



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 30 SEPTEMBER 2022

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**Condensed consolidated statements of profit or loss and
other comprehensive income
For the quarter and year-to-date ended 30 September 2022**

	Note	Current quarter 3 months ended		Year-to-date ended	
		30.09.2022 Unaudited RM'000	30.09.2021 Unaudited RM'000	30.09.2022 Unaudited RM'000	30.09.2021 Unaudited RM'000
Revenue					
Revenue from operations		63,495	50,536	175,354	154,995
Revenue from construction services for concession infrastructure		9,879	8,742	26,667	21,328
Total revenue		73,374	59,278	202,021	176,323
Cost of sales					
Operational cost		(34,982)	(35,915)	(108,496)	(104,060)
Construction services cost for concession infrastructure		(9,879)	(8,742)	(26,667)	(21,328)
Total cost of sales		(44,861)	(44,657)	(135,163)	(125,388)
Gross profit		28,513	14,621	66,858	50,935
Other items of income					
Interest income		994	1,687	2,365	2,985
Other income		7,144	7,337	18,685	18,719
Other items of expense					
Administrative expenses		(10,989)	(8,206)	(30,573)	(19,517)
Finance costs		(1,837)	(1,862)	(5,517)	(5,797)
Other expenses		(647)	(92)	(1,976)	(481)
Profit before tax	A14	23,178	13,485	49,842	46,844
Income tax expense	A15	(4,409)	(3,135)	(9,990)	(10,764)
Profit net of tax		18,769	10,350	39,852	36,080
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		18,769	10,350	39,852	36,080
Profit net of tax attributable to:					
Owners of the Company		18,769	10,350	39,852	36,080
Non-controlling interests		-	-	-	-
		18,769	10,350	39,852	36,080

**Condensed consolidated statements of profit or loss and
 other comprehensive income (continued)**
For the quarter and year-to-date ended 30 September 2022

	Note	Current quarter 3 months ended		Year-to-date ended	
		30.09.2022 Unaudited RM'000	30.09.2021 Unaudited RM'000	30.09.2022 Unaudited RM'000	30.09.2021 Unaudited RM'000
Earnings per ordinary share attributable to owners of the Company (sen per share):					
Basic	A16	5.43	2.99	11.52	10.43

The above unaudited 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 2021 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

Condensed consolidated statements of financial position
As at 30 September 2022

	Note	As at 30.09.2022 Unaudited RM'000	As at 31.12.2021 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A17	72,591	56,725
Investment properties	A21	75,065	83,967
Concession assets	A18	787,687	802,622
Deferred tax assets		5,782	7,632
Other assets		24,238	34,456
Trade and other receivables		92,909	92,909
		1,058,272	1,078,311
Current assets			
Inventories	A19	26,864	10,646
Trade and other receivables		125,186	124,062
Other assets		11,093	3,110
Tax recoverable		2,821	24,955
Investment securities	A21	112,117	78,833
Cash and bank balances	A20	93,368	79,894
		371,449	321,500
TOTAL ASSETS		1,429,721	1,399,811

Condensed consolidated statements of financial position (continued)
As at 30 September 2022

	Note	As at 30.09.2022 Unaudited RM'000	As at 31.12.2021 Audited RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	A22	56	67
Concession liabilities	A23	2,820	11,280
Contract liability		2,720	2,720
Tax payable		3,486	10,694
Trade and other payables		29,400	37,058
Provisions		7,352	4,000
		45,834	65,819
Net current assets		325,615	255,681
Non-current liabilities			
Loans and borrowings	A22	27,245	10,371
Concession liabilities	A23	105,702	100,430
Deferred tax liabilities		63,083	66,595
Tax payable		17,486	17,431
Provisions		6,437	6,437
		219,953	201,264
TOTAL LIABILITIES		265,787	267,083
Net assets		1,163,934	1,132,728
Equity attributable to owners of the Company			
Share capital	A8	358,825	358,825
Other reserves		(393)	(393)
Retained earnings		805,514	774,308
		1,163,946	1,132,740
Non-controlling interests		(12)	(12)
TOTAL EQUITY		1,163,934	1,132,728
TOTAL EQUITY AND LIABILITIES		1,429,721	1,399,811

The above unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 30 September 2022

