SURIAGROUP



EMPOWERING GROWTH THROUGH COLLABORATIVE SYNERGY

ANNUAL REPORT 2023



EMPOWERING GROWTH THROUGH COLLABORATIVE SYNERGY

Motivated by our organisation's unique mindset, Suria Capital Holdings Berhad embodies steadfast commitment and a remarkable capacity to sustain businesses. Our journey is characterised by a relentless pursuit of excellence across all efforts, coupled with a sincere commitment to environmental sustainability and community welfare. Our strategic priorities for the future include strengthening port infrastructure, providing integrated port services, undertaking mixed development projects and positioning Kota Kinabalu on the regional and global scene through strategic collaborations with renowned industry players. These holistic strategies drive comprehensive business sustainability and generate sustainable returns for our shareholders, fostering the Group's long-term growth and progress.

To receive a hard copy of the latest Annual Report, please fill in the request form or alternatively download the full PDF version below.

Please scan this QR code to view the report in digital format.

Additional information can be found within the Report

More information is available online

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CORPORATE PROFILE

Suria Capital Holdings Berhad (Suria) was incorporated in 1983 and has steadily grown into a diversified entity. Listed on the Main Market of Bursa Malaysia Securities Berhad since 1996 (Stock Code: 6521), today Suria and its subsidiaries – collectively known as SuriaGroup, work in synergy to deliver quality services in the areas of Port Operations, Logistics and Bunkering, Property Development and Leasing as well as Construction and Seaport Passenger Gateway.

Our Vision

To be a reputable investment corporation in the region that creates value through diversified businesses in ports and logistics, port-related projects and other related ventures.

Our Mission

To enhance the long-term value of the Group by:

- **CREATING** sustainable returns to our shareholders
- **ACHIEVING** excellence in all our business undertakings
- **EMBRACING** best practices in our business processes
- **ENRICHING** the lives of our employees

whilst always caring for the environment and community within which we operate.



SERVICE EXCELLENCE

Providing excellent services to our customers.

UNITY OF PURPOSE

Working together as one cohesive team to achieve our missions.

RESPECT

Value and care for our employees, community and the environment.

INTEGRITY

Upholding the highest ethical conduct and good corporate governance.

ACHIEVEMENT

Strong commitment to act and accomplish desired results through innovation and creativity.

BUSINESS SEGMENTS



PORT OPERATIONS

Sabah Ports Sdn Bhd (Sabah Ports), a wholly-owned subsidiary of Suria, has been managing Sabah's major ports and oil terminals since the port privatisation exercise in September 2004. Operating a network of eight (8) ports across both the West and East coasts of Sabah, which include Sapangar Bay Container Port, Sapangar Bay Oil Terminal, Kota Kinabalu Port, Kudat Port, Sandakan Port, Tawau Port, Lahad Datu Port, and Kunak Port, plays a pivotal role in ensuring efficient and effective port operations.

As the primary port operator in the State, Sabah Ports focuses on optimising port activities, investing in modern cargo handling equipment, expanding port infrastructure, and enhancing the skills of its workforce to ensure long-term business sustainability and deliver efficient services to all its port users.

Sabah Ports offers comprehensive berthing and storage facilities for a diverse range of cargo that it handles which include containers, liquid cargo, dry bulk, Roll-on Roll-off (RoRo) and general cargo.

As part of its commitment to enhance port users' experience, Sabah Ports has further established a one-stop centre to provide value-added ancillary and other marine-related services.

Positioned strategically within the East ASEAN region, these ports serve as crucial trade gateways to the BIMP-EAGA region, enhancing connectivity to global markets and stimulating economic growth. The ongoing expansion project at Sapangar Bay Container Port aims to increase its handling capacity from 500,000 TEUs to 1.0 million TEUs by 2025, attracting Intra-Asian liners and strengthening the hub-and-spoke transshipment strategy to enhance connectivity. This development is poised to unlock significant values across the logistics supply chain and various economic sectors.

S.P. Satria Sdn Bhd (S.P. Satria) and SP Marine Services Sdn Bhd (SP Marine) are wholly-owned subsidiaries of Sabah Ports that provide support services for the port operation.



LOGISTICS AND BUNKERING

SP Marine is a licensed bunkering and ancillary service provider within the port limits of Sabah.

With a PDA 2 licence from the Ministry of Domestic Trade and Cost of Living, SP Marine offers bunkering services for Sabah ports. It also provides additional services such as fuel, lubricant and water supply, waste management, ship provisions, mooring gang, logistics and transportation. Registered with the Royal Malaysian Customs Department as a licensed shipping agent, SP Marine offers shipping agency services for ships calling at the ports in Sabah.

With the provision of bunkering and ancillary services, SP Marine supports Sabah Ports' mission to streamline operations and enhance efficiency.

BUSINESS SEGMENTS

In order to leverage and enhance the value of its land assets within the Central Business District adjacent to Kota Kinabalu Port, the Group has diversified its business into property development.

Suria forged a joint venture agreement with SBC Corporations Berhad (SBC) to undertake the Jesselton Quay (JQ) mega-development project. The initial phase of this development, known as Jesselton Quay Central (JQ Central), had already been successfully completed, receiving the Occupation Certificate (OC) in January 2022. JQ Central comprises service suites, a recreation club, commercial gallery shoppes, car park facilities as well as Suria's new corporate office.

Pursuant to the joint venture with SBC, Suria was conveyed with 90 units of gallery shoppes as part of its entitlement from the JQ project. 29 units have been converted to Suria's new corporate office while 61 units are for lease to generate recurring rental income for the Group.

Phase 2 of the JQ project and the two (2) other remaining parcels of land measuring 7.0 and 28.9 acres respectively will be progressively developed into mixed development supplemented by ferry and international cruise terminal. These projects together with Sabah International Convention Centre and Kota Kinabalu Convention City shall collectively form Jesselton Waterfront City (JWC) which is envisioned to emerge as a new focal point for Sabah and a premier waterfront destination for the region.

It is Suria's strategic vision to establish a dedicated International Cruise Terminal (ICT) alongside commercial real estate projects. This initiative aims to position Kota Kinabalu as a prominent home port or regular port of call for regional and international cruise liners in the long term.



PROPERTY DEVELOPMENT AND LEASING

SCHB Engineering Services Sdn Bhd (SCHB Engineering) offers a range of services encompassing construction, seaport passenger gateway and project management.

Under its project management arm as a civil and infrastructure engineering company, SCHB Engineering has played a fundamental role in various projects within the state. These include the upgrading of railway tracks from Halogilat to Tenom, which was completed during the year under review. SCHB Engineering has participated in a few construction projects in Sabah, including serving as the Project Management Consultant (PMC) for the second oil jetty at Sapangar Bay Oil Terminal and the Damaisuria Ranggu Housing Development Project in Tawau.

Operated by SCHB Engineering, the Jesselton Point Ferry Terminal in Kota Kinabalu, Sabah serves as the primary gateway to the nearby islands. At the same time, the company provides CIQS facilities for the cruise ship passengers at Kota Kinabalu Port.

Looking ahead, SCHB Engineering endeavours to venture into renewable and sustainable energy sectors.



CONSTRUCTION AND SEAPORT PASSENGER GATEWAY

ABOUT THIS REPORT

TOWARDS INTEGRATED REPORTING

The Group is committed to adopt the best practices in corporate reporting by transitioning to integrated reporting which the Group intends to fully implement with the release of our Annual Report 2024 in the coming year. We aim to produce an integrated report that includes a broader set of information relevant to our stakeholders, one that communicates about how our strategy, governance, performance and prospects, in the context of the external environment, lead to the creation of value in the short, medium and long term. This will also enable our stakeholders to make appropriate judgements and informed decisions when assessing our performance and future prospects.



CONTEXT

Suria Capital Holdings Berhad and its subsidiaries are referred to as "SuriaGroup" or "the Group" in this report.

41ST Annual General Meeting

Meeting Venue:

Training Centre, 1st Floor,
Wisma SabahPorts, Sabah Ports Sdn Bhd,
Jalan Sapangar, Sapangar Bay,
Kota Kinabalu, Sabah.

Time:

10.00 a.m.

Date:

Thursday, 20 June 2024

SCOPE AND BOUNDARIES

This report summarises financial and non-financial performance of the Group's businesses in port management and operations, property development and leasing, seaport passenger gateway and construction, as well as logistics and bunkering for the year ended 31 December 2023. It is made up of the Management Discussion and Analysis, Sustainability Statement, Statement of Corporate Governance, Statement on Risk Management and Internal Control, Financial Statements and Notes, and additional disclosures for our stakeholders as guided by statutory provisions, best practices, policies and guidelines by the relevant governing and regulatory bodies.

In preparing this Annual Report, we have considered impacts which result both from operations within the Group as well as from outside the organisation. We report on developments and events which are deemed material to the business and the Group's sustainable performance in creating values.

REPORTING PERIOD

Unless otherwise specified, the reporting period of this Annual Report covers the fiscal year beginning 1 January 2023 and ending 31 December 2023.

MATERIALITY

We have developed a strategic plan that accounts for the critical issues affecting our businesses as well as its known risks and opportunities. The issues covered in this report are those that could materially affect our ability to generate value over the short, medium, and long term. It also discusses the Group's outlook as well as the steps taken to address them.

FORWARD-LOOKING STATEMENTS

Given the working environment and industry in which the Group operates, some information in this report includes forward-looking statements, such as our assessments, judgements or predictions of future prospects. The Group does not intend for these statements to guarantee future operating, financial or other results, as they involve risks, uncertainties and assumptions. Actual outcomes could differ significantly from those expressed or implied, and the Group makes no expressed or implied representation or warranty that the results predicted by these forward-looking statements will be achieved. Readers should not place excessive reliance on forward-looking statements since they do not, either implicitly or explicitly, guarantee our future performance.

ABOUT THIS REPORT



SUSTAINABILITY STATEMENT

We also provide a thorough report on the Group's sustainability performance and how we engage with stakeholders on economic, environmental, and social issues as part of our commitment towards sustainability. The Sustainability Statement made references to the Global Reporting Initiatives (GRI) Standards, Bursa Malaysia's Sustainability Reporting Guide and the International Association of Ports and Harbours' World Ports Sustainability Program and is reported on a best-effort basis.

FEEDBACK

We are fully committed to listening to our stakeholders, and we welcome feedback on this report and any aspect of our performance.

To provide feedback or for any inquiries regarding our report, please scan the adjacent QR Code.

REPORT APPROVAL

The Board of Suria Capital Holdings Berhad recognises its responsibility for the integrity of the Annual Report. The Board believes that the report presents a fair and balanced representation of the Group's overall performance in the context of its identified critical aspects.

Our financial statements were prepared and assured in accordance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and Companies Act 2016. Please refer to pages 176 to 271 for the audited financial statements and our independent auditor's report.

Go paperless to help our environment. Please scan the QR Code to view our AR2023 or visit our website at www.suriagroup.com.my/investor-relations/.

OUR INTEGRATED REPORTING JOURNEY

FY2015 to FY2018

Initiation of sustainability-related policies and strategies including enhancement of corporate governance standards, policies and practices.

FY2019 to FY2020

Initiation of the general adoption of Integrated Reporting (<IR>) guiding principles and content elements.

FY2021 to FY2022

Enhancement of disclosure and greater incorporation of best practices, processes and enhancement of data collection.

FY2023 and onwards

Adoption of the full <IR> guiding principles and content elements.

OUR REPORTING GUIDELINES

This report is guided by the following regulatory frameworks and standards:

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR)
- Malaysian Code of Corporate Governance (MCCG)
- Bursa Malaysia's Sustainability Reporting Guide - Third Edition
- Bursa Malaysia's Illustrative Sustainability Report
- Global Reporting Initiative (GRI) Standards 2016: Core Option
- Companies Act 2016
- United Nations Sustainable Development Goals (UN SDGs)
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)

Note:
The detailed financial statements and analysis of the financial performance of the Group are supported by an independent auditor's report.

SURIAGROUP STRATEGIC PLAN FRAMEWORK

SuriaGroup's Strategic Plan 2019-2023 enables the Group to focus on and ensure value creation for its stakeholders by achieving a sustainable level of business performance and efficiently utilising the Group's resources in order to generate sustainable and fair returns for our shareholders.

SuriaGroup Strategic Plan 2019-2023 focuses on five (5) strategic focus as follows:

Strategic Focus

External Stakeholders

- Corporate Image
- Educated & Informed Stakeholders
- Effective Partnership
- Market Presence

Governance & Internal Process

- Well Governed & Well Managed
- Sound & Effective Business & Operations Practices

Financial

- Long Term Business Sustainability
- Efficient & Effective Financial Resource Management

Customer Service

- Customer Centric Culture

Learning & Growth

- Conducive Working Environment
- Competent & Knowledgeable Workforce

OUR INTEGRATED REPORTING JOURNEY

The year 2023 concludes the SuriaGroup's Strategic Plan 2019-2023 with the following achievements:

No.	Event	Date	Strategic Focus
	2019		
1.	Completed Sandakan Port Wharf Extension.	January 2019	• Financial
2.	Won the Green Port Award System (GPAS) from APEC Port Services Network.	September 2019	• External Stakeholders • Governance & Internal Process
3.	Obtained Green Port Certificate from Ministry of Transport.	October 2019	• External Stakeholders • Governance & Internal Process
4.	Organised the 2nd Sabah Ports Forum which was attended by more than 300 participants.	October 2019	• External Stakeholders
	2020		
5.	Obtained approval in principle from the State Government to implement a comprehensive revision of the "Sabah Ports Authority (Scales of Dues & Charges) Regulations, 1977 Tariff".	February 2020	• Financial
6.	Awarded Port / Terminal of The Year - South East Asia 2020 by Global Ports Forum.	February 2020	• External Stakeholders • Governance & Internal Process
7.	Commence construction of the second jetty at Sapangar Bay Oil Terminal.	October 2020	• Financial • Customer Service
8.	Received Green Initiative Award during the Asia Corporate Excellence & Sustainability (ACES) Awards 2020 by MORS Group.	November 2020	• External Stakeholders • Governance & Internal Process
9.	Sole winner for "Merit Award for Most Improved Corporate Governance Disclosure" category in the MSWG-ASEAN Corporate Governance Awards 2020.	December 2020	• External Stakeholders • Governance & Internal Process
	2021		
10.	Commence Sapangar Bay Container Port expansion, funded by the Federal Government.	September 2021	• Financial • Customer Service
11.	Awarded Port / Terminal of The Year - South East Asia 2021 by Global Ports Forum.	February 2021	• External Stakeholders • Governance & Internal Process
	2022		
12.	Completed phase 1 of JQ Central project where Suria was conveyed with 90 units of Gallery Shoppes and a 7-storey carpark.	January 2022	• Financial
13.	Obtained approval from the State Government for extension of Sabah Ports' concession period by 30 years, up to 31 August 2064.	November 2022	• Financial
	2023		
14.	Obtained approval from the State Government to enter into a strategic collaboration with DP World.	January 2023	• Financial • External Stakeholders
15.	Completed the upgrading works for the 26.9 km railway track from Halogilat Station to Tenom Station.	January 2023	• Financial
16.	Received Employer of Choice Gold Award (Private Sector Category) during the Malaysia Institute of Human Resource's 23rd International Award.	December 2023	• Learning & Growth
17.	Signed the term sheet for the joint venture to develop Jesselton Docklands for the 7.0 and 28.9 acres lands.	December 2023	• Financial • External Stakeholders
18.	Spent a cumulative of RM1.0 billion in port capital expenditure (since privatisation).	December 2023	• Financial • Customer Service

As the Group moves forward, SuriaGroup's Strategic Plan 2024-2028 is being developed to provide the roadmap to continue its efforts to achieve its long-term goals. One of the primary strategies will be to forge collaborative partnerships to create synergy and drive growth in the Group's core business segments.

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT OF SURIA CAPITAL HOLDINGS BERHAD AND ITS GROUP OF COMPANIES (SURIAGROUP) AS WELL AS THE AUDITED FINANCIAL STATEMENTS OF SURIAGROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023.



In 2023, the global economy continued to gradually recover from the aftermath of the Covid-19 pandemic. Greater economic activity resumed as international trade strengthened, further aided by policies focused on economic revitalisation. Despite these promising developments, the global economic landscape remained complex due to widespread effects of crises such as the Russian-Ukraine war, which elevated oil prices and drove up commodity, energy, and food costs, as well as disruptions in the global supply chain and the effects of climate change.

Against the backdrop of a challenging external environment, Malaysia experienced a moderation in its gross domestic product (GDP) growth rate, which had normalised to 3.7% in contrast to the 8.7% growth observed in 2022. Nevertheless, the economy continued to demonstrate resilience, buoyed by the momentum of ongoing economic activities and the recovery of labour market conditions. *(source: Ministry of Finance, Malaysia)*

CHAIRMAN'S STATEMENT



Datuk Hj. Faisyal Bin Datuk Yusof Hamdain Diego

Chairman

In line with the national economy, Sabah demonstrated encouraging growth attributed to the recovery of the main economic sectors in the state. However, there was a decline in the total export value of Sabah's primary commodities, notably crude petroleum oil and crude palm oil, due to reduced export volume and declining market prices.

The softening of export volume has had some effect on our port operations segment. Nevertheless, the Group maintained resilience, leveraging on the support of cargo generated from Foreign Direct Investments (FDIs) at Sapangar Bay, as well as other strategic initiatives outlined under the Group's value creation strategies.

The Group further capitalised on the recovering tourism industry, whereby a surge of 2.6 million in tourist arrivals was recorded in 2023, marking a growth of 51.3% in comparison to the 1.7 million arrivals recorded in the previous year. *(source: www.sabahtourism.com)*

With the rising volume of travellers, the Group anticipates an increase in traffic at the Jesselton Point Ferry Terminal, which serves as the main gateway to the Tunku Abdul Rahman Park islands, a central tourist attraction.

OUR PERFORMANCE

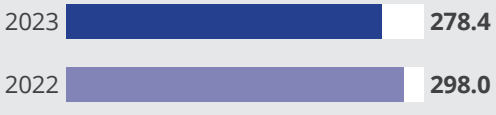
I am pleased to inform that the Group has delivered a stable but mixed financial performance for the fiscal year 2023. SuriaGroup's overall fundamentals remain strong, and we are confident in delivering long-term financial returns to our shareholders.

For the financial year ended 31 December 2023, SuriaGroup achieved a total revenue of RM278.4 million, a decrease of 6.6% from RM298.0 million recorded in the previous year.

The decline in revenue can be attributed to several factors, notably a one-off transaction in 2022 involving carpark units as entitlement in-kind to Suria for phase 1 of the JQ project. The financial performance was further impacted by additional provisions for replacement costs resulting from a rigorous review of the Group's asset replacement policy, and adjustments in the amortisation of Sabah Ports' concession assets. Consequently, profit before tax decreased by 12.6% to RM48.7 million from the RM55.7 million registered in 2022.

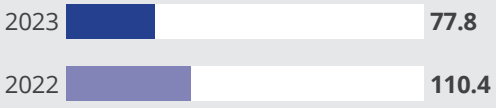
Group's Total Revenue

RM278.4 million



Group's Gross Profit

RM77.8 million



CHAIRMAN'S STATEMENT



The port operations segment remains as the primary contributor to the Group's overall revenue, generating RM241.2 million (excluding construction services revenue) which accounts for 97.0% of the Group's total revenue.

Our port operations segment experienced a slight decline in cargo throughput (excluding containers) both at wharf and at anchor during the fiscal year. The downturn amounting to 6.5%, resulted in a total cargo throughput of 21.7 million metric tonnes (MT) compared to 23.2 million MT recorded in the previous year. Container throughput too, slightly declined at 428,313 TEUs compared to 449,485 TEUs registered in 2022.

Overall, Sabah Ports handled a total of 27.5 million MT of cargo (including containers) during the financial year as against 29.2 million MT in 2022, with bulk oil making up the biggest component of the cargo handled.

Despite a mixed performance, the Group is confident that the execution of its business strategies, completion of ongoing development projects and future strategic collaborations will result in positive prospects of growth across its business segments and drive long-term value creation.

For more in-depth elaboration on the Group's financial and operational performance, please refer to the Management Discussion and Analysis (MD&A) section of this Annual Report.

DIVIDEND PAYMENT AND SHARE PRICE

The Group maintains a solid dividend policy, aiming to distribute up to 35% of the full year's net profit to shareholders. An interim dividend for year 2023 was declared at 2.0 sen per ordinary share, and the Board of Directors will further recommend a final dividend payout of 1.5 sen per ordinary share at the forthcoming Annual General Meeting, bringing the total dividend payout to 3.5 sen per ordinary share. This constitutes a proportion of 35.3% of our net profit for the year. If approved, a total of RM12.1 million in dividends will be distributed to shareholders for year 2023.

CHAIRMAN'S STATEMENT



At the start of the year, our share price opened at RM1.08, steadily climbing over the course of 2023. By the year end, our share price closed at RM1.93, marking a significant rise in share movement, reflecting increased market confidence in the company's prospects.

REFLECTIONS OF 2023

The commencement of the year marked a significant milestone as the Sabah State Cabinet approved for Sabah Ports to enter into a strategic collaboration with DP World, a globally renowned port operator. The alliance will transform the state's maritime landscape and position Sapangar Bay Container Port as a global transshipment hub, strengthened by DP World's operational expertise.

Presently, Sabah Ports and DP World are drawing closer to signing the Share Subscription Agreement and Shareholders' Agreement, establishing the conditions precedent necessary for the finalisation of the main Collaboration Agreement.

Another significant development in 2023 was the preparation for a comprehensive revision of the "The Sabah Ports Authority (Scales of Dues & Charges) Regulations, 1977" Tariff. The tariff has remained relatively unchanged since its enactment over 40 years ago, and with the evolving environment of ports and terminals, there is a need to modernise and streamline charges in line with industry dynamics. Upon approval by the Sabah State Cabinet, the tariff revision is targeted to be implemented in 2024.

In May 2023, Suria Capital relocated its business premise to the new JQ Central building. JQ Central is phase 1 of the JQ project, a joint venture waterfront-focused project between Suria Capital and SBC Corporation Berhad. Strategically located in the heart of the city, JQ Central is thriving as a tourist hot spot, as locals and tourists alike, enjoy the vibrant waterfront setting. Phase 2 of the JQ project was initially scheduled for construction by the end of 2023, however delays in obtaining approval from relevant authorities have led to both parties making adjustment to the construction timeline which is now set to commence in 2024. Despite the deferment, the Group remains resolute to advancing its property development sector, especially following a proposed joint venture with BEDI Development Sdn Bhd, a subsidiary of EXSIM Development Sdn Bhd, for an estimated Net Development Value (NDV) of RM4.2 billion mixed commercial project which encompasses the development of 7.0 and 28.9 acres lands adjacent to JQ.

The cruise terminal at Kota Kinabalu Port as well as the Jesselton Point Ferry Terminal benefitted greatly from the recovery of the tourism industry. Nine (9) cruise ships were welcomed during the year while the Ferry Terminal recorded a total of 268,124 passengers in 2023, a substantial 42% increase compared to the previous year's 188,802 passengers.

STRENGTHENING ESG COMMITMENT

Integrating Environmental, Social, and Governance (ESG) principles has been pivotal for our operations, and our commitment has only grown stronger over the years. We recognise sustainability as an ongoing journey and aspire to create a business environment that supports the transition towards carbon neutrality. As such, the Group pledges to continuously deepen its understanding of ESG and clean energy transition to contribute to the national agenda of achieving net-zero emissions by 2050.

Sabah Ports certification of ISO 45001:2018 and ISO 14001:2015 realises our commitment to health, safety, and environment, by putting in place a globally benchmarked framework to effectively manage actions and procedures to align with international standards. We recognise that occupational health and safety is no longer a "stand-alone" issue, but must be viewed in the context of running a healthy and sustainable business. A robust occupational health system leads to increased company performance thus strengthening the company's reputation and stakeholders' trust.

CHAIRMAN'S STATEMENT



In December 2023, our sustainability performance was further validated as Sapangar Bay Container Port and Sapangar Bay Oil Terminal were presented with a two-star Green Terminal Label certification by French based Bureau Veritas. This recognition affirms that Sabah Ports is adopting green strategies in its operations and making great strides towards being a responsible and environmentally conscious port operator.

Additionally, the Group launched two (2) significant projects focused on biodiversity protection. Partnering with Universiti Malaysia Sabah, the Group embarked on a two-year seagrass rehabilitation programme at Sapangar Bay waters. The value of seagrass as an agent for carbon sequestration is understated and the Group believes this initiative is an important step towards marine life conservation and mitigating climate change. On the same note, Sabah Ports collaborated with Friend of Sea Turtles Education & Research (FOSTER), a local NGO that has done tremendous work in dedication of sea turtle conservation. The project, based in Pulau Libaran, Sandakan, includes working with the Pulau Libaran community to protect the sea turtle population and encourage species resilience.

Moving forward, we are determined to establish a group-wide sustainability roadmap to further embed ESG as a fundamental aspect of the Group's businesses.

AWARDS AND RECOGNITIONS

Sabah Ports was presented with the awards for 'Employer of Choice (Sabah Region) 2023' and 'HR Team of the Year 2023' by the Human Resource Development Corporation, an agency under the purview of the Ministry of Human Resources Malaysia, as well as 'Employer of Choice Award (Private Sector)' by the Malaysian Institute of Human Resource Management (MIHRM). These national accolades are a great source of pride and a testament to the effective people management strategies developed by the Group over the years. Engrained in our mission, the Group strives to offer a rich and fulfilling career path for its employees in line with our goal of making SuriaGroup the preferred employer of choice.

The acknowledgement of Madam Patsy Tiasing, Head of Group People as the recipient of the 'HR Leader Award' by MIHRM further underscores the talent capabilities of our management team.

I am genuinely grateful to have such an exceptional individual on board, whose contributions have been instrumental towards making SuriaGroup a reputable employer of choice.

A POSITIVE OUTLOOK

Sabah Ports and DP World's strategic alliance sets favourable conditions for the State's economic vibrancy. Fuelled by this prospect, the Group looks forward to a promising future of increased FDIs and the establishment of more manufacturing bases in Sabah. As more industries set up base, the foundation becomes ripe for the creation of a free trade zone in Sapangar Bay, which will stimulate increased activity at the Sapangar Bay Container Port. Currently, Sapangar Bay Container Port is undergoing initial phase of expansion. Once completed, Sapangar Bay Contanier Port will emerge as a regional hub that boasts

extensive international connectivity. With the potential establishment of a free trade zone, the outlook for higher cargo generation and increased container throughput is immense.

With the approaching completion of the second jetty at Sapangar Bay Oil Terminal, the Group anticipates a significant boost in handling capacity through increased facilities to handle more than one vessel simultaneously. Expected to be completed within the third quarter of 2024, the project involves the construction of additional berths aimed at increasing efficiency and reducing vessel waiting time. With the new jetty, there will be sufficient window to carry out major maintenance of the existing single-berth jetty which has been in operation since 1985. The new oil jetty will contribute to long-term revenue growth, and the upgraded facilities will position the terminal for promising prospects in the future.

On the property development front, the proposed joint venture project with BEDI to develop prime land parcels in the vicinity of Kota Kinabalu Port, as well as the development of phase 2 of JQ, will anchor Suria as a leading property development partner. The projects will be part of the Jesselton Waterfront City, an initiative devised to propel Kota Kinabalu city into the epitome of vibrant waterfront living and a premier destination for upscale waterfront experiences.

APPRECIATION AND ACKNOWLEDGEMENTS

The Group's outlook for 2024 remains optimistic, despite the anticipated economic challenges. I am confident in the Group's ability to navigate through any difficulties and ensure the sustainability of our business segments.

As we forge ahead, I sincerely hope for the continued trust and confidence of our stakeholders, especially our esteemed shareholders and government agencies that have played an instrumental role in facilitating the Group's undertakings. Rest assured, the Group is firmly committed to not only meet expectations but to also respond effectively to meet today's dynamic environment.

I extend my heartfelt gratitude to the SuriaGroup Board of Directors for the unwavering support and guidance. I express sincere appreciation to our shareholders and customers for their continued confidence in the Group's vision and initiatives. Additionally, I commend our dedicated employees for their relentless commitment and hard work, which drives our success forward each day.

Aligned with our vision to maximise value creation and empower economic growth, SuriaGroup will forge ahead with a strong determination to unlock opportunities and drive positive change for the prosperity of the State of Sabah, our stakeholders and communities.

Thank you.

DATUK HJ. FAISYAL BIN DATUK YUSOF HAMDAIN DIEGO
Chairman



HOW WE CREATE VALUE

Inputs

Key Activities

FINANCIAL CAPITAL

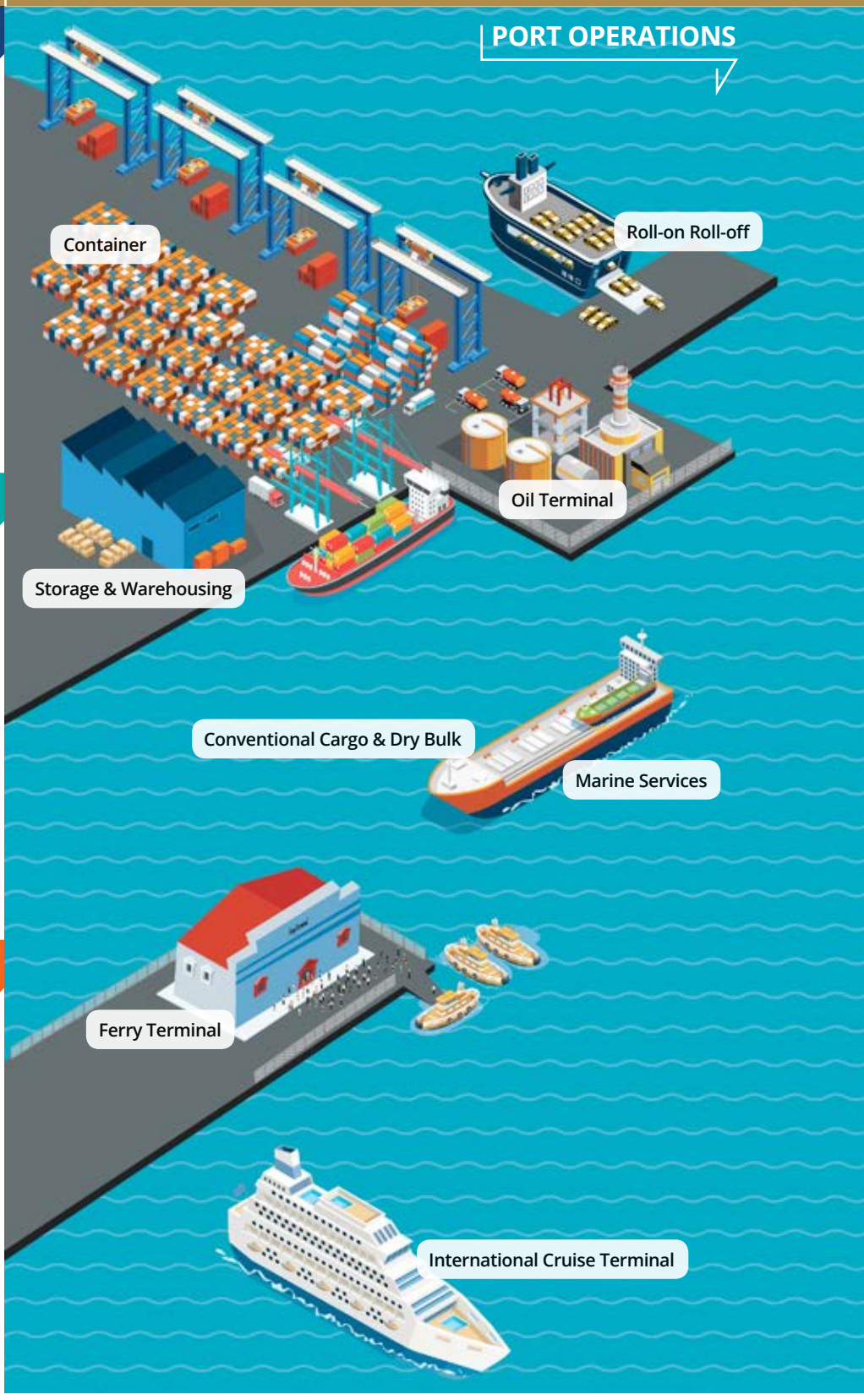
Internally generated funds and external funds are the two (2) sources of financial capital that we use to run our business and expand. Additionally, we invest our financial means to add value to the other capitals.

PHYSICAL CAPITAL

Our primary business is port operations. We invest in port assets, equipment and infrastructure to support the company's business and development. At the same time, we own investment properties to enhance our earnings capacity, to further add value to Financial Capital.

INTELLECTUAL CAPITAL

We have extensive professional knowledge and experience in port management and operations, maritime and ancillary services, and the development of transportation-related infrastructure. This intellectual capital is what drives the Group's operational efficiency and effectiveness.



HOW WE CREATE VALUE

Outputs	Outcomes	Stakeholders to Whom We Provide Value and Who are Affected	Contribution to UNSDGs
◢ All business segments generated a total revenue of RM278.4 million in 2023 (restated 2022: RM298.0 million). ◢ Net profit of RM34.3 million was recorded in 2023 (restated 2022: RM50.6 million. ◢ RM6.9 million interim dividend was paid in 2023 (2022: RM5.2 million).	◢ Sustained financial viability and strength. ◢ Earnings per share of 9.93 sen in 2023 (restated 2022: 14.64 sen). ◢ Net gearing ratio at 29.3% in 2023 (restated 2022: 30.4%). ◢ Sustained cash flow from operations which led to a 14.9% (restated 2022: 43.1%) increase in cash balance. ◢ Interim dividend payout of 2.0 sen (2022: 1.5 sen) per share.	Shareholders and Stakeholders Financier	8 DECENT WORK AND ECONOMIC GROWTH
◢ Spending on Capital Expenditure of RM29.6 million in 2023 (2022: RM31.2 million). ◢ Spending on repair and maintenance of RM20.1 million in 2023 (2022: RM16.6 million). ◢ Port capacity, which handled 428,313 TEUs in 2023 (2022: 449,485 TEUs) and 27.5 million metric tonnes in 2023 (2022: 29.2 million metric tonnes) of cargo throughput (including containers). ◢ Average container handling rate of 19 boxes per hour in 2023 (2022: 16 boxes per hour).	◢ 92.1% completion rate for construction of new jetty at Sapangar Bay Oil Terminal as of December 2023.	Equipment and Infrastructure	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
◢ Accommodated 9,295 vessels at wharf and at sufferance wharf in 2023 (2022: 9,283 vessels) representing 777 container vessels (2022: 624), 309 dry bulk vessels (2022: 314), 53 RoRo vessels (2022: 43), 1,372 tankers (2022: 1,454) and 6,773 other types of vessels (2022: 6,848). ◢ A total of 27.5 million metric tonnes (2022: 29.2 million metric tonnes) (including containers) of cargo throughput handled at wharf and sufferance wharf.	◢ Continuous efforts towards digitalisation that involve the conversion of client-based systems into online platforms (SuriaGroup Portal and Customer Portal). ◢ Enhancing Cybersecurity and protecting data privacy through development of a strong defence framework, improving access controls, implementing data encryption, conducting regular monitoring and updating guidelines. ◢ Adoption of green practices through digitalisation of documents, video-conferencing, transitioning from physical servers to virtual and cloud-based systems to decrease energy consumption.	Customers	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

HOW WE CREATE VALUE

Inputs

Key Activities

HUMAN CAPITAL

Our employees' talents and experience are critical for effective and efficient implementation of our strategic plans, delivery of operations and services, and steering the direction towards maximising shareholders' value.

SOCIAL AND RELATIONSHIP CAPITAL

We form strategic alliances and build trust with our valued customers, suppliers, governments, regulators and industry participants. Additionally, we develop links with local communities.

NATURAL CAPITAL

Our port operations and equipment rely heavily on electricity, fuel and water.



HOW WE CREATE VALUE



Outputs	Outcomes	Stakeholders to Whom We Provide Value and Who are Affected	Contribution to UNSDGs
◢ Total employee expenditures of RM67.0 million in 2023 (2022: RM67.2 million) for salary, remuneration and benefits. ◢ A total of RM816,487 (2022: RM645,176) was spent on employees' learning and development programmes.	◢ A total workforce of 1,090 employees (2022: 1,088), inclusive of 49 new hires, across the Group. ◢ Career development opportunities and advancements through talent management, leadership programme and succession planning. ◢ Competent and skilled team that is trained and developed in-house. ◢ Consistently maintained a safe work environment in terms of health, safety and environment (HSE), with no work-related fatalities. ◢ Increased local worker empowerment, vitality and skill set. ◢ Diversity enhancement of the workforce.	Employees	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
◢ Total spending on Corporate Social Responsibility (CSR) activities in 2023 was RM176,781 (2022: RM121,347). ◢ Total income tax payable to the government for 2023 of RM19.9 million (2022: RM17.5 million). ◢ RM17.4 million annual payment to Sabah Ports Authority in 2023 (2022: RM16.8 million). ◢ RM3.5 million interim dividend paid to the State Government of Sabah in 2023 (2022: RM2.6 million).	◢ Sustaining the support of our stakeholders. ◢ Increased engagement with consumers and port users throughout the year through various programmes. ◢ Strengthened partnership with industry peers to enhance the logistics industry in Sabah. ◢ Investment in rural community engagements had resulted in improvements in education and socio-economic well-being.	Communities Regulators	1 NO POVERTY 4 QUALITY EDUCATION 17 PARTNERSHIPS FOR THE GOALS
◢ Reduced fuel consumption by 19.0% from 1,037.9 tonnes in 2022 to 840.9 tonnes in 2023. ◢ Increased electricity usage by 25.8% from 8.0 million kWh in 2022 to 10.0 million kWh in 2023. ◢ Water consumption increased by 33.3% from 148.5 megalitres in 2022 to 198.0 megalitres in 2023. ◢ 45.1% decrease in scheduled waste disposal volume from 49,388 kg in 2022 to 27,095 kg in 2023.	◢ There have been no major oil spills or other dangerous pollutants released into the environment. ◢ Zero incidents of non-compliance with environmental regulatory standards, as guided by SuriaGroup's Health, Safety and Environmental Policy as well as its Green Port Policy. ◢ To actively promote environmental sustainability by protecting and improving the ecological conditions at our ports and the surrounding communities.	Environment Communities	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY 14 LIFE BELOW WATER 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND

RISKS AND OPPORTUNITIES

MANAGING RISK

SuriaGroup acknowledges the importance of having a robust risk management system to identify critical risks and formulate risk mitigation plans to minimise any adverse impact and ensure sustainable business growth. By managing risks well, we believe that we provide greater certainty and confidence to all our stakeholders and shareholders.

The following are the details relating to the key risks faced by SuriaGroup and our initiatives to mitigate the risks.

No.	Key Risk	Risk Description	Risk Management and Internal Control	Link to Strategy
1.	**High dependency on key principal business**	As port operations and services are the core business of the Group, revenue from this business segment accounts for 97.0% of the total revenue of the Group.	• The Group has diversified into other business activities such as property development. The main project namely Jesselton Quay and One Jesselton Waterfront are expected to generate recurring rental income for the Group in the near future.	Sustainable business growth.
2.	**Viability of new and current investment opportunities undertaken by the Group**	Risk of making unfavourable investment and business decisions.	• Apart from the Group's standard due diligence and business viability assessment procedures by the operating department and the Group Corporate Planning and Development Department, risk assessment on new proposals are also performed by the Group Risk & Integrity Department.	Optimising the value of investments and business ventures.
3.	**Aging infrastructure and equipment**	Aging infrastructure and port equipment could affect the efficiency and effectiveness of the port performance to meet and cater for the growing demands for port services.	• Enhancement of port infrastructure and equipment is carried out in phases throughout the concession period as these involved huge investments. During the year under review, the proposed construction of a second jetty for Sapangar Bay Oil Terminal was almost completed at 92.1%. The proposed jetty is expected to reduce the congestion at Sapangar Bay Oil Terminal and attract more vessels in the near future.	Optimising the useful life of assets for continuous efficiency and effectiveness.
4.	**Cybersecurity risk**	Cybersecurity threat arising from heavy usage of internet, computer network, facilities for information and communication, internal digital solutions, online payment and online customer service.	• The Group's IT Policies and Procedures were further enhanced and implemented during the year under review. The IT security segment of the Group's IT Policies and Procedures was updated based on the latest developments in cybersecurity requirements and applicable laws. • Firewalls and anti-virus updates are regularly monitored and installed on all computer systems and networks.	Leveraging on IT to improve performance.

RISKS AND OPPORTUNITIES

No.	Key Risk	Risk Description	Risk Management and Internal Control	Link to Strategy
5.	**Talent management & succession planning**	Insufficient skills and expertise to execute the Group's business strategy and initiatives leads to low productivity and failure to achieve the Group's business goals and objectives.	• Introduction of an incentive scheme for employees in the port operations segment is aimed to enhance work performance and create healthy competition amongst the various operations teams. • Periodic review and enhancement of Key Performance Indicator (KPI) for Port Managers and Equipment Operators that is benchmarked against industry best practices. • Introduction of an effective succession programme at the Group level to identify talents and prepare them for bigger responsibilities via promotion or job rotations. • Continuous learning and development programmes were carefully planned to enhance employees' knowledge, capabilities and skills in critical areas. • The Centre of Excellence (COE) is responsible to closely monitor and facilitate employee's continuous development programme.	Cultivate high performance culture.
6.	**Ethic and integrity**	Section 17A of the MACC Act 2009 which came into force effective on 1st June 2020, imposes steep penalties on commercial organisation for corruption and bribery offences. It is the Group's commitment to adhere to these relevant laws and regulations in safeguarding the Group from the risk of being imposed or penalised with severe penalties if employees commit any act of corruptions or bribery.	• Implementation of the Group's Anti-Corruption and Bribery Policy & Procedure which was approved by the Board in June 2020. • Signing of the declaration form on adherence to the Policy and Procedures by the Board members and each employee of the Group as well as third parties signifies the compliance with Section 17A of the MACC Act 2009 (Amendment 2018). • On-going trainings on Section 17A of the MACC Act 2009 for all employees and service providers serve to create awareness on the requirements of relevant laws and regulations which prohibit acts of corruptions or bribery.	Foster integrity and high compliance culture to showcase the Group as a trustworthy corporate entity.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

DURING THE YEAR 2023, THE GLOBAL ECONOMY CONTINUED TO FACE CHALLENGES BROUGHT ABOUT BY HIGH INTEREST RATES, PERSISTENT INFLATIONARY PRESSURES, U.S. BANKING TURMOIL, DISRUPTIONS IN THE GLOBAL TRADE AND GEOPOLITICAL TENSIONS. THESE FACTORS HAD CREATED HIGH LEVEL OF UNCERTAINTY THAT WEIGHED DOWN ON GLOBAL GROWTH AND CLOUDED THE ECONOMIC OUTLOOK FOR THE YEAR. THE OVERALL GLOBAL ECONOMY GROWTH RATE CONTRACTED TO 2.3% COMPARED TO 3.1% REGISTERED IN 2022. THE GLOBAL TRADE ACTIVITY WAS DAMPENED BY TECHNOLOGY DOWNCYCLE, SHIFTS IN CONSUMER SPENDING FROM GOODS TO SERVICES AND ONGOING TRADE RESTRICTIONS.



Despite a volatile external environment, the Malaysian economy showed strength and resilience, registering a GDP growth of 3.7% in 2023 (2022: 8.7%). The moderate growth indicated normalising conditions after the economic rebound in 2022 with the reopening of the economy and sizeable policy measures. The robust domestic demand and revival of tourism-related activity bolstered the country's economy amid slower global growth. Consumption and investment spending expanded, although more modestly in 2023 following a strong recovery in 2022. However, weaker external demand and global technology downcycle weighed on production and exports.

Headline inflation trended lower, averaging 2.5% in 2023 (2022: 3.3%) and is expected to stay moderate, with CPI forecasted to rise to 2.0-3.5% in 2024. Although the continued US Dollar strength against the Ringgit led to higher costs of imported materials for domestic production, overall cost pressures eased during the year. The Malaysian currency's weakness, as observed with other emerging market currencies, was primarily influenced by external factors and was not reflective of the current and domestic economic performance and prospects. *(source: BNM Annual Report 2023).*

The business undertakings of SuriaGroup, especially port operations being the core business, are closely correlated with the Sabah State's economy. Notwithstanding the challenging economic backdrop, SuriaGroup remains steadfast and focused on our vision and mission as we execute our strategic plans to sustain our business and achieve long-term value creation for our stakeholders. In 2023, the Group continued to pursue several key initiatives, namely the extension of Sabah Ports' concession period, full tariff revision and the proposed strategic collaboration with DP World.

Extension of Sabah Ports' Concession Period

Pursuant to the Sabah Ports privatisation exercise in year 2003-2004, Sabah Ports was granted the rights and concession to operate and manage the major ports in Sabah for a period of 30 years commencing from 1 September 2004 to 31 August 2034. The concession came with an option to renew for another 30 years.

On 22 November 2022, the Sabah State Cabinet, being the highest approving authority, had approved the extension of Sabah Ports' concession period for a further 30 years up to 31 August 2064, based on the terms to be agreed with the State Government of Sabah. During the year under review, Sabah Ports had engaged with the relevant state authorities to pursue for negotiation of terms for the extended concession to commence.

Under the existing Privatisation Agreement, the option for further extension can only be exercised 36 months prior to the expiry of the existing concession period of 31 August 2034, and not earlier. In order to facilitate the initiation of negotiations for the revised terms, a supplementary agreement is required to modify the relevant clause in the Privatisation Agreement. The supplementary agreement has been drafted and is currently in the process of being finalised for execution which is expected to take place within 2024.

Tariff Revision of "The Sabah Ports Authority (Scales of Dues & Charges) Regulations, 1977"

On 1 August 2023, Sabah Ports implemented the revised charges and rates for eight (8) tariff items which were approved by the Ministry of Public Works Sabah via administrative order. These include wharfage (Berth Occupancy for Oil & Gas Crew Exchange Vessel at Kota Kinabalu), Hire of Mechanical Equipment (Crane Hiring Charges), Stevedorage for Conventional Cargo, Stevedorage for Palletised Cargo, Charge for Extra Labour, Hire of Mechanical Equipment, Cargo Measuring and Weighing and Reefer Container Services.

In addition, a full tariff revision replacing the existing 1977 tariff has been prepared by the Sabah Ports Authority and implementation is targeted in 2024 upon approval by the Sabah State Cabinet.

Proposed Strategic Collaboration with DP World

The master plan for Sapangar Bay Container Port highlighted the need for a strategic partner to elevate it to a regional transshipment hub for the BIMP-EAGA. The Sabah State Cabinet had approved for Sabah Ports to enter into a strategic collaboration with DP World in January 2023 to manage and operate Sapangar Bay Container Port. DP World, a leading provider of worldwide smart end-to-end supply chain logistics, operates 82 marine and inland terminals across various regions.

Negotiation of terms between Sabah Ports and DP World has been vigorous following the Sabah State Cabinet's approval of the strategic collaboration and much effort has been spent on engagement with various stakeholders, especially the local authorities, in preparation for the execution of the definitive agreements targeted in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The collaboration between Sabah Ports and DP World aims to involve the latter in the management and operation of Sapangar Bay Container Port, leveraging on DP World's strength as a global leader in smart logistics. The scope of this collaboration is derived from the concession of the Sabah seaports granted by the Sabah State Government to Sabah Ports, requiring Sabah Ports to work closely with the state agencies to ensure alignment between the collaboration and the port concession.

Foreign Direct Investments in Sabah

SBH Kibing Solar New Material Sdn. Bhd. (Kibing), established in 2022, emerged as a key player in Sabah's renewable energy sector with its state-of-the-art manufacturing facility located in the Kota Kinabalu Industrial Park (KKIP), 7 kilometres away from Sapangar Bay Container Port. Spanning 130 acres and backed by a massive RM3.0 billion investment, Kibing's facility specialises in the production of solar photovoltaic glass for the local and international market. In 2023, Kibing generated 7,165 TEUs to the port, showcasing its contribution to the region's trade and logistics sector. With an impressive annual production capacity of 876,000 metric tonnes, Kibing's plant is expected to generate sizeable container volume to be handled at Sapangar Bay Container Port when it becomes fully operational.

Meanwhile, SK Nexilis, a South Korean company and one of the world's largest copper foil maker, has started commercial production at its first overseas factory in KKIP since October 2023. With an investment of RM2.3 billion, the plant has an annual production capacity of 57,000 metric tonnes (increased from the earlier 50,000 metric tonnes). The new facility boasts the world's largest production line of copper foil, a core material of rechargeable batteries for electric vehicles.



SK Nexilis made significant strides in Sabah's industrial landscape by its inaugural export of copper foil during the year, which marked a pivotal moment showcasing Sabah's potential as an export-based state. In 2023, SK Nexilis contributed 1,842 TEUs to the port activity. These figures encompass primarily import and project cargoes in preparation for a fully operational factory line expected in 2024.

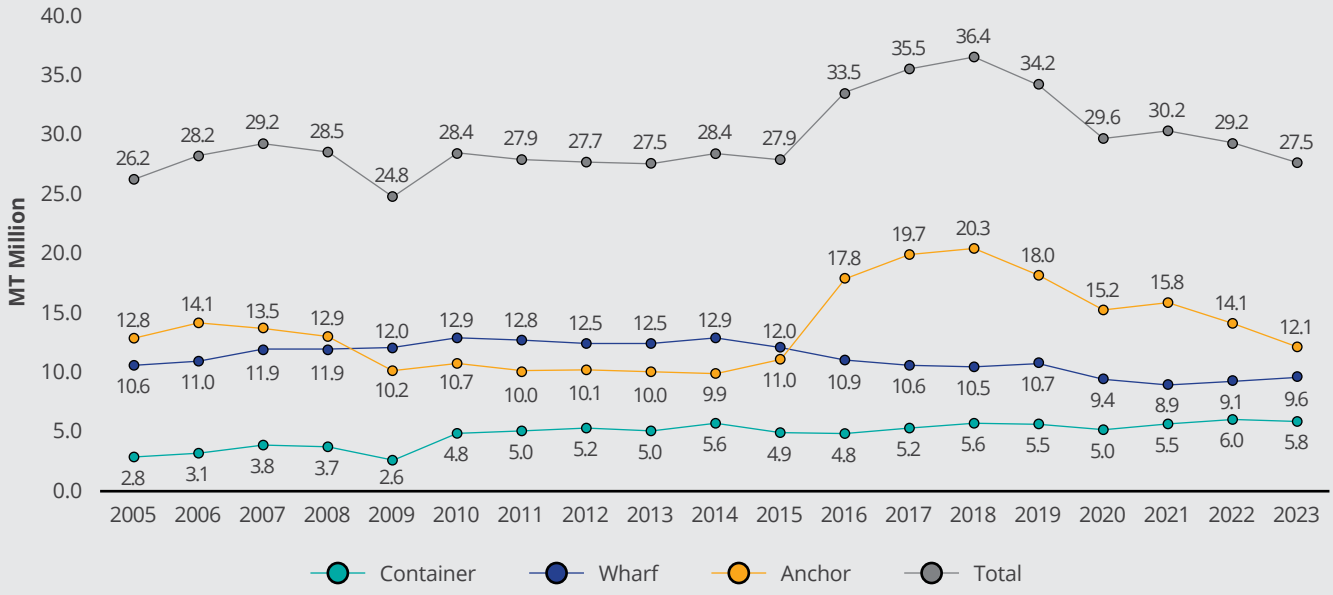
Anticipating a significant surge in container throughput upon full operation, Kibing and SK Nexilis collectively emphasize the pivotal role of foreign direct investments in propelling economic growth and sustainable development in Sabah. Both establishments in KKIP underscore Sabah's appeal as an investment destination.

