time. However, 2022 cruise bookings have been cancelled owing to the lack of entirely open international borders.*

## QUESTION 4

The gross carrying amount of trade receivables more than 91 days past due has jumped from RM6.4m as at 31 December 2020 to RM10.4m as at 31 December 2021.

What are the reasons for the increase in the amount of trade receivables more than 91 days past due?

Separately, was the RM57m past debt due from SBC Corporations Berhad related to the development of Jesselton Quay Central (JQC) Phase 1?

When is the RM57m past debt due from SBC expected to be fully collected from SBC?

- *As of 31 December 2021, trade receivables increased to RM10.4 million, primarily due to the property projects' security deposits of RM4.3 million, which will be recovered from developers.*
- *RM57 million outstanding owed by SBC Corporations Berhad will be divided into:*
  - *Phase 1 - RM10 million from 4th tranche which has been settled with 18 units of gallery shoppes and S&P signed on 30th Dec 2021.*
  - *Phase 2- RM47 million from 5th tranche which has been rescheduled to be settled on or before 26 July 2026 (as per 8th supplemental letter)*