	Note	-----Attributable to owners of the Company-----					
		Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Distributable Retained earnings RM'000	Non-Distributable Other reserves total RM'000	Non-Distributable Non-controlling interests RM'000
Opening balance at 1 January 2022		1,132,728	1,132,740	358,825	774,308	(393)	(12)
Profit net of tax		39,852	39,852	-	39,852	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		39,852	39,852	-	39,852	-	-
Transactions with owners							
Dividends on ordinary shares	A9	(8,646)	(8,646)	-	(8,646)	-	-
Total transactions with owners		(8,646)	(8,646)	-	(8,646)	-	-
Closing balance at 30 September 2022		1,163,934	1,163,946	358,825	805,514	(393)	(12)

Condensed consolidated statements of changes in equity (continued)
For the year-to-date ended 30 September 2022

	Note	Equity, total RM'000	----- Attributable to owners of the Company -----				Non-controlling interests RM'000
			Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Retained earnings RM'000	Other reserves total RM'000	
Opening balance at 1 January 2021		1,106,345	1,106,357	358,825	747,925	(393)	(12)
Profit net of tax		36,080	36,080	-	36,080	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		36,080	36,080	-	36,080	-	-
Transactions with owners							
Dividends on ordinary shares	A9	(7,954)	(7,954)	-	(7,954)	-	-
Total transactions with owners		(7,954)	(7,954)	-	(7,954)	-	-
Closing balance at 30 September 2021		1,134,471	1,134,483	358,825	776,051	(393)	(12)

The above unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 30 September 2022

	Year-to-date ended	
	30.09.2022	30.09.2021
	Unaudited	Unaudited
	RM'000	RM'000
Operating activities		
Profit before tax	49,842	46,844
<u>Adjustments for:</u>		
Amortisation of concession assets	41,602	39,012
Allowance for impairment loss on:		
- trade receivables	227	237
Depreciation of property, plant and equipment	1,445	1,668
Employee leave entitlement	162	130
Employee leave entitlement written back	(125)	(136)
Finance costs	5,517	5,517
Gain on disposal of equipment	(7)	-
Interest income	(2,365)	(2,985)
Investment income from investment securities	(471)	(739)
Net fair value gain on held for trading investment securities	(1,004)	(110)
Realised loss on foreign exchange	45	-
Unwinding of discount on:		
- long term receivable	(7,709)	(10,761)
- concession liabilities	5,272	5,481
Total adjustments	42,589	37,314
Operating cash flows before changes in working capital	92,431	84,158
<u>Changes in working capital:</u>		
Increase in inventories	(16,218)	(1,705)
Increase in trade and other receivables	(1,124)	(3,423)
Increase in prepayment	-	(11,000)
Decrease in other assets	(2,235)	(7,360)
Decrease in trade and other payables	(7,658)	(12,109)
Decrease in contract liability	-	(1,775)
Increase in provisions	3,352	-
Payment of concession liabilities	(8,460)	(8,279)
Total changes in working capital	(32,343)	(45,651)

Condensed consolidated statements of cash flows (continued)
For the year-to-date ended 30 September 2022

	Note	Year-to-date ended	
		30.09.2022 Unaudited RM'000	30.09.2021 Unaudited RM'000
Cash flows from operations		60,088	38,507
Income tax paid		(17,943)	(14,980)
Income tax refunded		19,357	-
Net cash flows from operating activities		61,502	23,527
Investing activities			
Increase in cash at banks and deposits pledged and deposits with maturity more than 3 months		(36)	(150)
Increase in concession assets	A18	(26,667)	(12,646)
Proceeds from disposal of investment securities		8,000	24,077
Purchase of investment securities		(40,436)	(30,946)
Purchase of property, plant and equipment	A17	(1,519)	(60)
Investment income received from investment securities		471	739
Interest received		2,365	2,985
Net cash flows used in investing activities		(57,822)	(16,001)
Financing activities			
Dividends paid		(8,646)	(7,954)
Interest paid		(823)	(590)
Drawdown of borrowings		16,869	4,391
Repayment of borrowings		-	(18,000)
Repayment of obligations under finance leases		(148)	(44)
Net cash flows from/(used in) financing activities		7,252	(22,197)
Net increase/(decrease) in cash and cash equivalents		10,932	(14,671)
Effect of exchange rate changes on cash and cash equivalents			-
Cash and cash equivalents at 1 January		59,899	65,653
Cash and cash equivalents at 30 September (Note A20)		70,831	50,982
Composition of cash and cash equivalents			
Cash on hand and at banks		21,405	17,703
Short term deposits with licensed banks		49,426	33,279
Cash and cash equivalents at 30 September (Note A20)		70,831	50,982

The above unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 30 November 2022.