PORT OPERATIONS

In 2023, the total throughput handled by Sabah Ports was 27.5 million metric tonnes (MT) compared to 29.2 million MT in 2022, representing a 5.8% decrease in the overall tonnage. The total throughput from operations at wharf stood at 15.4 million MT (including containers) in 2023, representing an increase of about 2.0% (2022: 15.1 million MT). As for the sufferance wharf, the cargo throughput decreased by 14.2% to 12.1 million MT (2022: 14.1 million MT) due to the decrease in output from Sabah Oil & Gas Terminal, Kimanis.

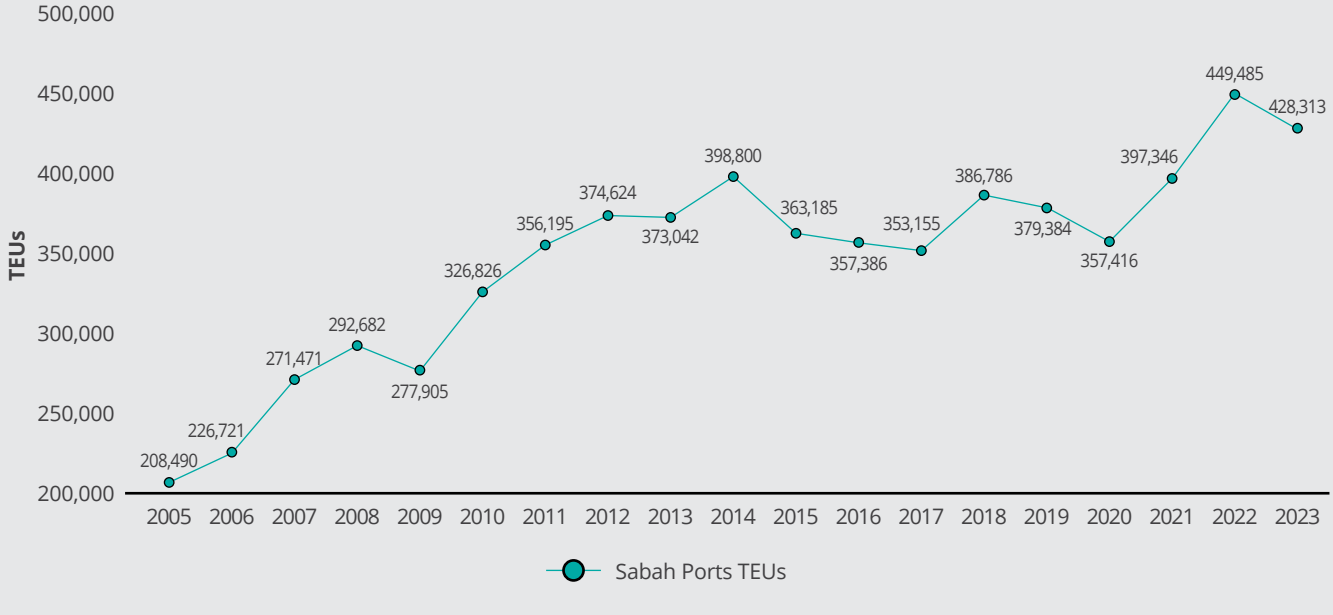
The primary types of cargo handled at the wharf included containerised cargo and liquid cargo (palm oil and petroleum), each comprising 38.0% of the total load, dry bulk (fertiliser and palm kernel expeller) at 6.0%, and other general cargo at 18.0%.

ANNUAL CARGO THROUGHPUT (2005–2023)
(MILLION METRIC TONNES)



The container volume at Sabah Ports registered a slight decrease of 4.7% in 2023, with a total of 428,313 TEUs handled in 2023 as against 449,485 TEUs in 2022. Sapangar Bay Container Port handled 72.0% of the overall TEUs and recorded a decrease of 5.0% at 307,083 TEUs in 2023 compared to 323,629 TEUs in 2022. Tawau Port handled 17.0% or 73,508 TEUs, while Sandakan Port handled 11.0% or 47,722 TEUs in 2023. In 2023, the average container handling rate (gross moves per hour) at Sapangar Bay Container Port was 19 boxes per hour (2022: 16 boxes per hour).

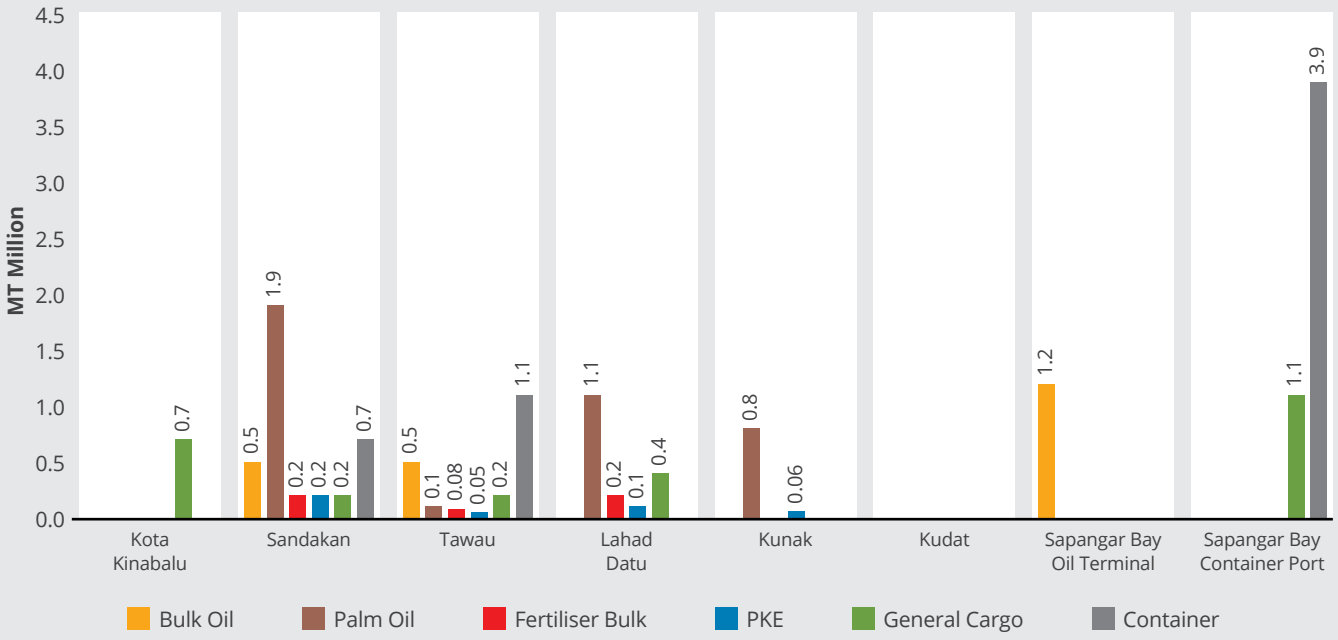
TOTAL TEUS HANDLED AT SABAH PORTS (2005-2023)



MANAGEMENT DISCUSSION AND ANALYSIS

In 2023, cargo throughput for palm oil shipped out through Sabah Ports increased from 3,744,616 MT in 2022 to 4,796,254 MT representing a growth of 28.1%. The increase is due to the global palm oil market experiencing a heightened demand in 2023 compared to 2022. The demand has catalysed robust growth within the palm oil industry, prompting increased production and investment to meet the evolving needs of the global market. Meanwhile, the throughput of bulk oil, consisting of petroleum products handled primarily through the pipelines at the ports, particularly at the Sapangar Bay Oil Terminal, registered a 27.9% increase from 1, 498, 418 MT in 2022 to 1, 916, 622 MT in 2023.

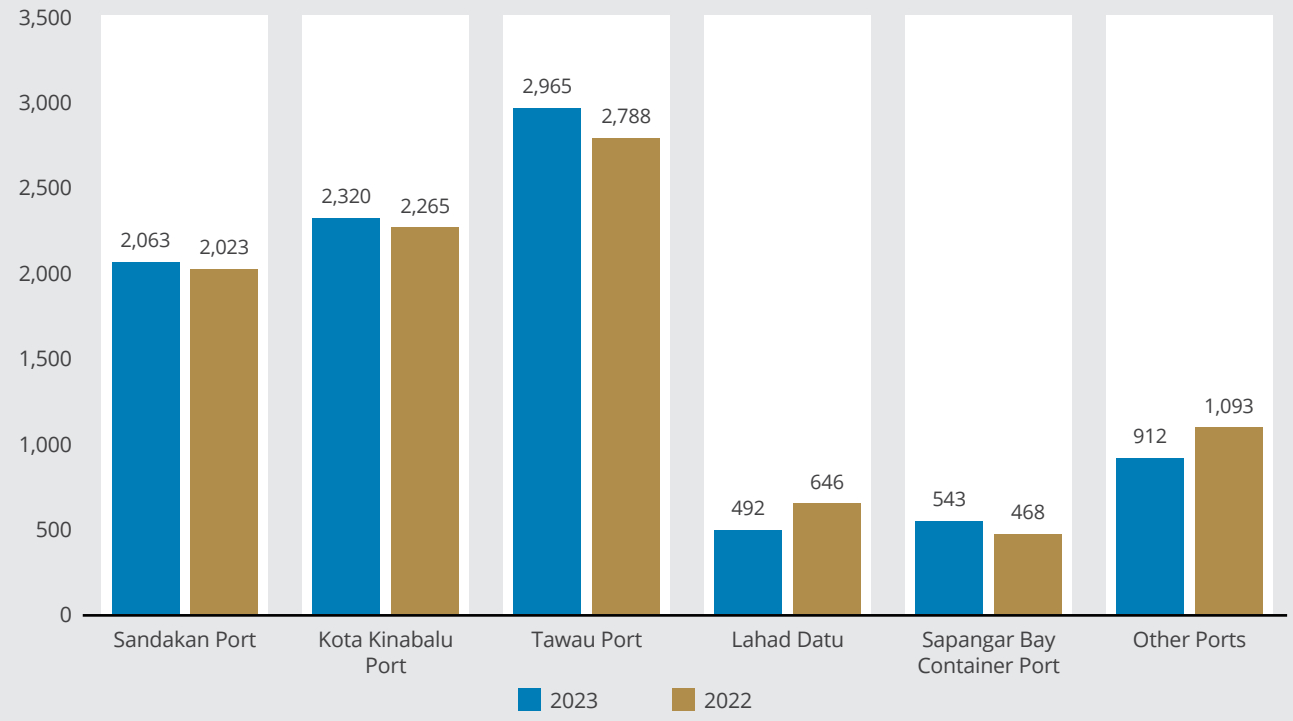
CARGO THROUGHPUT BY PORTS IN 2023 (MILLION METRIC TONNES)



In 2023, a total of 9,295 vessels called at Sabah Ports compared to 9,283 vessels in 2022. 4,221 vessels berthed at Sabah Ports wharves which accounted for 45.4% of the total vessels, while 54.6% or 5,074 vessels berthed at sufferance wharves. For vessels berthing at Sabah Ports wharves, Kota Kinabalu Port handled the most vessels at 26.0% (1,096 vessels), followed by Sandakan Port 24.7% (1,044 vessels), Tawau Port 14.8% (626 vessels), Sapangar Bay Container Port 12.9% (543 vessels), and other ports (Sapangar Bay Oil Terminal, Kunak Port, Kudat Port and Lahad Datu Port) 21.6% (912 vessels).

	2022		2023	
Ports	**Wharf**	**Sufferance Wharf**	**Wharf**	**Sufferance Wharf**
Kota Kinabalu Port	1,096	1,169	1,096	1,224
Sandakan Port	963	1,060	1,044	1,019
Tawau Port	715	2,073	626	2,339
Lahad Datu Port	305	341	299	193
Kunak Port	119	3	118	1
Kudat Port	101	382	224	93
Sapangar Bay Oil Terminal	272	216	271	205
Sapangar Bay Container Port	467	1	543	-
TOTAL	**4,038**	**5,245**	**4,221**	**5,074**

NO. OF VESSELS CALLING AT SABAH PORTS 2022 VS 2023



Cruise and Ferry Operations

The cruise industry experienced a revival in 2023, with cruise lines gradually returning to the region as most countries eased travel restrictions. The cruise terminal at Kota Kinabalu Port welcomed 10,971 passengers from nine (9) cruise ships, indicating a positive shift towards recovery (2022: nil).

Sabah has seen a significant increase in tourist arrivals, with the total standing at 2,613,272 for 2023, reflecting a 51.3% increase compared to 2022. *(Source: Sabah Tourism Board)*.

Jesselton Point Ferry Terminal, which is the public gateway to the popular islands within Tunku Abdul Rahman National Park, recorded a significant increase in passenger throughput in year 2023. It registered a total of 268,124 passengers, showing a 42.0% increase compared to the previous year. The occupancy rate for retail lots at the ferry terminal has also reached 100%.

The Meet and Greet area at Kota Kinabalu Port continued to be utilised for the arrival and departure of offshore crew, in addition to cruise passengers. A total of 59,624 offshore crew members were handled in 2023, compared to 36,286 in 2022, representing a 64.3% increase.

Formerly known as Jesselton Pier and currently referred to as Jesselton Point Ferry Terminal, this iconic structure has a rich history dating back to the late 19th century, when it served as a vital hub for trade and transportation during the British colonial period. Today, the terminal continues to play a pivotal role in linking Kota Kinabalu with surrounding islands, maintaining its importance in the region's maritime infrastructure.

In recent development, the Jesselton Point Ferry Terminal's 'medallion jetty', which has a history spanning over 100 years, underwent official closure on 31 August 2023, attributed to its aging structure. The historical 'medallion jetty' served as one of the main points of embarking and disembarking for the ferry passengers. Following its closure, all ferry passengers have been directed to other embarking and disembarking points within Jesselton Point. Concurrently, a repair and maintenance programme has been initiated at the terminal during the year to enhance functionality and to better serve the ferry passengers.

Jesselton Point Ferry Terminal has also embraced modern technology by introducing an e-ticketing system aimed at streamlining ticketing processes, allowing passengers to book tickets online anytime, anywhere. The e-ticketing system is expected to enhance efficiency, improve customer experience, and adapt the terminal operation to the evolving needs of travellers in the digital age.

MANAGEMENT DISCUSSION AND ANALYSIS



- **Sapangar Bay Container Port Expansion**

  In 2021, the Federal Government, through the implementing agency Sabah Economic Development and Investment Authority (SEDIA), awarded the construction contract for the expansion of Sapangar Bay Container Port. The expansion project, which costs about RM900 million, had commenced construction in September 2021.

  The scope of works under the contract includes extending the berth length of Sapangar Bay Container Port from the current 500m to 833m, widening the quay from 50m to 100m, dredging works to deepen the draft of the berth from 12m to 14m, and land reclamation to extend the container yard area from 15 acres to 40 acres. The upgraded infrastructure will increase Sapangar Bay Container Port's handling capacity from the current 500,000 TEUs up to 1.0 million TEUs and will enable the terminal to accommodate bigger vessels that ply in the Intra-Asia trade lanes.

  During the year 2023, the advancement of the Sapangar Bay Container Port expansion project encountered hurdles, stemming primarily from technical specifications related to sourcing sand for reclamation purposes. Zone 1, which includes the container truck waiting area, had been completed while dredging works, construction of the commercial building and substation, had commenced.

  Up to 31 December 2023, the progress of the Sapangar Bay Container Port expansion project stood at 8.5%. Due to the aforementioned delay, the project timeline has shifted, with completion now expected in the year 2026.

- **Sapangar Bay Oil Terminal**

  Currently, Sapangar Bay Oil Terminal handles an average volume of 1.2 million tonnes of bulk oil on an annual basis and serves oil majors such as Shell, Petron and Petronas. In view of the high utilisation rate generated through the terminal, the construction of a second oil jetty next to the existing jetty structure in Sapangar Bay Oil Terminal had commenced in the year 2020.

  The new jetty, when completed, will provide additional facilities to ease congestion and reduce vessel waiting time, thereby improving operational efficiency. It will be able to accommodate vessels from the current capacity of 30,000 deadweight tonnage (DWT) to a maximum capacity of 60,000 DWT. The new jetty will also provide the much-needed windows to carry out major maintenance on the existing jetty which has been in operation since 1985.

  As of December 2023, the completion rate stood at 92.1%. The new completion date for the jetty is expected to be in the third quarter of the year 2024. The delays were mainly caused by movement restrictions to curb the Covid-19 transmissions and challenges in the supply chain post-Covid.

- **Sapangar Bay Conventional Cargo Terminal**

  Sapangar Bay Conventional Cargo Terminal will be constructed as the new general cargo terminal for the West Coast of Sabah. Currently, general cargo operations are undertaken at Kota Kinabalu Port, which is undergoing major transformation to become an integrated commercial and waterfront destination, owing to its prime location near to the city centre. Due to the ongoing development, the operating space will be constrained and will no longer be conducive for the terminal to subsist. A new general cargo terminal in Sapangar Bay is therefore a necessary investment.

  The Sapangar Bay Conventional Cargo Terminal has been planned and designed to handle general cargo, dry bulk and provide marine services for the Oil & Gas sector. Due to the substantial capital expenditure involved, careful planning is required to ensure there is return on investments. Owing to the changing requirements associated with the dynamics in port operation, the design of the new terminal has been varied several times, causing delay to the commencement of the project. With the design now finalised, the project is expected to commence construction by end of year 2024, with completion expected in 2027/2028.

- **Dredging at Tawau Port**

  Siltation is a persistent issue at Tawau Port that necessitates dredging works to be carried out regularly to ensure the draft is sufficient to provide a safe passage for vessels to ply at the port and to not affect the logistics and trade activities of Tawau. Sabah Ports has engaged Universiti Teknologi Petronas to study the root cause of the siltation and identify a long-term solution to address the issue.

OPTIMISING OPERATIONS WITH ADDITIONAL RORO HOLDING AREA AT SAPANGAR BAY CONTAINER PORT

In January 2022, the Roll-on-Roll-off (RoRo) operation for the handling of wheeled cargo such as cars and motorcycles was relocated from Kota Kinabalu Port to Sapangar Bay Container Port.

To meet the increasing needs of RoRo carriers calling at Sapangar Bay Container Port, Sabah Ports expanded the yard capacity for vehicle staging by increasing the area for RoRo vehicle storage. A total of 4.2 acres of land was allocated for this development, which is able to accommodate up to 1,500 Car Equivalent Units (CEUs). With this upgrade, the total capacity of the RoRo holding area at Sapangar Bay Container Port has increased to 3,400 CEUs from its previous capacity of 1,900 CEUs.

The project, completed on 9 August 2023, has significantly increased the port's capacity and operational effectiveness in catering to RoRo ships.

PROPERTY AND COMMERCIAL DEVELOPMENTS

Jesselton Quay (JQ)

JQ Central, being phase 1 of the 16.25 acres JQ project which Suria jointly develops with SBC Corporation Berhad (SBC), was completed with occupation certificate obtained on 19 January 2022.

JQ Central comprises close to 700 units of commercial suites called CityPads, one (1) tower of i-office adaptable as 24-storey hotel tower in the future, 216 units of Gallery Shoppes, a podium that houses a recreation club called BeachClub and a 7-storey carpark.

MANAGEMENT DISCUSSION AND ANALYSIS



Phase 2, which is also the last phase of JQ project to be developed on the remaining parcel of the 16.25 acres land, was slated to commence construction in 2023. However, due to the protracted process of getting the approval for the development plan from the relevant authorities, phase 2 of JQ project is expected to commence construction in the year 2024 with completion expected by 2032. The development shall consist of hospitality towers, high-end residences and a low-rise heritage precinct comprising retail shops which Suria will co-own with SBC.

JQ Central Carpark

Pursuant to the Amended and Restated Agreement signed between Suria and SBC on 30 November 2022, Suria was conveyed with the JQ Central carpark as additional entitlement for agreeing to vary the mode and manner of the original payment milestones. The JQ Central carpark, which houses more than 1,000 parking bays, has commenced charging of parking fees since 1 October 2023. The collection of parking fees from the JQ Central carpark is expected to contribute positively to the long-term earnings of the Group.

JQ Central Gallery Shoppes

Out of the 216 Gallery Shoppes which are spread over four (4) storeys, 90 sea-fronting units are owned by Suria pursuant to the joint venture with SBC, being part of its entitlement from the project. Of which, 29 units on the top floor have been converted into Suria's headquarters corporate office while 61 units are leased out to generate recurring rental income for the Group. Recognising the importance of controlling the tenant mix which is a key determinant to the success of a commercial property, ownership of the Gallery Shoppes on the ground and first floor will be retained by Suria and SBC respectively.

As at 31 December 2023, the leasing occupancy of Gallery Shoppes stood at 75%. The tenants consist of a mix of food and beverage operators, retail operators, offices and service providers. These Gallery Shoppes will serve the community of the CityPads, as well as locals and tourists alike given its strategic location being situated near the city centre of Kota Kinabalu, the Sabah International Convention Centre, the international cruise terminal, and the public ferry terminal to the nearby hotspot islands.

FINANCIAL REVIEW

The financial year in review saw the Group registering a 12.6% decline in its profit before tax to RM48.7 million from the RM55.7 million recorded previously. Accordingly, the Group's profit after tax reduced by 32.2% to RM34.3 million as compared to RM50.6 million recorded in the preceding year.

The Group's profitability was impacted by higher provision for the obligation to replace moveable assets and port infrastructure during the concession period in accordance with MFRS 137: Provision, Contingent Liabilities and Contingent Assets. Retrospective adjustments have been made to the prior year's financial year to reflect the additional provision as the Group has decided to have a more comprehensive replacement programme for its fleet of cargo handling equipment and port infrastructure. As a responsible concessionaire, the Group endeavours to ensure that all assets are utilised at optimum level to increase productivity and pave a pathway towards sustainable growth.

The Group's earnings per share stood at 9.93 sen as at 31 December 2023, 32.2% lower than 14.64 sen registered in the previous year.

Financial Results	2023 RM'000	2022 (Restated) RM'000	% of Change
Revenue	278,361	298,047	(6.6)
Cost of Sales	(200,560)	(187,668)	6.9
Gross Profit	**77,801**	**110,379**	(29.5)
Other Income	23,243	21,968	5.8
Other Operating Expenses	(41,844)	(65,594)	(36.2)
Finance Costs	(10,470)	(11,011)	(4.9)
Profit Before Tax	**48,730**	**55,742**	(12.6)
Income Tax Expense	(14,405)	(5,127)	>100
Profit After Tax	**34,325**	**50,615**	(32.2)

Overall, despite the prolonged challenges posed by the Covid-19 pandemic and inflationary pressures, the Group continued to demonstrate a steadfast resilience for the financial year ended 31 December 2023 through disciplined cost control and staying focused on productivity to stay competitive, which will remain important for the financial year 2024 as the Group operate amid the continued global economic volatility.

Notwithstanding the lower profits, the Group's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) remained resilient at RM121.6 million as compared to RM126.0 million in the prior year.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

The Group's total revenue for 2023 was recorded at RM278.4 million, a drop by RM19.7 million or 6.6% from RM298.0 million year-on-year. The decrease in total revenue for 2023 was mainly attributed to the additional entitlement from joint venture agreement with SBC in the form of car park units valued at RM28.8 million recognised in prior year.

Revenue	2023 RM'000	%	2022 RM'000	%	% of Change
Port operations	244,235	87.7	237,199	79.6	3.0
Bunkering, shipping fees, scheduled waste disposal services and others	1,079	<1	638	<1	69.1
Agency and distributor fees	300	<1	1,058	<1	(71.6)
Contract revenue from engineering contract	18	<1	1,785	<1	(99.0)
Additional entitlement for disposal of land held for property development (non-cash consideration)	-	-	28,844	9.7	(100)
Rental income	2,642	0.9	1,272	<1	>100
Other operations	493	<1	-	<1	100
Operational Revenue	**248,767**	**89.4**	**270,796**	**90.9**	**(8.1)**
Revenue from construction services for concession infrastructure	29,594	10.6	27,251	9.2	8.6
Total Revenue	**278,361**	**100.0**	**298,047**	**100.0**	**(6.6)**

Port Operations

Revenue from port operations contributed RM244.2 million or 87.7% of the total Group's revenue (inclusive revenue from construction services for concession infrastructure) in 2023 and was higher by RM7.0 million or 3.0% compared to RM237.2 million registered in 2022.

The overall cargo throughputs (excluding container) handled at all ports had decreased by 6.2% to 21.7 million tonnes from 23.2 million tonnes in 2022. This was mainly attributed to lower handling of liquid bulk (petroleum products and palm oil), fertiliser, palm kernel expeller (PKE), wood products and general cargo throughput at sufferance wharves and private jetties. The total container throughput volume had decreased by 4.7% to 428,313 TEUs from 449,485 TEUs in 2022. Despite the slight drop in container volume, the container revenue remains at par with the prior year due to the revision on crane hire charges which was implemented in August 2022.

	YTD 31.12.2023	YTD 31.12.2022	Inc / (Dec) % of Change	
Total Tonnage (MT'000)				
- At Wharf (excluding containers)	9,626	9,052	574	6.4
- At Anchor / Sufference wharves	12,110	14,130	(2,020)	(14.3)
	21,736	**23,182**	**(1,446)**	**(6.2)**
Total TEUs	**428,313**	**449,485**	**(21,172)**	**(4.7)**

It is expected that the port operation will remain sustainable and continue to be the core business of the Group.

Meanwhile, a gross profit of RM76.5 million was recorded for the port operations segment and related goods and services, compared to RM79.3 million in 2022. This decline is attributed to higher amortisation of concession assets and provision for replacement costs. The net profit after tax stood at RM33.1 million compared to RM34.1 million registered in the previous year. The lower net profit recorded in 2023 was mainly due to higher operational costs and administrative expenses during the year.

Construction Services for Concession Infrastructure

In 2023, port operations posted revenue from construction services for concession infrastructure of RM29.6 million (2022: RM27.3 million), accounted for in accordance with IC Interpretation 12: Service Concession Arrangements. Sabah Ports as a concession holder is obliged to construct and upgrade the port's infrastructure and facilities during the concession period. Pursuant to IC Interpretation 12, revenue from construction services for concession infrastructure equals the fair value of port-related infrastructure and facilities under construction based on the stage of completion or purchase during the year. The fair value is calculated as the estimated total construction cost or purchase consideration with no profit margin as all the construction works or purchases are subcontracted out.

In 2023, capital expenditure incurred by Sabah Ports was for certain upgrading works of port infrastructures at various ports and the construction of the jetty extension for Sapangar Bay Oil Terminal which commenced in the fourth quarter of 2020 and is currently 92.1% completed.

Logistics and Bunkering Services

Revenue for this segment comprised agency fees from sales of fuel, fees from the provision of scheduled waste disposal services for vessels calling at our ports, ancillary services as well as shipping agency.

In 2023, revenue from this segment of RM1.1 million was higher by RM0.4 million as compared to RM0.6 million reported in 2022. This was mainly due to higher volume for bunkering fees and shipping agency fees in tandem with the increased calls by Oil & Gas fast crew supply boats at Kota Kinabalu Port.

Contract and Engineering

Revenue from this segment has decreased to RM0.02 million (>100%) in 2023 from RM1.8 million in 2022. Revenue from this segment was mainly derived from project management fee for engineering contract.

Property Development and Leasing

During the year, the Group generated a rental income of RM2.6 million, inclusive rental income from gallery shoppes, an increase of RM1.4 million (>100%) as compared to RM1.3 million in year 2022. The gallery shoppes are part of the entitlement received from the Group's joint venture agreement with SBC. In addition to the entitlement, the Group was accorded additional entitlement in the form of carpark units. Carpark operations commenced in the fourth quarter of 2023, generating income of RM0.5 million for the Group.



MANAGEMENT DISCUSSION AND ANALYSIS

COST OF SALES

The increase in cost of sales by RM12.9 million or 6.9% was primarily driven by a rise in port operating expenses. This increase can be attributed to the higher provision for the replacement of movable assets and port infrastructure, alongside increased amortisation of the concession assets. The increase in amortisation is primarily linked to the recently completed major infrastructure projects, which are being amortised in accordance with the remaining lease period.

Cost of Sales	2023 RM'000	%	2022 RM'000	%	% of Change
Port operating expenses	166,508	83.0	157,782	84.1	5.5
Logistic and bunkering services costs	13	<1	25	<1	(48)
Contract and engineering and ferry terminal operation costs	1,301	<1	2,330	1.2	(44.2)
Property management	2,302	1.1	280	<1	>100
Car park operations	842	<1	-	-	100
Operational Costs	**170,966**	**85.2**	**160,417**	**85.5**	**6.6**
Construction services cost for concession infrastructure	29,594	14.8	27,251	14.5	8.6
Total Cost of Sales	**200,560**	**100.0**	**187,668**	**100.0**	**6.9**

CASH FLOWS

Cash and cash equivalents increased by RM16.9 million (19.1%) to RM105.5 million from RM88.6 million in 2022, primarily due to significantly lower investing activities which has decreased by RM58.7 million (54.5%) as well as financing activities by RM71.3 million (>100%). This was largely attributable to lower capital expenditure incurred in the prior year.

Cash Flows	2023 RM'000	2022 (Restated) RM'000	% of Change
Operating cash flows before changes in working capital	111,212	108,933	2.1
Net cash flows from operating activities	78,540	77,708	1.1
Net cash flows used in investing activities	(49,035)	(107,724)	(54.5)
Net cash flows (used in)/from financing activities	(12,624)	58,722	(>100)
Net increase in cash and cash equivalents	16,881	28,706	(41.2)
Opening cash and cash equivalents (Less pledged deposits and deposits more than 3 months)	88,605	59,899	47.9
Closing cash and cash equivalents (Less pledged deposits and deposits more than 3 months)	105,486	88,605	19.1

TOTAL ASSETS

The Group's total assets increased by RM12.4 million or 1.0% to RM1.444 billion as at 31 December 2023, in comparison to RM1.432 billion as at 31 December 2022. This was mainly attributable to the increase in property, plant and equipment, other assets, inventories, investment securities, cash, and bank balances.

TOTAL LIABILITIES

Total liabilities decreased marginally by RM6.4 million or 1.9% to RM327.1 million as at 31 December 2023 from RM333.5 million as at 31 December 2022 mainly due to lower tax payable for the financial year.

SHAREHOLDERS' EQUITY

Shareholders' equity increased by RM18.8 million or 1.7% in 2023 due to profit after tax of RM34.3 million which was offset by the dividend payment to shareholders of RM15.6 million. Return on average equity of 3.1% was lower than 4.7% that was reported in 2022.

DIVIDEND

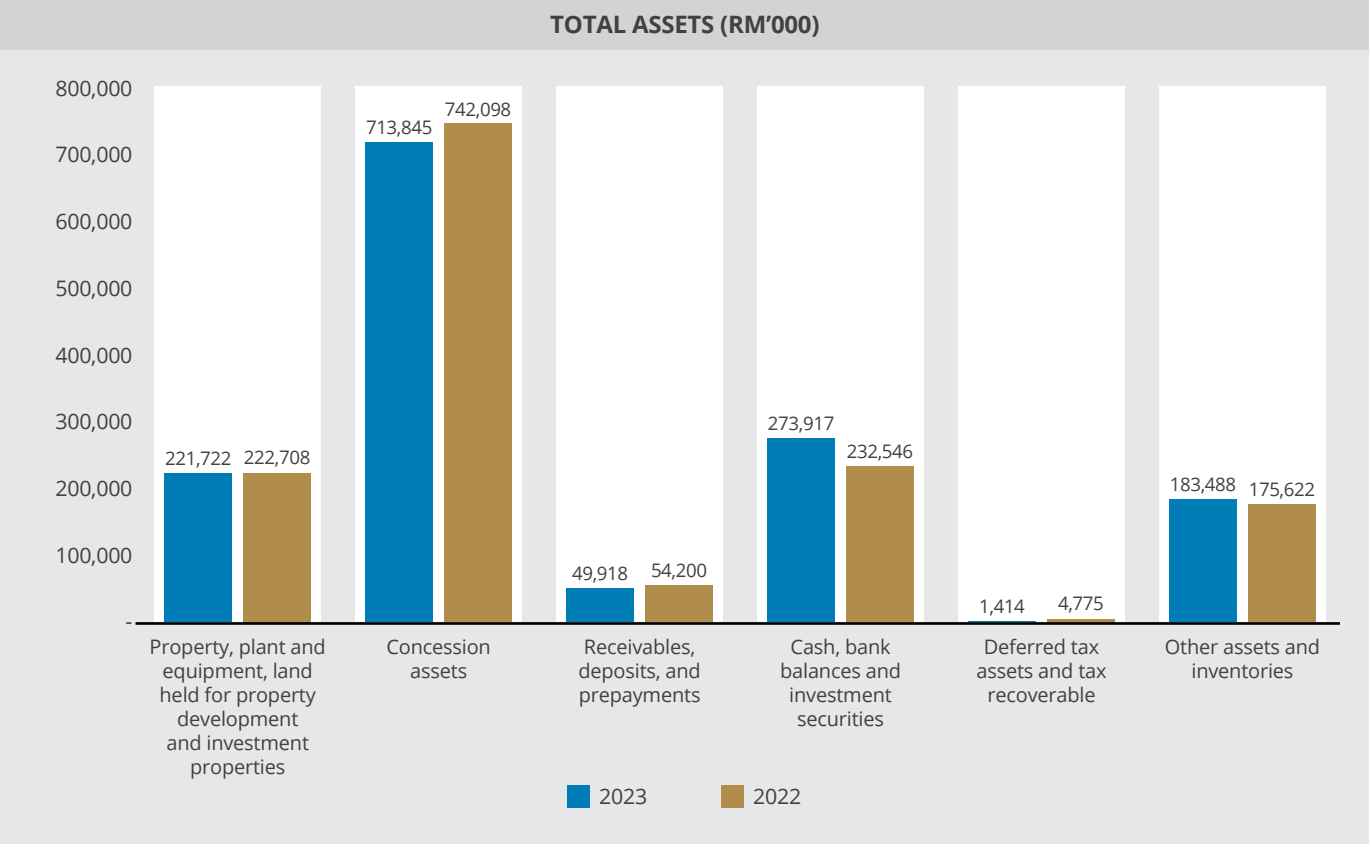
For the financial year ended 31 December 2023, Suria has declared an interim tax-exempt dividend of 2.0 sen per ordinary share amounting to RM6.9 million, which was paid on 28 December 2023.

The Board will be recommending a final tax-exempt dividend of 1.5 sen per ordinary share at the forthcoming Annual General Meeting for shareholders' approval. If approved, this will bring the total dividend payment in respect of the financial year ended 31 December 2023 to RM12.1 million, which is equivalent to 3.5 sen net per ordinary share.

The total dividend to our shareholders represents 35.3% of the Group's profit after tax for the year 2023 which exceeded the dividend policy of up to 35.0% pay-out ratio.

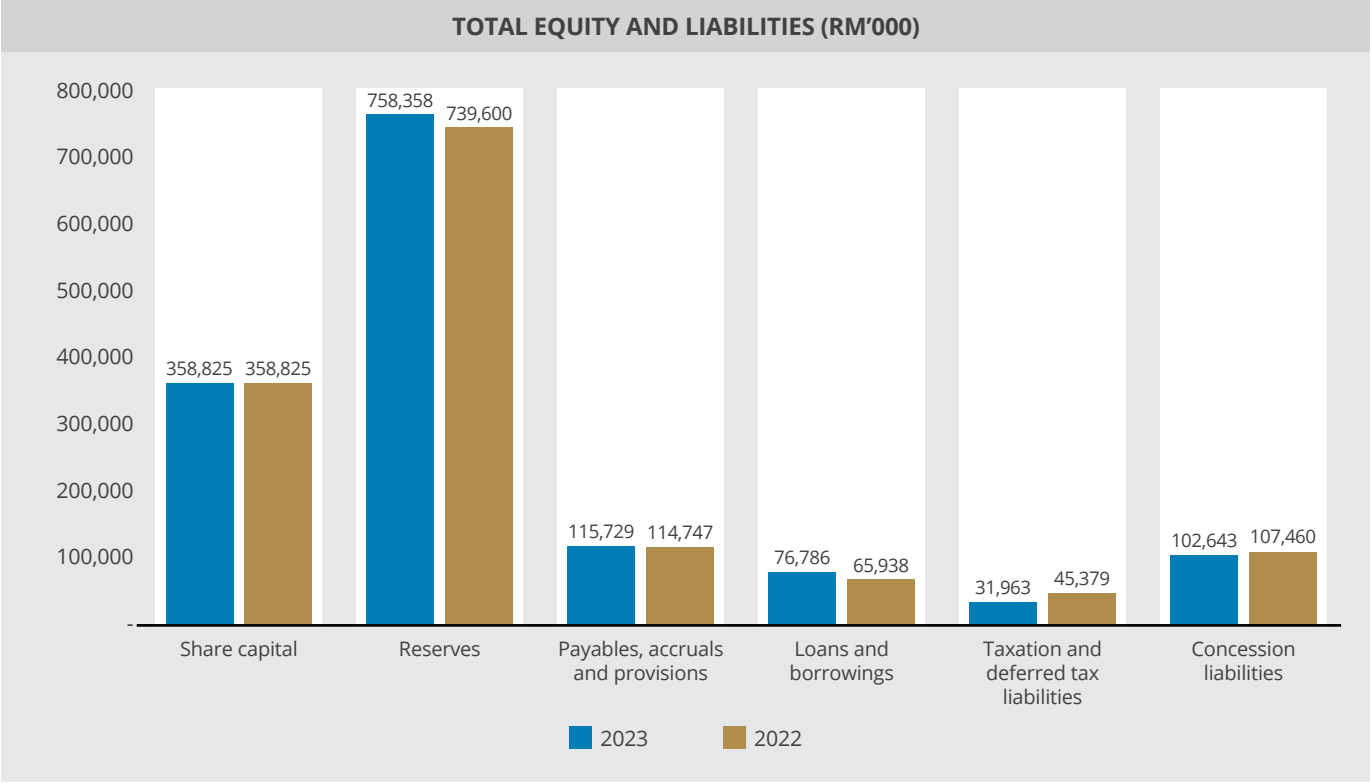
SUMMARY OF THE GROUP'S STATEMENTS OF FINANCIAL POSITION

TOTAL ASSETS



MANAGEMENT DISCUSSION AND ANALYSIS

TOTAL EQUITY AND LIABILITIES



OUTLOOK AND PROSPECTS IN 2024

Despite headwinds associated with high interest rate, geopolitical tensions and withdrawal of fiscal support, the Malaysian economy is expected to remain resilient in 2024 with growth projected to be higher, supported by domestic demand and recovery in exports. Meanwhile, inflation is subject to upside risks due to potential price adjustments on food and energy items, and external pressures from exchange rate and global commodity price developments *(Source: Bank Negara Malaysia)*.

Key drivers of growth in 2024 include continued expansion in household spending, improvement in investment, recovery in trade activity and further improvement in tourist arrivals and spending. All these provide a positive prospect and outlook for the various business activities of the Group as we continue in our unwavering pursuit for sustainable growth to drive long-term value creation for our stakeholders.

Amongst the initiatives planned for the future, the extension of Sabah Ports' concession period is of strategic importance to the Group. Negotiation with the relevant state authorities for the new terms of the extended concession is expected to commence in the year 2024. Once the agreement for the extended concession is signed, the accounting policy on depreciation of assets will be adjusted accordingly to take into account the longer tenure and this would generally have a positive impact on the bottom-line of the Group's financial performance.

A longer concession will enable better planning of future expansion projects given port industry is capital intensive and usually requires long gestational periods to generate returns on investments. With the extended concession, Sabah Ports will be in a greater position to obtain financing facilities from the lending institutions to continue to build and invest in port infrastructure to serve the state's economy.

On the other hand, the full tariff revision replacing the existing 1977 tariff, which was approved in principle by the Sabah State Cabinet in 2020, is now expected to be implemented in the year 2024. Upon implementation, Sabah Ports' revenue is expected to increase and this will help cushion the rising cost of doing business.

Another significant event expected in the year 2024 is the commencement of the proposed strategic collaboration between Sabah Ports and DP World to manage and operate Sapangar Bay Container Port. The inaugural year following the commencement of the collaboration will be dedicated to enhancing the expertise of Sabah Ports' workforce in Sapangar Bay Container Port, optimising operational efficiency and upgrading the IT infrastructure to ensure smooth and streamlined operations.

The long-term plan of the Group to develop the Sapangar Bay Integrated Port which shall comprise Sapangar Bay Container Port, Sapangar Bay Oil Terminal and Sapangar Bay Conventional Cargo Terminal remains intact. The expansion of Sapangar Bay Container Port to serve as the regional transshipment hub and load centre is ongoing with completion targeted in 2026. Meanwhile, the construction of the second oil jetty at Sapangar Bay Oil Terminal, after having faced several episodes of delays, is now expected to complete by end of 2024. On the other hand, Sapangar Bay Conventional Cargo Terminal will be constructed in the year 2024, with completion anticipated in 2028, to cater for relocation of general cargo handling from Kota Kinabalu Port as well as to provide ancillary services to the Oil & Gas sector.

On the property front, phase 2 of JQ project is expected to commence construction in year 2024. The development which comprises hospitality towers, high-end residences and a low-rise heritage precinct will be phased over a development period of eight (8) years. The first component to be constructed is the high-end residences known as QSuites, followed by the heritage precinct consisting of retail shops which Suria will co-own with SBC, and lastly the hospitality towers.

Adjacent to JQ project are two (2) parcels of prime lands owned by Suria, earmarked for commercial developments that would also consist of an international cruise terminal. Measuring 7.0 and 28.9 acres respectively, development of these lands will be planned together to optimise land use in a more holistic, integrated and sustainable manner. The 7.0 acres land is part of the ex-container yard while the 28.9 acres land consists of the main wharf of Kota Kinabalu Port and a large area of water body which necessitates reclamation prior to commencement of development.

Of late, Suria has entered into a joint venture with Bedi Development Sdn Bhd (BEDI), a subsidiary of EXSIM Development Sdn Bhd, to undertake development on both lands with an estimated net development value of RM4.2 billion. In December 2023, Suria and BEDI signed the Term Sheet for the joint venture to set out the intentions of both parties to jointly develop the lands into a mixed development provisionally known as Jesselton Docklands which shall consist of an international cruise terminal, commercial suites, serviced apartments, retail outlets, offices, soho and hotels. Commencement of the development is expected within the year of 2024 or 2025 with completion targeted in 12 years' time.

The entire Kota Kinabalu Port land is in the process of being re-developed into an integrated waterfront destination known as Jesselton Waterfront City which spans over 75 acres of prime land with a collective gross development value of at least RM9.2 billion. Jesselton Quay and Jesselton Docklands form part of the Jesselton Waterfront City, together with the Sabah International Convention Centre and Kota Kinabalu Convention City owned by the Sabah State entity Yayasan Sabah. All the developments within Jesselton Waterfront City will be integrated and linked by a board walk to create seamless connectivity.

MANAGEMENT DISCUSSION AND ANALYSIS



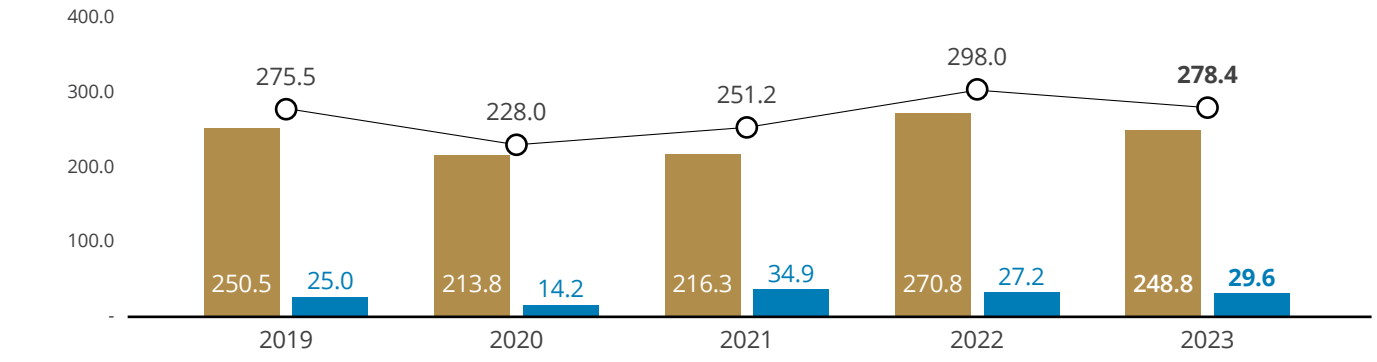
Under the Economic Transformation Programme, a Straits Riviera Cruise Playground is to be developed and shall comprise five (5) purpose-built world-class integrated cruise terminals. Kota Kinabalu Port has been identified as the most promising port of call under this initiative, alongside Penang, Sepang, Malacca and Tanjung Pelepas. Further, the proposed development of an international cruise terminal at Kota Kinabalu Port is one of the projects identified under the strategic initiative of the 11th Malaysia Plan termed as "Cities as Growth Poles (Private Investments)", which is under Thrust 1 of the Plan known as "Re-Engineering Economic Growth".

It has been the Group's long-term plan to build an international cruise terminal at Kota Kinabalu Port to capitalise on the potential of elevating the Kota Kinabalu waterfront area to a major transportation and tourist hub given the various mega developments taking place in the vicinity. With a dedicated international cruise terminal within the Jesselton Waterfront City, the Group aspires to position Kota Kinabalu as home port or regular port of call for regional and international cruise liners.

GROUP'S PERFORMANCE 5-YEAR FINANCIAL HIGHLIGHTS

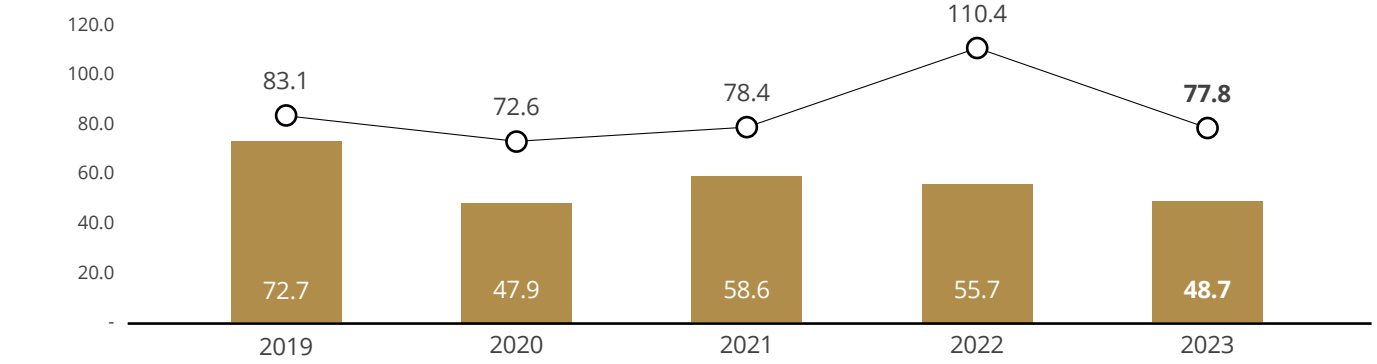
TOTAL REVENUE AND REVENUE BREAKDOWN

RM Million



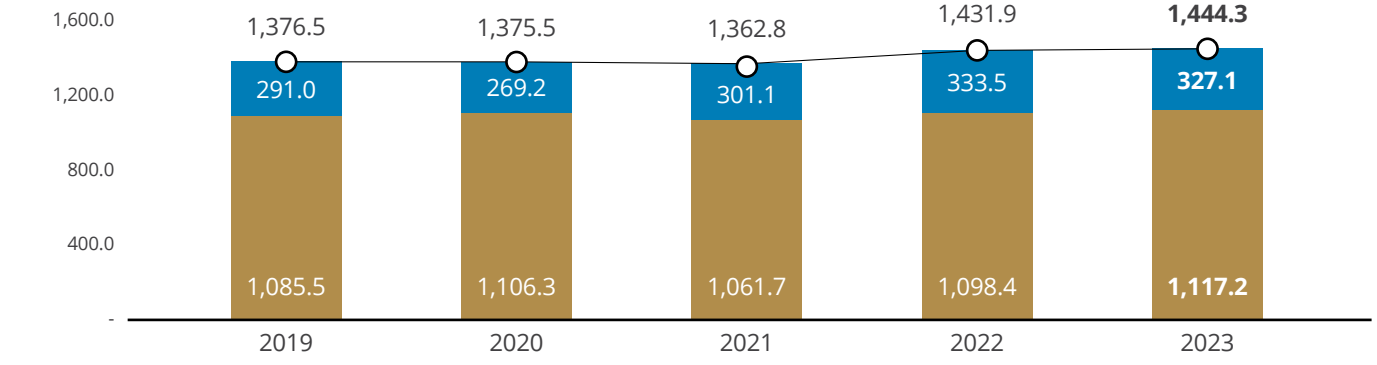
SUMMARISED GROUP PERFORMANCE

RM Million



SUMMARISED GROUP BALANCE SHEET

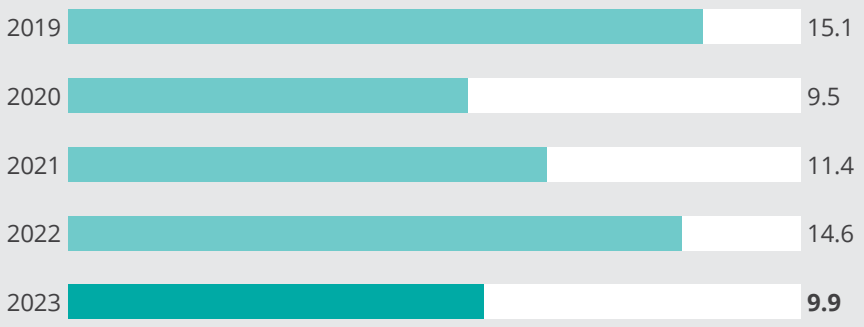
RM Million



GROUP'S PERFORMANCE
5-YEAR FINANCIAL HIGHLIGHTS

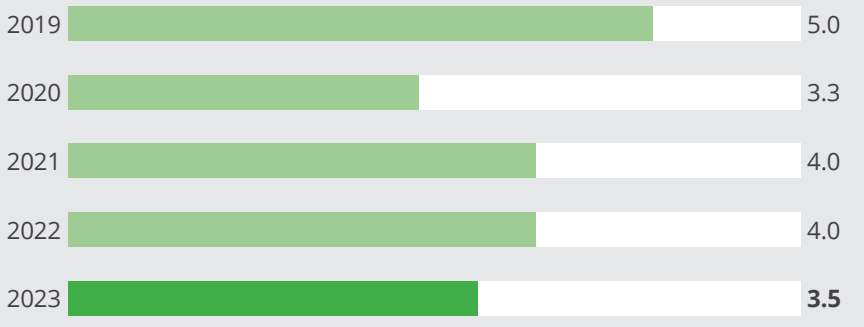
EARNINGS PER SHARE (SEN)

9.9 SEN



NET DIVIDEND PER SHARE (SEN)

3.5 SEN



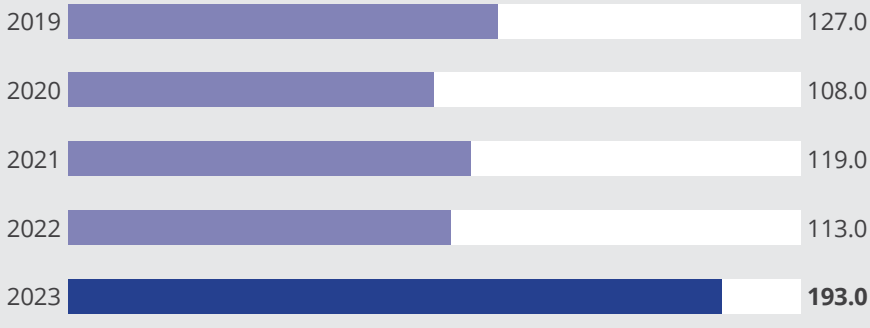
NET ASSETS PER SHARE (SEN)

323.1 SEN



MARKET PRICE PER SHARE (SEN)

193.0 SEN



GROUP'S PERFORMANCE
5-YEAR FINANCIAL HIGHLIGHTS

5-YEAR FINANCIAL HIGHLIGHTS

Year Ended 31 December	2019	2020	2021	2022	2023
Results (RM Million)					
Revenue					
- Revenue from operations	250.5	213.8	216.3	270.8	**248.8**
- Revenue from construction services for concession infrastructure	25.0	14.2	34.9	27.2	**29.6**
Total Revenue	275.5	228.0	251.2	298.0	**278.4**
Gross profit	83.1	72.6	78.4	110.4	**77.8**
Profit before tax	72.7	48.0	58.6	55.7	**48.7**
Profit net of tax	52.2	32.9	39.5	50.6	**34.3**
Selected Balance Sheet Items (RM Million)					
Cash and bank balances	70.9	75.0	79.9	114.4	**131.4**
Property, plant and equipment	60.0	58.6	56.7	99.5	**100.1**
Investment properties	-	70.2	83.9	74.7	**73.2**
Land held for property development	-	-	-	48.5	**48.5**
Concession assets	836.7	802.9	771.4	742.1	**713.8**
Total assets	1,376.5	1,375.5	1,362.8	1,431.9	**1,444.3**
Shareholders' equity	1,085.5	1,106.3	1,061.7	1,098.4	**1,117.2**
Financial Ratios					
Current ratio (times)	2.8	3.5	4.9	3.8	**4.7**
Long term debt to equity (%)	17.7	17.5	22.2	23.2	**22.8**
Pre-tax return on average equity (%)	6.8	4.4	5.2	5.2	**4.4**
Return on average equity (%)	4.9	3.0	3.5	4.7	**3.1**
Share Information					
Earnings per share (sen)	15.1	9.5	11.4	14.6	**9.9**
Net dividend per share (sen)	5.0	3.3	4.0	4.0	**3.5**
Net assets per share (sen)	313.9	319.9	307.0	317.7	**323.1**
Market price per share (sen)	127.0	108.0	119.0	113.0	**193.0**

GROUP CORPORATE STRUCTURE

SURIAGROUP

SURIA CAPITAL HOLDINGS BERHAD

198301001662 (96895-W)

- 100% **SABAH PORTS SDN BHD** 200201015410 (583073-H)
- 100% **SP MARINE SERVICES SDN BHD** 200601002538 (722286-V)
- 100% **S.P. SATRIA SDN BHD** 200301020074 (622494-V)
- 100% **SCHB ENGINEERING SERVICES SDN BHD** 200401007138 (645642-W)
- 100% **SURIA BUMIRIA SDN BHD** 200301031056 (633477-V)
- 100% **SURIA RE SDN BHD** 201601037021 (1207962-V)
- 100% **BORNEO WATERWAYS EXPLORER SDN BHD** 201401021400 (1097486-T)

SURIAGROUP						
Investment Holding and Property Development	Port Operations	Logistics and Bunkering	Construction and Seaport Passenger Gateway	Supply of Port Cargo Handling Equipment Spare Parts	Carpark Management Services	Dormant Company

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK HJ. FAISYAL BIN DATUK YUSOF HAMDAIN DIEGO
Chairman, Independent & Non-Executive

DATUK NG KIAT MIN
Group Managing Director, Non-Independent & Executive

KEE MUSTAFA
Independent & Non-Executive

YB DATUK DR. HJ. YUSOF BIN HJ. YACOB
Non-Independent & Non-Executive

DATUK MOHD SOFIAN ALFIAN NAIR
Non-Independent & Non-Executive

DATUK ALEXANDRA CHIN @ FUI LIN, J.P.
Independent & Non-Executive

MICHAEL TONG YIN SHIEW, J.P.
Independent & Non-Executive

AHMAD RIZAL BIN DAHLI
Non-Independent & Non-Executive

IR. JEROME JIMBANGAN @ TERENCE
Independent & Non-Executive

EMMIE M IDANG
Independent & Non-Executive

COMPANY SECRETARY

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Fax : +6 088-260 355
Email : hikmah@suriaplc.com.my

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Fax : +6 088-231 032
Email : julia@suriaplc.com.my
info@suriaplc.com.my

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Fax : +6 088-260 355 / +6 088-231 032
Email : gcs@suriaplc.com.my

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CPS Tower, Centre Point Sabah
No. 1, Jalan Centre Point
88000 Kota Kinabalu
Sabah, Malaysia
Tel : +6 088-532 000
Fax : +6 088-238 905

PRINCIPAL BANKERS

AmBank (M) Berhad

Bank Kerjasama Rakyat Malaysia Berhad

HSBC Bank Malaysia Berhad

Sabah Development Bank Berhad

RHB Bank Berhad

Bank Pembangunan Malaysia Berhad

Al-Rajhi Banking & Investment Corporation (M) Berhad

SHARE REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel : +6 03-2783 9299
Fax : +6 03-2783 9222
Email : is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

BURSA MALAYSIA SECURITIES BERHAD
- Main Market

QUOTATION DATA

Reuters Code SURIA.KL
Bloomberg Code SURIA MK
Bernama Code SURIA
BMSB Code 6521

WEBSITE

www.suriagroup.com.my

BOARD OF DIRECTORS



Chairman, Independent & Non-Executive	Group Managing Director, Non-Independent & Executive	Independent & Non-Executive		
DATUK HJ. FAISYAL BIN DATUK YUSOF HAMDAIN DIEGO	**DATUK NG KIAT MIN**	**KEE MUSTAFA**	**MICHAEL TONG YIN SHIEW, J.P.**	**DATUK ALEXANDRA CHIN @ FUI LIN, J.P.**
RMGC, IC		NRC	AC, NRC, RMGC	AC, IC

None of the Directors had any conflict of interest with the company, family relationship with any Director and/or Major Shareholder, or have been convicted for offences (other than traffic offences) within the past five (5) years or have been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Membership In Board Committee

- **NRC** — Nomination and Remuneration Committee
- **AC** — Audit Committee
- **RMGC** — Risk Management & Governance Committee
- **IC** — Investment Committee

Board Balance & Composition



- Non-Independent & Executive Director
- Non-Independent & Non-Executive Directors
- Independent & Non-Executive Directors

BOARD OF DIRECTORS

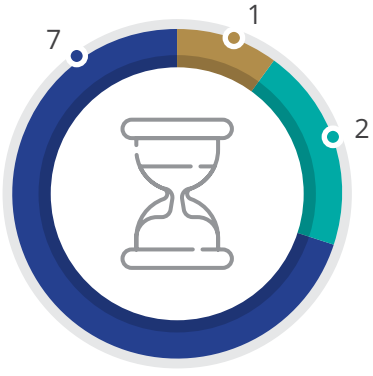
Non-Independent & Non-Executive



IR. JEROME JIMBANGAN @ TERENCE	EMMIE M IDANG	YB DATUK DR. HJ. YUSOF BIN HJ. YACOB	DATUK MOHD SOFIAN ALFIAN NAIR	AHMAD RIZAL BIN DAHLI
RMGC, IC	AC	IC	NRC	NRC, AC

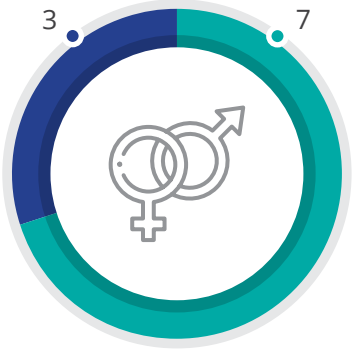
Chairman Member

Age



50-59 years
60 years & above
Below 50 years

Gender Diversity



Male
Female

Tenure



< 1 year
1-3 years
3-5 years
> 5 years

BOARD COMMITTEES

NRC NOMINATION & REMUNERATION COMMITTEE

CHAIRMAN

Kee Mustafa
Independent & Non-Executive

MEMBERS

Michael Tong Yin Shiew, J.P.
Independent & Non-Executive

Ahmad Rizal Bin Dahli
Non-Independent & Non-Executive

Datuk Mohd Sofian Alfian Nair
Non-Independent & Non-Executive

SECRETARY

Hikmah Rahmaniyah Ahmad Khatib
(MIA18843)
Head, Group Company Secretary

RMGC RISK MANAGEMENT & GOVERNANCE COMMITTEE

CHAIRMAN

Ir. Jerome Jimbangan @ Terence
Independent & Non-Executive

MEMBERS

Datuk Hj. Faisyal Bin Datuk Yusof Hamdain Diego
Independent & Non-Executive

Michael Tong Yin Shiew, J.P.
Independent & Non-Executive

SECRETARY

Hikmah Rahmaniyah Ahmad Khatib
(MIA18843)
Head, Group Company Secretary

AC AUDIT COMMITTEE

CHAIRMAN

Michael Tong Yin Shiew, J.P.
Independent & Non-Executive

MEMBERS

Datuk Alexandra Chin @ Fui Lin, J.P.
Independent & Non-Executive

Ahmad Rizal Bin Dahli
Non-Independent & Non-Executive

Emmie M Idang
Independent & Non-Executive
(Appointed on 1 March 2024)

SECRETARY

Hikmah Rahmaniyah Ahmad Khatib
(MIA18843)
Head, Group Company Secretary

IC INVESTMENT COMMITTEE

CHAIRMAN

YB Datuk Dr. Hj. Yusof Bin Hj. Yacob
Non-Independent & Non-Executive

MEMBERS

Datuk Hj. Faisyal Bin Datuk Yusof Hamdain Diego
Independent & Non-Executive

Datuk Alexandra Chin @ Fui Lin, J.P.
Independent & Non-Executive

Ir. Jerome Jimbangan @ Terence
Independent & Non-Executive

SECRETARY

Hikmah Rahmaniyah Ahmad Khatib
(MIA18843)
Head, Group Company Secretary

BOARD OF DIRECTORS' PROFILE



DATUK HJ. FAISYAL BIN DATUK YUSOF HAMDAIN DIEGO

Chairman,
Independent & Non-Executive

Age 61	Male	Malaysian

Date of Appointment:
27 November 2020

No. of Board Meetings Attended: 7/7

QUALIFICATIONS

- Master of Business Administration (MBA) in Shipping & Logistics, Middlesex University, London
- Bachelor of Art (Hons.) in Economics, York University, Canada
- Diploma in Accountancy, Toronto School of Business, Canada

SKILLS, EXPERIENCE & EXPERTISE

Datuk Hj. Faisyal is also the Chairman of subsidiary companies, namely Sabah Ports and SCHB Engineering effective 15 December 2020 and 4 December 2020 respectively.

He brings along over 25 years of experience as a board member and chairman in public listed companies and private limited companies. He has held directorships in various organisations such as KUB Malaysia Berhad, Yayasan Bumiputra Sabah Berhad, Perkasa Trading Sdn Bhd, Associated Concrete Products (Sabah) Sdn Bhd and as a Public Interest Director in Bursa Malaysia Berhad. During his tenure in Bursa Malaysia Berhad from 2004 until 2010, he was the Chairman of the Listing Committee, Market Participation and Compensation Committee as well as Member of the Risk Management Committee, Compensation Committee and Investment & Advisory Committee.

He is currently the Executive Chairman of Arus Sutera Sdn Bhd since 1997 and Governor for Yayasan Bursa Malaysia Berhad as well as the Chairman of Selection Committee Members for Shares2share under Yayasan Bursa Malaysia.

He previously held the position as Chairman of Suria from January 2013 until May 2018.

He holds 24,000 shares in Suria.

TENURE

More than 3 years since the date of appointment.

BOARD OF DIRECTORS' PROFILE



DATUK NG KIAT MIN

Group Managing Director,
Non-Independent & Executive

Age 66	Female	Malaysian

Date of Appointment:
1 April 2016

No. of Board Meetings Attended: 7/7

QUALIFICATIONS

- Bachelor of Arts (Hons.) in Accounting and Finance, University of Lancaster, United Kingdom
- Fellow member of the Association of Chartered Certified Accountants, United Kingdom (FCCA)
- Chartered Accountant of Malaysian Institute of Accountants (MIA)
- Chartered Fellow (FCILT) of the Chartered Institute of Logistics & Transport (CILT)

SKILLS, EXPERIENCE & EXPERTISE

Datuk Ng was appointed to the Board as the Group Managing Director on 1 April 2016. She is responsible for the strategic planning and the overall management of the Group. She has been the Managing Director of Sabah Ports since 22 July 2016.

Datuk Ng also sits on the Board of other subsidiary companies, namely SCHB Engineering, SP Marine, S.P. Satria, Suria Bumiria, Borneo Waterways Explorer and Suria RE.

She joined Suria in 2001, as Senior Manager (Corporate Development). Upon the success of the privatisation of ports in September 2004, she was appointed as the General Manager (Corporate Services/Finance) for Sabah Ports. She later served as the Chief Financial Officer of Suria and then the Acting Group Chief Executive Officer of Suria and subsequently became the Group Managing Director in April 2016.

She served on the Sabah Women's Affairs Advisory Council from 1 January 2017 to 31 December 2018 and has been the Chairman of Sabah Logistics Forum since June 2020, a forum for private sector representatives from the air, land, maritime and trade sectors to discuss logistics issues and contribute to the formulation of policies that address and resolve industry challenges for the benefit of Sabah's economy.

In 2020, she was conferred the prestigious Global Ports Forum Award in the category "Woman of The Year in Port/Terminal Industry" for her role, contributions and achievements in the industry. Under her helm, Sabah Ports was awarded the "Port/Terminal of the Year – South East Asia" for 2020 and 2021 for two consecutive years by Global Ports Forum.

Datuk Ng holds 377,400 shares in Suria.

TENURE

More than 7 years since the date of appointment.

BOARD OF DIRECTORS' PROFILE



KEE MUSTAFA

Independent & Non-Executive

Age 73	Male	Malaysian

Date of Appointment:
1 July 2014

No. of Board Meetings Attended: 6/7

QUALIFICATIONS

- Bachelor of Arts in Anthropology and Sociology, University of Malaya

SKILLS, EXPERIENCE & EXPERTISE

Kee Mustafa also sits on the Board of subsidiary companies, namely Sabah Ports and SP Marine.

He currently sits on the Board of Berjaya Land Berhad and was recently appointed as a Board Member of PETRONAS effective 19 January 2022.

He has over 40 years of extensive experience in the State's Civil Service and corporate sectors. He began his career in 1974 as an Executive Officer in the Service Division of the Establishment Office, Chief Minister's Department and later as the Principal Assistant Director, Service Division in June 1982. In 1984, he was seconded to Sabah Gas Industries Sdn Bhd as Personnel Manager before being promoted to the Senior Manager (Administration).

In 1991, he returned to the State's Civil Service and served several Governmental departments. In 1996, he became the Permanent Secretary of the State's Ministry of Infrastructure Development. He was then appointed as the Director of State Public Service Department in March 2000 before holding the post as Sabah State Secretary from April 2000 until he retired in 2007.

Kee Mustafa had been the former Chairman of the Board of Governors of University College Sabah Foundation, the Board member of Malaysia Airlines System Berhad and a member of the Royal Commission of Inquiry on Immigrants in Sabah.

TENURE

More than 9 years since the date of appointment.

BOARD OF DIRECTORS' PROFILE



MICHAEL TONG YIN SHIEW, J.P.

Independent & Non-Executive

Age 74	Male	Malaysian

Date of Appointment:
31 October 2019

No. of Board Meetings Attended: 6/7

QUALIFICATIONS

- Chartered Accountant of Malaysian Institute of Accountants (MIA)
- Fellow Member of the Chartered Tax Institute of Malaysia (FCTIM)
- Fellow Member of the Association of Chartered Certified Accountants, United Kingdom (FCCA)
- Fellow Member of CPA Australia (FCPA)

SKILLS, EXPERIENCE & EXPERTISE

Michael Tong is the Sabah Senior Partner of Crowe Malaysia PLT. He commenced public practice as a Chartered Accountant in Kota Kinabalu and has over 40 years of experience in corporate finance, auditing & assurance services (which covers forensic, investigative and statutory), accounting, taxation, insolvency and consultancy which includes due diligence, valuation of corporation and corporate restructuring.

He is a senior accountant and financial consultant to the business communities and had served as financial advisors, treasurers and auditors to non-governmental organisations, churches and charity bodies.

He was conferred the Justice of the Peace by the State Governor of Sabah.

TENURE

More than 4 years since the date of appointment.

BOARD OF DIRECTORS' PROFILE



AHMAD RIZAL BIN DAHLI

Non-Independent & Non-Executive

Age 53	Male	Malaysian

Date of Appointment:
23 March 2020

No. of Board Meetings Attended: 6/7

QUALIFICATIONS

- Bachelor of Laws (Hons.) from Holborn College, London
- Certified Credit Professional from Institut Bank-Bank Malaysia (IBBM)

SKILLS, EXPERIENCE & EXPERTISE

Ahmad Rizal is currently the Group Chief Executive Officer of Qhazanah Sabah Berhad (QSB) since 1 October 2019 and the Chairman of Celcom Timur (Sabah) Sdn Bhd, the associate company of QSB. He also sits as a Board member in QSB's subsidiary and associate companies. Prior to his appointment as the Group Chief Executive Officer of QSB, he was the Head of Project and Business Development.

He began his career as an Operation Executive with Malayan Banking Berhad in November 1996 before being assigned to Commercial and Corporate Banking in May 1997. Thereafter, he took the role as a Senior Executive and rose to become a Manager. Subsequently, in January 2011, he became the Associate Director heading the Regional Corporate Banking for Sabah and Federal Territory of Labuan. He was responsible for growing the business for the banking group which consisted of an extensive array of specialties in corporate and project financing mainly for government-linked companies and public listed companies. He has a wide experience and expertise in various industries such as property development, infrastructure, vessel and shipping, Oil & Gas, trading and investment holding.

TENURE

More than 3 years since the date of appointment.

BOARD OF DIRECTORS' PROFILE



DATUK ALEXANDRA CHIN @ FUI LIN, J.P.

Independent & Non-Executive

Age 63	Female	Malaysian

Date of Appointment:
1 February 2022

No. of Board Meetings Attended: 4/7

QUALIFICATIONS

- Fellow Member of the Association of Chartered Certified Accountants, United Kingdom (FCCA)
- Member of the Chartered Accountants Australia & New Zealand (CAANZ)
- Member of the Malaysian Institute of Accountants (MIA)
- Member of the Chartered Tax Institute of Malaysia (CTIM)

SKILLS, EXPERIENCE & EXPERTISE

Datuk Alexandra qualified as a Chartered Accountant in 1986 and founded her own practice, Messrs Alexandra FL Chin in 2005.

She has over 36 years of experience in accounting, taxation, auditing, company secretarial and business consultancy. She sits on the Board of Audience Analytics Ltd (a company listed in Singapore) and is the Audit Committee Chairman.

She is the Past Global President of the Association of Chartered Certified Accountants (ACCA) and has served as an elected Global Council Member of ACCA for 12 consecutive years (2005 to 2017).

She is affiliated with several professional bodies including Member of the Commonwealth Magistrates and Judges Association, UK (CMJA), Member of the Commonwealth Associate Leadership Malaysia (CALM), Member of Sabah Women Entrepreneur and Professional Association (SWEPA) and Member of Institute of Corporate Directors Malaysia (ICDM).

She was a Board member of Sabah Tourism Board, Board of Trustees of Sabah Park and Sabah Sports Board.

TENURE

More than 1 year since the date of appointment.



IR. JEROME JIMBANGAN @ TERENCE

Independent & Non-Executive

Age 65	Male	Malaysian

Date of Appointment:
1 February 2022

No. of Board Meetings Attended: 7/7

QUALIFICATIONS

- Bachelor of Science (BSc) in Civil Engineering, New England College, Henniker, New Hampshire, United States of America

SKILLS, EXPERIENCE & EXPERTISE

Ir. Jerome is a professional Engineer with his own consultancy firm, Jurutera Perunding JJ.

He began his career as an Executive Engineer for Public Works Department in 1988. His 18 years of experience in Public Works Department includes 14 years as a District Engineer in four districts namely Ranau, Penampang, Kuala Penyu and Tuaran. Thereafter, he formed his own consultancy firm, Eramaju Synergy Sdn Bhd in 2007 and subsequently Jurutera Perunding JJ in 2010. He currently sits as a Board of Director in Lembaga Pembangunan Perumahan dan Bandar (LPPB), Sabah since February 2021.

TENURE

More than 1 year since the date of appointment.

BOARD OF DIRECTORS' PROFILE



DATUK MOHD SOFIAN ALFIAN NAIR

Non-Independent & Non-Executive

Age 53	Male	Malaysian

Date of Appointment:
16 March 2023

No. of Board Meetings Attended: 2/6

QUALIFICATIONS

- Bachelor in Business Administration (Marketing), Universiti Teknologi MARA
- Diploma in Banking, Universiti Teknologi MARA

SKILLS, EXPERIENCE & EXPERTISE

Datuk Mohd Sofian is presently the Permanent Secretary of Sabah State Ministry of Finance since June 2022.

Prior to that, he was the Deputy Permanent Secretary at the Ministry of Tourism, Arts and Culture. From 2017 until 2021, he was the District Officer for Tuaran, Sabah. He began his career in 1994 and has over 29 years of experience as a public service officer in various state ministries and departments namely Ministry of Agriculture Development and Food Industry, Sabah and Sabah State Treasury.

TENURE

Less than 1 year since the date of appointment.



YB DATUK DR. HJ. YUSOF BIN HJ.YACOB

Non-Independent & Non-Executive

Age 67	Male	Malaysian

Date of Appointment:
1 April 2023

No. of Board Meetings Attended: 4/5

QUALIFICATIONS

- Bachelor Degree in Medicine, Universiti Kebangsaan Malaysia
- Master of Science in Public Health (Msc P), National University of Singapore
- Certification in Health and Malaria Control Planning, University of Mahidol, Thailand and University of Rome, Italy

SKILLS, EXPERIENCE & EXPERTISE

YB Datuk Dr. Hj. Yusof is the Chairman of Qhazanah Sabah Berhad (QSB) since 12 January 2023. He is also a member of the Sabah State Legislative Assembly for Sindumin, Sipitang. Prior to his chairmanship in QSB, he served as the Minister of Education and Innovation of Sabah from May 2018 until July 2020.

He began his career in the medical field in 1981 as a Medical Officer at Kuala Lumpur Hospital and thereon was transferred to various public health departments until opening his own private clinic in 1990.

He is currently a member of the Sabah People's Ideas Party (PGRS) and has been actively involved in politics since 1990. He was previously the Member of Parliament representing Sipitang from 1994 until 2004. He was then appointed as the Deputy Speaker of the House of Representatives from 2004 to 2008. Under the Heritage Party (Warisan), he had been elected as the Warisan Head of Division for Sipitang and the Warisan Sabah Head of Information.

His experience also includes over 29 years in corporate sector as Chairman in several companies namely Bank Rakyat from 1994 to 2000, Saham Sabah Berhad from 2001 to 2004, Sedcovest Holdings Sdn Bhd from 1997 to 2004, Sabah Medical Center from 1996 to 1997 and Majlis Amanah Rakyat (MARA) from 2017 to 2018.

TENURE

Less than 1 year since the date of appointment.

BOARD OF DIRECTORS' PROFILE

AC *(Appointed on 1 March 2024)*



EMMIE M IDANG

Independent & Non-Executive

Age 34	Female	Malaysian

Date of Appointment:
20 April 2023

No. of Board Meetings Attended: 4/5

QUALIFICATIONS

- Bachelor Degree in Law (Hons.), University of Malaya

SKILLS, EXPERIENCE & EXPERTISE

Emmie M Idang is a practicing lawyer and is currently the Managing Partner at Messrs MIRAM & CO. since 2014.

She was admitted to the Sabah Bar in 2014 and the Native Court of Appeal in 2017. Her areas of practice include litigation where she handles land disputes, construction, contracts, tort, public sector and local government as well as corporate matters involving companies, native customary rights and estate matters. She also practices Conveyancing and Real Estate involving project developments, joint ventures, sale & purchase and loan documentations.

She is a member and treasurer of Pusat Sumber Adat dan Mediasi Kaum Anak Negeri Sabah (PUSAKA) and a legal advisor to Borneo Conservation Trust Sabah (in collaboration with the Wildlife Department and Borneo Conservation Trust Japan) since 2014.

TENURE

Less than 1 year since the date of appointment.

EXECUTIVE MANAGEMENT COMMITTEE MEMBERS' PROFILE



DATUK NG KIAT MIN

Group Managing Director

Age 66 | **Female** | **Malaysian**

Date of Appointment:
1 April 2016

As expressed in Director's Profile page 46.



SITI NORAISHAH AZIZAN

General Manager,
Corporate Services (Sabah Ports)

Age 55 | **Female** | **Malaysian**

Date of Employment:
3 December 2012

QUALIFICATIONS

- Bachelor of Science in Agribusiness from UPM, Serdang
- Masters of Business Administration in Shipping & Logistics from Middlesex University Business School, London
- Chartered Member in Logistics and Transport (CILTM) since 2015

BACKGROUND

Siti Noraishah has been in the port industry for more than 20 years. She started her career in Johor Port Authority for 16 years before joining Sabah Ports in 2012. She is actively involved in a few associations related to maritime both locally and internationally.

DIRECTORSHIP

Siti Noraishah was appointed as the Executive Director of SP Marine on 2 December 2019.

EXECUTIVE MANAGEMENT COMMITTEE MEMBERS' PROFILE



LAI FUI NAR

General Manager,
Technical & Process Improvement
(Sabah Ports)

Age 64 | **Female** | **Malaysian**

Date of Employment:
1 September 2004

QUALIFICATIONS

- Advanced Diploma in Logistics & Transports (UK)
- Chartered Member of the Chartered Institute of Logistics & Transport (CILT)

BACKGROUND

Before assuming her current position, Lai Fui Nar was the Deputy General Manager (Process Improvement) from June 2018 to March 2019. She was the Senior Manager of Sapangar Bay Container Port from January 2013 to May 2018. Prior to this, she held the position of Senior Manager (System & Planning). She had worked for Sabah Ports Authority as the Assistant Work Study Officer in 1979 and was later promoted as Work Study Officer.

She is an alumni member of The Asian Institute of Management (AIM), Manila, Philippines.

She is the Past President of the Sabah Women Entrepreneurs & Professionals Association (SWEPA) having held the Presidency in 2019 – 2021.

She is the Treasurer of the CILT Malaysia Sabah Section.

DIRECTORSHIP

Lai Fui Nar does not hold directorship in other companies.



AZMAN BIN AMARASIKIN

Chief Executive Officer
(SCHB Engineering)

Age 50 | **Male** | **Malaysian**

Date of Employment:
1 April 2007

QUALIFICATIONS

- Bachelor Degree in Business Administration from International Islamic University, Malaysia
- Executive Master Degree in Business Administration from Universiti Teknologi MARA (UiTM)

BACKGROUND

Azman joined the Group on 1 April 2007 as Senior Manager in Suria Bumiria before he became the General Manager in January 2012. He was then appointed as the CEO of SCHB Engineering from 2015 to date.

Prior to joining SuriaGroup, he served at S.P. Setia Berhad from 1997 to 2006.

DIRECTORSHIP

Azman holds directorship in SCHB Engineering as well as its subsidiaries, Borneo Waterways Explorer and Suria RE.

EXECUTIVE MANAGEMENT COMMITTEE MEMBERS' PROFILE



HIKMAH RAHMANIYAH AHMAD KHATIB

Head, Group Company Secretary

Age 50 | **Female** | **Malaysian**

Date of Employment:
2 January 2008

QUALIFICATIONS

- Bachelor of Accounting (Hons.), International Islamic University, Malaysia (IIUM)
- Chartered Accountant of Malaysian Institute of Accountants (MIA)
- Practicing Secretary of Companies Commission of Malaysia (CCM)

BACKGROUND

Hikmah joined Suria as Manager of Finance, mainly in charge of the Group's financial consolidation and financial reporting, then promoted to Senior Manager, Group Finance & Administration on 1 October 2016.

On 19 December 2018, she was appointed as Joint Group Company Secretary and later as the Group Company Secretary on 16 May 2019, whilst still taking lead of the Group Finance & Administration Department until 31 October 2021. Effective from 1 November 2021, she took over the responsibility as Head, Group Company Secretary.

She started her career in 1997 with a public accounting firm, Coopers & Lybrand, Kuala Lumpur, the predecessor firm of PriceWaterhouseCoopers. In 2000, she joined Bank Pembangunan & Infrastruktur (M) Bhd, Kota Kinabalu Branch which was then named SME Bank, where she served until 2007 prior to joining Suria.

DIRECTORSHIP

Hikmah does not hold directorship in other companies.



ASMAH MOHD NOR

Head, Group Risk & Integrity

Age 50 | **Female** | **Malaysian**

Date of Employment:
2 March 2012

QUALIFICATIONS

- Bachelor Degree in Business Accounting (Hons.), University of Humberside and Lincolnshire, United Kingdom
- Associate Business Continuity Professional (ABCP), Disaster Recovery Institute International (DRI)
- Enterprise Risk Professional (ERP), Institute of Enterprise Risk Practitioner (IERP)
- Certified Integrity Officer (CeIO), Malaysian Anti-Corruption Commissioner (MACC)

BACKGROUND

Asmah joined Suria as Senior Manager of Risk Management Department. She is currently the Head of Group Risk Management & Integrity Department.

Asmah has over 20 years of professional experience, specialising in audit, risk management, and policy development. She joined Labuan Offshore Financial Services Authority (LOFSA) in 2001, where she held the position of Senior Executive in the Supervision Department until 2007. During this time, she gained experience in banking and insurance supervision as a regulator.

In 2008, Asmah took on the role of Risk and Compliance Manager at RHB Islamic Bank. Here, she played a crucial role in implementing anti-money laundering measures and overseeing operational risk management, contributing to the establishment of a compliance framework.

Asmah also served as a Senior Manager in the Risk Management Department at Lembaga Tabung Haji from 2008 until 2012. She played a pivotal role in formulating and executing risk mitigation strategies, actively contributing to the organisation's decision-making processes.

DIRECTORSHIP

Asmah does not hold directorship in other companies.

EXECUTIVE MANAGEMENT COMMITTEE MEMBERS' PROFILE



JULIA ISMAIL

Head, Group Corporate Affairs & Communication

Age 47	Female	Malaysian

Date of Employment:
3 April 2006

QUALIFICATIONS

- Bachelor of Science in Business Administration, Hawaii Pacific University, U.S.A
  Major : Corporate Communication

BACKGROUND

Julia has been with the group since 2006, having joined as Sabah Ports' Assistant Manager of Marketing. Earlier in her career with SuriaGroup, she was attached to the Group Corporate Affairs & Communication Department and Sabah Ports' Business Development Department. In 2016, she headed the Ports' Customer Relations Department before being promoted to Head, Group Corporate Affairs & Communication in 2023.

Prior to joining the company, she worked with the State's civil service as an Administrative Officer at the Women's Affair Department, overseeing welfare-related operations. She has also served as a Project Officer at the BIMP-EAGA Facilitation Centre, a portfolio then under the purview of the Sabah State Economic Planning Unit.

DIRECTORSHIP

Julia holds directorship in Suria Jayateguh Sdn Bhd.



PATSY TIASING

Head, Group People

Age 60	Female	Malaysian

Date of Employment:
1 September 2004

QUALIFICATIONS

- Bachelor of Science (Hons.) in Town Planning from University of Wales Institute of Science and Technology (UWIST), Wales, United Kingdom
- Master of Science in Town Planning from University of Wales College of Cardiff (UWCC), Wales, United Kingdom

BACKGROUND

Patsy has been with SuriaGroup since 1 September 2004. Prior to joining SuriaGroup, she was with Sabah Ports Authority for more than 14 years as Administrative Officer.

Patsy started her career in SuriaGroup as Assistant Manager (Marketing & Business Relations) in the Marketing Department in Sabah Ports and as Assistant Manager (Welfare) in the HR Department before being promoted as Manager (Human Resource) of Sabah Ports on 1 January 2012.

Upon the formation of Group People Department, she was in charge of the People Management Unit dealing with manpower planning, industrial relations, compensation and benefit.

On 1 July 2020, she was promoted as Head, Group People.

She is currently a member of the Malaysian Institute of Human Resource Management, a Panel for SOCSO Appellate Committee appointed by the Ministry of Human Resource and a member of Establishment Committee of KKIP Sdn Bhd. She has also been conferred by the Chartered Association of Business Administrators as Chartered Human Resource Consultant in August, 2020.

DIRECTORSHIP

Patsy does not hold directorship in other companies.

EXECUTIVE MANAGEMENT COMMITTEE MEMBERS' PROFILE



MOHAMMAD DANIEL LIM

Head, Group Internal Audit

Age 57	Male	Malaysian

Date of Employment:
1 September 2004

QUALIFICATIONS

- Degree in Business Administration from Open University Malaysia (OUM)
- Enterprise-Wide Risk Manager (CERM) certification from Asia Risk Management Institute (ARiMI)

BACKGROUND

Daniel has more than 33 years of combined experience in the field of Internal Audit and Risk Management.

Prior to joining Suria, Daniel had served Sabah Ports Authority (SPA) for 20 years. Following the privatisation of the port operation in 2004, he opted to join Suria under the Group Internal Audit until January 2008. In February 2008, he was transferred to the Group Risk Management where he served until May 2018. He assumed the position of Head, Group Internal Audit in June 2018 until to-date.

DIRECTORSHIP

Daniel does not hold directorship in other companies.



DATIN SOH WAN RU

Head, Group Corporate Planning & Development

Age 37	Female	Malaysian

Date of Employment:
1 August 2012

QUALIFICATIONS

- Bachelor of Science, Monash University, Australia
- Master of Business, Monash University, Australia

BACKGROUND

Datin Soh Wan Ru joined Suria on 1 August 2012 as the Senior Executive in the Chief Financial Officer's office and was promoted to be the Executive Assistant to the Group Managing Director on 1 January 2016 before assuming the current position on 1 June 2018.

She worked briefly for Monash Asia- Pacific Centre of Science and Wealth Creation in Melbourne, Australia before returning to Sabah in 2009.

She joined Sabah Foundation Group as the Senior Research/Business Development in one of its subsidiary company for 3 years prior to joining Suria.

DIRECTORSHIP

Datin Soh Wan Ru does not hold directorship in other companies.

EXECUTIVE MANAGEMENT COMMITTEE MEMBERS' PROFILE



CLEMENT LEE TEE YUNG

Head, Group Information Technology

Age 41	Male	Malaysian

Date of Employment:
16 October 2008

QUALIFICATIONS

- Bachelor Degree in Multimedia Technology Management from Multimedia University (MMU)

BACKGROUND

Clement joined Sabah Ports as Assistant Manager of Information Technology Department in 2008 and was promoted as Manager of Information Technology in 2016. He was then promoted to Head, Group Information Technology in 2019.

Prior to joining Sabah Ports, he worked as System Developer for Portrade Sdn Bhd, a vendor company supporting Sabah Port's terminal operation system.

DIRECTORSHIP

Clement does not hold directorship in other companies.



AILEEN KONG SIEW MING

Manager, Group Finance & Administration

Age 42	Female	Malaysian

Date of Employment:
1 December 2013

QUALIFICATIONS

- Bachelor Degree (Hons) in Accounting from University of Hertfordshire, UK
- Fellow member of the Association of Chartered Certified Accountant, UK (FCCA)
- Member of the Malaysian Institute of Accountants (CA(M))

BACKGROUND

Aileen joined SuriaGroup as Finance, Admin & Human Resource Manager in SP Marine and S.P. Satria. She was subsequently transferred to Suria as Group Finance & Administration Manager.

Prior to joining SuriaGroup, Aileen has 10 years of work experience with Ernst & Young, Petronas Gas Berhad and a Sabah based Property Construction company, in audit and financial management roles.

DIRECTORSHIP

Aileen does not hold directorship in other companies.

SUSTAINABILITY STATEMENT

ABOUT SURIA CAPITAL HOLDINGS BERHAD

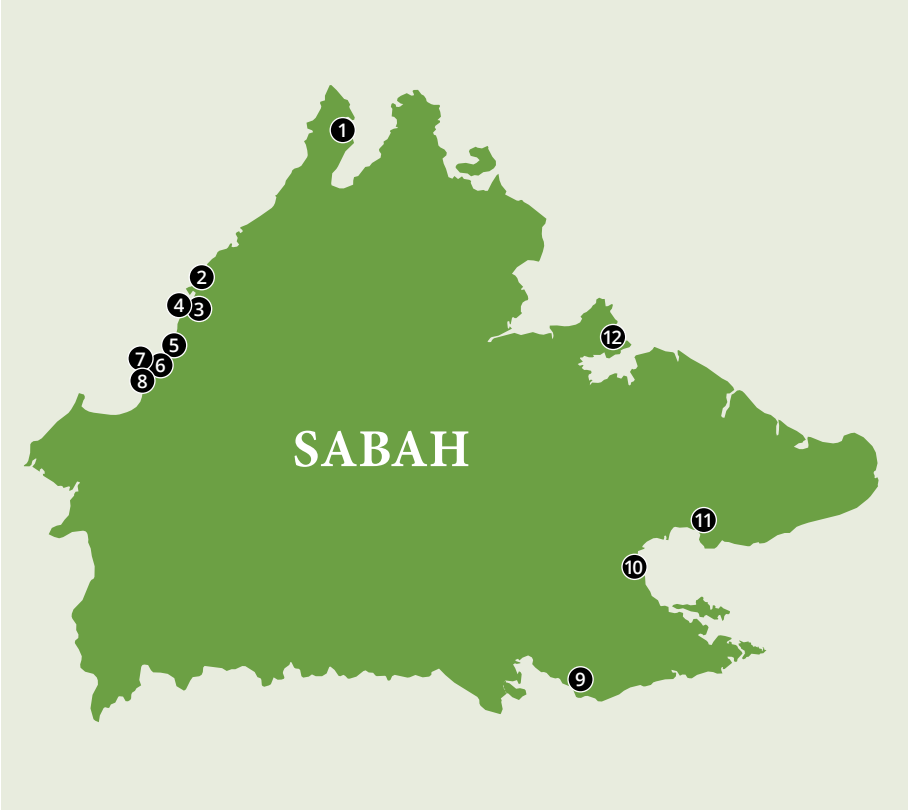
Suria is a reputable investment holding company based in Sabah, Malaysia. The company maintains a strong presence through its key operational sectors, which span across the state. SuriaGroup's business segments include Port Operations, Logistics and Bunkering, Property Development, as well as Construction and Seaport Passenger Gateway services. Port operations is the core business of the company, contributing over 80% to the Group's overall revenue.

Embracing a commitment to sustainability, SuriaGroup integrates eco-conscious practices throughout its operations, aiming to minimise its ecological footprint. Beyond business, the company together with its group of subsidiaries, actively engages in community initiatives, environmental conservation projects and social responsibility programmes, aiming to foster positive contributions to society and the environment.



SUSTAINABILITY STATEMENT

WHERE WE OPERATE



7 Suria Capital Holdings Berhad



8 Jesselton Point Ferry Terminal



9 Tawau Port



1 Kudat Port



4 Sapangar Bay Container Port



10 Kunak Port



2 Sapangar Bay Oil Terminal



5 Kota Kinabalu Port



11 Lahad Datu Port



3 Sabah Ports Sdn Bhd



6 SCHB Engineering Services Sdn Bhd



12 Sandakan Port



KEY DEVELOPMENTS

EXPANSION OF SAPANGAR BAY CONTAINER PORT

Status: Ongoing



Main Features of Expansion:

Berth Length:	Berth Width:	Depth:	Nos of QC:	Yard Size:
833 m	**100 m**	**14 m**	**6 units** (twin-lifts)	**21 ha.**

A project under the Sabah Economic Development and Investment Authority (SEDIA), the expansion of Sapangar Bay Container Port is facilitated by a grant of RM1.0 billion from the Federal Government with the objective of developing Sapangar Bay Container Port into a global transshipment hub.

The expansion aims to transform Sapangar Bay Container Port into a hub capable of accommodating larger vessels, thereby attracting Intra-Asia vessels frequenting the trade lanes within the region. Leveraging Sabah's strategic location within the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), the Group aims to position Sapangar Bay Container Port as the central load centre for the BIMP-EAGA region. As the main hub, containers destined for BIMP-EAGA will be consolidated at Sapangar Bay Container Port and then fed to BIMP-EAGA ports.

With an efficient distribution system in place, Sapangar Bay Container Port offers enhanced sea connectivity, reduced freight costs and reliable schedules, thus facilitating trade and economic development within the BIMP-EAGA region.

Additionally, Sabah Ports plans to invest RM300.0 million in state-of-the-art equipment and superstructure to enhance port efficiency. Overall, this substantial investment and expansion project not only positions Sapangar Bay Container Port as a key player in the transshipment landscape, but also underscores the commitment of the Federal Government and State Government to strengthen infrastructure and economic development in the region.

SUSTAINABILITY STATEMENT

SAPANGAR BAY CONVENTIONAL CARGO TERMINAL

Status: In development





Main Features:

250 m
jetty length (main inner/outer berth)

325 m
barge berth

135 m
approach bridge

21.72 ha.
reclamation for yard space

230 m + 170 m
offshore supply vessel berth

18 ha.
(Oil & Gas)

2.8 ha.
(general cargo)

0.92 ha.
(admin building)

The Sapangar Bay Conventional Cargo Terminal is set to be constructed to facilitate the relocation of Kota Kinabalu Port operations to Sapangar Bay. This move is necessary in view of the Group's broader commercial development plans, as well as the escalating development surrounding the vicinity of the Kota Kinabalu Port premise.

The construction plan for the Sapangar Bay Conventional Cargo Terminal is designed to accommodate various activities, including general cargo, dry bulk, Roll-On Roll-Off (RoRo), Oil & Gas, among others. This comprehensive plan aims to address the challenges posed by the current constraints at Kota Kinabalu Port and ensure efficient port operations for cargo handling activities.

The relocation is part of the Group's strategy to pave the way for the development of commercial projects along the city waterfront which includes the Group's own property development ventures. By freeing up space previously occupied by the port operations, the Group seeks to unlock the potential of the waterfront area for commercial and urban development.

SAPANGAR BAY OIL TERMINAL TWIN JETTY

Status: Ongoing



Main Features:

Facilities/Jetty Structure	No. Berth	Length (M)	Depth (M)	Max. Vessel Size (DWT)
Existing				
Main berth	1	82.32	12	30,000
Inner berth	1	45.73	12	1,000
Future Additional Capacity				
Main berth	1	275	12	60,000
Inner berth	1	147	12	5,000

Sabah Ports initiated the construction of a twin jetty at Sapangar Bay Oil Terminal which aims to address the terminal's high utilisation rate and increasing throughput. The twin jetty's primary purpose is to enhance terminal capacity and minimise interruptions to daily operations during repair and maintenance. Additionally, it aims to reduce operational risks by ensuring continued functionality in the event of one oil jetty being unavailable, thereby improving Sapangar Bay Oil Terminal's resilience and reliability. Upon completion, the terminal will be capable of accommodating more vessel calls and larger vessels, up to 60,000 deadweight tonnage (DWT).

SUSTAINABILITY STATEMENT

JESSELTON QUAY

Status:
Phase 1 completed in January 2022

Phase 2 expected commencement in 2024



Jesselton Quay Central

The Group has diversified into property development to capitalise and maximise the value of its land assets located within the prime area of Kota Kinabalu city. The JQ project, a joint venture between Suria and SBC is poised to transform the cityscape through its vibrant waterfront focused theme. JQ Central, the phase 1 of project, has been completed and is thriving as a lively tourist hub.

Phase 2 of the JQ project is expected to commence in 2024 and shall consist of hospitality towers, high-end residences and a low-rise heritage precinct comprising retail shops which Suria will co-own with SBC.



- International Cruise & Ferry Terminal (28.9 acres)
- Jesselton Quay (16.25 acres)
- One Jesselton Waterfront (7 acres)
- Kota Kinabalu Convention City (8.33 acres)
- Sabah International Convention Centre (15 acres)

Among future development plans is the construction of an international cruise terminal (ICT). The ICT, in conjunction with the JQ project and surrounding waterfront projects, such as the state-owned Sabah International Convention Centre and Kota Kinabalu Convention Centre, will materialise the envisioned waterfront lifestyle outlined in the Jesselton Waterfront City Masterplan, an initiative aimed at catalysing Kota Kinabalu city's tourism appeal.

AWARDS AND RECOGNITIONS

Sabah Ports received four (4) national awards from the Human Resource Development Corporation (HRD Corp) and Malaysian Institute of Human Resource Management (MIHRM). These include:

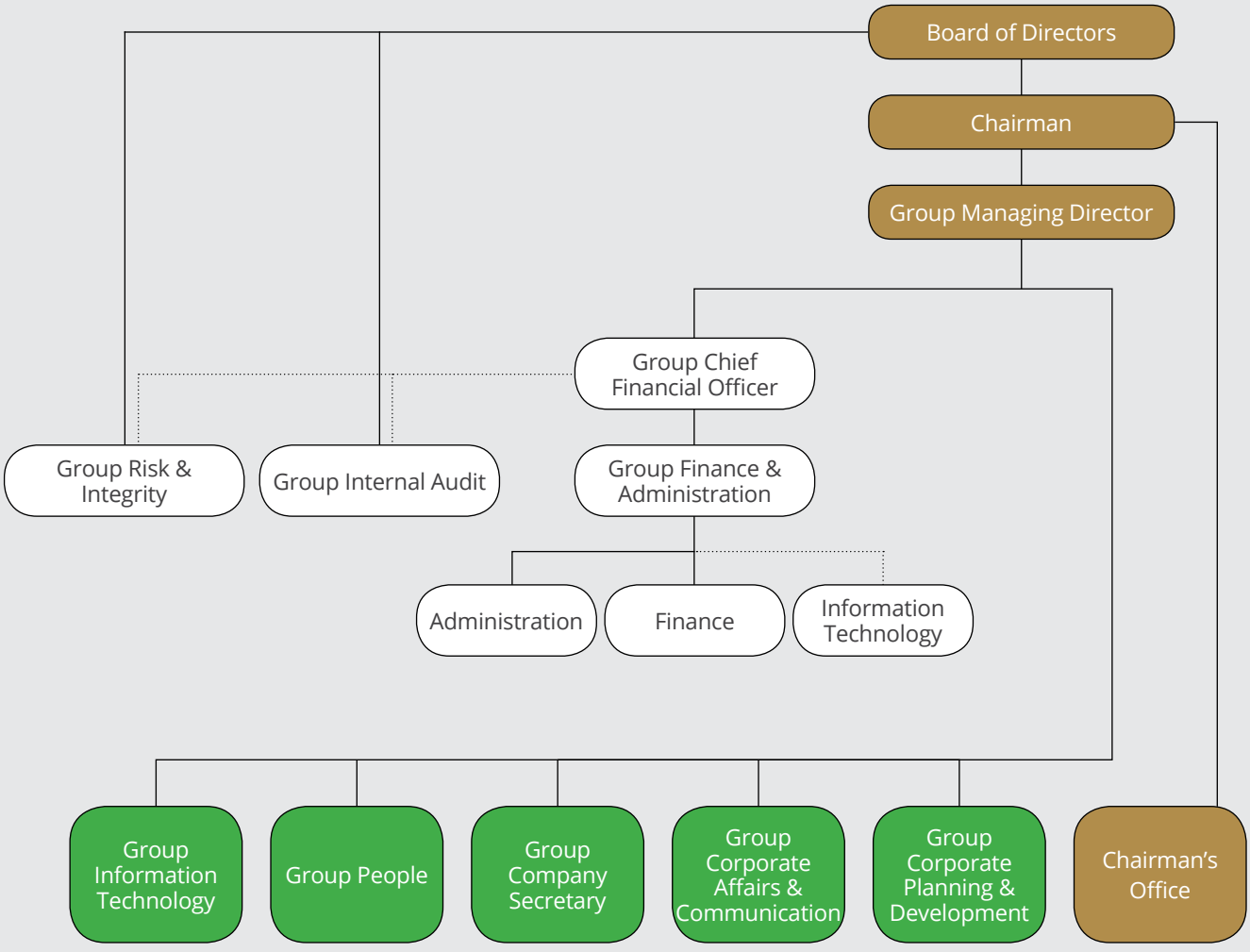
- HRD Award 2023 – Employer of Choice (Sabah Region)
- HR Team of The Year award
- MIHRM 23rd International HR Gold Award for Employer of Choice (Private Sector)
- HR Leader Gold Award to Ms. Patsy Patricia Tiasing for her outstanding contributions to Human Resource management

For more details on Suria's Achievement in 2023, please refer page 132.

GROUP STRUCTURE AND ORGANISATIONAL CHART

For information on the Group's corporate structure and Suria's executive management team, please refer to page 40 and 55.

Organisational Chart for Suria Capital Holdings Berhad



SUSTAINABILITY STATEMENT



ABOUT THIS STATEMENT

SuriaGroup is pleased to present our annual Sustainability Statement for 2023 (SS2023). SS2023 provides an overview of the Group's sustainability performance. Through this statement, we seek to provide a comprehensive account of our sustainability programmes, detailing the various activities undertaken throughout 2023.

SCOPE OF THIS STATEMENT

This SS2023 covers the sustainability performance and progress of our Group's operations which are located in Sabah, encompassing various aspects of the holding company along with its subsidiaries, complementing the publication of SuriaGroup's Annual Report, where detailed descriptions of the company's business operations and financial performance are given.

Reporting Period:

1 January 2023 to 31 December 2023

Reporting Cycle:

Annually

Organisation Coverage:

Suria Capital Holdings Berhad and its subsidiaries

REPORTING FRAMEWORK AND PRINCIPAL GUIDELINES

The SS2023 has been prepared in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) related to Sustainability Statements in Annual Reports [paragraph 9.45(2) and paragraph (29), Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)].

The disclosures made in the statement are guided by Bursa Malaysia's Sustainability Reporting Guide (Third Edition, 2022) and the Global Reporting Initiative (GRI) Standards, which is an international framework for sustainability reporting. Being part of the port community, this statement also incorporates guidelines from the International Association of Ports and Harbours' World Ports Sustainability Program. These guidelines are further aligned with the United Nations' Sustainable Development Goals (UNSDGs).

FEEDBACK

The Group welcome and encourage our stakeholders to provide feedback pertaining to the SS2023 and the issues covered. Feedback can be forwarded to:

Group Corporate Affairs & Communication Department
Suria Capital Holdings Berhad

Unit 3-03 – 3-31, Level 3, JQ Central
Coastal Highway, Off Jalan Tun Fuad Stephens
88400, Kota Kinabalu, Sabah, Malaysia

Tel : +6 088 – 257788

Fax : +6 088 – 260355, +6 088 – 231032

Email : info@suriaplc.com.my

SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Directors

Roles & Responsibilities

- Promotes sustainability in business strategy
- Accountability and commitment on sustainability consideration in business
- Approves/endorses necessary principals, policies and strategies

Risk Management & Governance Committee

Roles & Responsibilities

- Oversees and recommend for approval any necessary principles, policies and strategies

Sustainability Steering Committee (EXCOM)

Roles & Responsibilities

- Ensure key decisions on the sustainability strategy and direction are made and aligned to the Group's overall business strategy and goals, e.g. Sustainability Roadmap, to plan and identify activities based on Economic, Environment and Social targets that are measurable and to evaluate viability or returns
- Ensure sufficient support and resources are made available to achieve the pre-identified goals
- Review and report on progress to the Board
- Track progress against pre-defined sustainability strategies, plans and goals
- Review all materials prior to meetings, and provide constructive feedback and suggestion in the overall improvement of the sustainability journey

Sustainability Project Management Office (Secretariat) Group Corporate Affairs & Communication

Roles & Responsibilities

- A project management team to drive, compile data, track and report on the sustainability efforts and progress

Sustainability Working Group (SWG)

Roles & Responsibilities

- Data collection and analysis
- Prepares Sustainability Statement and report



Economy



Environment



Social

- People
- Stakeholders & Communities

SUSTAINABILITY STATEMENT

Our sustainability initiatives are driven by the Suria Board of Directors (the Board), Risk Management & Governance Committee (RMGC), Sustainability Steering Committee and supported by the Sustainability Working Group (SWG).