A2. Basis of preparation

The condensed consolidated interim financial statements of the Group for the third quarter and year-to-date ended 30 September 2022 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"), International Financial Reporting Standard (IFRS) 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 2021. 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 2021.

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 2021, 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 2022:

- Annual Improvements to MFRS Standards 2018-2020 Cycle
- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment- Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts- Cost of Fulfilling a Contract

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 unaudited 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 and Amendments to MFRS 17	1 January 2023
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	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 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 30 September 2022.

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 year.

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 30 September 2022.

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 except for the revision of the depreciation on the Sandakan Wharf extension.

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

During the quarter and year-to-date ended 30 September 2022, there was no new issuance of share capital, cancellation, repurchases, resales and repayment of debt and equity securities.

A9. Dividends paid

During the current quarter and financial year-to-date ended 30 September 2022, there were payment of final dividend for year 2021 of 2.5 sen per share (30 September 2021: final dividend for year 2020 of 2.3 sen per share), as follows:

	Current quarter 3 months ended		Year-to-date ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
<u>For 2020:</u> 2.3% final tax-exempt dividend, on 345,820,779 ordinary shares, declared on 29 June 2021 and paid on 30 July 2021	-	7,954	-	7,954
<u>For 2021:</u> 2.5% final tax-exempt dividend, on 345,820,779 ordinary shares, declared on 29 June 2021 and paid on 22 July 2022	8,646	-	8,646	-
	8,646	7,954	8,646	7,954

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

A10. Segmental information

For management purpose, the Group is organised into business units based on its products and services, and has five reportable operating segments as follow:

- (a) Investment holding - investments in deposits and investment securities for interest, dividend and investment income.
- (b) Property development - the development of commercial properties.
- (c) Port operations - provision and maintenance of port services and facilities, the regulation and control of the management of ports and distributor of port cargo handling equipment and related spare parts.
- (d) Logistics and bunkering - provision of bunkering and related services.
- (e) Contract and engineering and ferry terminal operations - construction contractor, provision of project management, technical support services and operating of ferry terminal

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.

Port operations

For the current quarter, the port operations segment contributed 98% to the Group's revenue (30 September 2021: 99%) and 97% (30 September 2021: 78%) to the Group's profit before tax.

For the year-to-date, the port operations segment contributed 98% to the Group's revenue (30 September 2021: 98%) and 87% (30 September 2021: 82%) 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, there was an increase in cargo throughput of 3% mainly attributed to higher bulk oil and general cargo. However, there was a decrease of 2% for cargo throughput for the year-to-date due to lower palm oil, PKE and fertilizer. The total tonnage handled for the current quarter and year-to-date was 6.2 million metric tonnes and 17.5 million metric tonnes respectively.

Meanwhile, 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 by 33% to 125,441 TEUs from 94,616 TEUs in the preceding year's corresponding quarter. For the year-to-date, total TEUs was 13% higher at 337,903 TEUs as compared to 297,991 TEUs registered in prior year-to-date.

Profit before tax has increased by RM3.0 million (6%) to RM49.8 million for the current year-to-date from RM46.8 million in prior year. This was mainly due to higher revenue from operations during the quarter and year-to-date.

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

A10. Segmental information (continued)

Logistics and bunkering services

For the current quarter and year-to-date, the logistics and bunkering services segment contributed 1% (30 September 2021: <1%) to the Group's revenue.

Higher revenue was registered for the segment as the company continues to support the ports business as agent in logistics handling, marine and ancillary services.

Contract and engineering and ferry terminal operations

For the current quarter, this segment contributed 2% of the Group's revenue (30 September 2021: 1%).

For the year-to-date, this segment contributed 2% of the Group's revenue (30 September 2021: 2%).

The contract segment's revenue contributed 44% of this segment's revenue for the year-to-date (30 September 2021: 86%). The Railway upgrading project connecting Halogilat and Tenom for Sabah State Railway Department has been completed in March 2022 and pending issuance of Certificate of Practical Completion.