The Board discharges its responsibility towards sustainable practices by giving the mandate to the RMGC and Sustainability Steering Committee to oversee the execution of our sustainability commitment. The Board is also responsible to approve principles, policies and strategies related to sustainability.

The Sustainability Steering Committee, which is represented by the Group's Executive Committee (EXCOM) headed by the Group Managing Director, is responsible to oversee the implementation of sustainability strategies and performance.

The Group Corporate Affairs & Communication Department (GCAC) acts as the Sustainability Project Management Office or as the Secretariat.

The SWG comprises representatives from the holding company and operating subsidiaries. It was established to monitor the implementation of the strategies and action plans related to the sustainability aspects of SuriaGroup.

The SWG reports the progress of the action plans which will then be compiled by the Secretariat to be tabled at the RMGC. The SWG is grouped into four (4) teams where each team is responsible for each pillar; namely, Economic, Environment, Social-People and Social-Stakeholders & Community Engagement.

CONTINUOUS STAKEHOLDER ENGAGEMENT

SuriaGroup regularly engages with its various stakeholders to understand and meet their expectations. These engagements play a vital role in our sustainability journey. Aside from continuing to form, strengthen and maintain valuable relations with stakeholders through various engagement channels, some of the Group's methods include strengthening ties by utilising online platforms or customer portals.

The Group puts emphasis on its commitment towards digitalisation and this has increased the Group's resilience and responsiveness in engaging with stakeholders, while adhering to the principal guidelines of sustainability reporting.

Stakeholders Group	How We Impact Each Other	Their Expectations	How We Engage and Respond
 **Investment-Related** • shareholders • investors • fund managers • analysts	• The sustainability of our earnings will impact the dividend pay-out for our shareholders. • Value creation to ensure substantial shareholders' satisfaction through trust and sustainable value propositions, creating sustainable returns to our shareholders.	• Fundamentally strong Company's financial performance. • A trusted and reputable Company that could provide a solid return to shareholders. • Strong governance and reliable, experienced management team. • Sustainable growth of the company. • Satisfaction returns on investments in terms of dividend payout and share price appreciation.	• Annual General Meeting and Extraordinary Meeting to report on the company's financial performance. • Engage with Fund Managers and Analysts regularly to update of Company's financial performance and strategic planning. • Providing actual and regular reports to our shareholders through our Annual and Sustainability Reports. • Website update. • E-mail alerts.
 **Government and Authorities**	• Conforming to laws and regulators by abiding best practices that help strengthen our reputation as a responsible port operator and property developer. This will help us to support Government initiatives.	• Compliance with relevant laws and regulations. • Contribute to port's industry best practices. • Support Government initiatives.	• Ensure full compliance. • Active engagement with relevant ministries, regulators and authorities.

Stakeholders Group	How We Impact Each Other	Their Expectations	How We Engage and Respond
Port Users	• Cargo mobility relies significantly on the efficiency of the port services. By striving to achieve operational excellence and reliability, we set the springboards for a developed, dependable and sustainable eco-system for the movement of goods.	• Provision of reliable port services to support logistics and business needs. • Continuous operational efficiency by investing in port equipment and infrastructure. • Improving operational processes.	• Creating various communication channels for port users to raise issues such as the annual customer engagement sessions and online platforms. • Annual satisfaction survey among port users to rate the performance of each port. • Scheduled operational meetings with users and the port operations to seek solutions and improve processes.
Business Partners	• Achieving excellence in business undertakings and embracing best practices in our business processes. Collaboration and partnership will allow us to penetrate new market potentials. Collaboration and partnership also allow both sides to leverage each other's strengths, expertise and portfolio to create synergies and market confidence which would bring value for our business undertakings.	• Cooperation and commitment to fulfil obligation stipulated under the collaboration. • Honesty and integrity, reliability and accountability. • Value-add to the businesses that are jointly undertaken. • High return on investments. • Timely implementation and completion of projects.	• Identification of prospects as business partners for existing and new projects. • Regular meetings, or as and when required. • Continuous engagement to ensure deliverables are on track. • Immediate communication when there is new development or change in the business plan under the collaboration. • SuriaGroup's Anti-Corruption and Bribery Policy & Procedure.
Suppliers and Contractors	• Effective management of Procurement processes aligned with the company's Procurement Policy is crucial in ensuring transparent business conduct between the company and suppliers/contractors. • Upholding integrity and the ethical procurement process.	• Establish trustful long-term business relationships through the seamless and competitive procurement process. • Ensure transparent and reliable e-procurement system. • Responsive support channel.	• Conduct survey with the vendors. • Meetings, phone calls and emails. • Procurement Portal. • E-Procurement system provides a paperless platform for vendor registrations, procurement activities and performance evaluation. • Site Briefings including HSE requirements.

SUSTAINABILITY STATEMENT

Stakeholders Group	How We Impact Each Other	Their Expectations	How We Engage and Respond
Employees	• Our Group People philosophy, "We DARE our People" reflects the Group's commitment to Developing, Attracting, Rewarding and Engaging (DARE) our People. We are also committed to creating a positive working environment, developing and enhancing knowledge, and evaluating our People's satisfaction and engagement. • By upholding these elements, we hope to inculcate a high-performance culture in SuriaGroup.	• Sense of appreciation and ownership in the Group. • Having a job that relates to their skills and talent. • Opportunity to be creative and empowered. • Work-life balance.	• Employee Engagement Activities. • Regular discussions with senior management. • Engagements with relevant government agencies and service providers (e.g. Industrial Relations – Labour Department, Human Resource Ministry).
Community	• Building rapport and trust with our local communities and NGOs as part of our Corporate Social Responsibility (CSR), in line with our Corporate Mission.	• Responsible company. • Environmental conservation. • Job opportunity. • Community care and charitable donations.	• Corporate Social Responsibility (CSR) initiatives through various projects such as clean water project, rural education, environmental conservation and community well-being.
Media	• The media is essential to our reputation and credibility. We will continue to provide the media with access to timely, reliable and accurate information about our operations.	• Reliable and timely information.	• Consistent engagements through press releases, press conferences and interviews.
Industry Players	• Having a significant impact on industry players within the maritime, logistics, property and construction sectors, the Group's strategic investments, and setting benchmarks for performance and service quality. Furthermore, the Group's collaborations and partnerships with various stakeholders provide opportunities for industry players to leverage synergies and explore new avenues for growth.	• Strong financial performance. • High standards of corporate governance, transparency and ethical business practices. • Strategic direction and innovation. • Effective stakeholder engagements. • Sustainable growth of the company.	• Engagements with associations, organisations and relevant groups through meetings, conferences, forums, roadshows and sustainability initiatives. • Feedback mechanisms such as surveys, feedback forms and dedicated communication channels.

MATERIAL MATTERS

The Group acknowledges the significant impact of the materiality issues reported in our capacity to generate sustainable long-term value for our stakeholders. These issues extend beyond profitability and encompass the well-being of our workforce, the health of our environment, and the vitality of the communities we engage with.

In 2020, the Group undertook a thorough materiality assessment to identify the fundamental issues that carry the highest significance for both our organisation and stakeholders. By systematically evaluating the significance, influence and impact of each sustainability matter, the Group is able to prioritise actions, allocate resources efficiently and strengthen the overall sustainability performance.

We aim to conduct a full materiality assessment every four (4) years; however, for the year under review, we updated the list of our material matters as well as previously prioritised economic, environmental, social and governance factors.

The material sustainability matters were identified through a review of internal and external sources:

SOURCE OF REFERENCE

Review of External Sources
- UNSDGs
- GRI Standards
- International Association of Ports and Harbours' World Ports Sustainability Program
- Bursa Malaysia's Listing Requirements
- Malaysian Code of Corporate Governance
- Relevant Regulations & Law

Review of Internal Sources
- Sustainability Working Group
- Management
- Business Strategies
- Approval by Board of Directors

PRIORITISATION OF MATERIALITY MATTERS

Recommendation of material matters derived from feedback based on impact to company in relation to economic, social and governance.

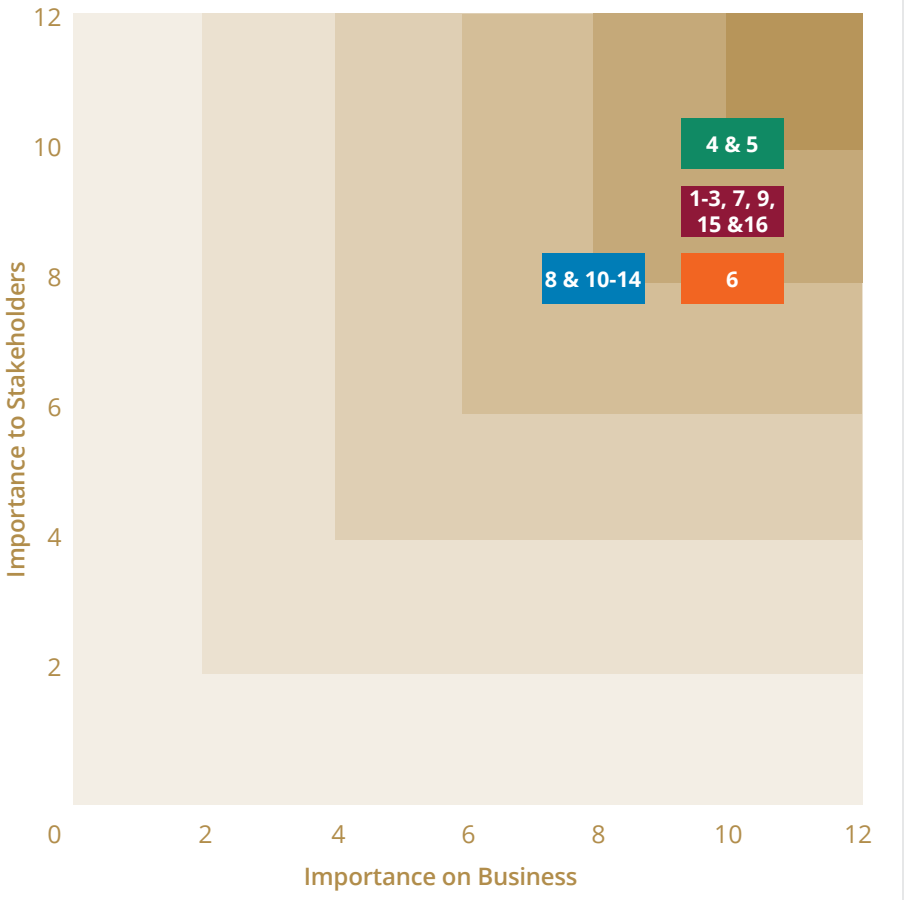
Based on assessment of feedback, the SWG produced and ranked the 16 key sustainability matters.

VALIDATION

- Review by the Sustainability Steering Committee.
- Presented the results to the RMGC and the Board.

SUSTAINABILITY STATEMENT

MATERIALITY MATRIX



ECONOMIC SUSTAINABILITY

1. Business Sustainability
2. Improvements in Business Operations
3. Diversification and Expansion of Business Activities

ENVIRONMENTAL SUSTAINABILITY

4. Commitment Towards Environmental Sustainability
5. Reduction in Carbon Footprints
6. Water Consumption
7. Scheduled Waste Management
8. Green Initiatives

SOCIAL SUSTAINABILITY

9. Health and safety
10. Talent Force
11. Learning and Development
12. People Engagement
13. Serving Our Stakeholders
14. Caring for Our Community

GOVERNANCE

15. Anti-corruption
16. Effective Governance

For the year 2023, the Group has chosen to conduct a limited-scale review to evaluate the sustainability matters in view of a full material assessment to take place in 2024. These 16 issues are of high relevance and aligned with the Group's strategic priorities.

The Group has incorporated three (3) new materiality issues, namely anti-corruption, and health and safety, in accordance with Bursa's prescribed 'common sustainability matters', as well as effective governance, acknowledging the pivotal role that good governance plays in business success.

The material sustainability matters underwent a thorough review and deliberation by RMGC and was approved by the Board.

RISK MANAGEMENT

Sustainability risk management is a business strategy that aligns goals with the Group's economic, environmental, social and governance (EESG) policies. The goal of sustainability risk management is to identify, analyse and mitigate potential risks, as to realise opportunities that come with sustainability. The role of the Group's Risk and Integrity Department (GRI) is to integrate EESG risks with Enterprise Risk Management processes. We ensure that all the identified risks are monitored and managed by the designated owners and GRI, and reported to the RMGC for deliberation and direction.

Material Matters	Risk	Opportunities
Business sustainability Page 78	Failure to sustain or recover business could cause: • Closure of business. • Lower revenue. • Termination of employment contact. • Business failure.	• Sustainable business operation and sustainable income. • Continuous income to the employee. • Maintaining job opportunities.
Improvements in business operations Page 83	• Failure to recoup investment made to improve business operation. • Exiting business operation could harm the environment and surrounding community. • High cost to mitigate damages to the environment caused by current business operation.	• Innovating environmentally friendly operation. • Introduction of more efficient and productive system. • More efficient operation and productivity.
Diversification and expansion of business activities Page 89	• Unsustainable business, financial and investment performance.	• Strategic business collaboration. • New job opportunities.
Commitment towards environmental sustainability Page 91	• Negative impact of business operation to the ecosystems.	• Minimise any possible negative impact on the environment through targeted measures and continuous improvement, and contribute positively to the UNSDGs.
Reduction in carbon footprints Page 93	• High cost to invest in carbon removal technology.	• Develop and utilise new environmentally friendly operation and product.
Water consumption Page 96	• Poor management of water resource could lead to the depletion of water supply. • High utility cost.	• Develop more efficient technologies and processes that reduce dependencies on water and improve water usage efficiency. • Cost saving.
Scheduled waste management Page 98	• Higher operational costs due to potential waste segregation requirements. • Non-compliance. • Penalty and compound. • Pollution to the environment.	• New product and service opportunities.
Green initiatives Page 99	• Disruption to operations due to climate events, physical damage to assets, rising cost of resources and non-compliance to regulatory requirement.	• Introduce and adopt innovative solutions to mitigate the impact of climate changes.

SUSTAINABILITY STATEMENT

Material Matters	Risk	Opportunities
Health and safety *Page 101*	• Accidents and injury at workplace • Non-compliance to the Occupational Safety and Health Act 1994 (Act 514). • Penalty.	• Safe and conducive working environment improves productivity.
Talent force *Page 105*	• Lack of diverse and inclusive workforce could lead the risk of not being able to engage meaningfully with its stakeholders or fully understand its customer needs. • Internally, it can lead to a strained work culture and lead to high employee turnover rate.	• Foster a diverse and inclusive workforce to enhance innovation, creativity, and efficiency.
Learning and development *Page 108*	• Ineffective training and development can lead to lower productivity and revenue. The company may lose competitive edge if employee lack critical skills in business operations and transactions.	• Provide structured growth and upskilling skill related to the Group's vision and mission.
People engagement *Page 110*	• Lack of meaningful employee engagement can lower morale, which contribute to factors such as decreased productivity and efficiency, increased absenteeism and increased talented staff turnover.	• Create fit-for-purpose workplace experiences that keep the employee engaged and motivated.
Serving our stakeholders *Page 112*	• Inability to meet stakeholders' expectations which could impact stakeholders' confidence.	• Regular stakeholders' engagements facilitate continuous improvement to meet stakeholders' expectations.
Caring for our community *Page 115*	• Inability to address community needs and concerns, as well as poor business-community relationships could lead to the risk of social conflicts that can harm reputation and disrupt operations.	• Consider work opportunities available for the local community to foster better relationships.
Anti-Corruption *Page 121*	• Ineffective anti-corruption programme and governance could lead to integrity issues that tarnish the Group's reputation, revenue leakages, penalty and legal action.	• Improved anti-corruption governance enhance the Group's trustworthiness among stakeholders, customers and potential business partners.
Effective governance *Page 122*	• Lack of the Board and top management involvement that has led to the absence of a clear direction, vision, mission, objectives and targets for the sustainability strategy, resulting in a misalignment between the Group's strategic plan and sustainability plan.	• With full support and involvement from the Board and top management, the organisation will have a clear direction and actionable plans for achieving its sustainability vision and objectives, thereby increasing the likelihood of aligning sustainability initiatives with the organisation's strategic plan for successful outcomes.

SUSTAINABILITY FRAMEWORK

SuriaGroup's sustainability framework is aligned with the company's business strategy and corresponds with the Group's vision and mission. This framework is designed to cater to the requirements of our stakeholders, mitigate our environmental footprint, and foster positive contributions to the communities where we operate.

This framework operationalises aspects of our core values, thus aligning the 16 material issues with these fundamental principles.

Our Vision

To be a reputable investment corporation in the region that creates value through diversified businesses in ports and logistics, port-related projects and other related ventures.

Our Mission

To enhance the long-term value of the Group by:

CREATING	ACHIEVING	EMBRACING	ENRICHING
sustainable returns to our shareholders	excellence in all our business undertakings	best practices in our business processes	the lives of our employees

whilst always caring for the environment and community within which we operate.

Our Core Values

SERVICE EXCELLENCE	UNITY OF PURPOSE	RESPECT	INTEGRITY	ACHIEVEMENT
Providing excellent services to our customers.	Working together as one cohesive team to achieve our missions.	Value and care for our employees, community and the environment.	Upholding the highest ethical conduct and good corporate governance.	Strong commitment to act and accomplish desired results through innovation and creativity.
• Business Sustainability • Improvements in Business Operations • Diversification and Expansion of Business Activities	• Talent Force • Learning and Development • People Engagement	• Commitment Towards Environmental Sustainability • Reduction in Carbon Footprints • Water Consumption • Scheduled Waste Management • Green Initiatives • Health and safety • Caring for Our Community	• Anti-Corruption • Effective Governance	• Serving Our Stakeholders

In alignment to:



SUSTAINABILITY STATEMENT

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ECONOMIC SUSTAINABILITY

BUSINESS SUSTAINABILITY

Related UNSDGs:



Why is This Important:

SuriaGroup's value creation and long-term business sustainability is underpinned by the performance of its business segments. By ensuring the prosperity and growth of our business, the Group contributes to the development of a resilient economy, catalyses economic progress and generates employment opportunities for the local society.

Our Approach:

The key to achieving and sustaining good economic performance is by executing our business strategies and to proactively seek and seize growth opportunities. This entails not only remaining cognisant of the prevailing market trends but also ensuring a robust balance sheet and a strong cash flow.

For the past years, the Group's focus on long-term value creation has been channelled through three (3) principal pillars:

- Business Sustainability
- Improvements in Business Operations, and
- Diversification and Expansion of Business Activities

The Group's relentless efforts in the pursuit of business excellence, especially in the port operation segment, have led to the formation of a strategic collaboration with Dubai-based DP World, an international port operator and supply chain solutions provider, to manage and operate Sapangar Bay Container Port for the duration of the concession period Sabah Ports holds. This partnership is poised to bring substantial social and economic benefits to Sabah.

SuriaGroup will continue its commitment to enhance business sustainability through strategic partnerships and collaborations with industry peers, government agencies, non-profit organisations, and other stakeholders.

BUSINESS GROWTH

Key Initiative 1

Proposed Strategic Partnership with DP World

The master plan for Sapangar Bay Container Port highlighted the need for a strategic partner to elevate it to a regional transshipment hub. The Sabah State Cabinet approved for Sabah Ports to enter into a strategic collaboration with DP World on 16 January 2023. The collaboration aims to involve DP World in the management and operation of Sapangar Bay Container Port leveraging on its strength as a global leader in smart logistics solutions and establish Sapangar Bay Container Port as an international port of significance.

The Group anticipates that the collaboration will yield substantial benefits for the state, viewing the strategic alliance between DP World and Sabah Ports as just the initial phase in a series of potential advancements. Outside of the port collaboration, DP World affiliates are expected to invest in various aspects of Sabah's supply chain and logistics industry to spur intra and inter-state trade flow.

Key Initiative 2

Tariff Revision of "The Sabah Ports Authority (Scales of Dues & Charges) Regulations, 1977"

In June 2023, Sabah Ports released a circular announcing the revision of charges and rates for several tariff items, including 3, 33, 9(1)(a), 10(1)(a), 21, 33(1)(a), 36(5), and 44(b). The revision was approved by the Ministry of Public Works Sabah via administrative order.

Tarriff Item	Subject Matter
3	Wharfage (Berth Occupancy for Oil & Gas Crew Exchange Vessel at Kota Kinabalu)
33	Hire of Mechanical Equipment (Crane Hiring Charges)
9(1)(a)	Stevedorage for Conventional Cargo
10(1)(a)	Stevedorage for Palletised Cargo
21	Charge for Extra Labour
33(1)(a)	Hire of Mechanical Equipment
36(5)	Cargo Measuring and Weighing
44(b)	Reefer Container Services

In addition, a full tariff revision replacing the existing 1977 tariff has been prepared by the Sabah Ports Authority. Sabah Ports Authority and Sabah Ports had jointly organised a roadshow to inform port users of the impending changes with sessions held at several districts on both the East and West Coast of Sabah between November and December 2023. The main objective of the roadshow was to raise awareness of the upcoming tariff revision and revised charges and rates as well as to address any concerns raised by the port community.

The tariff revision of ports in Sabah is targeted to be implemented by first quarter of 2024 upon approval by the Sabah State Cabinet.

Key Initiative 3

Property and Commercial Developments

Please refer to page 27 of the Management Discussion and Analysis.

Jesselton Waterfront City

Kota Kinabalu Port is said to resemble the distinctive characteristics of the Victoria & Albert Waterfront in Cape Town, South Africa given its strategic location and unique landscape setting, i.e. fronting the South China Sea with the mountain as the backdrop. Spanning over 75 acres of prime land with a collective gross development value of at least RM9.2 billion, the entire Kota Kinabalu Port land is in the process of being re-developed into an integrated waterfront destination called the Jesselton Waterfront City.

Jesselton Waterfront City consists of five (5) projects that complement each other, namely the Sabah International Convention Centre and Kota Kinabalu Convention City, which is owned by the Sabah State entity Yayasan Sabah, as well as Suria's developments consisting of the 16.25-acre Jesselton Quay, proposed mixed development and an international cruise terminal on the 7.0 acre land and 28.9-acre land. Upon completion of Jesselton Waterfront City, Kota Kinabalu Port will be transformed into an integrated waterfront destination and Jesselton Waterfront City is set to elevate the competitiveness of Kota Kinabalu at the regional and international arena. Given the huge investments and development values involved, the multiplier effect of the socio-economic impact arising from Jesselton Waterfront City will be tremendous.

Set to become the city's latest tourism frontier and the extension of the central business district of Kota Kinabalu, Jesselton Waterfront City is conceptualised along a theme of affluence and an elite waterfront community whereby patrons will be able to enjoy benefits and services herein unseen and unheard of in Sabah – underlining its powerful appeal to both investors and visitors.

All the developments within Jesselton Waterfront City will be integrated and linked by a boardwalk to create seamless connectivity. The boardwalk will feature shops, eateries, amusement centres, night life and lodging, blending history and culture with modern convenience and fun with a breath-taking ocean view to admire upon.

Key Initiative 4

Damaisuria Ranggu Affordable and Sustainable Housing Development

The Damaisuria Ranggu housing development, comprising 132 units of 2-storey terrace houses, are a joint venture between SCHB Engineering and AA Damai Development Sdn Bhd (AADD). Located at Mile 8, Ranggu, Tawau, Sabah, the proposed development spans 10 acres with a total Gross Development Value (GDV) of RM50 million. AADD will oversee the development, with SCHB Engineering acting as a partner to assist in planning and approval processes.

Categorised as an Affordable Housing Scheme, this project aims to facilitate easy and affordable home ownership for the general public in Tawau, Sabah, while also generating employment opportunities for locals during the construction phase.

Sustainable practices are at the forefront of the construction process for this development. All 132 units will be constructed using precast concrete, which is locally available including concrete batching plants, steel bars and cement.

The project is expected to be completed in the first quarter of 2026.

Key Initiative 5

Ferry & Cruise Terminal Operation

The cruise industry experienced a steady revival in 2022 and 2023, and is expected to continue its positive trend in 2024. In 2023, most countries had eased their travel restrictions, marking the recovery phase of cruise activities.

Sabah has seen a significant increase in tourist arrivals, with the total standing at 2,613,272 for the year 2023, reflecting a 51.3% increase compared to the previous year. During this period, the cruise terminal at Kota Kinabalu Port welcomed 10,971 passengers from nine (9) cruise ships, indicating a positive shift towards recovery.

Jesselton Point Ferry Terminal recorded a total of 268,124 passengers in 2023, showing a 42.0% increase compared to the previous year. Meanwhile the retail lots has achieved 100% occupancy rate.

The Meet and Greet area at Kota Kinabalu Port continued to be utilised for the arrival and departure of offshore crew members, as well as cruise passengers. SCHB Engineering handled a total of 59,624 offshore crew members in 2023, compared to 36,283 in 2022, representing a 64.3% increase.

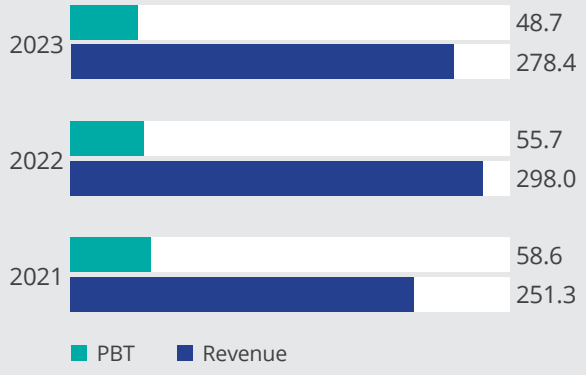
Our Performance

Contribution to the Economy

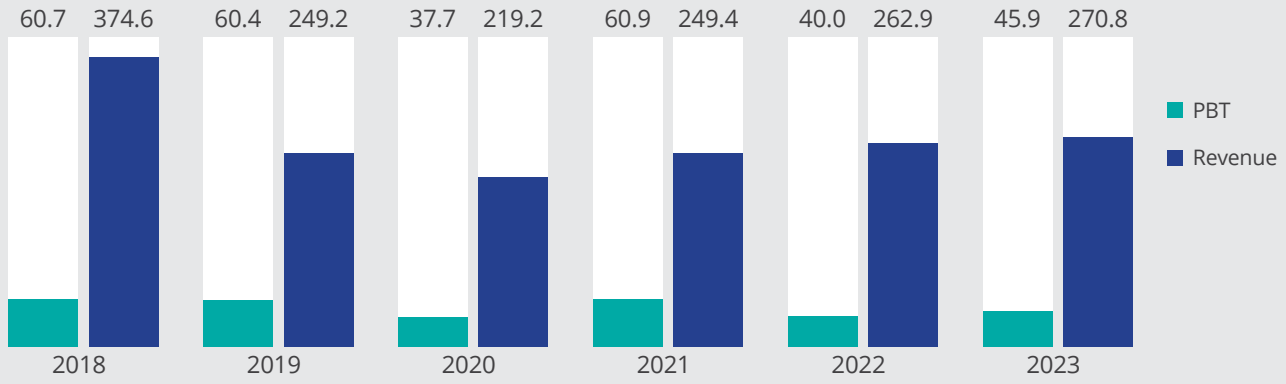
Amidst the challenging Malaysian economic landscape, there are positive opportunities for the Group to pursue growth and strengthening the core business. The Group's business goal is to drive revenue growth and continue enhancing value creation by delivering sustainable returns to its shareholders.

During the year under review, the Group registered a lower revenue of RM278.4 million (-6.6%) mainly due to a one-off transaction for additional entitlement in the form of carpark units (non-cash consideration) in year 2022. The Group achieved a lower profit before tax of RM48.7 million (-12.6%), mainly due to lower revenue and higher operational costs during the year.

Group's Revenue and Profit Before Tax (RM million)

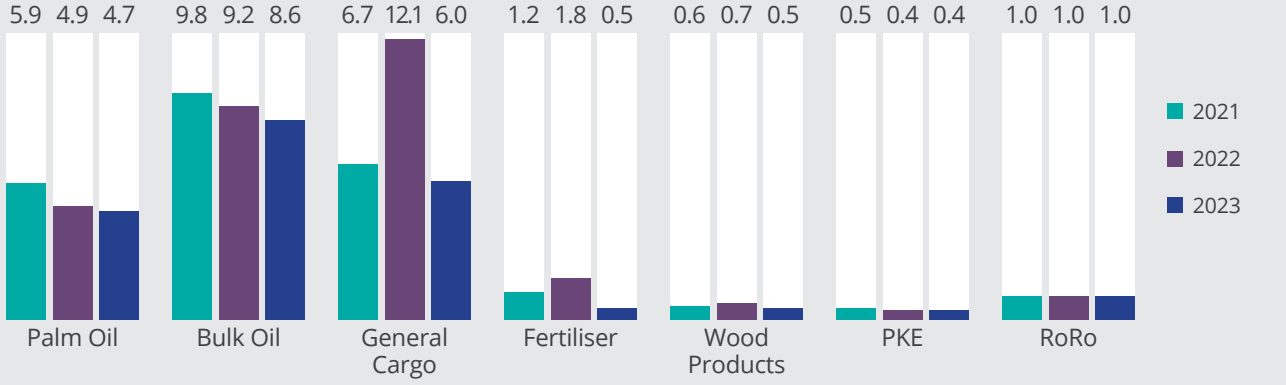


Sabah Ports' Financial Performance (RM million)



Sabah Port's cargo throughput for 2023 was recorded at 21.7 million MT, a decline of 6.5% as compared to previous years volume of 23.2 million MT. Overall, the throughput for all major commodities dropped except for palm kernel expeller (PKE) and RoRo (Roll-on, Roll-Off). In line with the moderation, Sabah Ports container throughput registered at 428,313 TEUs, a decrease of 4.7% as compared to 449,485 TEUs in the prior year.

Major Cargo Throughput (MT million)



Volume of Containers Handled (TEUs)



Contribution to Stakeholders

The Group continues to deliver consistent returns to its shareholders by payment of a final dividend for the year 2022 amounting to RM8.6 million and the payment of an interim dividend for the year 2023 amounting to RM6.9 million during the year. Additionally, the Group has also contributed payment of RM17.4 million to the Sabah Ports Authority (SPA) during the year.

SUSTAINABILITY STATEMENT

The following income distribution table shows the economic contribution made by the Group to its stakeholders:

Distribution	2019 (RM million)	2020 (RM million)	2021 (RM million)	2022 Restated (RM million)	2023 (RM million)	Percentage of Contribution (%)
To Employees						
- Personnel costs	65.9	62.8	56.6	67.2	67.0	**32.5**
To Government						
- Payment to SPA	17.8	16.3	16.5	16.8	17.4	**8.4**
- Qhazanah Sabah Berhad	7.9	5.2	6.3	6.3	5.5	**2.7**
- Yayasan Sabah	0.6	0.4	0.5	0.5	0.4	**0.2**
- Chief Minister, State of Sabah	0.3	0.2	0.2	0.2	0.2	**0.1**
- Taxation	20.05	15.0	19.1	5.1	14.4	**7.0**
	47.1	37.1	42.6	28.9	37.9	**18.4**
To Providers of Capital						
- Dividend	8.5	6.3	3.1	6.8	6.0	**2.9**
- Finance costs	3.7	8.5	7.7	11.0	10.5	**5.1**
	12.2	14.8	10.8	17.8	16.5	**8.0**
To Reinvest in the Business						
- Depreciation, amortisation & impairment	53.0	54.0	59.0	55.3	62.5	**30.3**
- Retained Profit Net of Dividend and Expiry of Employee Share Options	35.0	22.7	26.4	36.8	22.2	**10.8**
	88.0	76.7	85.6	92.1	84.7	**41.1**
TOTAL DISTRIBUTED	**213.2**	**191.4**	**195.6**	**206.0**	**206.1**	**100.0**
% from Total Revenue	**77.4**	**83.9**	**77.8**	**69.1**	**74.0**	

Proportion of spending on local suppliers

In 2023, out of RM76.5 million spent on procurement, 77.4% was spent on local suppliers (Sabah-based).

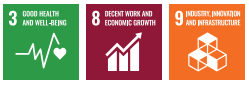
It was observed that Sabah Ports had decreased expenditure on local suppliers in 2023 in comparison to 2022. This reduction was attributed to awards given to non- local sources for works such as dredging, solar rooftop installation, IT system maintenance, and supply of Cargo Handling Equipment spare parts, as local companies were unable to offer the services.

The Group prioritises local sourcing as outlined in the SuriaGroup Authority Limits Procurement Procedures Manual (ALPP) under Section II; Clause 13.1(f), which stipulates that non – local suppliers are engaged, in the event that the services or products are not available at the local level, or that the local suppliers/contractors cannot meet the specifications of the requirement.

Company	Total (RM million)	Local (Sabah-Based) (%)	Non-Local (Non-Sabah) (%)
2023			
Sabah Ports	69.5	63	37
Suria Capital	5.2	76.2	23.8
SCHB Engineering Services	1.8	93	7
GROUP-WIDE	**76.5**	**77.4**	**22.6**
2022			
Sabah Ports	21.9	90	10
Suria Capital	4.8	86	14
SCHB Engineering Services	1.3	72	28
GROUP-WIDE	**28.0**	**82.7**	**17.3**
2021			
Sabah Ports	13.0	88	12
Suria Capital	2.5	79	21
SCHB Engineering Services	4.3	83	17
GROUP-WIDE	**19.8**	**83.3**	**16.7**

IMPROVEMENTS IN BUSINESS OPERATIONS

Related UNSDGs:



Why is This Important:

SuriaGroup prioritises continuous improvement in its business operations to enhance efficiency, customer satisfaction and competitiveness while maximising financial performance. By focusing on improvements, the Group aims to grow and thrive in our business endeavours.

Our Approach:

SuriaGroup focuses on the operational improvement that aligns with its mission to deliver long-term value creation through sustainable, innovative, and exceptional services. These improvements will better position SuriaGroup in meeting the evolving needs of our customers and stakeholders.

Continuous improvement is fundamental for business success. As such, the Group constantly seeks new ways to adapt and improve its practices and facilities, aiming to conduct business responsibly and maintain a strong market presence.

SUSTAINABILITY STATEMENT

Progress Achieved in 2023

Enhancing Port Competitiveness through ISO 45001: 2018 and ISO 14001: 2015 Certification

Sabah Ports received accreditation from NIOSH CERT for its Occupational Health and Safety Management System (ISO 45001: 2018) and Environmental Management System (ISO 14001 :2015).

ISO is recognised as one of the most rigorous standards for industry excellence. Thus, the certification underscores the Port's commitment to continuous improvement especially in providing a safe workplace and minimising negative environmental impact.

This accreditation manifest SuriaGroup's goal of becoming a more competitive port in Asia by integrating safety and environmental consideration into its operations. The Group is confident that the accreditation will contribute towards achieving the Group's business sustainability goals through increased company performance and strengthened market reputation.

Optimising Operations with additional RoRo holding area at Sapangar Bay Container Port

To meet the increasing needs of RoRo carriers calling at the Sapangar Bay Container Port, Sabah Ports initiated a project to expand yard capacity for vehicle staging and storage. A total of 4.2 acres was allocated for this development, which has increased the total capacity of the RoRo holding area from 1,900 CEUs to 3,400 CEUs.

The project was completed on 9 August 2023 and has significantly increased the port's capacity and operational effectiveness in catering to RoRo ships, while creating convenience for the Sapangar Bay Container Port's RoRo customers.

VTMIS Collaboration with Ports and Harbour Department to strengthen Maritime Traffic Management

In 2022, Sabah Ports' Marine Unit Department set up a team of five (5) Marine Traffic controllers to oversee the operation of a Vessel Traffic Monitoring & Information System (VTMIS). This system plays a pivotal role in offering real-time information on navigational conditions, thereby facilitating comprehensive and secured traffic management within Sabah Ports' waterway. The VTMIS not only enhances safety measures but also enables more effective monitoring and control of vessel movements.

Building on this success, in 2023, the Marine Unit Department forged a partnership with the Ports and Harbour Department, Sabah to collectively operate the VTMIS. This collaboration ensures a unified and streamlined approach to maritime traffic management. The team and the VTMIS are now fully operational.

Digital Transformation

Creating value through Digital Portals

SuriaGroup directed its focus towards technological refinement and enhancement of structures and processes within the system, prioritising the conversion of client-based systems to online platforms. Within the Group, digitalisation initiatives were systematically categorised into two (2) primary platforms: the Customer Portal and the SuriaGroup Portal (SGPortal).

The Customer Portal, specifically designed for Sabah Ports customers, facilitates smooth port business transactions, and offers comprehensive access to information related to vessels, containers, and cargoes. This portal features various modules, including online manifest submission, vessel berthing and unberthing modules, and online payment functionalities, among others.

As for SGPortal, its primary purpose is to serve SuriaGroup employees and the board of directors. This platform allows users to effortlessly navigate links to the HR system, online medical chit application, administrative services, helpdesk, manuals and the repository for the board of directors' meeting documents i.e paperless board of directors' meetings. Additionally, relevant news, announcements and awareness campaigns are systematically communicated through this integrated digital interface.

In addition to the primary platforms, the Group also provides supplementary online access designed to facilitate vendor engagement. These links serve as avenues for the submission of tenders, supplier registration and addressing of various inquiries.

Enhancing Cybersecurity and protecting data privacy

SuriaGroup continues to strengthen its cybersecurity and enhance data privacy measures. This includes developing a strong defence framework, improving access controls, implementing data encryption, conducting regular monitoring, and updating guidelines. Infrastructure upgrades for digitalisation are carried out with cost control through careful planning, prioritising upgrades and leveraging on

in-house expertise. The strategy also involves continuous employee awareness to recognise the importance of knowledge in defending against cyber threats, protecting data, and preventing facility misuse.

Promoting Green Initiatives

In its sustainability efforts to reduce paper usage, the Group has adopted the practice of paperless meetings whereby the meeting materials are accessible online via the SGPortal.

Video conferencing is being practiced to minimise travelling for meetings, and e-Filing is now utilised to digitally store and track documents, reducing the reliance on physical copies.

SuriaGroup is gradually transitioning from physical servers to virtual and cloud-based systems to decrease energy consumption. Remote monitoring and troubleshooting mechanisms are in place for proactive maintenance, minimising unnecessary energy use. All outdated electronic equipment were disposed in accordance with the E-waste management procedure and recycling programmes.

To raise awareness among Suria employees, reminders and campaigns are distributed through the SGPortal and during IT personnel visits to other subsidiaries.

The Green Port Special Committee closely monitored and reported on the implementation of these practices in 2023. The Committee's efforts significantly influenced the assessment and accreditation process for Sapangar Bay Container Port and Sapangar Bay Oil Terminal's two – star green terminal label certification by Bureau Veritas.

Our Performance

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

With 2023 being the first year of reporting the above indicator, SuriaGroup is pleased to inform that the company and its subsidiaries received zero complaints concerning breaches of customer privacy and losses of customer data. No complaints were received, whether through written submissions, verbal communication, or across any of the Group's digital communication platforms.

Aligned with our reinforced cybersecurity and enhanced data privacy measures, our objective is to sustain a record of zero complaints. The Group wishes to reassure customers that the Group implements a strong defence to protect both the company and customers from potential disruptions and data privacy breaches.

Preventive Maintenance Programme and Report on Equipment Availability Rate

Sabah Ports' preventive maintenance programme is based on a scheduled maintenance aimed to reduce equipment downtime and ensure high equipment availability. The programme is carried out throughout the year at all ports which includes visual inspections, regular cleaning, lubrication, replacement of parts, minor equipment repairs and others. Timely maintenance enables the company to identify the root cause of breakdowns, deploy solutions promptly and extend the life-span of equipment while minimising high corrective maintenance cost that may be incurred at a later stage.

Equipment Availability Formula

= (Total Hours Available – Total Downtime)/Total Hours Available x 100%

A higher availability indicates that the machine is in good condition and ready to be used for operations without the need for maintenance.

Sapangar Bay Container Port

In 2023, equipment availability in Sapangar Bay Container Port was recorded at 73.1%, an increase of 0.9% from the previous year's 72.2%.

SAPANGAR BAY CONTAINER PORT						
	2021		2022		2023	
Equipment Type	No. of Units	Equipment Availability	No. of Units	Equipment Availability	No. of Units	Equipment Availability
Container Trailer	35	70.9%	35	69.1%	35	100.0%
Empty Container Handler	9	69.3%	7	63.8%	7	46.7%
Forklift	6	82.4%	5	95.1%	6	100.0%
Shuttle Carrier	2	0.0%	2	0.0%	2	0.0%
Spreader	9	100.0%	9	100.0%	9	99.9%
Terminal Tractor	27	73.3%	30	78.1%	31	80.5%
Reach Stacker	5	52.0%	6	71.6%	7	64.6%
Rubber Tired Gantry	9	88.9%	9	82.7%	9	93.6%
Quay Crane	4	89.8%	4	89.5%	4	72.6%
AVERAGE AVAILABILITY		**69.6%**		**72.2%**		**73.1%**

Tawau Port

In 2023, equipment availability at Tawau Port averaged 96.0%, marking a notable increase from 91.1% recorded in 2022, representing a 4.9% improvement due to replacement of aged equipments such as two (2) new units of Auto-Twist Spreaders and four (4) new units of Container Trailers.

TAWAU PORT						
	2021		2022		2023	
Equipment Type	No. of Units	Equipment Availability	No. of Units	Equipment Availability	No. of Units	Equipment Availability
Terminal Tractor	12	96.1%	12	99.6%	12	98.7%
Empty Container Handler	2	50.0%	4	50.1%	4	82.8%
Forklift	11	99.8%	11	99.8%	11	99.5%
Reach Stacker	6	82.6%	7	81.6%	7	91.6%
Container Trailer	11	100.0%	11	100.0%	11	99.8%
Spreader	5	99.9%	5	99.9%	5	99.9%
Mobile Harbour Crane	2	98.0%	2	97.7%	2	96.6%
Towing Tractor	3	99.9%	3	99.8%	3	99.5%
AVERAGE AVAILABILITY		**90.8%**		**91.1%**		**96.0%**

Sandakan Port

Equipment availability at Sandakan Port averaged 85.9% in 2023, showing a marginal of 0.8% increase from 85.1% recorded in 2022. Despite this slight increase, the overall equipment availability remains relatively unchanged between 2023 and 2022. Currently, there are no records indicating the addition of new machines to the port's operations.

SANDAKAN PORT

	2021		2022		2023	
Equipment Type	**No. of Units**	**Equipment Availability**	**No. of Units**	**Equipment Availability**	**No. of Units**	**Equipment Availability**
Empty Container Handler	3	100.0%	3	100.0%	3	66.7%
Reach Stacker	8	65.4%	8	80.8%	8	74.6%
Terminal Tractor	11	76.7%	11	79.5%	11	84.2%
Forklift	15	83.7%	15	90.0%	15	94.0%
Container Trailer	10	78.6%	4	79.5%	4	91.4%
Spreader	6	99.4%	7	99.0%	7	98.9%
Mobile Harbour Crane	2	76.7%	2	65.8%	2	77.5%
Towing Tractor	3	99.9%	3	89.7%	3	100.0%
AVERAGE AVAILABILITY		**85.1%**		**85.1%**		**85.9%**

Kota Kinabalu Port

In 2023, equipment availability at Kota Kinabalu Port averaged 98.1%, a slight decrease from 98.6% recorded in 2022. Despite this marginal decline, the port maintains a relatively consistent performance. Presently, there are no records of new machines being added to the port's infrastructure.

KOTA KINABALU PORT

	2021		2022		2023	
Equipment Type	**No. of Units**	**Equipment Availability**	**No. of Units**	**Equipment Availability**	**No. of Units**	**Equipment Availability**
Towing Tractor	5	99.6%	5	97.6%	5	96.6%
5 Tons Trailer	18	99.9%	18	100.0%	12	99.3%
Forklift	22	98.4%	18	98.3%	16	98.4%
AVERAGE AVAILABILITY		**99.3%**		**98.6%**		**98.1%**

SUSTAINABILITY STATEMENT

Lahad Datu Port

In 2023, equipment availability at Lahad Datu Port averaged 100.0%, marking a slight increase from 99.7% in 2022. This minor improvement suggests that the port's maintenance practices are effective in preventing machinery breakdowns, thereby ensuring optimised operations.

LAHAD DATU PORT						
	2021		2022		2023	
Equipment Type	No. of Units	Equipment Availability	No. of Units	Equipment Availability	No. of Units	Equipment Availability
Forklift	12	89.6%	12	100.0%	12	100.0%
Reach Stacker	1	100.0%	1	100.0%	1	100.0%
Empty Container Handler	1	100.0%	0	100.0%	0	100.0%
Terminal Tractor	5	88.3%	5	100.0%	5	100.0%
Container Trailer	9	100.0%	9	97.5%	9	100.0%
5 Tons	2	100.0%	2	100.0%	2	100.0%
Spreader	2	100.0%	0	100.0%	0	100.0%
Shuttle Carrier	1	100.0%	1	100.0%	1	100.0%
Towing Tractor 3.5 Ton	2	83.2%	2	100.0%	2	100.0%
AVERAGE AVAILABILITY		**95.7%**		**99.7%**		**100.0%**



DIVERSIFICATION AND EXPANSION OF BUSINESS ACTIVITIES

Related UNSDGs:



Why is This Important:

SuriaGroup recognises diversification and expansion of business activities as crucial steps towards generating new revenue streams and seizing new opportunities. By venturing into new business activities, we aim to broaden our business footprint and create impactful partnerships that drive our business further.

Our Approach:

The Group's strategy for diversification and expansion is primarily focused on accessing new business opportunities unlocking new revenue streams, and enhancing long-term business sustainability and competitiveness.

From the Group's perspective, a key aspect of this strategy involves maximising the potential of Sapangar Bay Container Port and tapping into the opportunities offered by Indonesia's Nusantara. BIMP-EAGA has been identified as a focal market by Sabah Ports to achieve our goal of positioning Sapangar Bay Container Port as a central transshipment hub serving not only the BIMP-EAGA but also the East ASEAN regions. This strategic vision positions the port as a catalyst for economic growth, stimulating manufacturing and industrial activities in Sabah.

Progress Achieved in 2023

Increased Global Calls at Sapangar Bay Container Port

SITC has introduced a new China-Vietnam-Malaysia (C-V-M) route, providing weekly direct services to Nansha, Shekou, Haiphong, Qinzhou, Ho Chi Minh, Kuching, Bintulu, and Sapangar Bay. Four (4) vessels, each capable of carrying up to 1,032 TEUs, will be deployed alternately. This initiative aims to bolster trade between China, Vietnam, and East Malaysia, offering increased capacity, enhanced transit times, and reliable weekly connections between ports.

Thai-based Regional Container Lines (RCL) has launched the RCL's East Malaysia (REM) service, serving the Singapore-Kota Kinabalu-Muara, Brunei-Bintulu-Singapore route on a fortnightly basis. This service is expected to amplify container traffic to and from Sabah, refining transit schedules and benefiting a wider customer base. In June 2023, RCL expanded their operations by introducing weekly calls to Sapangar Bay Container Port.

Maersk Line extends service to Sandakan Port

Sandakan Port celebrated the maiden call of Maersk Valencia on 22 August 2023, marking the launch of Maersk expanded service to Sandakan Port under the Intra Asia 5 (IA5) routing. The IA5 service covers twenty (20) ports of calls which depart from Shanghai, China and connect to several other ports in China, Myanmar, Malaysia (Tanjung Pelepas, Pasir Gudang, Tawau Port and Sandakan Port), Brunei, Philippines, Japan, and Korea. Under the rotation, Maersk will conduct bi-weekly calls to Sandakan Port with an expected throughput of 200 to 300 container boxes per shipment.

Customs, Immigration, Quarantine and Security (CIQS) Facility at Lahad Datu Port enhances BIMP-EAGA connectivity

Physical construction of the CIQS building at Lahad Datu Port commenced on 23 August 2022 and was successfully completed in the first quarter of 2023. With the operation of the CIQS, maritime connectivity within BIMP-EAGA will be enhanced, fulfilling the strong desire of the BIMP-EAGA community for a sea link to be established within the region.

The CIQS facility welcomed its inaugural passenger cruise ship in September 2023 from Bongao, Tawi-Tawi of the Sulu Islands, Philippines.

In December 2023, another passenger cruiseship held its first sailing from Lahad Datu Port to Tanjung Silopo, Sulawesi, Indonesia. Prior to that, the maiden voyage of MV Catteleya from Tanjung Silopo began on 18 December 2023, and berthed at Lahad Datu Port on 20 December 2023, carrying 93 passengers.

SUSTAINABILITY STATEMENT

East Coast Ports strengthens fertiliser discharge operations

In May 2021, Sabah Ports took over the management of fertiliser discharge operations utilising grab and hopper equipment in Lahad Datu Port. This initiative was later expanded to Sandakan and Tawau Ports in January 2022, with the overarching goal of improving safety and operational efficiency across East Coast Ports.

In the past, these activities were undertaken directly by the consignee, limiting the supervision necessary to ensure a safe and efficient port operating environment. Focused on sustaining and optimising port functions, taking control of the grab and hopper operations provides complete authority over the fertiliser discharging process, enabling the immediate resolution of inefficiencies and any breach of safety standards while meeting the targeted Port Performance Indicators (PPI).

Since the takeover, Sabah Ports through its appointed contractors, has maintained an average handling rate exceeding its targeted PPI. In 2023, Tawau, Sandakan and Lahad Datu Ports scored an average handling rate of 100, 89 and 107 metric tonnes per vessel hour respectively. Berth occupancy was recorded at 31%, 20% and 24% whilst numbers of ship calls (at wharf) were 626, 1,044 and 299 vessels for Tawau, Sandakan and Lahad Datu Ports respectively.

Looking forward, there are plans to extend similar handling procedures for the handling of other dry bulk commodities, such as maize, PKE and palm kernel shell (PKS).



ENVIRONMENTAL SUSTAINABILITY

COMMITMENT TOWARDS ENVIRONMENTAL SUSTAINABILITY

Related UNSDGs:



Why is This Important:

Environmental responsibility is ingrained in every facet of SuriaGroup's business segments, extending beyond mere compliance and environmental regulations. Integrating environmental responsibility into our business practices fulfils ethical and legal obligations while also delivering cost efficiencies, long-term sustainability and enhanced reputation.

Our Approach:

The Group's commitment to environmental sustainability focuses on six (6) pillars that operationalise our Green Port commitment:

Our Green Port Commitment:

Digital Integration

Key Initiative:
Digital Documentation, One-Stop Centre Portal, Integrated Sabah Ports Security Pass, SP Digital, and E-Procurement System, Cloud System Integration.

Community Commitment

Key Initiative:
Biodiversity Protection, Stakeholder Engagement through HSE Week and environment-based CSR.

Sustainability Management

Key Initiative:
Monitoring air pollution levels, waste management practices and fuel consumption, Environment Management System (EMS) implementation.

Green Energy Solutions

Key Initiative:
Investment in environmentally sustainable port equipment and use of solar panels to generate green energy to reduce carbon footprint.

Sustainable Development

Key Initiative:
Environmental Impact Assessment (EIA) is carried out before commencement of construction projects. Environmentally friendly materials are use in construction.

Environmental Control

Key Initiative:
Establishment of Emergency Response Plan (ERP) for oil spillage incidents, scheduled maintenance of equipment to reduce air pollution, rainwater harvesting for non-potable purposes to conserve freshwater resources.

The Group's Green Port Policy serves as the cornerstone of Sabah Ports' environmental and sustainability efforts, providing the guiding principles and framework that direct the overall green initiatives at the ports.

SUSTAINABILITY STATEMENT

Green Port Policy

Protect

Protect the Community and Environment Health from Harmful Effects of Port Operations

Development & Technology

Ensure Sustainability in Port Development and Port Technology usage

Balance

Ensure a Balance of Environmental, Social and Economic Concerns are considered during Planning, Development and Operational Decisions

Public

Enhance Public Awareness on Sustainable Development and Port Technology usage

Stewardship

Ensure Environmental Stewardship through Environmental Conservation and Compliance

Partnership

Enhance Smart Partnership with Environmental Organisations in promoting Green Efforts

Our mission is to ensure compliance with environmental legal requirements.

Achievement in 2023

Sabah Ports Certification of ISO 14001:2015

The attainment of ISO 14001:2015 in 2023 demonstrates Sabah Ports' commitment to environmental sustainability and responsible operations. It signifies that the company is actively managing its environmental impact and striving to minimise pollution, waste and resource consumption.

Green Terminal Label Certification for Sapangar Bay Container Port and Sapangar Bay Oil terminal by Bureau Veritas

Sabah Ports has achieved a two-star Green Terminal Certification for both the Sapangar Bay Container Port and Sapangar Bay Oil Terminal. This prestigious recognition, bestowed by Bureau Veritas, a distinguished French-based entity specialising in testing, inspection, and certification services, underscores the culmination of extensive sustainability endeavors by the management. It signifies Sabah Ports' commitment to an eco-responsible approach, seamlessly integrating green management practices and environmental consciousness into operational processes.

This accomplishment serves to enhance Sabah Ports' reputation as a one-stop center for marine and offshore services, not only within the local arena but also garnering attention from major players in the global Oil & Gas and Maritime & Offshore industries. These accreditations exemplify the Group's strategic vision to enhance its competitiveness as a port, particularly within the BIMP-EAGA region by embedding safety principles and environmental responsibilities into its core business operations.

REDUCTION IN CARBON FOOTPRINTS

Related UNSDGs:

Why is This Important:

Acknowledging that energy usage in port operations stands as the primary source of greenhouse gas (GHG) emissions, SuriaGroup places considerable emphasis on diminishing its carbon footprint. This dedicated focus is pivotal for protecting the environment, combating climate change, fostering sustainable growth, and adhering to regulations while maintaining economic competitiveness.

Our Approach:

The Group prioritises the integration of green technology and exploring eco-friendly energy solutions to reduce fuel consumption.

Since 2016, the Group has substantially invested in green technology to achieve a greener operation.



Replacement of high mast lighting with energy-saving LEDs



Electrification of cargo handling equipment (RTGs)



Renewable energy generation (solar)



Scheduled waste disposal (oils, garbage, ballast water)



Cold ironing (vessels to plug on port electricity when berthed)

In its journey to achieve 'Green Port' status, Sabah Ports has dedicated its efforts towards sustainable and environmental stewardship through several initiatives such as the replacement of high mast lighting (halogen alternative) with energy-saving LEDs and developing strategies to reduce energy consumption and carbon emissions.

Additionally, the electrification of cargo handling equipment such as e-RTGs and the use of buggies and bicycles at the port premise further contributed to the reduction of air pollution and noise level within the port premises. Sabah Ports also prioritised proper disposal of scheduled waste, such as oils, garbage, and ballast water, to prevent any adverse environmental impacts.

Sabah Ports is in the initial phase of collaborating with a key industry player to implement 'cold ironing' (shore power supply to vessels), which allows vessels to connect to shore power while at berth and once realised, the project will contribute to reducing carbon emissions at the ports.

Future solar energy infrastructure at Sapangar Bay Container Port

Taking tangible steps towards realising the Sapangar Bay Container Port solar project, Sabah Ports had formally issued a letter of award to a qualified contractor on 6 November 2023. Currently, the project is awaiting approval from relevant government authorities and anticipated to be completed within a timeframe of 32 weeks.

SUSTAINABILITY STATEMENT

The solar project marks a significant advancement in Sabah Ports' transition towards green energy.



Project Cost:
RM3,200,000.00

Based on the feasibility analysis conducted at the start of the project, the solar panel array with an installed capacity of 1,056.55 kWp or 900 kWac is expected to achieve a 1,478.5 MWh yield in the first year.



Estimated Cost:
RM3.2 million

Payback Period:
Five (5) Years

Internal Rate of Return:
14.8%

Energy Yield (First Year):
RM350,000

Reduction of Carbon Footprint (Lifetime of Project):
23,924.5 Tonne CO_2 Equivalent

Sabah Ports Headquarters (HQ) building has expanded its revegetation efforts by enriching its herb garden with high oxygen-producing plants and extending greenery to areas within Sapangar Bay Container Port. This initiative is a part of the port's revegetation programme aimed to reduce greenhouse gas emission.



The Group is committed to minimise carbon emissions from its port operations and shall endeavour to prioritise low-carbon technology and electrified equipment in future purchases of cargo handling equipment (CHE).

Our Performance

Total energy consumption

In 2023, the Group achieved a notable 19% reduction in diesel fuel consumption across its business operations compared to the previous year. This reduction of 197.0 tonnes in diesel fuel usage contributed to a decrease in CO_2 emissions.

The company saw an increase of 25.9% in electricity consumption, rising from 7,951.6 Megawatts (MWh) in 2022 to 10,013.6 MWh in 2023. This surge is attributed to new operational and strategic initiatives, which are specified below:

1. Operations of the new Customs, Immigration, Quarantine, and Security (CIQS) building in Lahad Datu Port.
2. Upgrading of 200-watt to 800-watt high-mast LED lights in Kota Kinabalu Port.

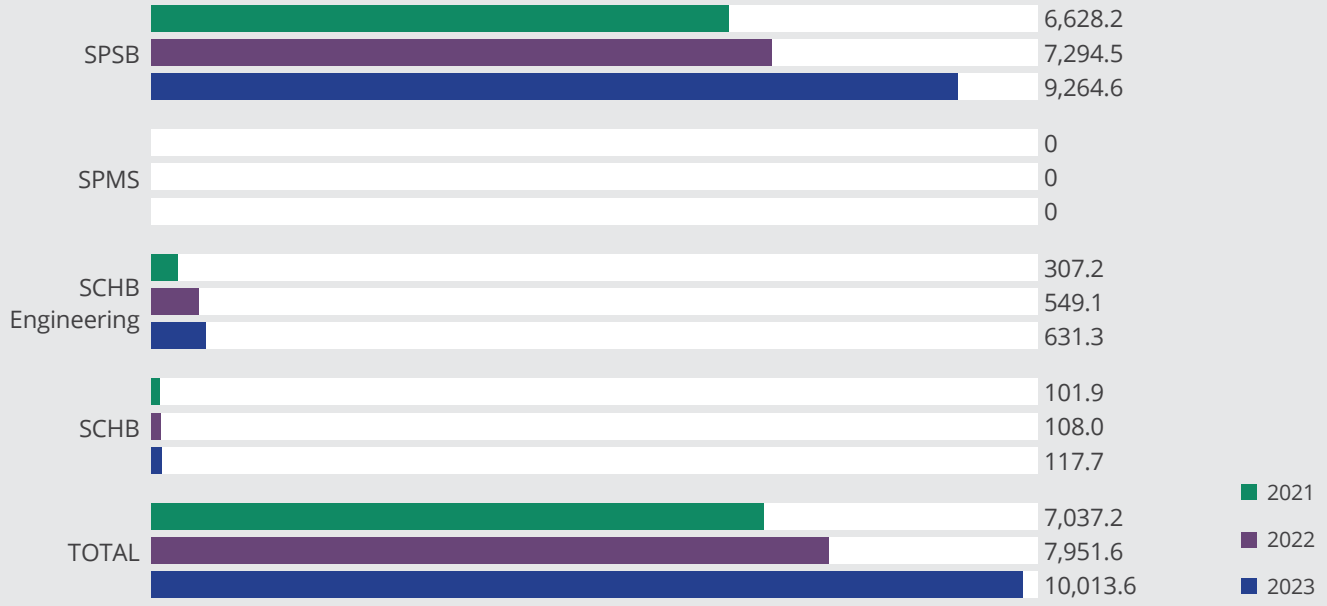
3. Addition of spotlights in black spot areas in port operations.
4. Commencement of the 'Bayu' Friday Night Market at Jesselton Point by SCHB Engineering.
5. Increase in Kota Kinabalu Port's CIQS operations to cater for off shore crew.

The Group will continue to find innovative ways to reduce energy consumption across our operations and explore efficient technologies to minimise our carbon footprint.

Fuel Consumption (Tonnes)



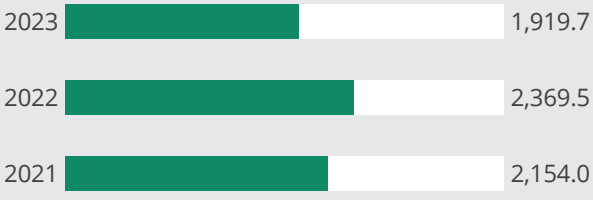
Total Enegy Consumption (MWh)



Scope 1: Fuel Consumption

Sabah Ports relies on diesel to fuel its port machinery, including generator set. The CO_2 emission was derived primarily from the fuel consumption of the cargo handling equipment across all Ports.

Carbon Emission (tCO_2)

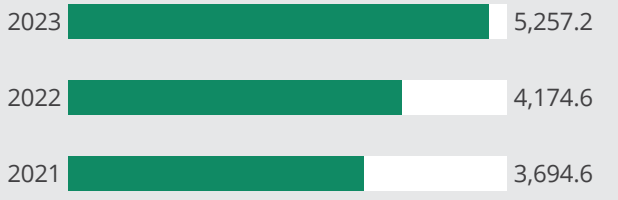


** Figures exclude emissions from company owned vehicles. Moving forward, the Group shall aim to include this calculation in future Scope 1 emission reports.*

Scope 2: Electricity Consumption

The CO_2 measurement below is derived from the emission factor for Sabah Grid as published by the Malaysian Green Technology Corporation (MGTC) and its guide on calculating CO_2 emissions from electricity consumption.

Carbon Emission (tCO_2)



SUSTAINABILITY STATEMENT

WATER CONSUMPTION

Related UNSDGs:

Why is This Important:

Addressing the issue of water scarcity requires an approach that encompasses not only efficient water management but also conservation efforts. Poor water management practices strain freshwater resources, while contamination from various industrial and maritime activities poses additional challenges. In response to this, the Group is committed to implementing sustainable water management practices that prioritise conservation and resource efficiency.

Our Approach:

As a Group, we embrace a pragmatic approach to water management in our daily operations. Our EMS ensures compliance with all relevant laws and regulations related to water quality. The Group integrates a variety of best practices by internationally recognised standards as outlined in the EMS.

At the port level, we manage water resources by:

Water Leak Identification and Repair

Establishment of a system to identify water leakages across the port facilities to prevent water wastage.

Rainwater Harvesting

Installation of rainwater harvesting systems at key locations, including Tawau Port and the Fire Fighting Station at Sabah Ports' HQ, with Lahad Datu Port and Sapangar Bay Container Port set to follow suit in 2024.

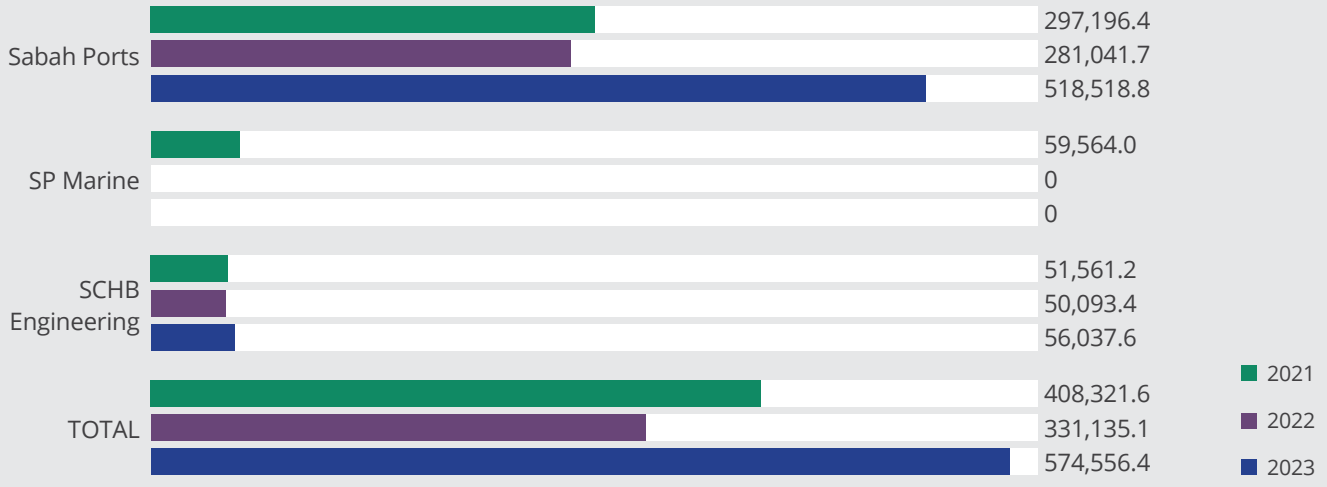


Our Performance

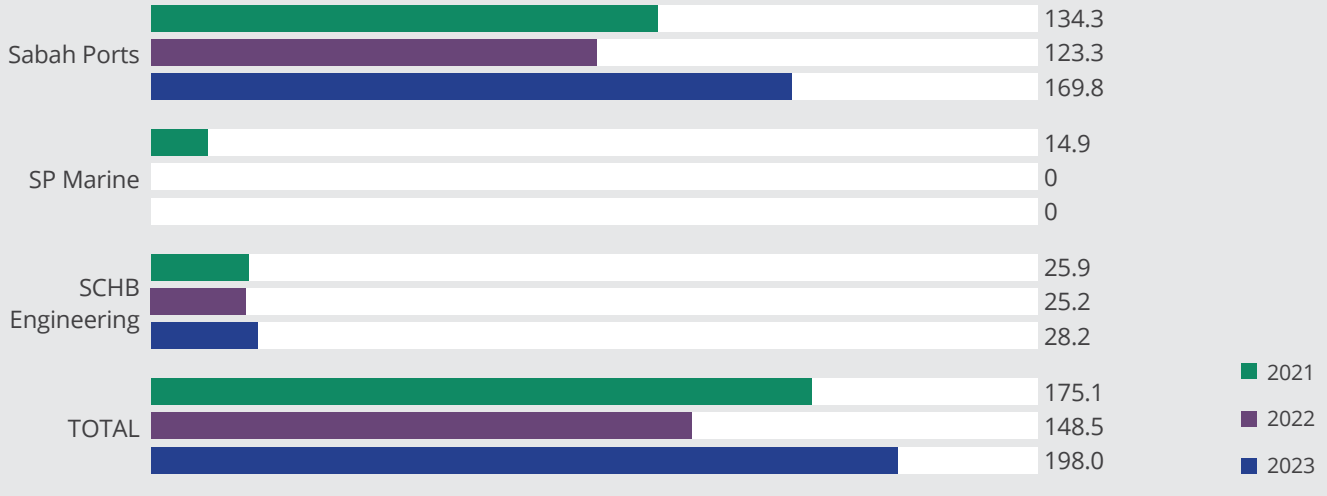
In 2023, water consumption increased by 38.2%, rising from 143.3 megaliters to 198.0 megaliters. This rise is attributed to leakages caused by soil issues at Sapangar Bay Container Port as well as leakages below the Tawau Port wharf. The leak at Sapangar Bay Container Port was promptly resolved by the installation of new pipelines, while the leakages below Tawau Port wharf are currently undergoing major repairs.

The surge in tourist arrivals in Kota Kinabalu, particularly through Jesselton Point Ferry Terminal, which is the main gateway to Tunku Abdul Rahman Marine Park, is also a plausible factor contributing to increased water usage, alongside ongoing demands from maritime operations.

Water Consumption (Cost, RM)



Total Volumn of Water Used (Megaliters)



SUSTAINABILITY STATEMENT

SCHEDULED WASTE MANAGEMENT

Related UNSDGs:

Why is This Important:

By implementing proper waste management strategies, SuriaGroup can reduce resource consumption, decrease pollution level, contribute to the conservation of natural resources, and reduce the risks of hazardous material exposure for both our employees and the surrounding communities in the areas where the Group operates.

Additionally, responsible waste management allows SuriaGroup to comply with relevant regulations and demonstrate its commitment to implementing proactive measures across all our ports and places of business.

Our Approach:

SuriaGroup is committed to the safe and environmentally responsible scheduled waste management in its port operations. We ensure that our disposal methods fulfil waste management regulations, meet legal requirements, and are handled in accordance with industry standards for safe disposal.

Our ports rigorously adhere to the governing legislation, such as the Environmental Quality Act of 1974 and Regulations 2 – 6 of the Environmental Quality (Scheduled Wastes) Regulations 2005. All scheduled waste is stored and disposed of by licensed contractors in strict compliance with the law.

A significant proportion, constituting 74.0% of our total scheduled waste volume, arises from used lubricating and hydraulic oils from port machinery maintenance and services. This specific waste stream is diligently collected by our licensed contractors for recovery.

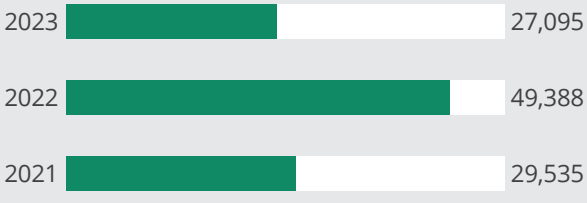
Other scheduled wastes, including used oil filters, rags, and e-waste are managed with equal dedication to environmental sustainability.

We maintain a thorough inventory reporting system and utilise the Department of Environment's (DOE) Electronic Scheduled Waste Information System (eSWIS) for E-Consignment Note submissions.

Several of the ports' HSE employees have undergone competency training programmes to meet the requirements of a "competent person" as outlined in Section 49(A)1, Environmental Quality Act 1974 (Act 127). A total of 4 HSE personnel have received the Certified Environmental Professional in Scheduled Waste Management (CePSWaM) as part of the company's plan to equip employees with skills to efficiently manage the disposal process.

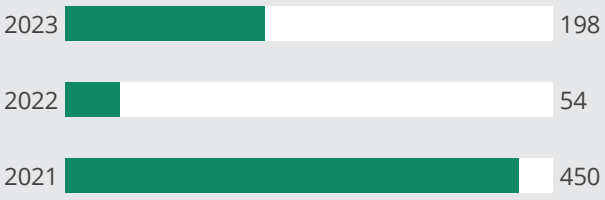
Under the umbrella of Sabah Ports, subsidiary SP Marine offers comprehensive waste collection services for marine vessels calling at Sabah ports. With the services rendered by SP Marine, the professional disposal management is provided to prevent unethical waste dumping into the environment. Stringent disposal procedures are in place, meticulously adhering to both local municipal regulations and the Environmental Quality Act of 1974.

Scheduled Waste Disposal Volume (Kg)

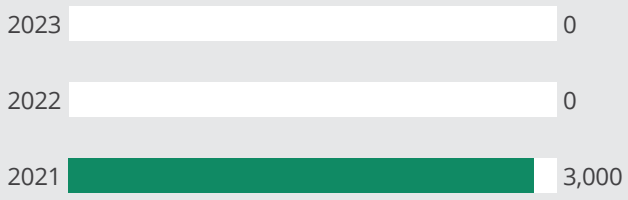


In 2023, the volume of scheduled waste generated in the port operation decreased from 49,388 kg in 2022 to 29,535 kg in 2023, a decline of 40.0% compared to the previous year. This is attributed to the decline in container handling, thus leading to a fall in the usage of machinery and the frequency of maintenance.

Garbage Collection Volume (Marine Vessel) - Total Volume (M^3)



Oily Waste Collection Volume (Marine Vessel) - Total Volume (Kg)



The recorded data on garbage collection from vessels at Sabah ports depicts a noticeable fluctuation over the past three (3) years. In 2023, a substantial surge of 450 cubic meters (M^3) was recorded. This increase was directly attributed to Kota Kinabalu Port's offshore services, which cater to SHELL-fast crew boats, initiating garbage disposal weekly since June 2023. Additionally, offshore vessels have been disposing garbage regularly on a monthly basis.

In 2021, a significant volume of 3,000 kg of oil waste was recorded. However, in 2022 and 2023, there was zero collection. This abrupt drop suggests that vessels might have disposed of their oil waste in other ports before arriving at Sabah Ports.

GREEN INITIATIVES

Related UNSDGs:

Why is This Important:

Green practices play a fundamental role in addressing the pressing challenges of climate change by effectively reducing carbon emissions and mitigating environmental damage. Green practices further promote the development of resilient ecosystems, ensuring the preservation of biodiversity and natural resources for generations to come.

Our Approach:

Our green efforts place a strong emphasis on ecosystem conservation and resource management. One of the key initiatives is the creation of Herbs Garden within Wisma SabahPorts area thus minimising the impact of port activities on flora and fauna. Recognising the pivotal role of trees in carbon sequestration, Sabah Ports has established a tree planting programme as a pledge towards carbon sequestration.

Progress Achieved in 2023

Sabah Ports HQ Building

Establishment of Herbs Garden at the Sabah Ports' HQ building



SUSTAINABILITY STATEMENT

Kota Kinabalu Port

Replacing street lights with energy-efficient LED solar lights at bridge A & B.





Tawau Port

Installation of a rainwater harvesting system capable of storing 1,600 litres for water conservation.





Sandakan Port

Planting trees to create green spaces within the Port area.



Lahad Datu Port

Herb gardening as a contribution to greenifying the Port area.



Kudat Port

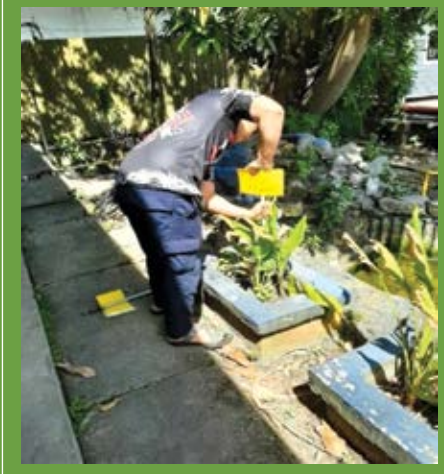
Tree planting within the building compound for a greener Port.



Sapangar Bay Container Port and Sapangar Bay Oil Terminal

Beach cleaning activities at the Container Port, resulted in the collection of 294 bags of plastic bottles, exemplifying a commitment to marine conservation. Meanwhile, tree planting at the Oil Terminal expands green coverage.







SOCIAL SUSTAINABILITY (PEOPLE)

HEALTH AND SAFETY

Related UNSDGs:



Why is This Important:

Health and safety are of paramount importance to SuriaGroup, especially since it is primarily engaged in port operations. The nature of port activities involves various occupational hazards and risks, making it essential to prioritise the well-being and safety of employees, customers, visitors, port-users, and the surrounding community. SuriaGroup recognises that a safe and healthy work environment is not only a legal and ethical obligation but also a fundamental aspect of sustainable business practices.

Our Approach:

With accreditation from the National Institute of Occupational Safety and Health Certification (NIOSH CERT) in the ISO 45001: 2018 received in 2023, the Group upholds high standards in ensuring a safe and healthy workplace, especially in high-risk environments such as ports operations. The ISO 45001:2018 framework serves as a guiding principle that enables Sabah Ports to proactively prevent work-related injuries and illnesses.

We integrate HSE considerations into every aspect of port operations, recognising that a robust occupational health system not only safeguards our workforce but also enhances company performance.

Apart from adhering to the global standards of the ISO, our HSE approach includes:

Risk Mitigation and Preparedness

The establishment, implementation, and maintenance of an Occupational Health and Safety Management System (OHSMS) to strengthen HSE preparedness.

Adherence to Legal and Ethical Requirements

We are committed to complying with all applicable national and international statutory requirements, standards, and codes. This commitment extends to embracing best industrial practices, even in the absence of specific laws and regulations.

Empowering Through Education

Comprehensive training and awareness programmes ensure that employees are equipped with the necessary knowledge and tools to actively contribute to create a safe working culture.

SUSTAINABILITY STATEMENT

Our Performance

The following table presents a summary of accident statistics for the year 2023, encompassing all companies under SuriaGroup.

Ports Location	Total No. of Accident and Near Miss	Total Manhours	Total Workdays Lost	Fatality Rate	Incident Rate	Frequency Rate	Severity Rate
HQ	1	260,484.0	0	0	7.5	3.8	0.0
KK	2	177,600.0	0	0	27.0	11.3	0.0
Sandakan	5	436,800.0	0	0	28.6	11.5	0.0
Tawau	11	336,312.0	0	0	84.6	32.7	0.0
Lahad Datu	1	166,868.8	0	0	15.2	6.0	0.0
SBOT	1	125,560.0	0	0	23.3	8.0	0.0
Kunak	4	55,538.4	0	0	181.8	72.0	0.0
Kudat	0	26,400.0	0	0	0.0	0.0	0.0
SBCP	26	1,401,600.0	0	0	81.3	18.6	0.0
SCES	0	78,400.0	0	0	0.0	0.0	0.0
SPMS	0	19,600.0	0	0	0.0	0.0	0.0
SCHB	0	84,280.0	0	0	0.0	0.0	0.0
TOTAL	**51**	**3,169,443.2**	**0**	**0**	**47.8**	**16.1**	**0.0**

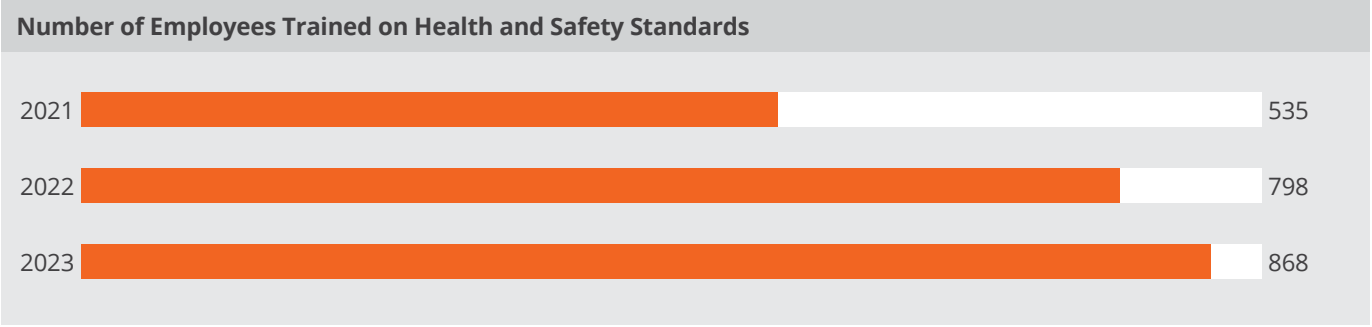
The total number of accidents and near misses is predominantly attributed to technical issues arising during container handling operations on board vessels and at the wharf, as well as incidents classified as near misses. None of these incidents involved accidents resulting in injury or loss of life.

Number of work-related fatalities and lost time incident rate (LTIR)

With 2023 being the first year of reporting the above indicator, SuriaGroup achieved a zero work-related fatality record and a zero lost-time injury rate. This accomplishment underscores the Group's commitment to safety, reflecting our pledge to prioritise the well-being of all individuals associated with our operations.

Number of employees trained on health and safety standards

In 2023, a total of 868 participants were given trainings on health and safety standards.



PEOPLE MANAGEMENT

Related UNSDGs:



Why is This Important:

We recognise that our employees are our most valuable asset, and investing in their development and satisfaction is essential for the long-term success of our organisation. We strive to be an organisation that provides enriching growth experiences and offer meaningful and engaging work opportunities that align with individual talents and aspirations, thus underscoring the importance we place on effective people management.

Under People Management, the Group addresses three key materiality issues:

1. Talent Force
2. Learning and Development
3. People Engagement

These areas signify the Group's focus on managing its workforce effectively, nurturing talent, fostering continuous learning and growth, and promoting cohesiveness among employees.

Our Approach:

Key Highlights

1. Completed the remuneration study for the employees and the Board to ensure their remuneration remains competitive in the market.
2. Negotiation for the Third Collective Agreement between Sabah Ports and its employees' union has completed.
3. Established assessment centre in March 2023 for the new employee recruitment process. Various assessment methods have been established i.e. psychometric assessment, job related tests and interviews to provide a fair and objective way to assess a candidate's competencies.
4. Signed Memorandum of Cooperation with Malaysian Ministry of Human Resources (MoHR) for Technical and Vocational Education and Training (TVET) Programme on 5 October 2023.

We execute our Human Resource Strategy with a comprehensive Group People Framework that aligns all human resource functions to support our growth. The framework guides us in effectively managing our people to align with our overall business objectives.

Our Group People Framework is formulated based on long-term strategic human resource objective: 'To Make SuriaGroup a Preferred Place of Employment.' The framework builds upon the fundamental principles of our 'Core Values' and a set of 'People's Key Behaviours.' Every member of SuriaGroup, whether directly or indirectly, shares these common values and behaviours. We believe that these components form the foundation for achieving our objective.

SUSTAINABILITY STATEMENT



The underlying philosophy of our Group People Framework is encapsulated in the principle of 'We **DARE** Our People.' This acronym, DARE, signifies our commitment to our workforce through four pillars: Develop, Attract, Reward, and Engage.

Talent Force | **Learning and Development** | **People Engagement**

DEVELOP Strategic approach that aims at enhancing the skills, knowledge, and competencies of our people.

ATTRACT Human capital management that embraces workforce diversity and inclusivity.

REWARD Welfare and remuneration management to attract talent and high-potential recruits.

ENGAGE Creating positive experience for our people.

We ensure that our Human Resource Practices comply with relevant labour laws in Malaysia, as well as our internal Human Resource Policies and any other related acts and regulations, to provide a conducive, safe, and harmonious working environment.

- ☑ Labour Ordinance (Sabah Cap. 67)
- ☑ Industrial Relations Act 1967
- ☑ Trade Union Act 1969
- ☑ Occupational Safety and Health Act 1994
- ☑ Employees' Provident Fund Act 1991
- ☑ Employees' Social Security Organisation Act 1969
- ☑ Income Tax 1967
- ☑ Employment Insurance System Act 2017
- ☑ Personal Date Protection Act 2010
- ☑ Minimum Retirement Age Act 2012
- ☑ Minimum Wages Order 2022
- ☑ SuriaGroup People Policies
- ☑ SuriaGroup Terms and Conditions of Service
- ☑ SuriaGroup Code of Conduct

TALENT FORCE

SuriaGroup continues to prioritise the hiring of local talents to strengthen our talent force, aligning with our commitment to contribute to the community by providing employment opportunities that enrich lives and recognising the significant impact of local talents on our organisation. During the year under review, we have a workforce of 1,090 individuals across the state of Sabah.

Under the DARE framework, we employ the **Attract** and **Reward** strategy to effectively manage the Group's talent force.

Attract: Our focus revolves around embracing workforce diversity and inclusivity to attract top talent and foster a dynamic and inclusive organisational culture.

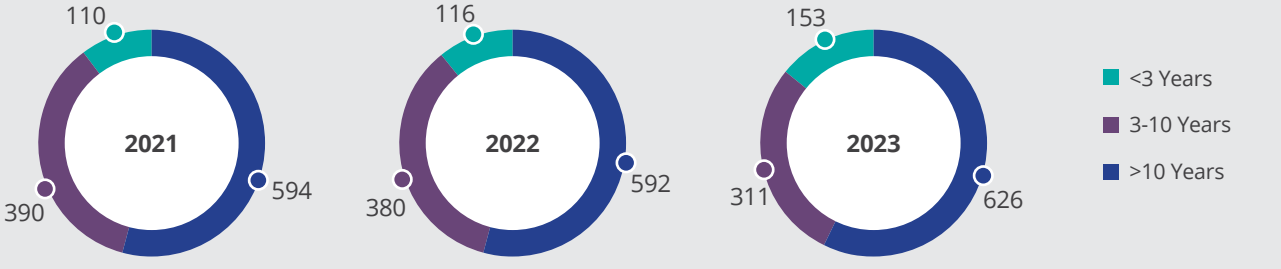
Reward: In conjunction with our hiring initiatives, the Group's welfare and remuneration management are tailored to attract top talent and high-potential recruits through competitive compensation packages and comprehensive benefits.

These strategies aim to enhance employee satisfaction and retention, ensuring our workforce remains engaged and motivated.

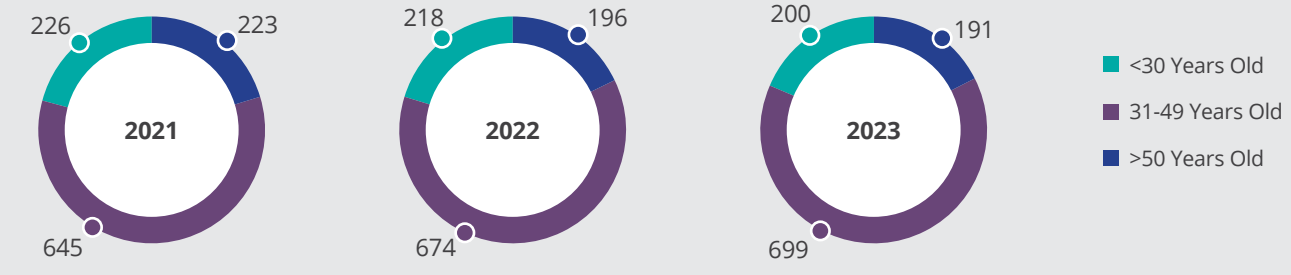
Total Number of Staff

Company/Year	2021	2022	2023
Suria Capital	40	42	44
Sabah Ports	1,003	993	996
SCHB Engineering	40	41	39
SP Marine	10	11	10
S.P. Satria	1	1	1
TOTAL	**1,094**	**1,088**	**1,090**

Length of Service



Age Group



SUSTAINABILITY STATEMENT

The Group manpower statistic indicates that employees serving more than ten (10) years contributes the largest proportion of the workforce. Their long tenure leads to extensive knowledge and expertise in their field of work. This reflects a positive influence on the growth and success of SuriaGroup.

Number of Substantiated Complaints Concerning Human Rights Violation

We are fully committed to upholding human rights and are in compliance with the Sabah Labour Ordinance, which covers freedom of association and collective bargaining, forced labour, child labour, and discrimination at work. We are further guided by the SuriaGroup Code of Conduct which defines our organisational practices as an equal opportunity employer and a diverse, equitable and inclusive (DEI) workplace.

With 2023 being the first year of reporting the above indicator, SuriaGroup is pleased to inform that the company and its subsidiaries received zero complaints concerning human rights violations. No complaints were received, whether through written submissions, verbal communication, or across any of the Group's digital communication platforms.

Empowering Women for Growth

Our workforce at SuriaGroup is built upon a foundation of diversity, encompassing various age groups, backgrounds, and cultures. Embracing and sustaining a diverse team is essential for building an inclusive workplace environment. In our hiring processes, we ensure fairness and equal opportunity for all candidates, ensuring that everyone is provided with the same opportunities for growth and advancement.

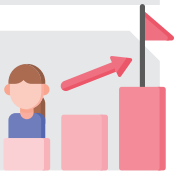
Port operations have long been perceived as a male-dominated industry due to the perception that the work roles primarily involve physically demanding labour, thus leading to the stereotype that the sector is unsuitable for women. Currently, women represent only 19% of our overall structure, with a mere 1.01% holding senior decision-making roles.

In our ongoing efforts to empower women, the Group invests in nurturing female talent through leadership development programme and provides platforms for them to lead internal projects and initiatives. Throughout 2023, we remain committed to supporting women in building their leadership capabilities through various programmes.

17 International Women Day - Closing the Gender

4 Transformational CEO Boot Camp 3.0

4 Kursus Kepimpinan Wanita



Under SuriaGroup's Talent Development Programme, dedicated to nurturing future leadership roles, there is a notable 42.0% representation of women, equating to 18 individuals. Please refer page 109 for a summary of the Talent Development Programme.

Our Performance

Percentage of Employees by Gender for Each Employee Category

Employee Category	Gender	2021	2022	2023
Management	Male	3.5%	3.6%	3.9%
	Female	2.6%	2.5%	2.6%
Executive	Male	8.5%	8.4%	7.6%
	Female	4.5%	4.9%	5%
Non-Executive/Technical Staff	Male	64.3%	65.3%	65.9%
	Female	12.2%	11.7%	11.3%
General workers	Male	4.5%	3.8%	3.8%
	Female	0%	0%	0%

Percentage of Employees by Age Group, for Each Employee Category

Employee Category	Age Group	2021	2022	2023
Management	Under 30	0%	0.1%	0.1%
	30 - 50	3.7%	3.7%	3.9%
	Above 50	2.3%	2.3%	2.4%
Executive	Under 30	0.7%	0.8%	0.8%
	30 - 50	8.3%	8.5%	8.5%
	Above 50	3.9%	4.0%	3.3%
Non-Executive/Technical Staff	Under 30	14.8%	13.5%	13.4%
	30 - 50	49.5%	53.5%	54.6%
	Above 50	12.2%	9.9%	9.2%
General workers	Under 30	1.7%	1.2%	1.0%
	30 - 50	2.0%	1.8%	2.0%
	Above 50	0.7%	0.7%	0.7%

Percentage of Directors by Gender Suria Capital

Gender Category	2021	2022	2023
Male	71.4%	77.8%	70%
Female	28.6%	22.2%	30%

Percentage of Directors by Age Group Suria Capital

Age Category	2021	2022	2023
Under 30	0	0	0
30 - 50	0	0	10%
Above 50	100%	100%	90%

Percentage of Employees that are Contractors or Temporary Staff

Employee Category	2021	2022	2023
Employees that are contractors or temporary staff	0%	0%	0%

Total Number of Employee Turnover by Employee Category

The Group's turnover rate has decreased from 2.4% in 2022 to 1.6% in 2023, reflecting a relatively low average of 1% to 2% over the past three (3) years. These figures indicate the effectiveness of SuriaGroup's retention strategies, further affirming the company as a preferred place of employment.

Employee Category	2021	2022	2023
Management	1	0	0
Executive	5	9	6
Non-Executive/Technical Staff	11	15	12
General Workers	2	2	0

Percentage of Women on Suria Capital's Executive Committee

Employee Category	2021	2022	2023
Percentage of women	72.7%	69.2%	69.2%
No. of women out of total members	8/11 members	9/13 members	9/13 members

SUSTAINABILITY STATEMENT

LEARNING AND DEVELOPMENT

Under the DARE approach, we **Develop** our people by enhancing their skills, knowledge, and competencies. The Group emphasises people's development by providing platforms to learn and build competencies in various ways. Investing in our people's learning and development is deemed necessary by the Group, as it motivates them to go the extra mile knowing that the company is investing in them.

We offer extensive learning and development solutions tailored to meet the needs of our people, while also proactively recognising good work and supporting opportunities for growth and improvement. Our learning and development programme is designed to reach employees at all levels, maximising engagement and retention within the Group.

Investments in Developing Employee Competencies

For the year 2023, the Group has invested a total of RM816,487.49 in learning and development, inclusive of upgrading learning facilities to cater for a wide range of roles, in order to ensure the training programmes are equally varied and conducive.

For the year 2023, the Group had conducted learning and development activities in the following segments:

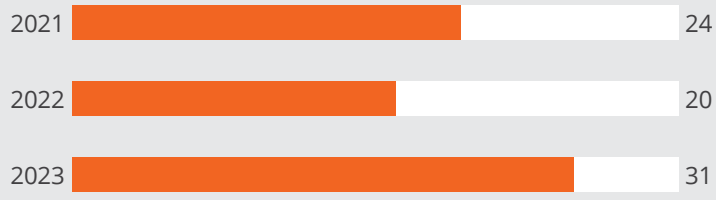
- ☑ Compliance
- ☑ Operational
- ☑ Functional
- ☑ Information Technology (IT) Training
- ☑ Knowledge Sharing
- ☑ Continuous Education Programme
- ☑ Industrial Training

In addition, we offer internship and practical trainee programmes for students, providing them with opportunities to explore the port industry and corporate environment. The Group is committed to serving as a strong advocate for human capital development and actively participates in job and career fairs for young Sabahans.

In 2023, 31 students underwent industrial training at SuriaGroup, gaining valuable experience and exposure to the real working environment. Over the period spanning from 2021 to 2023, a total of RM82,981.76 was distributed in the form of allowances for practical students.

	2021 (RM)	2022 (RM)	2023 (RM)	Total (RM)
Allowances for practical students	26,059.32	24,572.44	32,350.00	**82,981.76**

Industrial Training



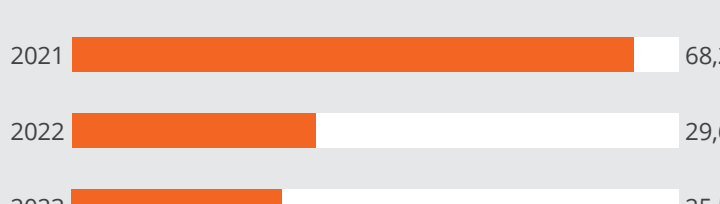
Supporting Growth Through Continuous Education Programme (CEP)

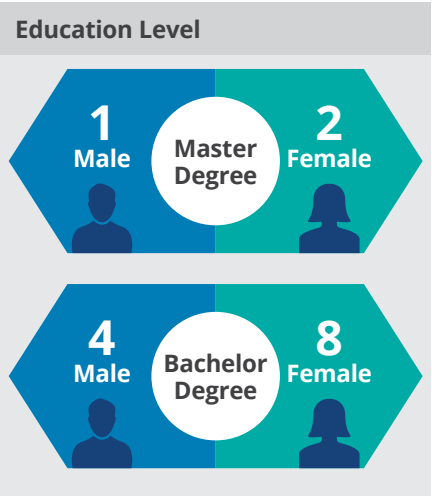
The Group demonstrates its commitment to supporting employees who aspire to further their studies and advance their careers by extending financial education assistance to eligible individuals.

From 2021 to 2023, the Group has provided a total of RM123,411.80 in financial assistance to 23 employees enrolled in the Continuous Education Programme (CEP).

As of 2023, a total of 15 employees are still pursuing their studies under the CEP, while six (6) employees have completed their studies in the same year.

Continuous Education Programme (RM)





Nurturing Future Leaders of SuriaGroup

In August 2022, the Talent Development Programme (TDP) was launched as part of the Group's succession planning strategy. The TDP identifies high-potential talents among the Group's executive and managerial level officers, and provide them with training opportunities that facilitate leadership growth. A total of 19 talents had successfully completed the TDP programme in 2023.

Continuing the TDP success, a second batch of 24 talents was identified across the Group due to their promising potential. Various training sessions were arranged, covering topics such as enhancing presentation skills, professional appearance, etiquette, and a knowledge-sharing workshop involving both Batch 1 and Batch 2.

As a strategic component of the programme, talents from Batch 2 presented their individual and group project assignments before a distinguished panel, addressing proposed improvement initiatives based on real-life case scenarios within the Group. The panel comprised the Group Managing Director (GMD), Group Financial Controller (GFC) and General Managers (GMs) of Sabah Ports.



Additionally, the talents had the privilege of engaging in a session with the GMD, during which she generously shared insights from her own career journey and highlighted significant corporate milestones achieved by the Group.

Our Performance

Total Hours of Training by Employee

In 2023, SuriaGroup spent a total of 30, 362 hours on training and investing a total of RM816,487.49 in learning and development programmes.

Year	2021		2022		2023	
Hours/Level	Hours Spent	Amount Spent (RM)	Hours Spent	Amount Spent (RM)	Hours Spent	Amount Spent (RM)
Management	2,947	88,730.45	2,574	228,356.16	4,571	123,263.24
Executive	2,945	115,632.12	2,963	147,275.66	5,299	142,894.75
Non-Executive	5,754	126,956.64	19,746	269,544.06	20,408	550,329.50
General Workers	147	-	131	-	84	-
TOTAL	**11,793**	**331,319.21**	**25, 414**	**645,175.88**	**30, 362**	**816,487.49**

SUSTAINABILITY STATEMENT

PEOPLE ENGAGEMENT

In SuriaGroup, employee engagement is an ongoing journey. Our primary goal is to cultivate a harmonious and healthy work environment by prioritising work-life balance, ultimately enhancing employee performance and productivity.

Our key engagement strategy revolves around integrating employees through social and philanthropic events to foster unity and team spirit. Additionally, we offer various initiatives such as:

- Employee Assistance Programme
- Welfare assistance
- Grievance mechanisms
- Flexible working arrangements
- Health, Finance, and ESG Talks

Our aim is to create an inclusive and positive culture that enriches the employees' experience and foster ongoing engagement.

How we strengthen Ties

SuriaGroup Family Day, 12 August 2023, Sutera Harbour Resort



- *SuriaGroup hosted its first Family Day post-COVID, aiming to build positive company culture by providing employees and their families with a fun-filled bonding experience*

2nd SP KESURI (Kelab Sukan dan Rekreasi Sabah Ports Sdn Bhd) Sports Carnival, 4 - 7 August 2023, Keningau Sports Complex



- *This event saw participation from senior management, department heads, and employees, enhancing relationships and showcasing talents in various sports events*

Celebrating Cultural Festivals



- *Chinese New Year, 2 February 2023, Wisma SabahPorts*



- *Hari Raya Celebration, 18 May 2023, Wisma SabahPorts*



• *Senior Management Christmas and Year End Gathering, 16 December 2023, Borneo Sunset Cruise Sutera Harbour*

SuriaGroup embraces festival celebrations, to foster unity and inclusivity among its employees and external stakeholders. This year the Group celebrated Chinese New Year and Eid al-Fitr. Goodies were also distributed to the employees during festivities as a gesture of gratitude.

Sabah Ports' Masjid Al-Ikhwan at Sapangar Bay organised Maulidur Rasul and Ibadah Qurban with Sapangar villagers



• *Maulidur Rasul, 29 September 2023, Masjid Al-Ikhwan*



• *Ibadah Qurban, 3 July 2023, Masjid Al-Ikhwan*

SuriaGroup's Muslim employees, along with the Masjid Al-Ikhwan Committee, organised a Maulidur Rasul procession with the local community. Meanwhile, Eid al-Adha was also celebrated together with the local community where Ibadah Qurban was performed.

Health, Finance and ESG Talks



• *"Rancang Harta Celik Faraid", 8 June 2023, Training Room, Wisma SabahPorts*



• *"Kesedaran Bahaya SCAM and Akaun Tumpang (Keldai)", 13 July 2023, Training Room, Wisma SabahPorts*



• *Outreach Programme by KWSP, 11 September 2023, Board Room, Wisma SabahPorts*

Our engagement initiatives focus around relevant and significant topics, with the aim of empowering employees with the necessary knowledge and guidance.

SUSTAINABILITY STATEMENT

SOCIAL SUSTAINABILITY (STAKEHOLDERS & COMMUNITY)

SERVING OUR STAKEHOLDERS

Related UNSDGs:



Why is This Important:

Maintaining platforms for engagement with stakeholders is imperative to ensure they remain informed of the latest developments in the company. These channels serve as significant avenues for gathering industry feedback and for better understanding and responding to stakeholders' expectations. By facilitating various channels for communication, we strengthen relationships with our stakeholders and create opportunities for collaboration and mutual understanding.

Our Approach:

The Group conducts engagement through a variety of channels.

For information on the Group's stakeholder engagement please refer to page 70.

Apart from the above, Sabah Ports conducts an annual customer satisfaction survey to assess the satisfaction levels of port users. All ports, except for Kudat Port, participate in this survey. Kudat Port is excluded due to its limited operational activity and small user base.

The questionnaire encompasses sections on Port Operations Services, Supporting Services (HSE and Security), Counter & Planning Services, and General Questions, offering sufficient room for customer suggestions and comments. Employing a rating system, respondents can indicate their satisfaction levels, ranging from 'very satisfied' to 'very dissatisfied', with an 'N/A' option available. Respondents, categorised as shipping agents and forwarding agents, are prompted to rate services tailored to specific cargo types, including containers, conventional cargo, RoRo, Bulk-Fertiliser, Bulk-PKE, Liquid Palm Oil and Liquid Petroleum.

Apart from the survey, SuriaGroup encourages its senior management to participate in speaking circuits as a strategy to showcase our ports' potential, particularly Sapangar Bay Container Port and enhance the Group's brand recognition. The Group participates in conferences and expos as platforms to showcase the latest port developments, gather market insights, strengthen networking efforts, and reinforce SuriaGroup's position in the maritime and logistics sectors.

Progress Achieved in 2023

The Sabah Ports Customer Satisfaction Feedback is an annual survey distributed in the month of December. In 2023, a total of 133 customers responded to the survey.

Notably, for the year 2023, all ports, except Tawau Port, achieved a rating of four (4) or above, indicating a high level of customer satisfaction. While there was a slight decline in satisfaction levels reported for Sapangar Bay Container Port, Sandakan Port and Lahad Datu Port compared to 2022, the decrease was minimal, suggesting that customers remain content with the overall services and facilities provided by Sabah Ports.

For our security and HSE services, we have consistently maintained a rating of four (4) and above over the years, reflecting a high level of user satisfaction.

As part of Sabah Ports' ongoing commitment to enhancing customer satisfaction, customer engagement sessions are organised at each port. These sessions provide a platform for open discussions on potential areas for improvement based on survey feedback and to address any significant issues that have been raised. Through proactive engagement and collaboration with our customers, we aim to maintain high satisfaction levels and deliver exceptional experiences at all ports.

Customer Satisfaction Rate (Average Score)

Rating	5	4	3	2	1	N
Remark	Very Satisfied	Satisfied	Average	Not Satisfied	Very Dissatisfied	Not Applicable

YEAR	SBCP	KK	SBOT	SDK	TWU	LD	KNK
2023	4.18	4.40	4.39	4.09	3.90	4.46	4.48
2022	4.23	3.96	4.32	4.16	4.03	4.48	4.17
2021	3.89	3.72	4.21	4.03	3.87	4.11	4.04

Security Services (Average Score)

YEAR	SBCP	KK	SBOT	SDK	TWU	LD	KNK
2023	4.36	4.52	4.54	4.20	4.02	4.48	4.50
2022	4.25	4.08	4.40	4.29	4.20	4.45	4.25
2021	3.81	3.88	4.42	4.06	4.02	4.21	4.67

HSE (Average score)

YEAR	SBCP	KK	SBOT	SDK	TWU	LD	KNK
2023	4.41	4.48	4.56	4.19	4.00	4.40	4.51
2022	4.31	3.97	4.29	4.29	4.15	4.60	4.29
2021	3.99	4.00	4.08	4.08	3.90	4.05	4.07

Participation in Conferences and Exhibitions



Sapangar Bay Container Port: The Promising Gateway for BIMP-EAGA

BIMP-EAGA 2023

Organiser: Transport Events

21 – 23 February 2023

Jakarta, Indonesia

Speaker:
Siti Noraishah Azizan,
General Manager (Corporate Services)



Integrity Week

Organiser: Ministry of Finance Sabah with MACC

14 & 18 August 2023

State Administration Building

Kota Kinabalu, Sabah

Booth by SuriaGroup

SUSTAINABILITY STATEMENT



Navigating Sabah Ports Towards Sustainability

2nd Port Development South East Asia Summit (PDSEAS 2023)

Organiser: Imowim Group

14 September 2023

Ho Chi Minh, Vietnam

Speaker:
Siti Noraishah Azizan,
General Manager (Corporate Services)



Sabah International Expo 2023

21 – 24 September 2023

Organiser: Sabah State Government, Federation of Sabah Industries and Malaysian International Chamber of Commerce and Industry, Sabah

Sabah International Convention Centre

Kota Kinabalu, Sabah

Booth by SuriaGroup and DP World

Emerald Sponsorship
(Top Sponsor)

Winner – Best Booth



Opportunities and Challenges for Pathway to Greener Ports

Navigating Toward Sustainability: Green Port Port and Maritime Exchange 2023 (POMEX 2023)

Organiser: MISC Maritime Services Sdn. Bhd. (MMS)

30 – 31 October 2023

Le Meridien Hotel

Kota Kinabalu, Sabah

Speaker:
Siti Noraishah Azizan,
General Manager (Corporate Services)

Captain Nadel Veldes Joseph
Senior Manager (Marine Unit)



2023 Investor Day

Organiser: icapital.biz Berhad

5 November 2023

KLCC, Kuala Lumpur

Edge Sponsorship Package

CARING FOR OUR COMMUNITY

Related UNSDGs:



Why is This Important:

The Group is committed to ethical business practices, sustainability, and social responsibility. These efforts are instrumental in building trust and credibility with our stakeholders, which are customers, government agencies, investors, employees, suppliers and the wider community. Moreover, our engagement activities contribute to enhancing our reputation through responsible corporate citizenship and creating positive relationships with stakeholders and the community at large.