In the ferry terminal operations, the passenger fees from Jesselton Point operations have improved significantly and contributed 50% for the year-to-date (30 September 2021: 12%). During the current quarter and year-to-date, the business is recovering from the pandemic as business sectors resumed and international borders opened. Other revenues are derived from berthing fees, retail outlets, indoor soccer centre and handling of cruise ship passengers at Kota Kinabalu Port.

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.

Interest income derived from short term investments securities and deposits with licensed financial institutions and other loans and receivables are classified under interest 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.

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

A10. Segmental information (continued)

Thus, for the year 2022, there would not be any amount recognised in Group's revenue except for the unwinding of discount on long term trade receivable amounted to RM7.7 million (30 September 2021: RM10.8 million) recognised under other income.

The first phase of the project has been completed and occupancy certificate has been obtained on 19 January 2022 and vacant possession was subsequently issued on 23 May 2022. For the current quarter and year-to-date, the property development segment contributed <1% of the Group's revenue (30 September 2021: Nil). As of the interim financial date, 48% of the gallery shoppes were committed by tenants.

The segment revenue and results are as follows:

	Current quarter 3 months ended		Year-to-date ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Segment revenue				
Investment holding	2,610	2,640	19,130	15,810
Property development	3	-	3	-
Port operations				
- Operating revenue	62,071	49,984	170,522	150,383
- Construction services revenue	9,879	8,742	26,667	21,328
Logistics and bunkering services	438	372	1,058	824
Contract and engineering and ferry terminal operations	1,109	464	4,449	4,341
Revenue including inter-segment sales	76,110	62,202	221,829	192,686
Elimination of inter-segment sales	(2,736)	(2,924)	(19,808)	(16,363)
Total revenue	73,374	59,278	202,021	176,323

	Current quarter 3 months ended		Year-to-date ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Segment results				
Investment holding	(73)	1,279	14,550	11,365
Property development	2,647	3,927	7,711	10,761
Port operations	22,297	10,502	42,928	38,565
Logistics and bunkering services	238	193	493	367
Contract and engineering and ferry terminal operations	(356)	(1,041)	185	(1,629)
Profit from operations including inter- segment transactions	24,753	14,860	65,867	59,429
Elimination of inter-segment transactions	(1,575)	(1,375)	(16,025)	(12,585)
Total profit before tax	23,178	13,485	49,842	46,844

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 30 September 2022.

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 30 September 2022 and 30 September 2021:

	Current quarter 3 months ended		Year-to-date ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
<i>Subsidiaries:</i>				
Dividend income	1,575	1,575	16,025	12,585
Interest income	1,117	1,145	1,873	1,527
Interest expenses	44	62	119	187
Management fees income	1,035	1,065	3,105	3,225
Rental income	23	23	68	68

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.

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:

	Current quarter 3 months ended		Year-to-date ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Employee benefits expense	16,886	15,286	50,177	41,511
Non-executive directors' remuneration	293	210	901	615
Allowance for impairment loss on:				
- trade receivables	117	(247)	227	237
Amortisation of concession assets	11,107	12,961	41,602	39,012
Auditors' remuneration:				
Statutory audit:				
- current year	40	109	112	180
- under provision in respect of previous year	4	10	9	26
Other services:				
- current year	19	26	19	26
Depreciation of property, plant and equipment	856	552	1,445	1,668
Leasing of port land	812	2,007	2,435	6,022
Gain on disposal of equipment	-	-	(7)	-
Hiring of equipment and motor	2	-	7	8
Net fair value gain on financial instruments:				
- Investment securities	(446)	(25)	(1,004)	(110)
Plant and equipment written off	-	-	13	-
Realised loss on foreign exchange	5	-	45	-
Rental of office premises	213	95	639	187
Reversal of allowance for impairment loss:				
- trade and other receivables	-	-	-	(26)
Unwinding discount on:				
- long term receivables	(2,645)	(3,927)	(7,709)	(10,761)
- concession liabilities	1,757	1,827	5,272	5,481

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

A15. Income tax expense

	Current quarter 3 months ended		Year-to-date ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Income tax expense for the year:				
Malaysian income tax	3,761	2,193	8,127	8,182
Deferred tax	648	942	1,863	2,582
	4,409	3,135	9,990	10,764

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 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.