Our Approach:

Our CSR strategies are focused on three key areas:

1. Strengthening ties with stakeholders and the community: We prioritise building positive relationships by creating avenues for engagement and providing support through sponsorships that strengthen the community.

2. Protecting biodiversity: Given our active involvement in sea-based business operations, we place particular emphasis on the conservation of marine biodiversity, especially in the areas surrounding our ports. We are committed to implementing measures that minimise our impact on marine ecosystems and promote sustainable practices for balanced development.

3. Supporting ESG (Environmental, Social, and Governance) Awareness: We recognise the importance of promoting ESG awareness among both internal and external stakeholders. By raising awareness and encouraging participation, we aim to empower individuals and organisations to become active contributors to environmental and social sustainability efforts.

Through these focused initiatives, we strive to make a positive impact on society and the environment while ensuring the long-term sustainability of our business operations.

Our key activities towards achieving these objectives in 2023 are as follows:

No.	Initiatives	Venue	Date	External Stakeholder Involved
1	SuriaGroup's Chinese New Year Celebration 2023	Wisma SabahPorts, Sapangar Bay Container Port	2 February 2023	• Government Agencies • Heads of Sabah Logistics Associations • Port Users • Oil Majors • Sapangar Bay-based Industries
2	KK Clean Up Day: Jesselton Point & Pelancaran Kempen Buan Kesedaran "My City, My Responsibilities" SuriaGroup participated as co-collaborator with Kota Kinabalu City Hall	Futsal Arena, Jesselton Point, Kota Kinabalu	18 February 2023	• YB Datuk Abidin Madingkir, State Assistant Minister to the Chief Minister of Sabah • Kota Kinabalu City Hall • Sabah State Agencies • Non-Governmental Organisations (NGOs) • GLC's Higher Learning Institutions • 300 volunteers

SUSTAINABILITY STATEMENT

No.	Initiatives	Venue	Date	External Stakeholder Involved
3	Majlis Penyerahan Kuih Muih kepada Anggota Pasukan Keselamatan & Petugas Kesihatan 2023 anjuran Pejabat Timbalan Setiausaha Kerajaan Negeri Sabah SuriaGroup participated as a donor agency	Auditorium, Block A, Menara Kinabalu, Kota Kinabalu	6 April 2023	13 frontline agencies
4	SuriaGroup's Ramadhan Outreach Programme	• Sandakan Port	4 April 2023	4 Children's Homes
		• Tawau Port	6 April 2024	15 underprivileged children from SMK Pasir Putih, Tawau
		• Lahad Datu Port	13 April 2023	15 underprivileged families, 2 Masjids/Tahfiz Schools
		• Kunak Port	14 April 2023	10 underprivileged families, 2 Masjids/Tahfiz Schools
		• Masjid Al- Ikhwan, Sapangar Bay, Kota Kinabalu	13 April 2023	1 Children's Home, 2 Tahfiz Schools
		• Masjid Al- Ikhwan, Sapangar Bay, Kota Kinabalu	13 April 2023	Iftar with 250 Villagers within Sapangar Bay vicinity
5	SuriaGroup's Muzikal Raya 2023	Wisma SabahPorts, Sapangar Bay Container Port	18 May 2023	• Government Agencies • Heads of Sabah Logistics Associations • Port Users • Oil Majors • Sapangar Bay-based Industries
6	Majlis Anugerah Pelajar Cemerlang MADANI (SPM 2022) Parlimen Sapangar SuriaGroup participated as the main sponsor	Institut Latihan Perindustrian, Kota Kinabalu Sapangar Bay, Kota Kinabalu	21 June 2023	• YB Datuk Mustapha Sakmud, Past Deputy Minister of Human Resources, Ministry of Human Resources Malaysia • Institut Latihan Perindustrian Kota Kinabalu, • Department of Education, Kota Kinabalu District • 12 schools in Sapangar vicinity, 186 students
7	Sunset Zumba In conjunction with 'Integriti Week' organised by Ministry of Finance Sabah and MACC SuriaGroup with Qhazanah Sabah Berhad participated as co-organisers	Futsal Arena, Jesselton Point, Kota Kinabalu	16 August 2023	• Ministry Of Finance Sabah • Malaysian Anti-Corruption Commission • 250 participants from 13 State Agencies and GLC's
8	SuriaGroup's 'Lets Bowl with Suria'	KK Galaxy Bowl, Centre Point Sabah, Kota Kinabalu	19 August 2023	Media members for RTM, Sabah Journalist Association and Kota Kinabalu Journalist Association

No.	Initiatives	Venue	Date	External Stakeholder Involved
9	SuriaGroup Blood Donation Drive 2023 in aid of Queen Elizabeth Hospital, Kota Kinabalu	Wisma Sabah Ports Sapangar Bay, Kota Kinabalu	19 September 2023	• Port Users • Government Agencies and TLDM in Sapangar Bay • Sapangar villagers • Queen Elizabeth Hospital, Kota Kinabalu
10	Sabah Ports' Sapangar Bay Container Port Annual Beach Cleaning	Sapangar Bay Container Port shoreline, Kota Kinabalu	20 September 2023	• Kota Kinabalu City Hall • Government Agencies at SBCP, • Port Users • Oil Majors • University Malaysia Sabah • Kg. Kuala Menggatal, Sapangar Bay community
11	Beach Cleaning and Two – Year Sea Turtle Conservation Programme with Friends of Sea Turtles Education & Research (FOSTER) Sabah Ports with FOSTER participated as lead agency	Pulau Libaran, Sandakan	15 October 2023	• FOSTER (NGO) • Pulau Libaran villagers • Walai Penyu Conservation Park
12	Two – Year Seagrass Transplanting Programme Kick – Off Ceremony between Sabah Ports Sdn Bhd and Universiti Malaysia Sabah Sabah Ports with UMS participated as lead agency	Galeri Azman Hashim, Universiti Malaysia Sabah, Kota Kinabalu	30 November 2023	• Universiti Malaysia Sabah • Borneo Marine Research Institute • Seagrass Guardian (NGO) • Ara Dinawan Resort • 30 school children from S.K. Kibagu, Kota Kinabalu
13	Sabah Ports Invitational Golf 2023 organised by SP KESURI	Sutera Harbour Golf & Country Club, Kota Kinabalu	16 December 2023	• Port Community, • Government Agencies, • Suppliers • Business and Trade Industry players

KK Clean Up Day with DBKK: Jesselton Point & Pelancaran Kempen Bulan Kesedaran "My City, My Responsibilities"

SuriaGroup and Kota Kinabalu City Hall (DBKK) had joined forces to bring the community together for the 'KK Clean Up Day' which was held on 18 February 2023 and in conjunction with the launch of DBKK's 'My City, My Responsibility' month. The event was an opportunity to promote awareness of environmental issues and to encourage everyone in the community to act together to keep Kota Kinabalu city clean and green. The event that took place at Jesselton Point Ferry Terminal was not just about picking up trash; it was a community event that brought people together. Participants, young and old from various agencies and institutions, joined in a fun 'Senamrobik' exercise led by local fitness instructors.

Two – Year Seagrass Transplanting Programme Kick – Off Ceremony between SuriaGroup, Borneo Marine Research Institute (BMRI), Seagrass Guardian and Universiti Malaysia Sabah (UMS)

Since 2012, SuriaGroup and BMRI of UMS have engaged in various collaborative projects, including the conservation of coral reef ecology, coral conservation, and a study on the status of heavy metal pollution in coastal sediments. In 2018, the inaugural Seagrass Transplantation project was launched, aimed at preserving Sapangar Bay's biologically rich heritage in view of the impending developments.

SUSTAINABILITY STATEMENT

Building on the success of the initial transplant, the Group is expanding its efforts through a two-year collaborative partnership that involves not only SuriaGroup and UMS but also key stakeholders such as eco resort operator Ara Dinawan Island Resort, the Kg. Kibagu school and community, as well as Seagrass Guardian - an environmental NGO.

Ara Dinawan Resort will actively incorporate seagrass conservation education into their tourism offerings, playing a pivotal role in raising awareness among visitors.

Furthermore, our collaboration with Kg. Kibagu school and community demonstrates our dedication to involving local communities. By promoting educational initiatives and community engagement, we aim to cultivate a sense of responsibility towards preserving our natural resources.

Our Performance

RM176,780.70 Spent on community impact programmes

2 Biodiversities impacted through collaborative programmes

50 Beneficiaries reached

Over 100 Employees participated in community impact programmes

	2021	2022	2023
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM178,155.00	RM121,347.00	RM176,780.70
Total number of beneficiaries of the investment in communities	33	35	50

SuriaGroup's List of Donation & Sponsorships

Title	Purpose	Beneficiaries	Amount
CSR Collaboration with DBKK	Co-organisation of "KK Clean-Up Day" at Jesselton Point Ferry Terminal	• Local Communities • Tourists • Local Businesses • Local Authorities • Stakeholders • Marine Ecosystem	RM21,167.30
Suria Capital Holdings Iftar Ceremony	Iftar ceremony at Al-Ikhwan Mosque, Sapangar Bay	• Employees • Port-users • Clients • Local Communities	RM22,560.00
Donation to ST. Agnes, SK Kiansom & Caritas Transit Centre	Handover of Suria assets to schools & transit centre	• Schools • Transit Centre	RM350.00
Donation to orphanage & Asnaf home	Donation to Rumah Anak Yatim & Asnaf Kg Silad Ranau & Rumah Kanak-Kanak Don Bosco Kg Bundu Tuhan in conjunction with Universal Children's Day	• Orphans • Asnaf Families	RM7,500.00
Seagrass Transplanting Project with UMS	Purchase of gifts and prizes for children's competition in conjunction with project	• Marine Ecosystem • Local Communities • Researchers • Students • Tourists	RM1,457.10
Donation for 'Majlis Penyerahan Kuih Muih Hari Raya Aidilfitri'	Confectionery handover ceremony to State Security Forces & Health Officers	• Security Forces Personnel • Health Officers • Medical Staff	RM12,052.00

Title	Purpose	Beneficiaries	Amount
Donation to Yayasan Kebajikan Sabah	Goodwill donation to Yayasan Kebajikan Sabah	• Underprivileged Groups • Children and Youth • Senior Citizens • Disabled Groups • Disaster Victims • Local Communities	RM3,000.00
Ramadhan Outreach Programme to orphanage and Asnaf home	CSR Initiatives: Donation to Asnaf As Sakinah, Kinarut Maahad Tahfiz Darul Hadis Darsa Sabah Maahad Tahfiz Miftahul Ulum Tanjung Aru	• Orphans • Asnaf Families • Students	RM9,000.00
Sponsorship to Rotary Club	Sponsorship for Rotary Club of Kota Kinabalu Pearl Sabah 9th Installation Ceremony	• Local Communities • Local Charities • Youth • International Communities	RM3,000.00
Donation to Kelab Rekreasi Dan Sukan Jabatan Bomba Dan Penyelamat Malaysia Negeri Sabah (KERISMA)	Donation for 'Tayangan Amal Persatuan Sukan, Kebajikan Dan Kebudayaan Ibu Pejabat Jabatan Bomba Penyelamat Malaysia'	• Firefighting Personnel • Local Communities	RM1,000.00
Sponsorship for Kota Kinabalu Journalist Association	Sponsorship for KK Journalist's Blood Donation Drive	• Patients • Local Communities • Journalists • Donors	RM1,500.00
Donation to Yayasan Dangsanak	Goodwill donation to support the foundation activities	• Underprivileged Groups • Children and Youth • Senior Citizens • Disabled Groups • Disaster Victims • Local Communities	RM5,000.00
Donation to Pasukan Ragbi MAKSAK Sabah	Donation for sporting equipment	• Rugby Players • Coaches • Staff • Local Communities	RM1,000.00
Donation for 'Majlis Aidilfitri Sekampung Teluk Sepanggar'	Donation for Majlis Aidilfitri meant for the villagers of Sepanggar	• Employees • Port-users • Clients • Local Communities	RM1,000.00
Sponsorship of Ramadhan vouchers for Sabah Ports' stakeholders at SICC	Ramadhan Iftar to build good rapport with the stakeholders	• Port-users • Clients • Government Officials	RM3,540.00
Donation to Kementerian Kerja Raya Sabah Sports Club for Sabah Mount-climbing expedition	Donation to maintain good rapport with the governmental stakeholders of Sabah Ports	• Sports Club Members • Support Staff • Local Communities	RM3,000.00
Sponsorship for Tuaran Sabah School Outreach Programme 2023	Educational sponsorship to schools within the district of Tuaran	• Students • Teachers • School Communities	RM5,000.00
Sponsorship in conjunction with Momogun National Congress Ceremony	Sponsorship of souvenir programme book	• Organising Council • Ethnic Groups • Local Communities	RM1,000.00
Sponsorship for 'Buku Programme Konvensyen Kebangsaan Asuhan Dan Didikan Kanak-Kanak'	Advertorial sponsorship for programme book	• Convention attendees • Children • Child Care Providers • Educators • Professionals	RM500.00
Sponsorship for TVET initiative with Parlimen Sepanggar	Sponsorship for SPM high-achievers from the Sepanggar vicinity	• Students • Parents or Guardians • Local Communities	RM15,000.00
Sponsorship to Walai Penyu Conservation Park (WPCP) Pulau Libaran Sandakan	Sponsorship for Jazz Festival and lot adoption	• Sea Turtles • Local Communities • Tourists • Visitors	RM9,000.00

SUSTAINABILITY STATEMENT

Title	Purpose	Beneficiaries	Amount
Sponsorship for 'Majlis Makan Malam Muhibbah Jawatankuasa Tempatan Pandu Puteri Malaysia' (Girl Guides Local Association)	In support of the Girl Guides Local Association	• Girl Guides • Local Communities	RM210.00
Sponsorship to SK Pulau Mabul	Sponsorship of 80 plastic chairs for the purposes of school-related activities	• Students • Teachers • School Community	RM2,000.00
Sponsorship to BLAM Group Of Companies' Annual Dinner & Dance 2023	Sponsorship of tables	• BLAM employees • Clients • Business Partners	RM1,000.00
Sponsorship for MTT Shipping's 2023 Annual Dinner	Goodwill sponsorship	• MTT Shipping employees • Clients • Business Partners	RM1,000.00
Donation to Kelab Kebajikan dan Rekreasi Radiologi Hospital Queen Elizabeth (Radcrew)	Non-monetary donation of umbrellas for HQE inter-departmental competition	• HQE Staff	RM235.00 (value of donation)
Ramadhan Outreach Programme to Asnaf, Mosque And Madrasah at Lahad Datu	Ramadhan outreach to the under-privileged	• Underprivileged Groups • Asnaf Families • Students • Local Communities	RM2,560.00
Ramadhan Outreach Programme to Asnaf, Mosque And Madrasah at Kunak	Ramadhan outreach to the under-privileged	• Underprivileged Groups • Asnaf Families • Students • Local Communities	RM2,198.30
Ramadhan Outreach Programme to Sekolah Menengah Pasir Putih Tawau	Donation of food baskets to the under-privileged students	• Underprivileged Students • School Community • Local Communites	RM2,471.00
Sponsorship to Pasukan Ragbi Daerah Tawau's Kejohanan Sukan Saga Ke-7	Donation for sporting equipment	• Rugby Players • Coaches • Staff • Local Communities	RM1,000.00
Sponsorship for OUM's Annual Dinner 2023	Sponsorship of dinner tables	• OUM employees • Clients • Business Partners	RM1,280.00
Sponsorship to MICCI	Sponsorship for MICCI's Sabah CEO Masterclass programme	• Business Leaders • Local Business Communities	RM5,000.00
Sabah Women Entrepreneurs And Professionals Association (SWEPA)	Sponsorship of dinner table in conjunction with Swepa's 30th Anniversary Celebration at Magellan Sutera Harbour Resort	• SWEPA members • Local Business Communities • Professionals	RM7,000.00
Firm Horizon/Yayasan Kebajikan Sabah (YKS)	Purchase of tickets in contribution to Yayasan Kebajikan Sabah	• Arts and Culture Communities • Students • Employees	RM15,000.00
Skuad 69 Sabah	Sponsorship of advertorial page in programme book	• Police Community • Retired Police Personnel	RM1,500.00
Rotary Club of Kinabalu Sutera	Advertisement in the Rotary Club of Kinabalu Sutera 23rd Installation programme book	• Local Communities • Local Charities • Youth • International Communities	RM900.00
MW Pertama Sdn Bhd ("MW PERTAMA")	Sponsorship of ST12 and NIDJI live in Sabah tickets in support of arts & culture	• Arts and culture Communities • Employees • Students	RM5,000.00
Palliative Care Association of KK, Sabah	Donation to support Kinabalu Park 1st Charity Run 2023 Themed 'Paving a Path For Hope'	• Palliative Patients • Local Communities	RM1,800.00

TOTAL CONTRIBUTION BY SURIAGROUP **RM176,780.70**

ANTI-CORRUPTION

Related UNSDGs:

Why is This Important:

SuriaGroup upholds high standards of business ethics and compliance across the Group as a reflection of our core values of respect, integrity, and service excellence. This ensures the protection of both business and stakeholder interests while building trust and confidence in our organisation.

Our Approach:

The Board and Management remain committed to conducting business with integrity, guided by SuriaGroup Anti-Corruption and Bribery Policy & Procedure (ACBPP) and other policies, such as the SuriaGroup Code of Conduct. The ACBPP emphasised the fundamental principles and guidelines for all employees, directors, and associated persons in addressing ethical issues and carrying out their responsibilities in fighting corruption. The Group's zero tolerance stance against corruption is outlined in our ACBPP, which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission (MACC) Act 2009.

All new employees must undergo our New Employee Orientation Programme (NEOP), where as part of the programme, they are given awareness on the ACBPP, Code of Conduct and other accompanying policies and procedures. Upon completing the awareness training on ACBPP, new employees are required to sign a declaration form confirming their attendance and understanding of the content of the training.

Our third-party partners are also accountable to adhere to the ACBPP's guidelines. They are required to sign a declaration affirming their commitment to comply with the guidelines and policies outlined in the ACBPP during their business interactions with SuriaGroup.

SuriaGroup has established a dedicated whistleblowing channel under the SuriaGroup Whistleblowing Policy, which allows employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. The Group has made ACBPP and Whistleblowing policies available on our corporate website and company intranet to ensure they are accessible to all stakeholders.

For further information on our anti-bribery and corruption measures, kindly refer to our Statement on Risk Management and Internal Control (SORMIC) of the Annual Report 2023.

Please refer to page 161.

Our Performance

Since 2022, the Group Risk and Integrity (GRI) has been an integral part of SuriaGroup's New Employee Orientation Programme (NEOP), facilitating the delivery of comprehensive ACBPP training to all newly recruited staff members.

The percentage of employees who have received training on anti-corruption by employee category are as follows:

	Completion Rate (%)		
Employee Category	2021	2022	2023
Management	80	86	96
Executive	57	69	100
Non-Executive	49	64	71
TOTAL	**52**	**66**	**76**

SUSTAINABILITY STATEMENT

The Group's GRI has successfully completed ACBPP training for 76% of SuriaGroup staff in 2023. The remaining 24% of untrained employees are on-shift employees at Sapangar Bay Container Port. The Group targets 100% completion by the end of 2024.

Our aim is to ensure that all employees within the group receive comprehensive training and awareness regarding the ACBPP. We are committed to achieving this goal by increasing the frequency of training sessions to cover all levels of employees.

Percentage of Operations Assessed for Corruption-Related Risks

In 2023, the Group conducted its first full-scale corruption risk assessment across all of SuriaGroup's business segments and operations, ensuring that 100% of the Group's operations had been assessed.

Confirmed Incidents of Corruption and Action Taken

As of 31 December 2023, SuriaGroup recorded zero incidents of corruption across its business operations.

	2021	2022	2023
Confirmed incidents of corruption and action taken	0	0	0

While no confirmed cases were recorded in 2023, SuriaGroup's Integrity & Governance unit (IGU) was approached by two whistleblowers who had reported integrity concerns. The IGU is currently investigating the case to thoroughly examine the allegations and uphold transparency and accountability within the organisation.

Looking ahead, the following targets are expected to be undertaken:

- Launching of OACP and signing of Integrity pledge by Board members and Top Management.
- Corruption Risk Assessment (CRA)
- Organising Integrity talk to SuriaGroup's Port Axillary Police Department by MACC.
- Development of SuriaGroup's Integrity Pact

EFFECTIVE GOVERNANCE

Related UNSDGs:

Why is This Important:

SuriaGroup upholds a high standard of corporate governance to safeguard and enhance long-term shareholder value and strengthen the company's financial performance. Through the implementation of an effective governance structure, the Group ensures transparency in protocols and controls, equitable decision-making, compliance with laws and regulations, and alignment of interests among shareholders, directors, management, and employees while considering the interests of other stakeholders.

Our Approach:

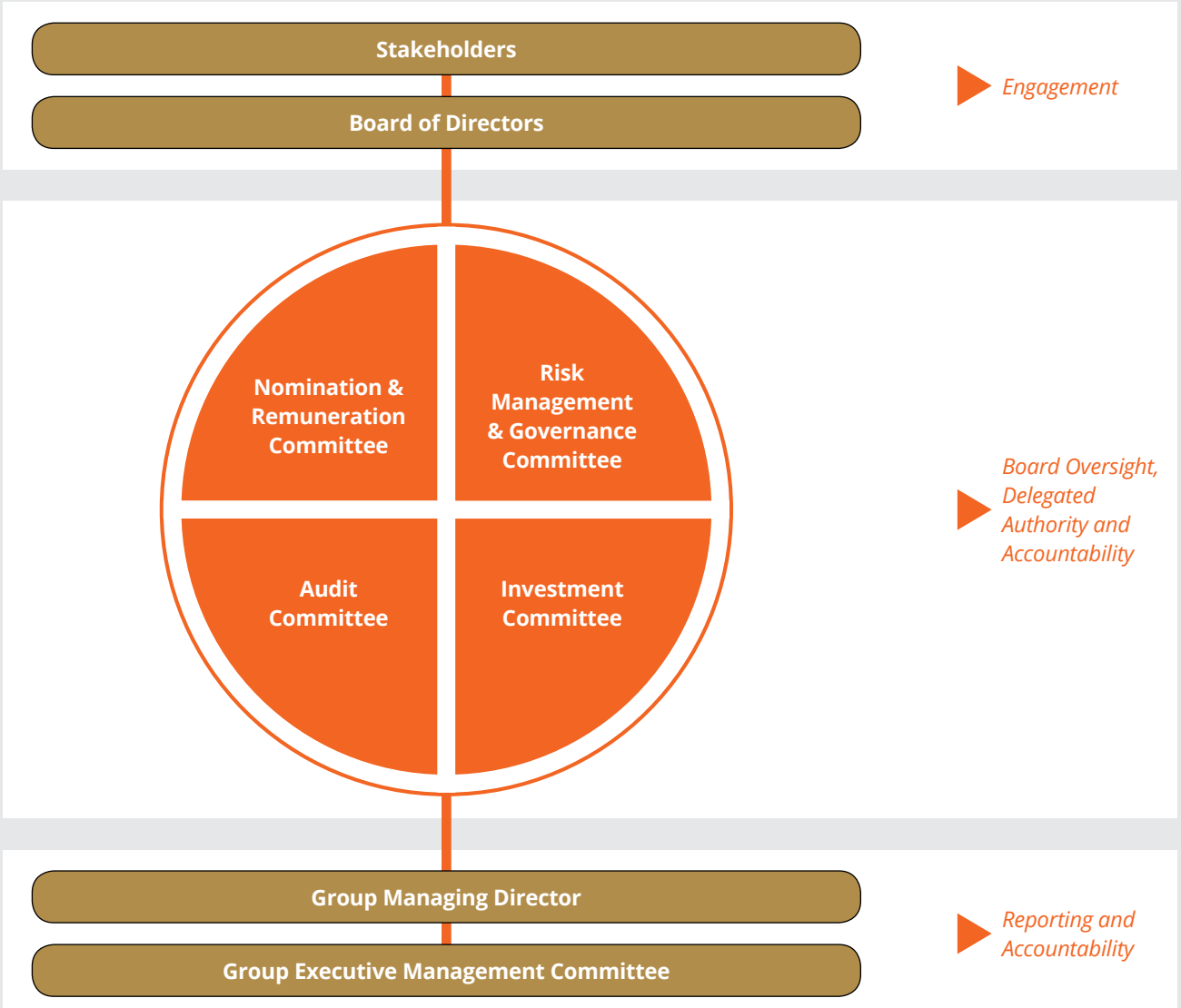
Our approach to corporate governance is grounded in transparency, integrity, and accountability. We adhere to a comprehensive governance framework that aligns with the best industry practices and guidelines under the following key regulations and principles:

- Bursa Malaysia Securities Berhad's Main Market Listing Requirement
- Companies Act 2016
- Malaysian Code on Corporate Governance

SUSTAINABILITY STATEMENT

Internally, the execution of the framework is facilitated through the implementation of effective audit and risk management, strong board leadership, integrity in corporate reporting, and maintaining an open line of communication with stakeholders.

The Board plays a pivotal role in corporate governance, serving as the primary stakeholder directly influencing governance practices. In adopting the highest standards of corporate governance, the Board adheres to the demonstrated framework below:



Overview of Corporate Governance in 2023

For detailed insights of the corporate governance practices of the company for year 2023, please refer to our 'Statement on Corporate Governance' of the Annual Report 2023.

Please refer to page 142.

SUSTAINABILITY STATEMENT

GROUP INTERNAL AUDIT'S LIMITED ASSURANCE REPORT ON SURIA CAPITAL HOLDINGS BERHAD'S SUSTAINABILITY STATEMENT

Introduction

The GIA has been assigned by the Board and the Executive Management of Suria to undertake a limited assurance engagement of Suria's Sustainability Statement for the year 2023. GIA has been providing independent assurance and advisory roles to the company, including in the review of this sustainability statement.

Scope

The company has defined the scope of the sustainability statement in the section 'Scope of This Statement' in the report; which is for the period of 1 January 2023 to 31 December 2023 and covers Suria and its subsidiary companies.

Responsibilities of the Board of Directors and the Executive Management

The Board and the Executive Management of Suria are responsible for the preparation of the sustainability statement in accordance with the applicable criteria as required by Bursa Malaysia, and the sustainability reporting guidelines published by GRI (Global Reporting Initiative). This responsibility also includes the internal control relevant to the preparation of a Sustainability Statement that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Internal Auditor

Our responsibility is to express a conclusion on the sustainability statement based on the limited assurance procedures we have performed. Our engagement is limited to the historical information presented and does therefore not cover future-oriented information.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Statement, and applying analytical and other limited assurance procedures, especially on the 11 common sustainability matters as per Bursa Malaysia's requirement.

Methodology

The procedures performed in a limited assurance engagement vary in nature and are in accordance with applicable International Standards on Auditing and other generally accepted auditing standards in Malaysia, i.e., International Standards for the Professional Practice of Internal Auditing.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, the conclusion of the procedures performed does not express a reasonable assurance conclusion.

Our procedures are also based on the criteria defined by the Board and the Executive Management of Suria in accordance with Bursa Malaysia's requirements. We therefore believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Statement 2023 is not prepared, in all material respects, in accordance with the reporting criteria defined by the Board and Executive Management of Suria as required by Bursa Malaysia.



Head, Group Internal Audit
Suria Capital Holdings Berhad

Bursa Performance Report 2023

Indicator	Measurement Unit	2023
Business Sustainability		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	77.40
Improvements in Business Operations		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Reduction in Carbon Footprints		
Bursa C4(a) Total energy consumption	Megawatt	10,013.60
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,919.70
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	5,257.20
Water Consumption		
Bursa C9(a) Total volume of water used	Megalitres	198.000000
Health and Safety		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	868
Talent Force		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.10
Management Between 30-50	Percentage	3.94
Management Above 50	Percentage	2.39
Executive Under 30	Percentage	0.83
Executive Between 30-50	Percentage	8.53
Executive Above 50	Percentage	3.30
Non-executive/Technical Staff Under 30	Percentage	13.39
Non-executive/Technical Staff Between 30-50	Percentage	54.59
Non-executive/Technical Staff Above 50	Percentage	9.17
General Workers Under 30	Percentage	1.01
General Workers Between 30-50	Percentage	2.02
General Workers Above 50	Percentage	0.73
Gender Group by Employee Category		
Management Male	Percentage	3.85
Management Female	Percentage	2.57
Executive Male	Percentage	7.61
Executive Female	Percentage	5.05
Non-executive/Technical Staff Male	Percentage	65.87
Non-executive/Technical Staff Female	Percentage	11.28
General Workers Male	Percentage	3.76
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	70.00
Female	Percentage	30.00
Under 30	Percentage	0.00
Between 30-50	Percentage	10.00
Above 50	Percentage	90.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00

Internal assurance | External assurance | No assurance | (*)Restated

SUSTAINABILITY STATEMENT

Indicator		Measurement Unit	2023
Bursa C6(c) Total number of employee turnover by employee category			
Management		Number	0
Executive		Number	6
Non-executive/Technical Staff		Number	12
General Workers		Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations		Number	0
Percentage of women on the Executive committee or equivalent.		Percentage	69.20
Learning and Development			
Bursa C6(a) Total hours of training by employee category			
Management		Hours	4,571
Executive		Hours	5,299
Non-executive/Technical Staff		Hours	20,408
General Workers		Hours	84
Caring for Our Community			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer		MYR	176,780.70
Bursa C2(b) Total number of beneficiaries of the investment in communities		Number	50
Anti - Corruption			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage		96.00
Executive	Percentage		100.00
Non-executive/Technical Staff	Percentage		71.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage		100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number		0

Internal assurance | External assurance | No assurance | (*)Restated

HIGHLIGHTS OF CORPORATE & INVESTOR RELATIONS EVENTS 2023

CE Corporate Events
IRE Investor Relations (IR) Events

JANUARY



27 January 2023

The Board of Directors and Management of Suria celebrated Chinese New Year with a prosperity toss.

FEBRUARY



21-23 February 2023

The General Manager (Corporate Services) of Sabah Ports, Siti Noraishah Azizan was one of the invited speakers at the BIMP-EAGA Maritime Conference 2023 held in Jakarta, Indonesia.

MARCH



2 March 2023

Led by new Chairman, YB Datuk Dr. Hj. Yusof Bin Yacob, Qhazanah Sabah Berhad made an official visit to Sabah Ports



16 March 2023

Courtesy visit to Suria by the Chairwoman of the Sabah Women's Advisory Council, Datuk Dr. Tarsiah TZ Taman.



21 March 2023

Sabah Ports obtained the certifications for ISO 45001:2018 Occupational Health and Safety Management System as well as ISO 14001:2015 Environmental Management System from the National Institute Occupational Safety and Health (NIOSH) Certification Sdn Bhd.



23 March 2023

Working visit to Sabah Ports by the Ministry of Infrastructure and Port Development of Sarawak led by its Deputy Minister, YB Dato' Majang Renggi.

APRIL



6 April 2023

Educational visit by students of Politeknik Kota Kinabalu to Sabah Ports.



17 April 2023

Educational visit to Sabah Ports by students of Universiti Teknologi MARA, Sabah.

HIGHLIGHTS OF CORPORATE & INVESTOR RELATIONS EVENTS 2023

MAY



26 May 2023

Key handover ceremony by JWA Design and Build to Suria's Chairman and Group Managing Director, Datuk Hj. Faisyal Yusof Hamdain Diego and Datuk Ng Kiat Min at Suria's new office at JQ Central.

JUNE



23 June 2023

Maiden Call of SITC's new China-Vietnam-Malaysia (CVM) container shipping service at Sapangar Bay Container Port.

JULY



27 June 2023

Suria held its 40th Annual General Meeting at Wisma SabahPorts, Sapangar Bay, Kota Kinabalu.



4 July 2023

PEOPLElogy Group paid a courtesy visit to Suria.



24 July 2023

Courtesy visit by Sayap Freight Sdn Bhd to Suria.



28 July 2023

Courtesy visit by Affin Bank to Suria.

HIGHLIGHTS OF CORPORATE & INVESTOR RELATIONS EVENTS 2023

AUGUST



1 August 2023

Deputy Chief Minister cum Minister of Public Works Sabah, YB Datuk Ir. Shahelmey Bin Yahya paid an official visit to Sabah Ports.



1-2 August 2023

The Group's management and selected staff attended the Organisational Anti-Corruption Plan (OACP) workshop, conducted by The Malaysian Institute of Integrity (IIM).



16 August 2023

Qhazanah Sabah Berhad together with Suria organised the Fit Integrity Programme 'Sunset Zumba' in conjunction with Integrity Week launched by the Ministry of Finance Sabah.



19 August 2023

Suria organised a bowling tournament together with members of the media to continue building good rapport.



22 August 2023

Maiden voyage of Maersk Valencia to Sandakan Port.



23 August 2023

Courtesy visit by Governor of Tawi-Tawi, Yshmael "Mang" I. Sali to discuss the passenger ferry service between Bongao, Philippines and Lahad Datu, Sabah.

HIGHLIGHTS OF CORPORATE & INVESTOR RELATIONS EVENTS 2023

SEPTEMBER



14-15 September 2023

The General Manager (Corporate Services) of Sabah Ports, Siti Noraishah Azizan presented a talk titled "Navigating Sabah Ports Toward Sustainability" at the 2nd Port Development South East Asia Summit 2023 in Ho Chi Minh, Vietnam.



18-22 September 2023

The management and staff of Sabah Ports launched the annual "Health, Safety and Environment Week 2023".



21-24 September 2023

Suria's Group Managing Director, Datuk Ng Kiat Min presented a memento to Sabah Chief Minister, YAB Datuk Seri Panglima Haji Hajiji Bin Haji Noor during the Sabah International Expo (SIE).

OCTOBER



30 September 2023

Arrival of MV Prince Khalil at Lahad Datu Port, marking the launch of the new sea route passenger ferry service between Tawi-Tawi, Philippines and Lahad Datu, Sabah.



23 October 2023

Sabah Ports hosted the meeting between the Sabah and Labuan Auxiliary Police agencies and the members of the Sabah and Labuan Administrative Council of the Malaysia Auxiliary Police Association (MAPA).



26-27 October 2023

Analyst from AmInvestment Bank Berhad was briefed on the latest updates on Suria.



30-31 October 2023

The General Manager (Corporate Services) Puan Siti Noraishah Azizan of Sabah Ports as well as the Senior Manager (Marine Services), Capt. Nadel V. Joseph were the invited speakers for the MISC Maritime Services' Port and Maritime Exchange 2023: Managing Change in Port and Maritime Industry.



31 October 2023

Sabah Ports was awarded both the Human Resource Development Corporation Award for 'Large Employer – Sabah Region' category as well as the HR Team of the Year Award at the HRD Awards 2023.

HIGHLIGHTS OF CORPORATE & INVESTOR RELATIONS EVENTS 2023

NOVEMBER



7 November 2023

Signing of the mutual understanding document between Karamunting Emergency Mutual Aid (KEMA) members and Sabah Ports to provide 3rd party support for disaster relief and emergencies at Karamunting, Sandakan.

DECEMBER



12 December 2023

Online meeting between Ministry of Transport Malaysia and Sabah Logistics Forum, led by Datuk Ng Kiat Min on the "Service Tax Implementation throughout the Logistics Sector".



15 December 2023

Suria celebrated its annual Christmas and Year End party at Awan Restobar, Kota Kinabalu.



16 December 2023

Sabah Ports Golf Tournament organised by the Sabah Ports' Sports and Recreation Club (SP KESURI).



17 December 2023

Sapangar Bay Container Port handled its largest cargo ever by SBH Kibing Solar using a Self-Propelled Modular Transporter (SPMT).



20 December 2023

Arrival of Cattleya Express at Lahad Datu Port, marking the launch of the new sea route passenger ferry service between Tanjung Silopo, Indonesia to Lahad Datu, Sabah.

SURIA'S ACHIEVEMENT IN 2023



1

HRD Corporation Award (Large Employers Sabah) and HR Team of the Year

Sabah Ports received the HRD Corp Award for Large Employers Sabah as well as the HR Team of the Year Award at the Human Resource Development Corporation Award 2023.

These accolades underscore the Group's dedication to fostering an employee centric environment, focusing on human capital empowerment to drive business excellence and cultivating a high engagement culture that prioritises continuous improvement and employee satisfaction.

2

Employer of Choice Award (Private Sector) Gold Award and HR Leader Gold Award (Individual Category)

Sabah Ports received two (2) awards for Employer of Choice Award (Private Sector) Gold Award as well as the HR Leader Gold Award (Individual Category) in the Malaysia Institute of Human Resource's 23rd International Award.

The HR Leader Gold Award (Individual Category) was bestowed to the Head, Group People department, Patsy Patricia Tiasing for her outstanding contribution to human resource management.

Winning these prestigious awards acknowledges the Group's ongoing dedication to nurturing and developing its human talents. It further exemplifies the commitment to investing in its people as valuable assets, in alignment with the Group's objective of making SuriaGroup a preferred place of employment.





SURIA'S ACHIEVEMENT IN 2023



3

Excellent Employee Engagement Award 2023

Sabah Ports received the Excellent Employee Engagement Award 2023 in the 6th Elevate HR Summit.

The annual programme had gathered human resource practitioners in Sabah to engage in meaningful exchanges on current topics in the field. This participation has enabled Sabah Ports to join the HR Excellence Award as part of the 6th Elevate Summit 2023 programme, providing valuable networking opportunities and insights from industry experts.

4

Sabah Ports achieves ISO 45001 and ISO 14001

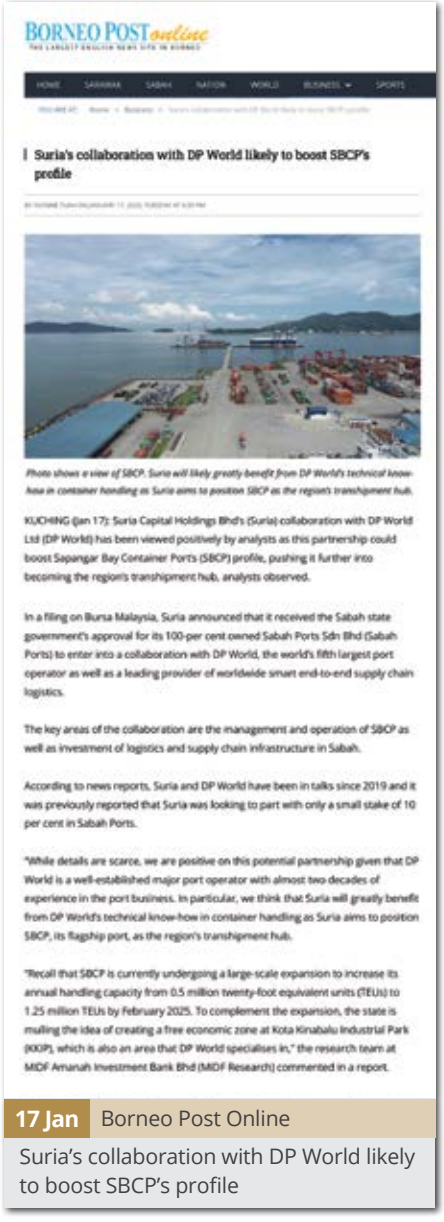
Sabah Ports received accreditation from the National Institute of Occupational Safety and Health Certification in Occupational Health and Safety Management System (ISO 45001:2018) and Environmental Management System (ISO 14001:2015).

The ISO 45001:2018 provides a framework for a safe and health workplace by preventing work-related injuries and ill health, while the ISO 14001:2015 sets a guideline for successful environmental management.

The accomplishment underscores Sabah Ports' strong commitment towards providing a safe workplace environment for its employees and ports users as well as minimising environmental impact of its operations by adopting internationally recognised standards managed by an effective quality management system.



SURIA IN THE NEWS



BORNEO POST online

Suria's collaboration with DP World likely to boost SBCP's profile

Photo shows a view of SBCP. Suria will likely greatly benefit from DP World's technical know-how in container handling as Suria aims to position SBCP as the region's transhipment hub.

KUCHING (Jan 17): Suria Capital Holdings Bhd's (Suria) collaboration with DP World Ltd (DP World) has been viewed positively by analysts as this partnership could boost Sapangar Bay Container Port's (SBCP) profile, pushing it further into becoming the region's transhipment hub, analysts observed.

In a filing on Bursa Malaysia, Suria announced that it received the Sabah state government's approval for its 100-per cent owned Sabah Ports Sdn Bhd (Sabah Ports) to enter into a collaboration with DP World, the world's fifth largest port operator as well as a leading provider of worldwide smart end-to-end supply chain logistics.

The key areas of the collaboration are the management and operation of SBCP as well as investment of logistics and supply chain infrastructure in Sabah.

According to news reports, Suria and DP World have been in talks since 2019 and it was previously reported that Suria was looking to part with only a small stake of 10 per cent in Sabah Ports.

"While details are scarce, we are positive on this potential partnership given that DP World is a well-established major port operator with almost two decades of experience in the port business. In particular, we think that Suria will greatly benefit from DP World's technical know-how in container handling as Suria aims to position SBCP, its flagship port, as the region's transhipment hub.

"Recall that SBCP is currently undergoing a large-scale expansion to increase its annual handling capacity from 0.5 million twenty-foot equivalent units (TEUs) to 1.25 million TEUs by February 2025. To complement the expansion, the state is mulling the idea of creating a free economic zone at Kota Kinabalu Industrial Park (KKIP), which is also an area that DP World specialises in," the research team at MIDF Amanah Investment Bank Bhd (MIDF Research) commented in a report.

17 Jan Borneo Post Online

Suria's collaboration with DP World likely to boost SBCP's profile



曙光資本旗下沙巴港口公司與迪拜港口世界達合作協議

17 Jan See Hua Daily

Suria's collaboration with DP World likely to boost SBCP's profile



Photo shows a view of SBCP. Suria will likely greatly benefit from DP World's technical know-how in container handling as Suria aims to position SBCP as the region's transhipment hub.

Suria's collaboration with DP World likely to boost SBCP's profile — Analysts

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This places the group as the fifth largest global port operator, right behind Hutchinson Port Holdings which has a market share of 10 per cent.

In Asia alone, DP World commands about 5.5 per cent market share in terms of throughput.

"Overall, we continue to like Suria as we see it as a proxy to Sabah's economy, given that it holds a monopoly over the main ports in the state. In the near to intermediate term, port throughput will be supported by the recent mega foreign direct investments (FDIs) made by China's Kibing Group and South Korea's POSCO Pacific

18 Jan Borneo Post

Suria's collaboration with DP World likely to boost SBCP's profile



18 Feb Berita RTM

Collaboration with DBKK for 'KK Clean Up Day' and the launch of 'My City, My Responsibility' 1.0



Good growth seen for Suria Capital as new jetty completed

3 Mar Borneo Post

Good growth seen for Suria Capital as new jetty completed

Suria Group delivers strong performance

14 Mar Borneo Post

SuriaGroup delivers strong performance



Lawrence hands the certificates to Datuk Ng, witnessed by Datuk Hj. Faisyal and senior management.

Sabah Ports gains Niosh safety and environ certs

23 Mar Daily Express

Sabah Ports gains Niosh safety and environ certs

SURIA IN THE NEWS



Sabah Ports receives ISO 45001, ISO 14001 certs

23 Mar Borneo Post

Sabah Ports receives ISO 45001, ISO 14001 certs

Upgrade Sapangar Bay Container Port: Senator

5 Apr Borneo Post

Upgrade Sapangar Bay Container Port : Senator



SuriaGroup holds Ramadhan Iftar ceremony

19 Apr Borneo Post

SuriaGroup holds Ramadhan Iftar ceremony

波比促联邦将实邦加货柜码头升格為貨物集散中心

5 Apr See Hua Daily News

Upgrade Sepanggar port as National Loading Center



成為國家裝卸中心

促進沙巴農業製造業商品出口進程激活航運活動

5 Apr Overseas Chinese Daily News

Upgrade Sepanggar port as National Loading Center

Upgrade Sepanggar port as National Loading Center

5 Apr Borneo Post

Upgrade Sepanggar port as National Loading Center



BUSINESSTODAY

Suria Capital Optimistic On Its Business Developments Despite 2023 Headwinds

Suria Capital Holdings Berhad operator of Sabah's major ports and oil terminals, in its 2022 annual report said it anticipates 2023 to be challenging due to global external factors, however, it remains optimistic that the positive developments surrounding its businesses will bode well moving forward as it progresses and repositions itself for sustainable growth.

30 Apr Business Today

Suria Capital Optimistic On Its Business Developments Despite 2023 Headwinds

SURIA IN THE NEWS



Suria Capital optimistic on outlook of its port operations and property development businesses

KOTA KINABALU: Suria Capital Holdings Berhad (SuriaGroup or the Group), operator of Sabah's major ports and oil terminals, which published its annual report for financial year ended 31 December 2022 (FY2022), anticipates 2023 to be challenging due to global external factors, however, remains optimistic that the positive developments surrounding its businesses will bode well moving forward as it progresses and repositions itself for sustainable growth.

The extended concession period for Sabah Ports Sdn Bhd (Sabah Ports) up till year 2064 enables SuriaGroup to continue its port expansion and upgrading programme to serve the Sabah State's economy.

The long-term plan for development of the Sapangar Bay Integrated Port which shall comprise Sapangar Bay Container Port, Sapangar Bay Oil Terminal and Sapangar Bay Conventional Cargo Terminal is intact.

On the expansion of the Sapangar Bay Container Port, construction works are currently underway and scheduled to be completed by 2025. Upon completion, Sapangar Bay Container Port is expected to handle an increased capacity of up to 1 million twenty-foot equivalent units

1 May The Sun Daily

Suria Capital optimistic on outlook of its port operations and property development businesses



Suria Capital confident of a fruitful year

KOTA KINABALU: Suria Capital Holdings Berhad (SuriaGroup), operator of Sabah's major ports and oil terminals, is optimistic on the outlook of its operations and property this year.

While SuriaGroup anticipates 2023 to be challenging due to global external factors, it remains encouraged that the positive developments surrounding its businesses will bode well moving forward as it progresses and repositions itself for sustainable growth.

SuriaGroup said the extended concession period for Sabah Ports Sdn Bhd until 2064 enables the group to continue its port expansion and upgrading programme to serve the State's economy.

"The long-term plan for development of the Sapangar Bay Integrated Port which shall comprise Sapangar Bay Container Port, Sapangar Bay Oil Terminal and Sapangar Bay Conventional Cargo Terminal is intact," the group said in a statement, Sunday.

It explained that the expansion of the Sapangar Bay Container Port which is currently underway is scheduled to complete by 2025. This will increase its capacity to 1 million twenty-foot equivalent units (TEU) from 500,000 TEU currently.

"Concurrently, the construction works for the additional jetty at Sapangar Bay Oil Terminal is progressing rapidly to meet the targeted operational commencement in the third quarter of 2023.

"Sapangar Bay Conventional Cargo Terminal, being the last component of Sapangar Bay Integrated Port, will be constructed in 2023 with completion anticipated in 2027 to cater for general cargo handling and provision of ancillary services for the oil and gas sector," it said.

In another development, the group said Sabah Ports had received the State cabinet's approval to enter a strategic collaboration with DP World, a leading provider of worldwide smart end-to-end supply chain logistics on Jan 18.

"The key areas of the collaboration are the management and operation of Sapangar Bay Container Port as well as investment of logistics and supply chain infrastructure in Sabah.

"This is expected to help fast-track the transhipment hub initiative with the value-adding propositions that DPW will bring to Sabah Ports and the State in general.

"The negotiations and signing of the definitive agreements for the proposed collaboration between Sabah Ports and DPW is expected to be concluded in 2023. This would mark DPW's maiden foray with a Malaysian seaport," it said.

On the property front, it said phase two of Jesselton Quay which is to be developed on the remaining 20.3 acres land is expected to commence by the end of 2023 with completion targeted in 2030.

"SuriaGroup will own the commercial shops within the heritage precinct of Jesselton Quay which will be completed in 2027.

"As for the remaining parcels of lands at Kota Kinabalu Port, SuriaGroup will be looking to form a strategic partnership with a reputable developer to implement the development of both the seven acres and 18.9 acres commercial lands.

"The seven-acre land is part of the existing container yard of Kota Kinabalu Port that is readily available to be developed," it said.

It added that the 18.9 acres land consists of the main wharf of Kota Kinabalu Port and a large body of water which requires reclamation works to be undertaken prior to commencing development.

1 May Daily Express

Suria Capital confident of a fruitful year



BENEFITING FROM EXTENDED CONCESSION PERIOD

SURIA CAPITAL POSITIVE ON PROSPECTS

Port and oil terminal operator to continue expansion and upgrade

KUALA LUMPUR

DESPITE the challenging outlook for 2023 due to global external factors, Suria Capital Holdings Bhd sees positive developments

The construction of the additional jetty at the Sapangar Bay oil terminal is progressing rapidly to meet the targeted operational commencement in the third quarter of this year.

The Sapangar Bay Conventional Cargo Terminal, the last component of the Sapangar Bay Integrated Port, which will begin construction this year, is targeted to be completed in 2027 to cater for general cargo handling and provision of ancillary services for the oil and gas sector.

On the property front, phase

2 May New Straits Times

Suria Capital positive on prospects



Suria Capital positive on prospects

By NST Business - May 2, 2023 @ 5.06pm

SURIAGROUP

In its annual report filed to Bursa Malaysia, the operator of Sabah's major ports and oil terminals said the extended concession period for Sabah Ports Sdn Bhd (SPSB) to 2064 enables SCH to continue its port expansion and upgrading programme to serve the Sabah state's economy.

KUALA LUMPUR: Despite the challenging outlook for 2023 due to global external factors, Suria Capital Holdings Bhd (SCH) foresees positive developments surrounding its businesses moving forward.

In its annual report filed to Bursa Malaysia, the operator of Sabah's major ports and oil terminals said the extended concession period for Sabah Ports Sdn Bhd (SPSB) to 2064 enables SCH to continue its port expansion and upgrading programme to serve the Sabah state's economy.

Further, the company's long-term plan for developing the Sapangar Bay Integrated Port comprises the Sapangar Bay Container Port, Sapangar Bay Oil Terminal, and Sapangar Bay Conventional Cargo Terminal, which is intact.

2 May New Straits Times

Suria Capital positive on prospects



Suria Capital stays optimistic despite global uncertainties

KOTA KINABALU: Suria Capital Holdings Bhd (SuriaGroup), which operates major ports and oil terminals in Sabah, anticipates 2023 to be challenging due to global external factors but remains optimistic on its outlook amid positive developments

minal, being the last component of SBCP, will be constructed in 2023 with completion anticipated in 2027, to cater for general cargo handling and provision of ancillary services for the oil and gas sector," it added.

3 May Daily Express

Suria Capital stays optimistic despite global uncertainties



Sapangar Bay Conventional Cargo Terminal, being the last component of Sapangar Bay Integrated Port, will be constructed in 2023 with completion anticipated by 2027 to cater for general cargo handling and provision of ancillary services for the oil and gas sector.

Suria Capital remains optimistic on port growth

KUCHING: Suria Capital Holdings Bhd (Suria Capital) anticipates 2023 to be challenging due to global external factors but remains optimistic that the positive developments surrounding its businesses will bode well moving forward as it progresses and repositions itself for sustainable growth.

The long-term plan for development of the Sapangar Bay Integrated Post which shall comprise of Sapangar Bay Container Port, Sapangar Bay Oil Terminal and Sapangar Bay Conventional Cargo Terminal, is intact.

Suria Capital

3 May Borneo Post

Suria Capital remains optimistic on port growth

Suria Capital's 1Q supported by port operations

22 May Borneo Post

Suria Capital's 1Q supported by port operations

SURIA IN THE NEWS



Suria Group announces 4pc increase in Q1 revenue

KOTA KINABALU: Suria Capital Holdings Berhad ("SuriaGroup" or the "Group") announced its first quarter financial results for the period ended March 31 this year ("1QFY22").