	Current quarter 3 months ended		Year-to-date ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Profit net of tax for the financial year-to-date	18,769	10,350	39,852	36,080
Add: Attributable to non-controlling interest	-	-	-	-
Profit net of tax attributable to owners of the Company	18,769	10,350	39,852	36,080
Weighted average number of ordinary shares (*)	345,821	345,821	345,821	345,821
Basic earnings per ordinary share (sen)	5.43	2.99	11.52	10.43

(*) 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 RM1,519,465 (30 September 2021: RM60,015).

There were assets with carrying amount RM30,889 been disposed off by the Group during the year-to-date ended 30 September 2022 (30 September 2021: RM10,508), resulting in a gain on disposal of RM6,997 (30 September 2021: RM162), which had been recognised under other income in statements of comprehensive income.

Write-down of property, plant and equipment

During the quarter and year-to-date ended 30 September 2022, there were no write-down of property, plant and equipment (30 September 2021: 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 2022	213,679	45,296	1,181,556	1,440,531
Addition	-	-	26,667	26,667
Disposal	-	-	-	-
Write off	-	-	-	-
At 30 September 2022	213,679	45,296	1,208,223	1,467,198
Accumulated amortisation and impairment:				
At 1 January 2022	122,209	26,172	489,528	637,909
Amortisation	5,402	1,132	35,068	41,602
Disposal	-	-	-	-
Write off	-	-	-	-
At 30 September 2022	127,611	27,304	524,596	679,511
Net carrying amount:				
At 31 December 2021	91,470	19,124	692,028	802,622
At 30 September 2022	86,068	17,992	683,627	787,687

Additional capital expenditure for the year represents concession assets that are capitalised during the year and is reflected in the Statements of Comprehensive Income. 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

	As at 30.09.2022 RM'000	As at 31.12.2021 RM'000
Completed development properties held for sale	16,692	-
Consumables	10,172	10,646
	26,864	10,646

The increase in inventories is mainly attributed to the recognition of completed development properties as part of the entitlement from the Joint Venture Agreement with SBC Corporation Berhad.

There were no inventories been written down during the current quarter and financial year-to-date ended 30 September 2022 (30 September 2021: Nil).

A20. Cash and cash equivalents

	As at 30.09.2022 RM'000	As at 31.12.2021 RM'000
Cash at banks and on hand	21,405	28,449
Cash at banks pledged as security for bank facilities	15,657	13,151
Short term deposits with licensed banks	49,426	31,450
Deposits with maturity more than 3 months	6,880	6,844
	93,368	79,894

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 profits and interests at the respective short-term deposit rates. The weighted average effective interest rate as at 30 September 2022 for the Group was 2.3% (2021: 2.1%).

Deposits with maturity more than 3 months are made for a period of 6 months to 1 year (2021: 6 months to 1 year) and the weighted average effective interest rate as at 30 September 2022 for the Group was 2.7% (2021: 3.2%).

Included in deposits with maturity more than 3 months of the Group are deposits amounting to RM6,880,060 (2021: RM6,844,046) 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 30.09.2022 RM'000	As at 30.09.2021 RM'000
Cash at bank and on hand	21,405	17,703
Short term deposits with licensed banks	49,426	33,279
	70,831	50,982

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 class of assets measured at fair value at the reporting date:

	Fair value measurements at the reporting date using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets				
Investment securities				
- 30 September 2022	-	112,117	-	112,117
- 30 September 2021	-	76,571	-	76,571

B. Level 2 fair value measurements

The fair value of investment securities are 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 date using				Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
At 30 September 2022					
Investment properties	-	-	75,065	75,065	75,065
At 30 September 2021					
Investment properties	-	-	77,180	77,180	70,179

The fair value of the investment properties is based on valuation performed by an accredited independent valuer. The valuation is based on comparable approach using similar properties with significant unobservable inputs including factor adjustments made for location, size, accessibility, building conditions and amenities.