SuriaGroup recorded a 4 per cent year-on-year ("YoY") increase in total revenue to RM393 million in 1QFY23 from RM377.3 million in the corresponding quarter of the previous financial year ("1QFY22").

The increase was attributable to higher contribution from the Port Operations Division, SuriaGroup's core business, which contributed 97 per cent of total revenue during the quarter.

1QFY23 profit before tax ("PBT") declined by 10 per cent to RM64.0 million from RM71.4 million in 1QFY22 due to lower interest income and higher finance costs. In line with lower PBT, 1QFY23 net profit decreased to RM20.6 million from RM33.9 million in 1QFY22.

The Port Operations Division recorded a seven per cent YoY increase in revenue, growing to RM77.7 million in 1QFY23 from RM73.0 million in the corresponding quarter in the previous financial year.

The top line growth was primarily driven by higher crane hire charges and revenue generated from transhipment activities, which were not present in 1QFY22. Correspondingly, 1QFY23 PBT of this segment rose 11 per cent YoY to RM34.9 million from RM13.5 million in 1QFY22.

According to SuriaGroup's Group Managing Director, Datuk Ng Kiat Min:

"It is expected that the Sabah State's economy will continue to grow at a moderate rate in 2023.

strategic priorities, which includes positioning Sapangar Bay Container Port ("SBCP") as a regional transhipment hub. Expansion works are underway and scheduled for completion by 2025, enabling SBCP to handle a capacity of up to one million twenty-foot equivalent units ("TEU"), from 500,000 TEUs previously. SuriaGroup's subsidiary, Sabah Ports Sdn Bhd ("SPSB"), the operator of SBCP, will capitalise on the extended port concession, as the Sabah State cabinet has approved a concession period extension of 30 years from 2034 to 2064.

In January 2023, SPSB received approval from the State Cabinet to enter a strategic collaboration with DP World ("DPW"), a leading provider of worldwide smart end-to-end supply chain logistics. The key areas of the collaboration are the management and operation of SBCP as well as investment of logistics and supply chain infrastructure in Sabah.

1QFY23 also included top line contribution from the Property Development Division that was derived from the leasing of Gallery Shoppes at Jesselton Quay Central.

These Gallery Shoppes are part of the entitlement accorded to the Group from the joint venture with SBC Corporation Berhad to develop the First Phase of Jesselton Quay Central that was completed in 2022. As of end of 1QFY23, 64 per cent of the gallery shoppes were committed by tenants, contributing RM0.2 million in revenue in the said quarter.

The Group maintains a positive outlook for its Property Development Division, with anticipated commencement of the Second Phase of Jesselton Quay in 2023. Upon com-

27 May Daily Express

SuriaGroup announces 4pc increase in Q1 revenue



Some of the SPM high achievers posing for a group photo with Mustapha.

Helping SPM grads in exploring TVET skills

Sherell Jeffrey

SEPANGGAR: The Sepanggar Parliamentary Office launched its Technical and Vocational Education Training (TVET) Madani Assistance Scheme with the goal of assisting SPM graduates in exploring TVET skills.

"This is in line with the changing times

hoods.

"Water issue is not only in Sepanggar but also in Kota Kinabalu and Tuaran. The problem is that the water source is insufficient at the Telibong Water Treatment Plant, that is the real issue, and the plant is now operating over its capacity, which causes inefficient water supply.

23 Jun Daily Express

Helping SPM grads in exploring TVET skills



Suria Capital upbeat on FY23 performance

Corporate NEWS

PETALING JAYA: Suria Capital Holdings Bhd (SuriaGroup) is optimistic about its performance for the rest of its financial year ending Dec 31, 2023 (FY23), as it pursues its strategic goals despite the ongoing economic uncertainties.

3 Jul The Star

Suria Capital upbeat on FY23 performance



BUSINESS

Daily Express 60

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14 TNB expects RM2.3b from Laos energy deal

15 Petronas collab to accelerate methane cuts

Suria Capital posts RM302m revenue

Sherell Jeffrey

SEPANGGAR: Suria Capital Holdings Berhad and Group of Companies (Suria Group) delivered a strong financial performance in 2022, generating RM302m million in revenue.

Compared to the RM251.3 million recorded in 2021, the amount represents a 20.2 percent (RM50.7 million) increase.

Group Managing Director Datuk Ng Kiat Min said the Group's profit after tax was RM19.1 million, up 49.6 per cent or RM6.6 million from the RM12.5 million realised

One of their key achievements in 2022 was obtaining permission to prolong Sabah Ports' concession for another 30 years.

She said that the existing concession will end in 2034 and that as a result of the extension, Sabah Ports will be able to manage and operate all ports until 2064.

Another notable achievement is the State Government's agreement to partner with DP World (DPW), a leading provider of worldwide smart end-to-end supply chain logistics.

Container Port is now underway and will be completed by 2025.

Concurrently, work on the additional jetty at Sapangar Bay Oil Terminal is moving quickly and is expected to be completed in the third quarter of 2023.

The Sapangar Bay Conventional Cargo Terminal, the final component of the Sapangar Bay Integrated Port, will be built in late 2023 and is expected to be completed by 2025 to accommodate general cargo operations that will be relocated from Kota Kinabalu.

Ng (fourth left), Faizal (centre) and Dr Yusof (fourth right) with their top officials at the SuriaGroup's AGM.

load centre for the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)," she said.

She said SuriaGroup remains committed to providing value to its shareholders and to the economic and logistical growth of Sabah.

we can manage more.

"Once the partnership with the key partners gets underway, we expect their partners to join in and make additional investments in accordance with Sabah Maju Jaya.

"Sabah Ports is one main contributor,

28 Jun Daily Express

Suria Capital posts RM302m revenue



Beri bimbingan, khidmat nasihat dan sediakan dana pengajian

Mustapha lancar Skim Bantuan TVET Madani Parlimen Sepanggar

KOTA KINABALU: Pelancaran Skim Bantuan TVET Madani Parlimen Sepanggar bagi pelajar lepasan SPM untuk meneroka kepelbagaian bidang Kolej Pengajian Malaysia (SPM) untuk menyambung pengajian ke Institut Pendidikan dan Latihan Teknikal dan Vokasional (TVET) Awam.

Timbalan Menteri Sumber Manusia yang juga Ahli Parlimen Sepanggar Mustapha Sakmud hasil idea kajian mengenai kebolehan skim berkenaan dengan melibatkan dua elemen penting.

Katanya, Skim Bantuan TVET Madani berupaya memberi tindihan dan khidmat nasihat serta menyediakan bantuan dana pengajian.

Menurutnya, bantuan kewangan yang diterima ini adalah dianggap memadai dengan pengajian bagi memudahkan proses pendaftaran di institusi TVET awam dan kekurangan sepanjang pengajian.

"Saya yakin ramai pelajar lepasan SPM, Skim Bantuan TVET Madani ini membantu ramai.

"Kita beri ruang dan kesempatan kepada ibu bapa dan pelajar memerah peluang yang disediakan kerajaan dalam bidang TVET seperti di politeknik, Giat MARA, Institut Kemahiran Belia Negara (IKBN), dan Institut Latihan Perindustrian (ILP).

"Saya juga tegaskan bahawa kebolehpasaran graduan TVET ini amat tinggi,

"Kerajaan menyediakan sebanyak 4,012,023 RM peruntukan kepada SPM akan melanjutkan pengajian dalam program TVET membang 2023.

"Malah, kerajaan juga berhasrat meningkatkan 35 peratus tempat kursus TVET awam tinggi menjelang 2030 sebagaimana yang digariskan dalam Rancangan Malaysia Ke-12 (RMK12).

"Tidak salah menyambung pengajian ke Institut Pengajian Tinggi (IPT) atau universiti, tapi pengalaman kita menyaksikan bahawa TVET yang kini mendapat permintaan yang tinggi dalam industri," ujarnya.

Beliau berkata, kerajaan juga prihatin terhadap pendidikan pelajar lepasan SPM dan sedia menyediakan pelbagai peluang kepada mereka.

Dalam pada itu, para pelajar lepasan SPM yang ingin mendapatkan maklumat lanjut mengenai Skim Bantuan TVET Madani ini boleh menghubungi Mustapha Sakmud secara terus.

Skim bantuan ini akan dilancarkan secara rasmi oleh Menteri Sumber Manusia yang juga Ahli Parlimen Sepanggar pada 17 haribulan Julai ini.

Hadir sekali pada majlis tersebut ialah Pengarah Pejabat Parlimen Sepanggar, Mohd Nasir Abdullah.

22 Jun Borneo Post

Beri bimbingan, Khidmat nasihat dan sediakan dana pengajian



Suria Group's revenue increases 20.2 per cent

KOTA KINABALU: Suria Capital Holdings Berhad and Group of Companies (Suria Group) announced a total revenue of RM302 million in 2022, representing an increase of 20.2 per cent or RM50.7 million compared to RM251.3 million registered in 2021.

Managing Director, Datuk Ng Kiat Min said the Group demonstrated a robust performance by registering a profit after tax of RM59.1 million, an improvement of 49.6 per cent or RM19.6 million higher than the RM39.5 million recorded in the previous year.

"The increase was mainly attributable to higher operating revenue from the Group's core business in port operations and additional entitlement-in-kind from Suria's property development

"Another key highlight was receiving approval from the State Cabinet of Sabah to enter into a strategic collaboration with DP World (DPW), a leading provider of worldwide smart end-to-end supply chain logistics, in the management and operation of Sapangar Bay Container Port," he said.

The port operations segment remains to be the main contributor to the Group's revenue. It is expected that the Group's port operation section will remain sustainable and continue to be the core business of the Group.

For 2022, the segment contributed 78.5 per cent to the Group's revenue, generating RM237.2 million out of RM302.0 million of total revenue.

The higher contribution

28 Jun Borneo Post

SuriaGroup's revenue increases 20.2 per cent



沙巴油碼頭項目

主體結構完工

(亞庇28日訊) 近日，隨著最後一個墩台的混凝土的順利澆築，沙巴油碼頭工程項目主體結構全部完工，本工程由WCT和中國港灣共同實施。

沙巴油碼頭項目是馬來西亞沙巴州西海岸重點能源運輸送工程，建設內容為1座2250立方米水上現澆碼頭平台、340米高栈引橋、280米透水拋石堤、16個靠船墩墊層混凝土道墩等墩台、1座水上消防泵房及附屬消防工程、機電工程、油氣管道工程。

項目實施歷經疫情全週期，項目部對原設計進行整體設計優化，對短缺產品、材料進行替換，以自實施模式解決了疫情期間部分關鍵分包無法進場的問題。在項目部的嚴謹組織、科學安排下，項目一路「過關斬將」，有序推進項目各項工作，最終主體結構按計劃完成，為沙巴油碼頭項目後續附屬設施安裝鋪開了工作面，同時也為項目早日實現投產運營打下了堅實基礎。

26 Jul See Hua Daily News

Sabah Oil Terminal Project, Completion of Main Structure

SURIA IN THE NEWS



More investment expected to come to Sapangar Bay Container Port

2 Aug Borneo Post

More investment expected to come to Sapangar Bay Container Port

Suria Capital prospects, growth remain intact



17 Aug Borneo Post

Suria Capital prospects, growth remain intact

Sapangar Port expansion expected to spur growth: Shahelmey

Sherell Jeffrey



SEPANGGAR: The current expansion of the Sapangar Bay Container Port, which is expected to be completed by 2025, is expected to have a multiplier effect on the State's economic growth, according to Deputy Chief Minister lll Datuk Shahelmey Yahya (**pic**).

He said this during a visit to Sabah Ports under Suria Capital Holdings Berhad and Group of Companies (SuriaGroup), here, Tuesday.

"I am made to understand that continued port operations and expansion are being done to ensure port activities in Sabah continue to prosper," said Shahelmey, who is also State Works Minister.

2 Aug Daily Express

Sapangar Port expansion to spur growth : Shahelmey

MarketersMEDIA

MarketersMEDIA Newsroom / Games & Entertainment

SURIAGROUP STRIKES IN FRIENDLY BOWLING TOURNAMENT WITH MEDIA

– August 24, 2023 –

Suria Capital Holdings Berhad and subsidiaries (SuriaGroup) recently celebrated a successful friendly competition with representatives from various media organisations during its "Let's Bowl with Suria" bowling tournament.

The annual tournament brought together 30 members from Sabah Journalist Association and Kota Kinabalu Journalist Association as they competed with SuriaGroup employees in a series of matches

24 Aug Marketers Media Newswire

SuriaGroup strikes in friendly bowling tournament with media



The participants of the bowling tournament from the media and Suria Group.

SuriaGroup plays friendly bowling with media

KOTA KINABALU: Suria Capital Holdings Berhad and subsidiaries (SuriaGroup) recently held a friendly bowling competition with the media at Course Point.

The 'Let's Bowl with Suria' bowling tournament brought together 30 members from Sabah Journalist Association and Kota Kinabalu Journalist Association who competed with SuriaGroup employees in a series of matches.

Under the individual category, Nurul Auni Aqila representing the media emerged victorious, followed by Amir Dilleh and Abdul Limot of SuriaGroup who took second and third places respectively.

The media bowling team of Nurul Ahyah Johe Tambanan, Hayati Dzulkifli and Nurul Auni Aqila took third place in the group category while the first and second places went to SuriaGroup.

In his opening speech, SuriaGroup's Chief Financial Officer Lai Su Yin said continuous engagement with key stakeholders such as the media had helped SuriaGroup build a stronger relationship within the community as well as strengthen the company's brand awareness.

"Friendly matches such as this is a way for us to relay our appreciation to the media for their support and coverage of the company's activities and achievements throughout the years," she said.

26 Aug Borneo Post

SuriaGroup plays friendly bowling with media

MarketersMEDIA

MarketersMEDIA Newsroom / Finance & Loan

SURIAGROUP CONTINUES STRONG PERFORMANCE FOR Q2FY23

Kota Kinabalu – August 28, 2023 –

Suria Capital Holdings Berhad is pleased to announce SuriaGroup's (the Company and its subsidiaries) performance for the second quarter of 2023 (Q2FY23) which ended 30 June 2023. The Group delivered a strong performance especially in its port operations division, marked by notable growth in several areas.

In Q2FY23, SuriaGroup reported a total revenue of RM69.8 million and a gross profit of RM25.0 million. These results indicate a 4% increase in total revenue quarter-to-quarter compared to second quarter of 2022 (Q2FY22) which stood at RM67.7 million in total revenue and RM16.5 million in gross profit. As a result of the increase in revenue, the Group's pre-tax profit increased by RM7.3 million year on year to RM16.5 million in Q2FY23 compared to RM9.2 million reported in Q2FY22.

The improved performance in Q2FY23 was primarily attributed to the core business of port operations, which generated 82% of the Group's revenue in comparison to 79% in the Q2FY22. The increase was mainly attributed to improvement in port operations by way of increase in throughput at wharves and higher revenue from containers due to the tariff revision on crane higher charges effective August 2022.Further to that, the increase was also attributed to lower amortisation of concession asset as a result of the 30 year extension until year 2064 of the port concession period granted by the Sabah State Government to Sabah Ports.

Cargo throughput (excluding containers) handled by Sabah Ports showed a 12% increase from 2.2 million metric tonnes (MT) in the corresponding Q2FY22 to 2.4 million MT in Q2FY23. This rise was ascribed to increased throughput of bulk oil, palm oil and PKE.

In terms of container operations, container volume was registered at 107,605 TEUs and showed a decrease of 3% when compared to the 98,980 TEUs registered in previous quarter despite higher revenue being reported for it. Overall, Sapangar Bay Container Port handled 77,991 TEUs, making up 72% of the total container volume, while Ports of Tawau and Sandakan recorded 18,643 TEUs and 10,971 TEUs respectively for the corresponding period.

Referring to the Group's operations, Group Managing Director, Datuk Ng Kiat Min said "We are focused on ensuring that operational plans for year 2023 are materialised."

"In this respect, we are on the cusp of finalising the agreement and signing with DP World by third or early fourth quarter this year on the management and operation of Sapangar Bay Container Port (SBCP). The global network and expertise of DP World will be catalytic towards making SBCP a global hub for eastern bound cargoes."

She further added "International liners such as DITC, Maersk and RCL have recently included our ports in their rotation and we expect more liners will follow suit. We foresee our customer base will continue to expand especially in view of our alignment with DP world encouraged further by the value- added prospects that SBCP offers as a consolidation hub."

"We are further anticipating the completion of the additional jetty at Sapangar Bay Oil Terminal (SBOT) by the end of the year. Upon completion, SBOT will be able to undertake additional revenue generating port activities apart from serving its main objective which is to improve operational efficiency by catering to more and bigger vessels."

28 Aug Marketers Media Newswire

SuriaGroup continues strong performance for Q2FY23

SuriaGroup continues strong performance

29 Aug Borneo Post

SuriaGroup continues strong performance

SURIA IN THE NEWS



Suria Capital exceeds expectations in 1HFY23

30 Aug Borneo Post

Suria Capital exceeds expectations in 1HFY23



S'kan port welcomes new Maersk service

SANDAKAN PORT celebrated the maiden call of 'Maersk Valencia', marking the launch of Maersk's expanded service to Sandakan Port under the Intra Asia 5 (IA5) routing.

The IA5 service covers 20 port of calls which departs from Shanghai, China and connects to several other ports in China, Myanmar, Malaysia (Tanjung Pelepas, Pasir Gudang, Tawau Port and Sandakan Port), Brunei, Philippines, Japan and Korea.

Under the rotation, Maersk will conduct bi-weekly calls to Sandakan Port with an expected throughput of 200 to 300 container boxes per shipment.

With the additional service, Sandakan Port is able to provide cargo owners with an alternative choice for shipping solutions as well as a secure and reliable network for cargo transfers.

According to Sabah Ports Sdn. Bhd.'s Managing Director, Datuk Ng Kiat Min "We are extremely proud to have Sandakan Port under Maersk's massive global network. Our East Coast ports such as Sandakan and Tawau Port have immense potential not only in relation to the BIMP- EAGA region, but also in view of its strategic position at the international maritime trade route between Australia and East Asia."

"We will give our full support to Maersk and its local agent Harrison to ensure the success of the IA5 partnership."

2 Sept Daily Express

S'kan port welcomes new Maersk service



The Star

Suria counts on tie-ups for port ops growth

14 Sept The Star

Suria counts on tie-ups for port ops growth



Sapangar Port handles special shipments, anticipates more

SABAH PORTS Sdn Bhd, a wholly-owned subsidiary of Suria Capital Holdings Berhad, announced the successful handling of special cargo shipments in recent weeks at Sapangar Bay Container Port. This reaffirmed its position as Sabah's main port operator in delivering maritime logistics, access and opportunity to Sabah along with bringing the world to its shores.

The container port which through a special arrangement has efficiently managed a series of notable cargo consignments, underscoring its capabilities to handle diverse and sizable volumes of goods. This time around clearing cargoes of more than 60 metric tons each in weight and transported out using special equipment called Self Propelled Modular Transporter (SPMT). The successful handling of these shipments speaks to the container port's versatility and capability in managing various cargo types.

The port remains committed to its mission of providing top-tier services and upholding operational excellence. The port is anticipating a larger shipment in the near future and this is a testament to the port's reliability and capacity to meet the demands of a dynamic and growing industry.

10 Nov Daily Express

Sapangar Port handles special shipments, anticipates more



Patsy Tiasing (Head, Group People) receiving an award on behalf of Sabah Ports.

Sabah Ports gets HRD Corp Award

KOTA KINABALU: Sabah Ports Sdn. Bhd. (SPSB), a wholly owned subsidiary of Suria Capital Holdings Bhd, was awarded the Human Resource Development Corporation (HRD Corp) Award for large employers' category for Sabah Region and pioneer winner of the national 'HR Team of the Year' Excellence Awards.

The accolades underscore SuriaGroup's dedication to fostering an employee-centric environment, focusing on human capital empowerment to drive business excellence and cultivating a high engagement culture that prioritises continuous improvement and employee satisfaction.

Suria Capital Holdings Berhad Group Managing Director cum SPSB Managing Director Datuk Ng Kiat Min said: "We recognise our people as our most important asset, as such, we commit to enriching our employees' growth, well-being and providing a meaningful and engaging work experience guided by four principles - Develop, Attract, Retain, and Engage."

She said it was pivotal for SPSB and SuriaGroup to stand out as an employer of choice.

"We are honoured to be recognised for this accomplishment, especially in representing Sabah in a distinguished national award," she added.

"I wish to thank our Group People department for their outstanding performance. These awards not only recognise SuriaGroup's commitment to its employees but also affirmed its position as a leader in promoting workforce development, engagement and excellence within the region."

The awards were presented during the HRD Awards 2023 gala dinner by Human Resources Minister V Sivakumar and Human Resources Deputy Minister Datuk Mustapha Sakmud.

Deputy Prime Minister cum Plantation and Commodity Minister Datuk Seri Fadillah Yusof was also present to grace the event.

According to HRD Corp, a Human Resource Ministry agency, 44 winners emerged across three categories, encompassing businesses, individuals, trainers and training providers.

The evaluating panel comprised HRD Corp's senior leadership members and industry representatives from Malaysian Employers Federation (MEF), Federation of Malaysian Manufacturers (FMM), SME Corporation Malaysia (SME Corp), SIRIM Berhad, National Tech Association of Malaysia (Pikom) and TalentCorp.

16 Nov Daily Express

Sabah Ports gets HRD Corp Award



Patsy Tiasing (Head, Group People) receiving the award on behalf of Sabah Ports Sdn Bhd.

Sabah Ports wins double human resource awards

KOTA KINABALU: Sabah Ports Sdn Bhd (SPSB), a wholly owned subsidiary of Suria Capital Holdings Bhd, has been awarded the Human Resource Development Corporation (HRD Corp) Award for large employers' category for Sabah Region and has earned recognition as the pioneer winner of the national 'HR Team of the Year Excellence Awards.

These accolades underscore SuriaGroup's dedication to fostering an employee-centric environment, focusing on human capital empowerment to drive business excellence and cultivating a high engagement culture that prioritises continuous improvement and employee satisfaction.

Commenting on this remarkable achievement, Datuk Ng Kiat Min, Group Managing Director of Suria Capital Holdings Berhad cum Managing Director of SPSB stated, "We recognise our people as our most important asset, as such, we commit to enriching our employees' growth, well-being, and providing a meaningful and engaging work experience guided by four principles - Develop, Attract, Retain and Engage."

She added: "It is pivotal for SPSB, as well as SuriaGroup, to stand out as an employer of choice. We are honoured to be recognised for this accomplishments, especially in representing Sabah in a distinguished national award."

Contenders for the HRD Corp awards in the Sabah Region who have been shortlisted include Petronas Chemical Methanol Sdn. Bhd and Sabah Shell Petroleum Company Limited.

In the 'HR Team of the Year' category, Northport (Malaysia) Berhad and Pos Malaysia Berhad were nominated.

SPSB received the awards from Human Resources Minister V Sivakumar and Deputy Human Resources Minister Datuk Ts Mustapha Sakmud during the HRD Awards 2023 gala dinner.

Gracing the event was Deputy Prime Minister and the Minister of Plantation and Commodity, Dato' Sri Fadillah Yusof.

According to organiser HRD Corp, an agency under the Ministry of Human Resource Malaysia, 44 winners emerged across three categories, covering businesses, individuals, trainers and training providers.

The evaluating panel included HRD Corp's senior leadership members and industry representatives from Malaysian Employers Federation (MEF), Federation of Malaysian Manufacturers (FMM), SME Corporation Malaysia (SME Corp), SIRIM Berhad, National Tech Association of Malaysia (PIKOM) and TalentCorp.

16 Nov Borneo Post

Sabah Ports wins double human resource awards

SURIA IN THE NEWS


Sabah Ports holds Health, Safety and Environment Week

23 Nov Borneo Post

Sabah Ports holds Health, Safety and Environment Week


Suria reports slightly higher RM80m revenue

1 Dec Daily Express

Suria reports slightly higher RM80m revenue


Suria Capital reports stable financial performance

1 Dec Borneo Post

Suria Capital reports stable financial performance



1 Dec Berita RTM

Kick-Off Ceremony of Seagrass Transplanting Programme by Universiti Malaysia Sabah & SuriaGroup


THE EDGE

Suria Cap to lease out Sapangar Bay Container Port to DP World

4 Dec The Edge

Suria Cap to lease out Sapangar Bay Container Port to DP World


SuriaGroup empowers schools through CSR

5 Dec Daily Express

SuriaGroup empowers schools through CSR


SuriaGroup empowers schools through CSR

KOTA KINABALU: Suria Capital Holdings Berhad and its subsidiaries, collectively SuriaGroup, donated food baskets, grass-cutting equipment and solar spotlights to Rumah Anak Yatim & Asnaf, Kampung Silad as well as Rumah Kanak- kanak Don Bosco Kampung Bundu Tuhan in Ranau, recently.

It was held as part of its corporate social responsibility (CSR) programme and the group identified the orphanage and Tahfiz school as recipients of the initiative.

The group's dedication towards addressing food scarcity at the two locations resulted in the donation of multiple food baskets from Bataras to both the orphanage and school. These baskets include essential food items such as grains, cooking oil, canned goods and other perishable and non-perishable necessities.

The group also donated grass-cutting equipment to both schools. By ensuring well-maintained premises, the schools can provide a comfortable and safe space for their students to study and excel academically.

One of the group's corporate social responsibility programmes.

Group Managing Director Datuk Ng Kiat Min said:

"At Suria, we firmly believe in giving back to society and making a positive difference wherever we operate. Our recent engagement with the orphanage and Tahfiz school reflects our commitment to supporting educational institutions and addressing societal challenges.

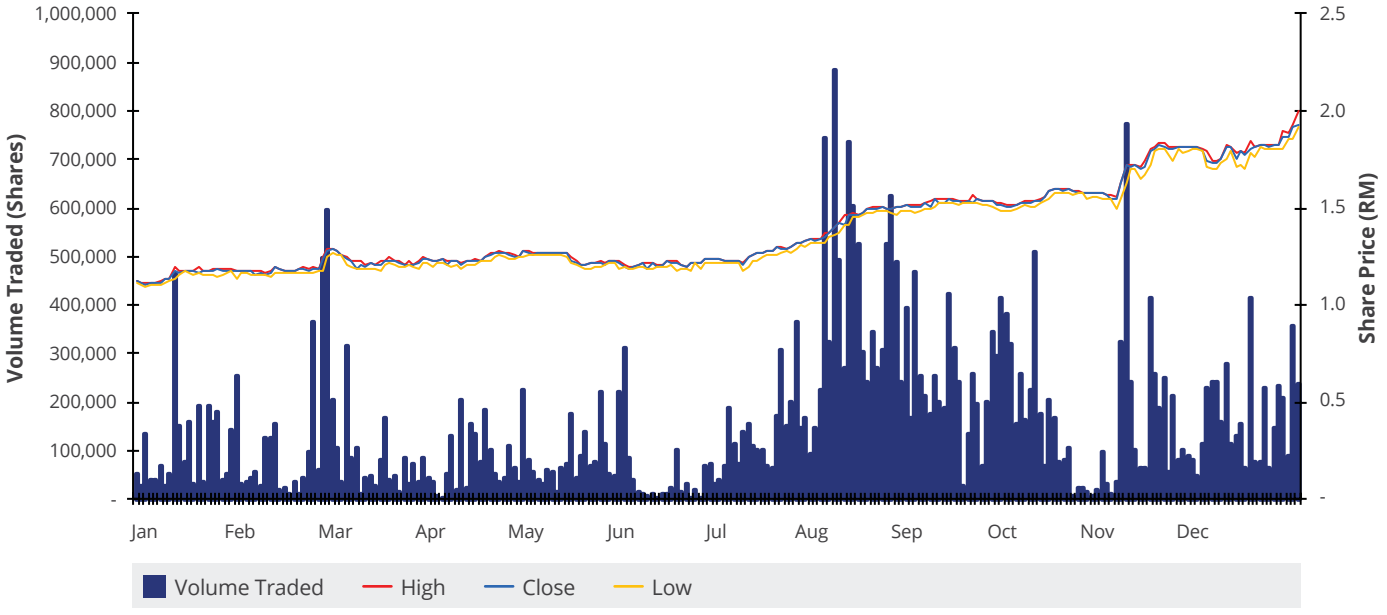
"We are privileged to have the opportunity to contribute to their well-being and development."

5 Dec Borneo Post

SuriaGroup empowers schools through CSR

SHARE PRICE AND VOLUME TRADED IN 2023

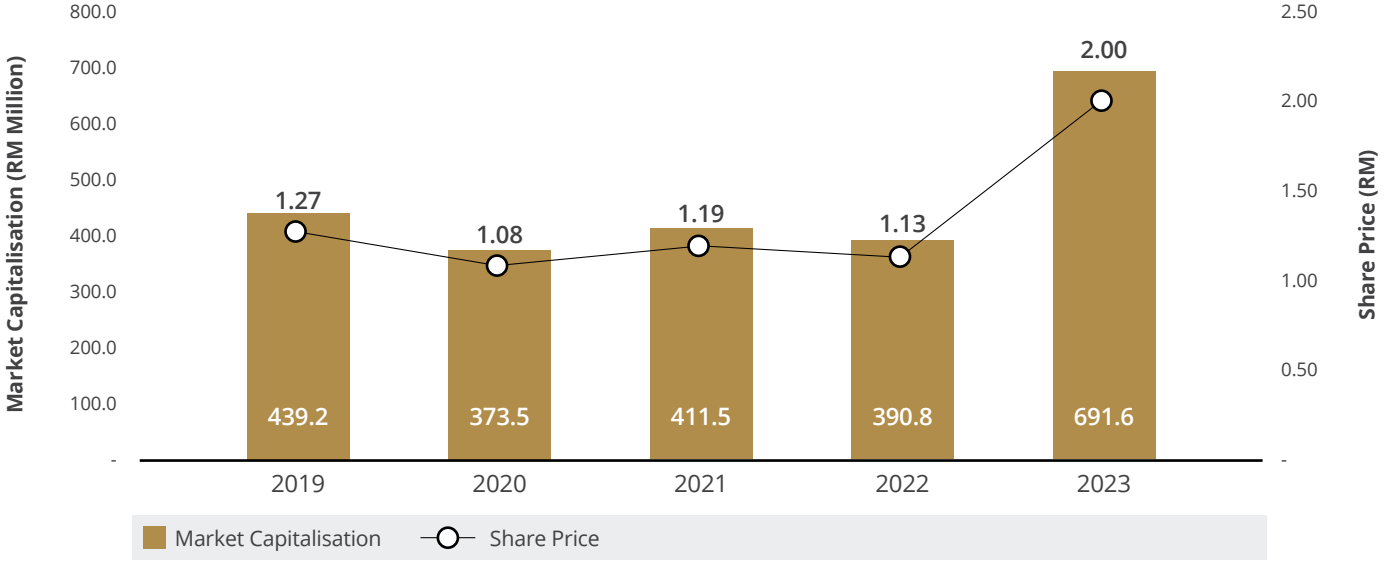
Year 2023 - Daily Volume Traded and Highest-Lowest Share Prices



Year 2023 - Monthly Volume Traded and Highest-Lowest Share Prices

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
High	1.20	1.20	1.29	1.28	1.28	1.23	1.32	1.51	1.57	1.60	1.84	2.00
Low	1.09	1.14	1.17	1.19	1.19	1.18	1.18	1.30	1.48	1.49	1.50	1.70
Close	1.18	1.18	1.22	1.27	1.21	1.22	1.32	1.51	1.52	1.58	1.79	1.93
Daily Average Volume Traded	112,521	72,556	134,452	77,850	88,119	51,355	129,590	396,164	241,210	159,600	169,124	187,885
Total Volume	2,137,900	1,306,000	3,092,400	1,401,300	1,850,500	1,027,100	2,591,800	8,715,600	4,824,200	3,511,200	3,551,600	3,757,700

Market Capitalisation



STATEMENT ON CORPORATE GOVERNANCE

OVERVIEW OF OUR CORPORATE GOVERNANCE PRINCIPLES

The Board presents this Statement on Corporate Governance to provide shareholders and investors with an overview of the corporate governance practices of the company under the leadership of the Board for the financial year ended 2023.

The Board adopts and practices a high standard of corporate governance in conducting the affairs and businesses of the company. The Board views this as a fundamental part of its responsibilities to protect and enhance long term shareholders' value and the financial performance of the company, while taking into account the interests of other stakeholders.

Premised on this, the Board is fully committed to uphold and maintain high standards of corporate governance by adopting and putting in practice the best principles as laid out in the following statute, best practices and guidelines:



The Statement on Corporate Governance should be read together with the company's Corporate Governance Report 2023 published on the company's website at https://suriagroup.com.my/corporate-governance/.

In promoting the highest standards of corporate governance, the Board adheres to the Corporate Governance Framework as demonstrated below:



STATEMENT ON CORPORATE GOVERNANCE

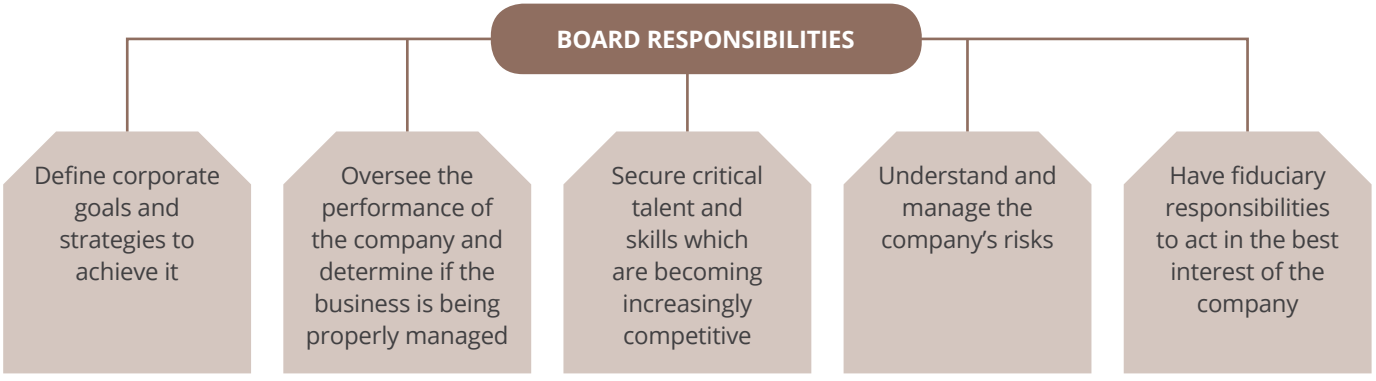
The Board presents this statement to provide an insight into the corporate governance practices of the company under the leadership of the Board with reference to the following principles:



BOARD LEADERSHIP AND EFFECTIVENESS

The Board

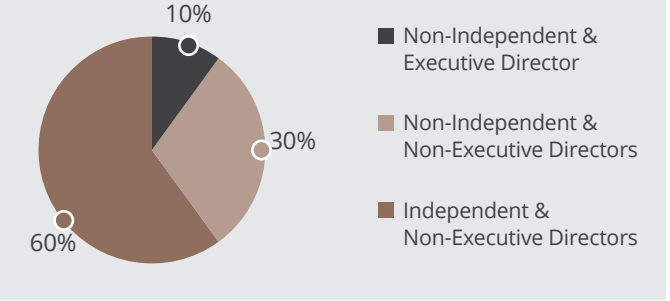
The Board sets the company's strategic directions, values and standards, ensures that necessary resources are in place for the company to meet its objectives. The Board provides direction and reviews the Management's performance while ensuring its obligations to the stakeholders are understood and met. The fundamental responsibilities of the Board include the following:



Board Independence

The Board's composition for the year ended 31 December 2023 complied with Chapter 15, Para 15.02 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Bursa Malaysia's MMLR) in terms of the number of Independent Directors, whereby at least two (2) Directors or one third of the Board of Directors are Independent Directors. The company has six (6) or 60% Independent & Non-Executive Directors out of ten (10) directors as of 31 December 2023.

Board Composition



STATEMENT ON CORPORATE GOVERNANCE

Board Diversity

The Board composition for the year 2023 in terms of each of the director's industry and background experience, age, ethnic and gender, are as follows:

	Academic / Industry Experience								Age				Ethnic		Gender	
Directors	Sociology	Economics	Accounting/Finance	Public Service	Business Administration	Law	Engineering	Medical	30 – 49 years	50 – 59 years	60 – 69 years	70 & above	Bumiputera	Non-Bumiputera	Male	Female
Datuk Hj. Faisyal Bin Datuk Yusof Hamdain Diego		√	√		√						√		√		√	
Datuk Ng Kiat Min			√								√		√			√
Kee Mustafa	√			√								√	√		√	
Michael Tong Yin Shiew, J.P.			√		√							√		√	√	
Ahmad Rizal Bin Dahli			√			√				√			√		√	
YB Datuk Seri Panglima Dr. Md. Salleh Bin Tun Said Keruak, J.P. [1]	√			√							√		√		√	
Datuk Alexandra Chin @ Fui Lin, J.P.			√		√						√			√		√
Datuk Juslie Bin Ajirol[2]				√	√						√		√		√	
Ir. Jerome Jimbangan @ Terence				√	√		√				√		√		√	
Datuk Mohd Sofian Alfian Nair[3]				√	√					√			√		√	
YB Datuk Dr. Hj. Yusof Bin Hj. Yacob[4]				√				√			√		√		√	
Emmie M Idang[5]					√	√			√				√			√

[1] *Resigned from the Board on 19 January 2023.*
[2] *Resigned from the Board on 1 February 2023.*
[3] *Appointed to the Board on 16 March 2023.*
[4] *Appointed to the Board on 1 April 2023.*
[5] *Appointed to the Board on 20 April 2023.*

Board Attendance

Apart from complying with Bursa Malaysia's MMLR, director's commitment in carrying out his/her duties and responsibilities is affirmed by attending more than 70% of the Board meetings held during the financial year ended 31 December 2023, except for two (2) directors who attended 57% and 33% of the Board meetings respectively.

No.	Name of Director	Attended Meetings	Percentage
1.	Datuk Hj. Faisyal Bin Datuk Yusof Hamdain Diego	7/7	100.0%
2.	Datuk Ng Kiat Min	7/7	100.0%
3.	Kee Mustafa	6/7	85.7%
4.	Michael Tong Yin Shiew, J.P.	6/7	85.7%
5.	Ahmad Rizal Bin Dahli	6/7	85.7%
6.	Datuk Alexandra Chin @ Fui Lin, J.P.	4/7	57.1%
7.	Ir. Jerome Jimbangan @ Terence	7/7	100.0%
8.	Datuk Mohd Sofian Alfian Nair[1]	2/6	33.3%
9.	YB Datuk Dr. Hj. Yusof Bin Hj. Yacob[2]	4/5	80.0%
10.	Emmie M Idang[3]	4/5	80.0%

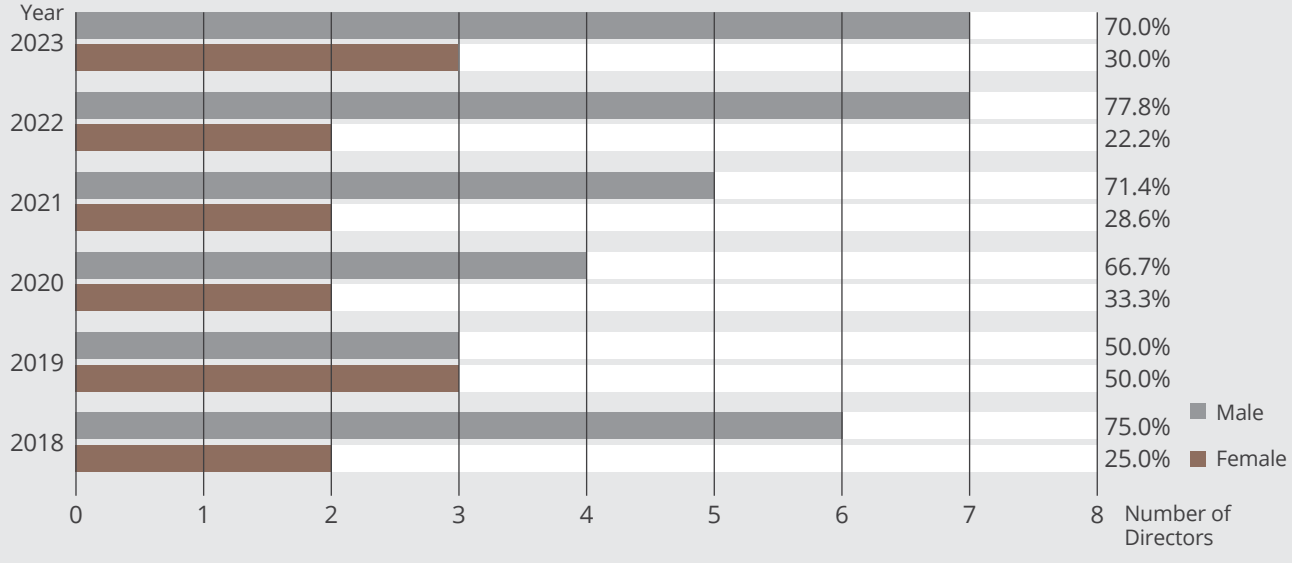
[1] *Appointed to the Board on 16 March 2023.*
[2] *Appointed to the Board on 1 April 2023.*
[3] *Appointed to the Board on 20 April 2023.*

Gender Equality on the Board

In tandem with the Government's aspiration to empower women in a leadership role of an organisation, the Board acknowledged women presence and their contributions in key decision-making by having 30% of women participations on the Board for year 2023.

The company in year 2023 is in compliance with the updated Malaysian Code on Corporate Governance 2021 (MCCG 2021), Practice 5.9 to have at least 30% women directors with the appointment of Ms. Emmie M Idang with effect from 20 April 2023.

Gender Equality on the Board



STATEMENT ON CORPORATE GOVERNANCE

The Chairman

The Chairman of the Board is appointed to provide strong leadership for an effective Board and to instil good corporate governance practices. Key responsibilities of the Chairman include:

- Leads Board meetings and discussions.
- Sets the Board agendas and ensures that Board members receive complete and accurate information in a timely manner.
- Encourages active participation and allows dissenting views to be freely expressed among the Board members.
- Manages the interface between the Board and Management.
- Ensures effective communication with stakeholders.
- Monitors good corporate governance practices in the company.

The Chairman's profile is set out on page 45 of the Annual Report.

Division of Roles Between the Chairman and Group Managing Director

There is a clear division of responsibilities between the Chairman and Group Managing Director to ensure that there is a balance of power and authority in managing the company as outlined below:

CHAIRMAN	GROUP MANAGING DIRECTOR
• Ensures orderly conduct and working of the Board. • Ensures that every Board resolution is made collectively and reflects the will of majority. • Ensures that the Board agrees on the strategy formulated by the company and monitors its implementation.	• Implements the policies and decisions of the Board, oversees the operations, as well as coordinates the development and implementation of business and corporate strategies. • Develops and translates the strategies into a set of manageable goals and priorities. • Sets the direction of the business operations, investment and other activities based on effective risk management framework, system and controls.

The Group Managing Director's profile is set out on page 46 of the Annual Report.

The Company Secretary

The Board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate the adoption of corporate governance best practices.

The Company Secretary is tasked with facilitating the company's corporate governance processes and holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chairman, on all governance matters and reports directly to the Chairman as the representative of the Board. The Company Secretary is appointed and shall be dismissed by the Board. All directors have direct access to the Company Secretary.

The tasks of the Company Secretary shall include:

Meetings & Minutes

- Notifying the directors in advance of Board meetings.
- Ensuring that the agendas and Board papers are prepared and forwarded to directors prior to the Board meetings.
- Recording, maintaining and distributing the minutes of all Board and Board Committee meetings.
- Maintaining a complete set of Board papers at the company's registered address.
- Preparing for and attending all annual and extraordinary general meetings of the company.
- Recording, maintaining and distributing the minutes of all general meetings of the company.

Compliance

- Overseeing the company's compliance programme and ensuring relevant legislative obligations are met.
- Ensuring all requirements of the Securities Commission, Bursa Malaysia Securities Berhad, Companies Commission and any other regulatory bodies are fully met.
- Providing counsel to the directors on corporate governance principles and requirements as well as on directors' liability.

Governance & Administration

- Maintaining a Register of the company's policies and procedures as approved by the Board.
- Maintaining, updating and ensuring that all directors have access to an up-to-date copy of the Board Charter and related governance documentation.
- Maintaining the complete list of the delegations of authority.
- Reporting at the Board meetings documents to be executed under power of attorney in accordance with the Companies Act 2016, and the company's constitution.
- Providing any other services that the Chairman of the Board or the directors may require.

The Company Secretary shall keep herself abreast of the changes and developments in statutory and regulatory requirements, corporate governance and sustainability through continuous professional development. The training programmes attended by the Company Secretary in the year 2023 are as follows:

Training Attended by the Company Secretary

- Talent Assessment & Standardisation.
- Workshop on Authority Limits & Procurement Procedure.
- Introduction to Oil & Gas.
- MIA International Accountants Conference 2023 - Future Fit Profession: Chartering a Better Tomorrow.
- Fundamentals of Environment, Social & Governance (ESG)

The Company Secretary's profile is set out on page 57 of the Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

Clarity in the Role of the Board and Management

The Board and Management clearly draw their boundaries as directed and guided by the Board Charter as follows:

	Board's Role	Management's Role
Strategy Development and Target Setting	• Challenges assumptions, priorities and options developed and recommended by Management in the strategic planning process. • Reviews the corporate and business plans, corporate budget and sets performance targets for the Management.	• Develops strategic direction and plan for the company based on agreed strategic direction and focus. • Implements corporate and business plans as per the Board-approved strategic plan and corporate budget. • Coordinates the development of the corporate and business plans and the utilisation of corporate budget across all business units.
Performance Management	• Reviews, approves and provides feedback on corporate Key Performance Indicators (KPIs) and targets. • Reviews operational and financial results on a quarterly basis, discusses material variances, and ensures that corrective actions are taken, if required.	• Establishes corporate Key Performance Indicators (KPIs). • Cascades KPIs throughout the organisation. • Monitors KPIs with business units, investigates variances and develops corrective actions, if required.
Human Capital Management	• Selects and proactively plans for succession of the Management. • Reviews the performance management philosophy. • Endorses the development plan of those in pivotal positions. • Understands the pool of potential future leaders.	• Develops and implements the company's performance management system. • Evaluates leadership performance and potential of all executives. • Identifies the top talent pool and closely manages their performance and identifies training needs.
Risk Management	• Sets the company's risk parameters and risk appetite. • Understands major risk exposures and ensures appropriate risk mitigation approaches are in place. • Considers internal and external risk factors. • Reviews the Board Risk Policy to ensure that it continues to remain current and relevant.	• Implements the Board Risk Policy. • Implements risk management process of establishing context, risk assessment and risk treatment. • Manages all risks within the boundaries set by the Board. • Instils risk management culture throughout the Group.
Stakeholder Management	• Considers and reviews economic impact on stakeholders' interests and demands. • Supports the Management in managing key stakeholders.	• Manages all stakeholders' interests within the boundaries as agreed with the Board.

Policies and Procedures

The Board establishes the following mechanisms with objectives to promote good business conduct and healthy corporate culture for the Board and all employees of the Group to uphold:

AUTHORITY LIMITS & PROCUREMENT PROCEDURES
• Defines authority limits governing the purchase of assets, supplies, services, sub-contracting, bidding and property development activities. • Ensures all purchases are made in compliance with relevant and applicable policies and procedures. • Ensures proper evaluation and selection of suppliers.
DIRECTORS' CIRCULAR RESOLUTION POLICY AND PROCEDURES
• Sets out a standard of procedure in regard to issuance and approval of the Directors' Circular Resolution (DCR) for reference and guidance of the Management of SuriaGroup and act as a control mechanism that monitor the use of DCR in obtaining approval from the Boards. • Enhance and smoothen the due process for issuance of DCR at the Management and Board level. • Protect the organisation from any abuse of due process in approval of any DCR.
SURIAGROUP BOARD CHARTER
• Outlines the Board's duties and responsibilities and acts as the reference point for the Board in setting the overall direction and control of the company. • Raises the Board effectiveness to the highest standard of best practices. • Assists the Board in assessing its own performance.
SURIAGROUP CODE OF CONDUCT AND DISCIPLINE
• Sets out policies and guidelines relating to the standards of ethical conducts that all employees are expected to adhere to. • Ensures the Management maintains discipline and order in the workplace for employees of all levels. • Sets out the circumstances in which employees would be deemed to have breached the Code and actions that can be taken against them.
SURIAGROUP WHISTLEBLOWING POLICY
• Monitors disclosures on wrongdoings as defined under the Policy in a responsible manner and in accordance with internal procedures. • Addresses and manages each disclosure in an appropriate manner according to gravity or nature of the wrongdoing. • Protects the whistleblower from reprisal as a direct consequence of making a disclosure and safeguards the confidentiality of such disclosure. • Treats both the whistleblower and the alleged wrongdoer fairly.
SURIAGROUP ANTI-CORRUPTION AND BRIBERY POLICY & PROCEDURES
• Provides information and guidance to the Board and employees on the expectation regarding their business and professional conduct so as not to be involved in any act of corruption and/or bribery. • Provides guidance on how to identify or recognise the act of corruption and/or bribery and to set out the procedures on how to deal with issues relating to corruption and/or bribery as well as breaches without fear of reprisal. • Ensure that the Group has adequate policies and procedures in place to prevent and detect corruption and/or bribery. • Protects the Group against possible penalties and repercussions resulting from any acts of corruption and/or bribery committed by the Board or employees.
SURIAGROUP PEOPLE MANUAL
• A mechanism to manage risks by staying updated with current trends in employment standards and legislations. • Assist the Group in establishing and maintaining consistent human resource practices in the workplace. • Serves as source of reference for all employees to reduce misrepresentations and promotes industrial harmony among employees and between employer and employees. • Promotes employees personal and professional growth. • Provides guidance as an effective tool of communication between employer and employees regarding employment.
BOARD RISK POLICY
• Ensures that the Board's expectations on Management in carrying out the day-to-day risk management activities to manage the Group's risk exposures are being met.

STATEMENT ON CORPORATE GOVERNANCE

Nomination/Appointment Committee

The Nomination/Appointment Committee (NC) assists in finding a suitable candidate and recommends to the Board for a directorship to be filled. The NC comprises of both Independent & Non-Executive Directors and Non-Independent & Non-Executive Directors.

	Attended Meeting	Attendance Percentage
Chairman		
Kee Mustafa[1]	1/1	100.0%
Member		
Michael Tong Yin Shiew, J.P.[2]	1/1	100.0%
Ahmad Rizal Bin Dahli[3]	1/1	100.0%

[1] *Resigned from NAC on 16 March 2023.*
[2] *Resigned from NAC on 16 March 2023.*
[3] *Resigned from NAC on 16 March 2023.*

During the year 2023, the NC held one (1) meeting which undertook the following activities:

20 February 2023	• Proposed Appointment of Directors for Suria Capital Holdings Berhad and Sabah Ports Sdn Bhd. • Proposed Appointment of Institute of Corporate Directors Malaysia (ICDM) to conduct Board & Directors Effectiveness Evaluation (BDEE) for Directors of Suria Capital Holdings Berhad.

Remuneration Committee

The Remuneration Committee (RC) manages the remuneration process for the Board and Senior Management within the Group. The RC reviews and recommends the Group's remuneration policy and ensures the policy reflects the industry practice and contributions.

The RC takes into account the demands, complexities and performance of the company as well as skills and experience required in determining the remuneration of the Board and Senior Management.

The RC proposes the directors' remuneration before tabling to the Board prior to endorsement by the members during the Annual General Meeting. The RC and the Board also make necessary reference to industry practice involving comparable organisations in making the recommendation. The RC is spearheaded by the Senior Independent & Non-Executive Directors.