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

A22. Loans and borrowings

Total Group's loans and borrowings as at 30 September 2022 and 31 December 2021 were as follows:

	As at 30.09.2022 RM'000	As at 31.12.2021 RM'000
Current		
Unsecured:		
- Lease liabilities	56	67
Non- current		
Unsecured:		
- Lease liabilities	68	63
Secured:		
- Tawarruq financing	27,177	10,308
	27,245	10,371
Total Loans and borrowings	27,301	10,438

The above borrowings are denominated in RM. 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 30.09.2022 RM'000	As at 31.12.2021 RM'000
At 1 January	111,710	115,439
Unwinding of discount	5,272	7,308
Payments	(8,460)	(11,037)
At 30 September	108,522	111,710
Current		
Within 1 year	2,820	11,280
Non current:		
More than 1 year and less than 2 years	11,531	10,777
More than 2 years and less than 5 years	36,203	29,567
5 years or more	57,968	60,086
	105,702	100,430
	108,522	111,710

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 30.09.2022 RM'000	As at 30.09.2021 RM'000
Approved and contracted for		
Sapangar Bay bunkering line	149	149
Jetty extension at Sapangar Bay Oil Terminal	55,434	76,086
Jetty extension at Karamunting Palm Oil Terminal, Sandakan Port	-	3,572
Sapangar Bay Conventional Cargo Terminal	4,908	4,908
Other projects and equipment	1,274	2,767
	61,765	87,482
Approved but not contracted for		
Purchase of property, plant and equipment and port infrastructure facilities	211,128	243,557
	272,893	331,039

The approved but not contracted for amounting to RM211.1 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

There were no changes to the status of contingent liabilities 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 3 months ended			Year-to-date ended		
	30.09.2022 Unaudited RM'000	30.09.2021 Unaudited RM'000	%	30.09.2022 Unaudited RM'000	30.09.2021 Unaudited RM'000	%
Revenue						
Revenue from operations	63,495	50,536	26	175,354	154,995	13
Cost of sales						
Operational cost	(34,982)	(35,915)	(3)	(108,496)	(104,060)	5
	28,513	14,621	95	66,858	50,935	32
Revenue from construction services for concession infrastructure	9,879	8,742	13	26,667	21,328	25
Construction services cost for concession infrastructure	(9,879)	(8,742)	13	(26,667)	(21,328)	25
	-	-	-	-	-	-
Gross Profit	28,513	14,621	95	66,858	50,935	32
Profit before tax	23,178	13,485	72	49,842	46,844	7

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 (continued)

Current quarter

For the current quarter ended 30 September 2022, the Group registered revenue from operations of RM63.5 million, increased by RM13.0 million or 26% when compared to revenue in the previous year's corresponding quarter ended 30 September 2021 of RM50.5 million. The increase in revenue was mainly due to higher contribution from the core business of port operations.

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 RM9.9 million (30 September 2021: RM8.7 million), was higher by RM1.2 million (13%). 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 zeroed at gross profit level.

The Group registered a pre-tax profit of RM23.2 million for the current quarter ended 30 September 2022, higher by RM9.7 million (72%) from RM13.5 million for the corresponding quarter ended 30 September 2021, mainly due to higher revenue from operations for the quarter under review.

Year-to-date

For the year-to-date ended 30 September 2022, the Group registered operational revenue of RM175.4 million, increased by RM20.5 million or 13% when compared to the prior year-to-date ended 30 September 2021 of RM154.9 million. The increase in revenue was mainly due to higher contribution from port's operating activities.

The Group registered a pre-tax profit of RM49.8 million for the year-to-date ended 30 September 2022, increased by RM3.0 million (7%) from RM46.8 million for the prior year-to-date ended 30 September 2021, mainly due to higher revenue from operations for the current year-to-date.

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

B2. Comment on preceding quarter's profit before taxation

The Group reported a pre-tax profit of RM23.2 million for the current quarter as compared to RM7.2 million for the immediate preceding quarter, representing an increase of RM16.0 million (>100%), mainly due to higher revenue from operations 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

It is expected that the State's economy will continue to expand at a more moderate rate in the fourth quarter of 2022.

Moving forward, the Board is of the opinion that the port operations will continue to be the core business of the Group and continue to be resilient and contribute positively to the Group for the financial year as the business environment continues its recovery momentum supported by vigorous economic and social activities, as well as strong domestic demand.

Apart from port operations, in the absence of any unforeseen circumstances, the Board is also optimistic about the property development project. The first phase of the project has been completed during the year, while the second phase is expected to commence soon and it is anticipated that the project will contribute positively to the Group.

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 were 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.

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

B8. Dividends declared

No interim dividend has been recommended in respect of the financial year-to-date ended 30 September 2022 (30 September 2021: 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 commitment which give rise to any financial liabilities measured at fair value through profit or loss as at 30 September 2022 and 30 September 2021.

B10. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2021 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 30 November 2022.