	Attended Meeting	Attendance Percentage
Chairman		
Kee Mustafa[1]	1/1	100.0%
Member		
Michael Tong Yin Shiew, J.P.[2]	1/1	100.0%

[1] *Resigned from RC on 16 March 2023.*
[2] *Resigned from RC on 16 March 2023.*

During the year 2023, the RC held one (1) meeting which undertook the following activities:

20 February 2023	• Proposed Re-appointment of Chief Executive Officer of SCHB Engineering Services Sdn Bhd. • Proposed Re-appointment of General Manager (Technical & Process Improvement) of Sabah Ports Sdn Bhd. • Proposed Appointment of the Head (Group Corporate Affairs & Communications) of Suria Capital Holdings Berhad. • Proposed Re-engagement of Senior Manager (Technical) of SCHB Engineering Services Sdn Bhd. • Proposed Re-appointment of Group Managing Director of Suria Capital Holdings Berhad.

Nomination & Remuneration Committee

In March 2023, the Board has decided to merge both Nomination/Appointment Committee with the Remuneration Committee into Nomination & Remuneration Committee (NRC). This is to promote efficiency and effectiveness of the committee in ensuring all matters related with the Board and remuneration of the Board and Senior Management of the Group are being addressed effectively.

NRC is spearheaded by both Independent & Non-Executive Directors and the Non-Independent & Non-Executive Directors. The current composition of the NRC is as follows:

	Attended Meeting	Attendance Percentage
Chairman		
Kee Mustafa[1]	5/5	100.0%
Member		
Michael Tong Yin Shiew, J.P.[2]	5/5	100.0%
Ahmad Rizal Bin Dahli[3]	5/5	100.0%
Datuk Mohd Sofian Alfian Nair[4]	0/5	0.0%

[1] *Appointed to NRC on 16 March 2023.*
[2] *Appointed to NRC on 16 March 2023.*
[3] *Appointed to NRC on 16 March 2023.*
[4] *Appointed to NRC on 16 March 2023.*

During the year 2023, the NRC held five (5) meetings which undertook the following activities:

27 March 2023	• Proposed Appointment of Director of Suria Capital Holdings Berhad.
14 April 2023	• Proposed Appointment of Director of Suria Capital Holdings Berhad.
15 May 2023	• Proposed Bonus for the Financial Year Ended 31 December 2022 for Employees of Suria Capital Holdings Berhad and its Subsidiaries. • Proposed Appointment of Chief Financial Officer of Suria Capital Holdings Berhad. • Proposed Re-engagement of Head (Group People) for SuriaGroup.
15 November 2023	• Proposed Remuneration Package Review for Employees of SuriaGroup. • Proposed Review of Non-Executive Directors' Fee of SuriaGroup. • Proposed Interim Bonus for Financial Year Ended 31 December 2023. • Proposed Third Collective Agreement (2024-2026) between Union of Sabah Ports Sdn Bhd and Sabah Ports Sdn Bhd. • Proposed New Organisation Structure for Sabah Ports Sdn Bhd.
19 December 2023	• Proposed Implementation of the New Remuneration Package for Employees of SuriaGroup. • Proposed Board and Directors' Effectiveness Evaluation (BDEE) Report for Suria Capital Holdings Berhad by the Institute of Corporate Directors Malaysia (ICDM). • Proposed Revision of Organisation Chart for Suria Capital Holdings Berhad. • Proposed Revision of Organisation Chart for Sabah Ports Sdn Bhd.

STATEMENT ON CORPORATE GOVERNANCE

Board and Directors Evaluation

Pursuant to Practice 6.1 of the MCCG 2021, the Board should undertake a formal and objective annual evaluation to determine the effectiveness of the Board, its Committees and each individual director. The Board should disclose how the assessment was carried out, its outcome, actions taken and how it has or will influence Board composition. For large companies, the Board engages independent experts at least every three (3) years, to facilitate objective and candid Board evaluations.

As a matter of compliance to Practice 6.1 of the MCCG 2021, the company during the year 2023 has engaged an independent expert to conduct the Board and Directors Effectiveness Evaluation (BDEE) and Individual Director Evaluation (IDE). Engaging an independent expert to conduct the Board evaluation was the company's first-time initiative. The aim was to enhance credibility, depth and objectivity in assessing the Board's performance and governance practices, and to build consensus towards further improvements.

The effectiveness and performance of the Board, its Committees and each individual director were assessed through a combination of one-on-one interviews, sighting of governance documents (i.e. Board Charter, Board Committees' Terms of Reference, and minutes of meetings), online surveys, peer reviews and Board-working facilitation. Few selected Senior Management team who frequently interact with the Board participated in the online questionnaires.

The scope of Board evaluation encompassed 10 primary parameters which include:

- Board Leadership
- Board Composition, Skills and Development
- Board Committees
- Board Governance & Processes
- Board Agendas, Meetings and Information
- Board Dynamics & Culture
- Board & Management Relationship
- Board & Stakeholder Engagement
- Sustainability Matters
- Board & Crisis Management

A comprehensive report on the findings of BDEE and other key issues were presented to the Nomination & Remuneration Committee and the Board. The IDE report was provided to each Board member as well as the Chairman so that the Chairman can guide the development of each director. The IDE report includes self vs. peer Board competency comparisons, technical knowledge, areas for reflection, development and recommendations for greater effectiveness in their role. Recommendations were put forward which were all benchmarked against corporate governance best practices. The Board will prioritise the recommended improvements and agree on the best course of action to enhance the Board effectiveness of their oversight functions further. The results of the BDEE in year 2023 and its recommendations will be the subject of the Board's focus for the following year.

BDEE Findings

Overall, Suria's Board led by a very capable, experienced and well-respected Chairman and supported by four (4) board committees. The Board can be viewed generally as being a formal, professional and cohesive Board, and has diligently fulfilled its diverse duties, roles and responsibilities.

The Board maintains its focus on driving long-term business growth, operating in harmony among members and management to efficiently manage the businesses, operations, and investments.

As a whole, Suria's Board meets expectations of a high performing organisation with no major concerns relating to its effectiveness evaluation. However, there is room for the Board to contemplate enhancements to elevate its performance further.

Board Continuous Professional Development

New directors appointed during the year 2023 have completed the Mandatory Accreditation Programme Part 1 in compliance with Bursa Malaysia's MMLR.

In addition, the Board attended various programmes to keep themselves abreast with the economic, industry and regulatory latest developments. The directors were also informed by the Management from time to time during Board meetings on any changes in laws and regulations that were relevant to the company's operations.

During the year 2023, the Board attended various training programmes organised by regulatory authorities and professional bodies. The programmes which the directors have attended are as follows:

	TRAININGS AND SEMINARS ATTENDED
Datuk Hj. Faiysal Bin Datuk Yusof Hamdain Diego	• Maritime Law & Business Conference 2023 - Refueling the Future - Sustainability & Growth in the Post - Covid Era. • Kursus Tahunan Ahli Lembaga Pengarah Badan-Badan Berkanun Negeri & Syarikat Kerajaan Negeri Sesi 1/2023Mastering ESG Principles. • Fundamentals of ESG for Board of Directors - Mastering ESG Principles.
Datuk Ng Kiat Min	• Maritime Law & Business Conference 2023 - Refueling the Future - Sustainability & Growth in the Post - Covid Era. • MIA International Accountants Conference 2023 - Future Fit Profession: Chartering a Better Tomorrow. • Fundamentals of ESG for Board of Directors - Mastering ESG Principles.
Kee Mustafa	• Maritime Law & Business Conference 2023 - Refueling the Future - Sustainability & Growth in the Post - Covid Era. • Fundamentals of ESG for Board of Directors - Mastering ESG Principles.
Michael Tong Yin Shiew, J.P.	• Malaysian Institute of Accountants - ISQM implementation Part 1 (Webinar)* • Malaysian Institute of Accountants - ISQM implementation Part 2 (Webinar)* • Malaysian Institute of Accountants - ISQM implementation Part 3 (Webinar)* • Association of Chartered Certified Accountants - Post Budget 2023 (Webinar)* • Malaysian Tax Conference 2023 - Collaboration for a Sustainable Tomorrow • Fundamentals of ESG for Board of Directors - Mastering ESG Principles. • Chartered Tax Institute of Malaysia - National Tax Conference 2023* • Sabah International Expo (SIE) - Sabah International Business Luncheon Talk 2023 • Chartered Tax Institute of Malaysia*
Ahmad Rizal Bin Dahli	• Sabah CEO Masterclass (Panelist)* • Kursus Ahli Lembaga Pengarah Badan-Badan Berkanun Negeri & Syarikat Kerajaan Negeri Sesi 1/2023 - Excel Board Towards Corporate* • Fundamentals of ESG for Board of Directors - Mastering ESG Principles. • QSB Group Corruption Risk Management Workshop 2023* • Sabah International Expo (SIE) - Sabah International Business Luncheon Talk 2023*
Datuk Alexandra Chin @ Fui Lin, J.P.	• Lembaga Hasil Dalam Negeri - 2023 Budget Seminar* • Fundamentals of ESG for Board of Directors - Mastering ESG Principles. • Association of Chartered Certified Accountants - Post Budget 2024* • Malaysia Institute of Accountants - 2024 Budget Seminar* • Malaysian Institute of Accountants - ISQM 1 & 2 Monitoring and Remediation Procedures* • Association of Chartered Certified Accountants - CHATGPT for Finance Professional* • Association of Chartered Certified Accountants - Introduction to environmental, social & governance (ESG) and sustainable finance* • Association of Chartered Certified Accountants - Preparation and Implementation of 'E-Invoice' in Malaysia* • The Malaysian Institute of Certified Accountants - Preparing MPERS Compliant Financial Statements* • The Institute of Corporate Directors Malaysia - Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Ir. Jerome Jimbangan @ Terence	• Fundamentals of ESG for Board of Directors - Mastering ESG Principles. • BIM Professional Course for Civil Engineers* • Read Hydrogenesing A New Era* • 2nd International Conference on Engineering and Technology (ICoEngTech 2023)*
Datuk Mohd Sofian Alfian Nair	• Fundamentals of ESG for Board of Directors - Mastering ESG Principles. • Bursa Malaysia Mandatory Accreditation Programme (MAP) 2023.
YB Datuk Dr. Hj. Yusof Bin Hj. Yacob	• Fundamentals of ESG for Board of Directors - Mastering ESG Principles. • Bursa Malaysia Mandatory Accreditation Programme (MAP) 2023.
Emmie M Idang	• Bursa Malaysia Mandatory Accreditation Programme (MAP) 2023.

* Training not registered by Suria

STATEMENT ON CORPORATE GOVERNANCE

Board Remuneration

The details of remuneration receivable by directors of the company during the financial year ended 31 December 2023 are as follows:

	GROUP				COMPANY			
NAME OF DIRECTORS	Fees RM '000	Salary and/ or other emoluments* RM '000	Benefits-in-kind (RM '000)	Total RM '000	Fees RM '000	Salary and/ or other emoluments* RM '000	Benefits-in-kind (RM '000)	Total RM'000
EXECUTIVE DIRECTOR								
Datuk Ng Kiat Min	-	784	83	867	-	784	83	867
NON-EXECUTIVE DIRECTORS								
Datuk Hj. Faisyal Bin Datuk Yusof Hamdain Diego	60	227	8	295	60	220	8	288
Datuk Seri Panglima Dr. Md. Salleh Bin Tun Said Keruak, J.P.[1]	5	-	-	5	5	-	-	5
Kee Mustafa	102	22	-	124	60	16	-	76
Michael Tong Yin Shiew, J.P.	60	27	-	87	60	27	-	87
Ahmad Rizal Bin Dahli	60	17	-	77	60	17	-	77
Datuk Alexandra Chin @ Fui Lin, J.P.	60	10	-	70	60	10	-	70
Datuk Juslie Bin Ajirol[2]	5	-	-	5	5	-	-	5
Ir. Jerome Jimbangan @ Terence	60	15	-	75	60	15	-	75
Datuk Mohd Sofian Alfian Nair[3]	81	3	-	84	48	2	-	50
YB Datuk Dr. Hj. Yusof Bin Hj. Yacob[4]	45	7	-	52	45	7	-	52
Emmie M Idang[5]	42	6	-	48	42	6	-	48
	580	**334**	**8**	**922**	**505**	**320**	**8**	**833**
Total Directors' Remuneration	**580**	**1,118**	**91**	**1,789**	**505**	**1,104**	**91**	**1,700**

[1] *Resigned from the Board on 19 January 2023.*
[2] *Resigned from the Board on 1 February 2023.*
[3] *Appointed to the Board on 16 March 2023.*
[4] *Appointed to the Board on 1 April 2023.*
[5] *Appointed to the Board on 20 April 2023.*

* Includes bonus, duty allowances, social allowances, leave passage and meeting attendance allowances.

EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee (AC) plays a key role in the company's governance structure. The AC is positioned to rigorously challenge and ask probing questions on the company's financial reporting process, internal controls, risk management and governance.

The appropriate level of knowledge, skills, experience and commitment of its members is critical to the AC's ability to discharge its responsibilities effectively. A strong understanding of the financial reporting process complemented with a wide range of diverse perspectives can significantly strengthen the quality of the AC deliberations.

Audit Committee

The AC assists the Board in assessing the risks and control environment, oversees the financial reporting process, evaluates the internal and external audit process, and reviews any conflict of interest situations and related party transactions. The AC meets with the external auditors at least once in a financial year to discuss the financial statements, audit findings, and their performance.

The AC acts as a forum for discussion of internal control issues and contributes to the Board's review on the effectiveness of the Group's internal control and risk management systems. The AC also conducts a review of the internal audit function to ensure the adequacy of the scope, functions and resources of the Group Internal Audit (GIA) and that it has the necessary authority to carry out its work impartially.

Majority of the AC comprises Independent Directors. The Chairman of AC has the necessary qualification in accordance with Paragraph 15.09(1)(c) of the Bursa Malaysia's MMLR. The composition of the AC is as follows:

	Attended Meeting	Attendance Percentage
Chairman		
Michael Tong Yin Shiew, J.P.	6/6	100.0%
Member		
Kee Mustafa[1]	0/1	0.0%
Datuk Alexandra Chin @ Fui Lin, J.P.	5/6	83.3%
Ahmad Rizal Bin Dahli	5/6	83.3%

[1] *Resigned from AC on 16 March 2023.*

RELATIONSHIP BETWEEN AUDIT COMMITTEE, GROUP INTERNAL AUDITOR AND EXTERNAL AUDITOR

Group Internal Auditor

The GIA reports its audit findings to the AC on matters relating to operational, financial and administrative controls and compliance to the Group's authority limits, policies and procedures, requirements of the Securities Commission and Bursa Malaysia's MMLR, and other applicable laws and regulations.

External Auditor

Meetings with the AC and GIA are held to discuss the audit plans, its findings and financial statements as well as other related matters.

Audit Committee

The AC ensures that the GIA is independent of the activities it audits. The AC meets with the external auditor at least once in a financial year.

During the year 2023, the AC held six (6) meetings which undertook the following activities:

23 February 2023	• Reviewed and Recommended for Board's Approval on the Group's Unaudited Interim Financial Statements for the Fourth Quarter and Year Ended 31 December 2022. • Reviewed and Recommended for Board's Approval on the Proposed Fixed Asset Policy for SuriaGroup. • Endorsed the Audit Committee Report for inclusion in the Annual Report 2022. • Reviewed the Internal Audit Report on Suria Capital Holdings Berhad. • Reviewed the Updates on Amended Group Internal Audit's Annual Plan 2023.
27 March 2023	• Reviewed and Recommended for Board's Approval on the Directors' Report and Audited Financial Statements of the Group and of the company for the Financial Year Ended 31 December 2022. • Reviewed and Recommended for Board's Approval on the Audit and Tax Fees in relation to Financial Year Ended 31 December 2022 for SuriaGroup. • Reviewed and Recommended for Board's Approval on the Proposed Disposal and Write-off of Fixed Assets for Suria Capital Holdings Berhad – 1/2023. • Reviewed the Internal Audit Report on Suria Capital Holdings Berhad.

STATEMENT ON CORPORATE GOVERNANCE

15 May 2023	• Reviewed and Recommended for Board's Approval on the Group's Unaudited Interim Financial Statements for the First Quarter and Year-to-date Ended 31 March 2023. • Endorsed the Provision of Pre-concurrence by the Audit Committee on behalf of Those Charged with Governance (TCWG) for the Proposed Permissible Non-Assurance Services by Ernst & Young.
13 July 2023	• Reviewed the Internal Control Issues based on previous/follow-up Audit on Procurement (Repair & Maintenance), IT Audit and SBCP Operational Audit. • Reviewed the Ad-Hoc Audit Report on the Construction of Additional Fire Hydrant at Lahad Datu Port's Administration Building. • Reviewed the Internal Audit Report on SCHB Engineering Services Sdn Bhd.
18 August 2023	• Reviewed and Recommended for Board's Approval on the Group's Unaudited Interim Financial Statements for the Second Quarter and Year-to-date ended 30 June 2023.
23 November 2023	• Reviewed the Ernst & Young PLT's Audit Plan Memorandum 2023. • Reviewed the Group's Unaudited Interim Financial Statements for the Third Quarter and Year-to-date ended 30 September 2023. • Reviewed the Proposed Change of Auditors for Audit of Financial Statements for the Financial Year Ending 31 December 2024. • Reviewed the Proposal by KPMG for Audit of Financial Statements for the Financial Year Ending 31 December 2024. • Reviewed the Proposed Disposal and Write-off of Fixed Assets (4/2023) for Sabah Ports Sdn Bhd. • Reviewed the Internal Audit Report on Sandakan Port. • Reviewed the Internal Audit Report on Tawau Port. • Reviewed the GIA's Annual Audit Plan 2024.

Risk Management & Governance Committee

The Risk Management & Governance Committee (RMGC) is responsible in maintaining a sound system of internal control that covers not only the financial aspects but also the operations, risk management and compliance control to safeguard shareholders' interests and the Group's assets. The RMGC is also responsible to oversee the Group's sustainability and integrity governance.

The management personnel are tasked with the responsibility to monitor, manage and provide reports to the Board on compliance with policies and procedures, financial matters and the business activities of the Group.

Majority of the RMGC are Independent Directors. The current composition of the RMGC is as follows:

	Attended Meeting	Attendance Percentage
Chairman		
Ir. Jerome Jimbangan @ Terence	5/5	100.0%
Member		
Datuk Hj. Faisyal Bin Datuk Yusof Hamdain Diego	4/5	80.0%
Michael Tong Yin Shiew, J.P.	5/5	100.0%

During the year 2023, the RMGC held five (5) meetings which undertook the following activities:

19 January 2023	• Endorsed the Group Risk and Integrity Department's 2023 Activity Plan. • Discussed on SuriaGroup's Half Yearly Reporting to Malaysian Anti-Corruption Commission (MACC) for period covered July to December 2022.
16 February 2023	• Discussed and Recommended the Statement on Risk Management and Internal Control (SORMIC) for year 2022.
13 March 2023	• Discussed the Risk Report on Defects at Jesselton Quay Central's Carpark.
13 July 2023	• Discussed the Risk Assessment on the Proposed Development of Hydrogenated Vegetable Oil (HVO) at Sepangar Bay Between Vandelay Ventures Sdn Bhd and Suria Capital Holdings Berhad. • Endorsed the Proposed Addendum to the SuriaGroup's Anti-Corruption and Bribery Policy & Procedure (ACB PP) Sub-section 8.0 on Gifts and Entertainment Procedures. • Endorsed the SuriaGroup's Half Yearly Reporting from January to June 2023 to the Malaysian Anti-Corruption Commission (MACC). • Discussed on the Independent Auditor Report and Consent of Auditor on the Statement on Risk Management and Internal Control (SORMIC) for the Financial Year Ended 31 December 2022.
12 December 2023	• Discussed on the: a) Progress Report on Defects at JQ Central Carpark; b) Progress Report on SBOT Jetty Extension; c) Progress Report on Maintenance and Upgrading Project at Jesselton Point Ferry Terminal; and d) Development of SuriaGroup's Organisational Anti-Corruption Plan (OACP). • Endorsed the Group Risk and Integrity Department's 2024 Yearly Plan and Activities. • Endorsed the Malaysian Anti-Corruption Commission (MACC) 2nd Half 2023 Compliance Report. • Discussed on the Integrity Issues Identified at Jesselton Point Ferry Terminal Operations.

Investment Committee

The Investment Committee (IC) assists the Board in reviewing investment objectives, strategies, policies and guidelines and to recommend strategic directions in governing the investment activities of the Group to the Board.

Majority of the IC are Independent Directors. The current composition of the IC is as follows:

	Attended Meeting	Attendance Percentage
Chairman		
YB Datuk Dr. Hj. Yusof Bin Hj. Yacob[1]	1/1	100.0%
Member		
Datuk Hj. Faisal Bin Datuk Yusof Hamdain Diego[2]	1/1	100.0%
Datuk Alexandra Chin @ Fui Lin. J.P.	1/1	100.0%
Ir. Jerome Jimbangan @ Terence	1/1	100.0%
Ahmad Rizal Bin Dahli[3]	0/0	0.0%

[1] *Appointed to IC on 19 May 2023.*
[2] *Re-designated from Chairman to Member of IC on 19 May 2023.*
[3] *Resigned from IC on 19 May 2023.*

During the year 2023, the IC held one (1) meeting which undertook the following activities:

24 August 2023	• Discussed and Recommended the Proposed Development of Hydrogenated Vegetable Oil (HVO) Plant in Sapangar Bay Between SCHB and Vandelay Ventures Sdn Bhd. • Discussed and Recommended the Proposed Development of the 7 Acres and 28.9 Acres Kota Kinabalu Port Commercial Lands.

STATEMENT ON CORPORATE GOVERNANCE

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

Corporate Disclosure Practice

The company adheres to Chapter 9 of Bursa Malaysia's MMLR on the timely dissemination of the following information to the public:

- Annual and quarterly operational and financial results;
- Events occurred throughout the year;
- Media releases; and
- Minutes of general meetings.

Engagement with Institutional Investors

The company also conduct briefings and discussions with analysts and institutional investors which includes briefings via virtual platform. However, price-sensitive information will not be discussed unless that particular information has been previously and formally disclosed to the market via immediate announcement to Bursa Malaysia.

Investor Relations Policy

The company has adopted an Investor Relations Policy as an obligation to maintain its corporate credibility and instil investors' confidence in the company by having a structured approach to the communication of material information. It is Suria's responsibility as a public-listed company to consistently inform the shareholders, stakeholders and the general public of the company's developments, its management, operations, financial situation as well as its prospects. The company makes every effort to ensure that all material information is made available as freely and widely as possible. The aim is to fairly and accurately represent Suria so that investors and potential investors can make informed investment decisions.

Suria acknowledges the importance of communicating to its shareholders, investors and analysts. In the its effort to enhance communication with the shareholders, the GCAC had set up an investors' email alert where the company will update shareholders on the latest news and announcements immediately after an announcement is released to Bursa Malaysia. This service is available to shareholders who had registered for the email alert.

Up-to-date information is accessible via the corporate website at http://www.suriagroup.com.my.

I. Financial Reports

The Board is responsible for ensuring that the financial statements of company are drawn up in accordance with the Companies Act 2016 and applicable Approved Accounting Standards in Malaysia, to give a true and fair view of the state of affairs of the company as at the end of the reporting period.

The Statement by Directors for preparing the Audited Financial Statements pursuant to Section 251(2) of the Companies Act 2016 is set out on page 181 of this Annual Report.

The AC assists the Board in ensuring completeness, accuracy and adequacy of information by reviewing and recommending for the adoption of information for disclosure. The AC also reviews the company's accounting policies and changes to these policies as well as ensures the financial statements comply with the accounting and regulatory requirements.

II. Conduct of General Meetings

General meetings are important platforms for the Board and Senior Management to engage with shareholders to facilitate a greater understanding of the company's business, governance and performance. Suria also leverages on technology to facilitate greater shareholder's participation and enhance the proceedings of general meetings.

Sufficient Time of Notice

The Board, pursuant to Section 316(2) of the Companies Act 2016, ensures that shareholders are given sufficient notice at least 21 days prior to the meeting date to consider the resolutions that will be discussed and decided at the general meeting. The notice should provide further explanation beyond the minimum content stipulated in the listing requirements for the resolution proposed to enable shareholders to make an informed decision in exercising their voting rights. The notice includes details of the resolutions proposed along with any background information and reports or recommendations that are relevant.

Presence of directors at the General Meetings

The presence of all directors at general meetings will provide an opportunity for shareholders to effectively engage with each one of them. Having the Chairman of Board Committees or Senior Management present at general meetings will facilitate these conversations and allows shareholders to raise questions and concerns directly to those responsible.

Leverages Technology at the General Meeting

Suria has implemented an electronic poll voting system for all the resolutions set out in the Notice of Meeting at the general meetings to expedite verification and counting of votes. The company appointed one (1) independent scrutineer to oversee the voting process and validate the votes casted at the general meetings.

Due to the restriction of public gathering to reduce the risk of COVID-19 infection, the 37th and 38th Annual General Meeting of the company had been conducted fully virtual on 30 June 2020 and 29 June 2021 respectively whereby the shareholders participated and casted their votes remotely via TIIH Online.

Apart from serving the notice of meeting in printed copy, the company has also served Notice of General Meeting in electronic transmission by providing a link and QR Code to allow the members to access both the notice and annual report in a click away prior to attending the general meetings.

COMPLIANCE STATEMENT

The company has applied most of the principles of the MCCG practices during the financial year 2023.

The Board will continue to make considerable efforts in working towards aligning the company's governance framework as far as practicable to the principles of the MCCG practices.

This statement is made in accordance with the resolution of the Board of Directors dated 5 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

During the financial year 2023, the company did not sponsor any ADR or GDR programme.

CONFLICT OF INTEREST

None of the directors has any family relationship with other directors or major shareholders of the company. However, the following directors are holding shares either directly or indirectly in the share capital of the company:

No.	Name of Director	Number of Share Capital
1.	Datuk Hj. Faisyal Bin Datuk Yusof Hamdain Diego	24,000
2.	Datuk Ng Kiat Min	377,400

CONTRACTS RELATING TO LOAN

There was no contract relating to loans by the company involving directors and major shareholders.

CONVICTIONS FOR OFFENCES

None of the directors has been convicted for offences within the past 10 years other than traffic offences, if any.

MATERIAL CONTRACTS

There were no material contracts between Suria and its subsidiaries involving directors and major shareholders interests.

VARIATION IN RESULTS

During the financial year 2023, there was no variance of ten per centum (10%) or more between the audited results of the financial year ended 31 December 2023 and the unaudited results previously announced.

OPTIONS, WARRANTS OF CONVERTIBLE SECURITIES

There was no further issuance of new options, warrants or convertible securities during the financial year ended 31 December 2023.

PROFIT GUARANTEE

During the year under review, there was no profit guarantee given by the company.

RECURRENT RELATED PARTY TRANSACTIONS (RRPT)

There were no RRPT entered into during the financial year 2023.

REVALUATIONS OF LANDED PROPERTY

The company does not have a revaluation policy on landed properties.

SHARE BUYBACKS

During the financial year 2023, there were no share buybacks by the company.

UTILISATION OF PROCEEDS

No proceeds were raised by the company from any corporate proposal during the financial year 2023.

IMPOSITION OF SANCTION/PENALTY FOR THE FINANCIAL YEAR 2023

There was no sanction or penalty imposed on the company, directors and Senior Management for the financial year 2023.

NON-AUDIT FEES

Breakdown of the non-audit fees amounting to RM37,000 paid by the company during the financial year 2023 are as follows:

	RM
Review of Statement of Risk Management & Internal Control	12,000
Income Tax Computation	25,000
Total	**37,000**

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control is made pursuant to Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR) which require the Board of Directors (the Board) of public listed companies to publish a statement about the state of the Company's risk management and internal control. This statement is intended to provide a meaningful high-level information about the adequacy and outlines the scope of the Group's system of risk management and internal control during the financial year under review.

BOARD RESPONSIBILITY

The Board has oversight responsibility for the Group's risk management and internal control system and for reviewing its adequacy and effectiveness. The Board's oversight refers to the Board's responsibility to provide the direction for the conduct of the business and affairs of the Group in relation to the Group's risk management and internal control system. The Board approves the Board Risk Policy, the governance structure and sets the risk appetite of the Group. The Board Risk Policy states and affirms the Board's oversight and expectations from Management for the commitment to sound risk management and enhances the Group's ability to deliver its vision, mission and corporate strategies. The Policy also clarifies the Board's governance responsibilities as prescribed in the Malaysian Code of Corporate Governance. It should be noted that the system of risk management and internal control is designed to manage rather than to eliminate the risk of failure to achieve business objectives and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

The Risk Management & Governance Committee (RMGC), supports the Board in the review of the Group's risk management and internal control system. The RMGC is also in charge of reviewing risk exposures and ensuring resources as well as systems are in place for effective risk management oversight. The main objective of the RMGC is to assist the Board in fulfilling its responsibilities and functions in the following matters:

- Overseeing the overall management of identification and assessment of risk exposure of the Group;
- Monitoring and reviewing the effectiveness of Enterprise Risk Management (ERM) framework in managing key risks;
- Overseeing the implementation of the Group's integrity programme and monitoring the overall issue of unethical conduct and corruption within the Group; and
- Overseeing and monitoring the effectiveness of the Group's sustainability programme by ensuring that the programme aligns with the Group's long-term strategy.

MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing the approved frameworks, policies and procedures related to risk management and internal controls. The management, led by the Group Managing Director (GMD), supports the Board in managing the Group's day-to-day risk management activities and Board's governance responsibilities.

The Board Risk Policy, specifically detailed the Board's expectations from Management to:

- Support the Board to review the effectiveness of its governance responsibilities;
- Support the Board in the discharge of its stewardship of the Group and oversight role;
- Identify significant risks affecting the Group, select the appropriate risk treatment options, and implement the relevant risk action plans to mitigate those risks, if required;
- Assist the Board in developing the strategic direction and monitoring the corporate strategies and corporate plans, considering the opportunities and risks facing the Group;
- Ensure the interest of the stakeholders are considered in all business undertakings and results in value creation;
- Establish operational policies and procedures and implement appropriate internal control and compliance mechanisms;
- Ensure the Group's operations and business undertakings are in compliance with relevant laws, rules and regulations;
- Ensure employees are educated on key policies relating to business conduct and ethical behaviour; and
- Implement and maintain a Business Continuity Plan to enable the continuity of critical business functions in the event of a disaster.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

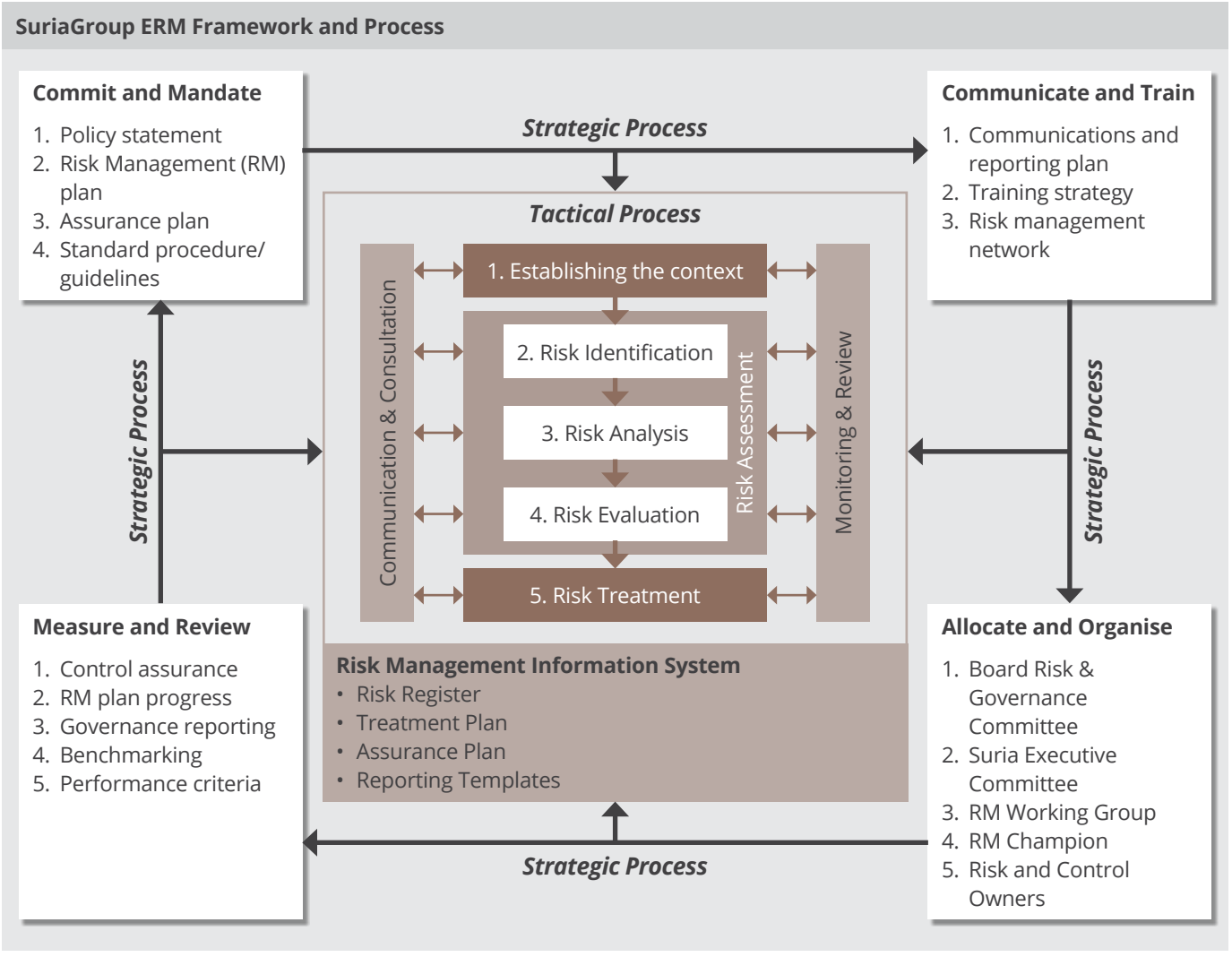
GROUP RISK & INTEGRITY DEPARTMENT

The Group Risk & Integrity Department (GRI) is responsible for the overall coordination and implementation of the Board Risk Policy and is responsible for providing risk reports to the RMGC and the Board on a quarterly basis. GRI is also responsible to ensure the Board Risk Policy and the ERM framework continue to remain effective and relevant to the Group. GRI serves to assist the Risk Management Working Committee (RMWC) at the holding and subsidiary company level in identifying, analysing, evaluating and treating their key risks and exposures in support of the effective implementation of the Board Risk Policy.

The Head of GRI reports functionally to the RMGC and the Board, and reports administratively to the Chief Financial Officer (CFO) and the GMD. The respective subsidiary companies are responsible for the management of all identified key risks at the company level and for ensuring that necessary risk mitigation strategies, control mechanisms and improvement initiatives are carried out effectively and timely.

ENTERPRISE RISK MANAGEMENT FRAMEWORK AND SYSTEM

SuriaGroup's ERM framework is summarised as follows:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The main objective of the Board Risk Policy, framework and system is to provide sound risk management to safeguard shareholders' investments, the Group's assets and other stakeholder interests. The Group has established an on-going process for identifying, evaluating, managing and monitoring key risks that may hamper the achievement of the Group's business objectives. Risk assessments are conducted on daily operations, as well as on new ventures and activities, including projects, processes, systems and business activities to ensure that these are aligned with the Group's business goals and objectives. Any risk or opportunity arising from these assessments will be identified, analysed and reported to the appropriate management level for further direction.

The Group's risk profiles are monitored through the Risk Management System (RMS). The RMS enables updating of risk profiles based on the latest evaluation either from routine, planned or ad-hoc risk management exercise or programme for effective monitoring, recording and managing of risk for the Group. The RMS was developed to capture and register all key risks, their causes and consequences and the current controls that are in place. It also captures the action plans to achieve the range of risk tolerance acceptable by the Group. Following the completion of each risk assessment exercise, the risk reports are reviewed and discussed with key personnel at operating companies to ensure that risk mitigation plans are carried out within the agreed time frame. Subsequently, the risk reports are tabled to the RMGC and the Board for deliberation and approval.

RISK AREAS AND RISK MITIGATION MEASURES

Below are the risk mitigation measures on the Group's key corporate risks for the year under review:

RISK CATEGORY AND DEFINITION	MITIGATION MEASURE
STRATEGIC RISK Risks which affect the overall direction of the business that arise from inappropriate business goals; failure in formulation, evaluation and selection or improper implementation of business strategies; lack of response to market demands and compatibility to external changes.	• The Group has established a five (5) year Strategic Plan from 2019 until 2023 to drive the Group's business direction and goals. • The strategic risk is managed through an integrated process whereby the risk appetite, strategic business direction, budget and business plan are aligned with appropriate oversight by the Board on a yearly basis. • The Group performs a comprehensive annual budgeting and forecasting exercise including development of business strategies within the five (5) year corporate planning period. The Group's strategic directions are also reviewed every quarter, taking into account any changes in market conditions and significant business risks.
FINANCIAL RISK Risks that affect the ability of the Group to meet its financial obligations which could lead to adverse consequences; and risks of negative impact that arise from an investment that could result in unfavourable returns and cash flow.	• Quarterly reviews are performed on the Group's actual financial performance versus budgeted and other key financial indicators as agreed by the Board. • Proper due diligence and feasibility study are carried out on potential investments. • Stringent financial controls are implemented and regulated by efficient procedures such as the authority limit, procurement procedures and tender process.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK CATEGORY AND DEFINITION	MITIGATION MEASURE
OPERATIONAL RISK Risks that impact the delivery of the Group's services and products resulting from inadequate or failed internal processes, people and systems or from external events.	• GRI continues to conduct its biannual risk assessment process to ensure that risks related to operations are properly addressed. • Maintaining a safe and healthy work environment is one of our key priorities for the employees, business partners and other stakeholders. This is done through strict compliance to HSE standards and other Government regulations and directives.
REPUTATIONAL RISK Risks associated with negative stakeholders' perceptions that can adversely impact the Group's ability to maintain existing business relationship or establish new relationship and continued access to sources of funding.	• The Group performs proactive and structured investors' relation programmes to enhance the Group's market presence and relationship with the investing public. • The Group's engagements with the stakeholders and the general public were undertaken via high impact Corporate Social Responsibilities (CSR) programmes, and collaborating with the Non-Governmental Organisations (NGOs) focusing on environmental, education, community empowerment and social.
PEOPLE RISK People risks are risks to the organisation as its performance is driven by the workforce's competency, capabilities as well as effective job deployment, talent management and succession planning.	• The talent development programme in the Group aims to support the succession planning for the Group. The programme is developed to optimise manpower needs, develop competencies, capabilities and leadership among the employees. • The Group emphasises on people development by providing learning platforms to build their competencies in various ways. Customised training programmes are also in place to groom and nurture staff at all levels to enhance their competencies, knowledge and skills.
LEGAL AND COMPLIANCE RISK Risks arising from changes in legislation, regulatory landscapes and policies of regulators and governments that could have either favourable or unfavourable effect on the Group's operations, financial condition and prospects.	• The Group undertakes close monitoring and tracking of changes in the legislation, regulatory landscapes, policies, financial reporting and corporate tax planning to ensure continuous compliance. • Staff should stay updated on the latest legislation and regulations set forth by the authority through continuous internal and external training, as well as on-going communication channels established with the authority.
INTEGRITY AND GOVERNANCE RISK Risk arising from the potential losses or damages due to weaknesses in governance compliance and ethical practices.	• Training and communication on integrity and governance. • Implementation of SuriaGroup Code of Conduct. • Implementation of SuriaGroup Anti-Corruption and Bribery Policy & Procedure (ACBPP). • Corruption Risk Assessment (CRA). • Whistleblowing Policy and Procedures. • Robust due diligence and monitoring to manage integrity risks in business undertakings. • Maintain a close relationship with relevant authorities, such as the Malaysian Anti-Corruption Commission (MACC) and the Royal Malaysia Police (PDRM).

INTEGRITY & GOVERNANCE UNIT

Core Functions and Activities of the Integrity & Governance Unit (IGU) is as follows:

	Activities
Complaint Management	• Receive reports through SuriaGroup whistleblowing channel.
Detection and Verification	• Conduct investigation on reported misconduct.
Integrity Strengthening	• SuriaGroup New Employee Orientation Programme (NEOP) 2023. • Two (2) Integrity & Governance Officers (IGO) attended the Certified Integrity Officer (CeIO) programme in 2023.
Governance	• Half-yearly reporting to MACC (Bahagian Pengurusan Integriti Agensi - BPIA). • Revision and enhancement of the SuriaGroup ACBPP on Gifts and Entertainment Policy and Procedures. • Development and implementation of SuriaGroup Organisational Anti-Corruption Plan (OACP).

The Board continues to focus on strengthening the Company's corporate integrity and ethical business conduct. The Group is committed to conducting its business in accordance with the highest ethical standards and in full compliance with all applicable laws and regulations.

The Group has introduced the SuriaGroup's ACBPP. The ACBPP sets out the responsibilities of the Board and employees of the Group to adopt and observe a zero-tolerance policy against all forms of corruption and bribery in compliance with relevant laws and regulations. The ACBPP has been developed in line with the Guidelines on Adequate Procedures issued by the Prime Minister's Department on 4th December 2018 and Subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018).

The ACBPP is put in place with the following objectives:

- To provide information and guidance to the Board and employees on the expectation regarding their business and professional conduct so as not to be involved in any act of corruption and/or bribery;
- To provide guidance on how to identify or recognise the act of corruption and/or bribery and to set out the procedures on how to deal with issues relating to corruption and/or bribery as well as breaches of the ACBPP without fear of reprisal;
- To ensure that SuriaGroup has adequate policy and procedures in place to prevent and detect corruption and/or bribery; and
- To protect SuriaGroup against possible penalties and repercussions resulting from any acts of corruption and/or bribery committed by the Board or employees.

Scan this QR code with your smart device for the full version of ACBPP

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

SURIAGROUP WHISTLEBLOWING POLICY

The Group's Whistleblowing Policy was approved by the Board in 2012. The Policy has been revised in December 2022 to enhance the Group's whistleblowing process with the latest standard and to ensure the efficiency of the whistleblowing case management. The policy provides a dedicated channel for employees and stakeholders to raise genuine concerns on possible improprieties, improper conduct, or other malpractices, in a transparent and confidential manner without fear of punishment or unfair treatment. The policy also provides the platform by which whistleblowing complaints received are acted on through proper channels as well as protection to whistleblowers. The revised policy is accessible for viewing using QR code scanner.

Scan this QR code with your smart device for the full version of the Group's Whistleblowing Policy

Whistleblowing Policy in Bahasa Malaysia

Whistleblowing Policy in English

BUSINESS CONTINUITY MANAGEMENT (BCM)

The Group recognises that sustainable business operations are important in providing the customers and stakeholders with uninterrupted services. The BCM Programme for the Group was developed to identify the Group's risk exposure to internal and external threats including, disruption to business operations, environmental disaster and crisis.

GRI has adopted the ISO 22301:2019 (Business Continuity Management Systems) to strengthen the risk management approach to safeguard its business operations and the Group's ability to respond to any crisis. The Business Continuity Plan (BCP) and the Business Disaster Recovery Plan (DRP) enhance the Group's readiness in dealing with disruptive incidents, reduces the adverse impact and ensure continuity of the Group's critical functions within a reasonably acceptable period of time.

The BCM programme is part of our on-going commitment in ensuring our business operation is resilient to weather any incidents. The continuity of services to our customers, together with all the supporting business processes, is fundamental to meeting our business objectives.

SUMMARY OF RISK MANAGEMENT ACTIVITIES

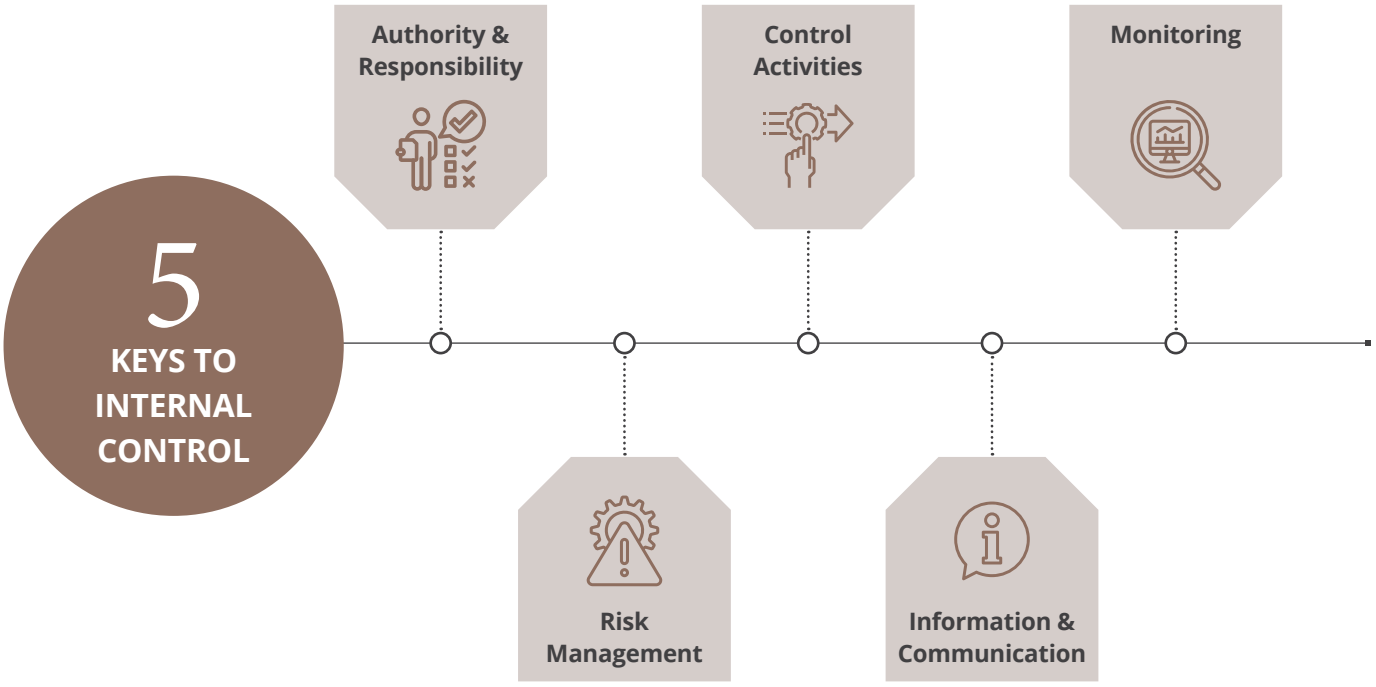
The risk management activities for the financial year under review at the Group and subsidiary companies are as follows:

- Half-yearly risk identification on new emerging risks and monitoring the implementation of risk mitigation plans to ensure appropriateness and effectiveness;
- Quarterly risk management status reports were produced and presented to the RMGC and the Board for deliberation and approval;
- Provided risk management awareness and understanding within the Group;
- Provided risk management consultation and advisory services to projects, investment and potential business proposal; and
- Engaging and participating in the Group's emergency drill.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

SYSTEM OF INTERNAL CONTROL

The Group's key components of internal control structure are as follows:



AUTHORITY AND RESPONSIBILITY

- **Organisational Structure**
  The Group's system of internal control is supported by a formal organisational structure, which defines the segregation of roles and functions to facilitate proper implementation of the Group's strategies and day-to-day business activities and defines appropriate lines of accountability and levels of authority which are essential in promoting effective and independent stewardship. Qualified and experienced management personnel have been appointed to oversee the operating companies to deliver the Group's intended results and performance.

- **Establishment of Committees**
  Several Board Committees and Management Committees have been instituted to strengthen governance and improve accountability and assist the Board in discharging its duties. The committees are:

  i. **Board Level**
  The composition of the Board complies with Paragraph 15.02 of Bursa Malaysia's Main Market Listing Requirements (MMLR) as more than one-third of its members are independent directors. A balanced composition of independent directors enables a practical and objective check and balance on the Board's deliberation and decision making. The Board augmented its responsibilities through the establishment of the several committees. The Board delegates specific responsibilities to the Board Committees with a clearly defined terms of reference to assist the Board in discharging its duties. The Board Committees are as follows:

RMGC	Risk Management & Governance Committee
AC	Audit Committee
NRC	Nomination and Remuneration Committee
IC	Investment Committee

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ii. Management Level

On the Management level, several committees have been established to monitor and ensure effective management and delivery of outcomes of different functions, roles, responsibilities and activities of every department. The Management or Working Committees that had been set up are as follows:

SG EXCOM	SuriaGroup Executive Committee
SABAH PORTS EXCOM	Sabah Ports Executive Committee
MCM	Suria Management Committee
GP COM	Group People Committee
TEC	Tender Evaluation Committee
SPWC	Strategic Planning Working Committee
SG ITSC	SuriaGroup IT Steering Committee

RISK MANAGEMENT

Sound risk management framework is in place to ensure that the Board's expectations on Management in carrying out the day-to-day risk management activities to manage the Group's risk exposures. This enables effective risk management in supporting the Group's ability to deliver its vision, mission and corporate strategies.

CONTROL ACTIVITIES

- **Policies and Procedures**
  The Group has established relevant Board-approved corporate policies and operational policies, procedures, and standard operating manuals. The Management is responsible to guide employees in carrying out their day-to-day tasks and responsibilities and ensure that adequate internal control mechanisms are embedded in the business operations. In providing the continued relevance and effectiveness of the policies and procedures, periodic reviews are performed regularly and the policies and procedures are updated as and when necessary. Changes to the policies and procedures will undergo a proper approval process either by the Board for key corporate policies or by Management for the operating policies, procedures and manuals.

- **Tender Evaluation Committee**
  The respective TEC deliberates all tendering exercises at the subsidiary and group levels. After the review by the relevant TEC, the tender or bid for contracts will be reviewed and reflected by the appropriate approving authority, which is independent of the TEC. Tenders are called and are awarded based on factors such as technical expertise, financial capabilities, adequacy and quality of the proposal, the extensiveness of HSE policy and practices, past performances track record, project management team and schedule and project costs or fees.

- **Assets Management – Insurance**
  Adequate insurance is in place to ensure that the Group's assets are sufficiently covered to minimise any material loss. The Group has spent around RM2.0 million on insurance premiums to cover all its assets with a sum insured of well over RM2.4 billion. A large majority of the Group's asset base is made up of port infrastructure, cargo-handling equipment, and other port amenities.

INFORMATION AND COMMUNICATION

- **Access to Information and Communication Channels**
  The Board and Management are apprised of the Group's financial and operational performance during regular EXCOM meetings, Board meetings as well as Strategic Planning and Budget Review meetings by the respective Heads of Company (HOC) or Senior Management of subsidiary companies. This includes legal and regulatory matters for deliberation and where necessary, to instruct that prompt actions are taken to resolve issues on time. Each subsidiary companies presents its respective performance report, where the report covers amongst others, financial performance and new business proposals if any. The meeting of SuriaGroup Excom and Sabah Ports Excom are conducted quarterly to ensure that the planned performance and objectives are met, while the Strategic Planning and Budget Review meeting is held at least once annually, where each subsidiary as well as the holding company is assessed against its corporate objectives and approved budgets.

- **Whistleblowing Channels**
  Whistleblowing is a critical tool for reporting activities believed to be illegal, dishonest, unethical, or otherwise improper. The Group has in place a Whistleblowing Policy that provides clarity on the whistleblowing and reporting process as well as assurance on the protection and confidentiality accorded to the whistleblowers. All disclosures made under the Policy will be dealt with in strict confidence. It will be the task of GRI to assess, investigate and report on the complaints or concerns raised. GRI can be contacted through emails, letters or telephone calls.

MONITORING

The Group's performance and operating results against the strategic and corporate plans as well as the annual budget are measured and monitored through the following committees and mechanisms:

- **Audit Committee**
  In addition to having adequate internal control by requiring an internal audit department to conduct audit reviews; Assessment and evaluation of existing internal control and monitoring of performance are continuously conducted by reporting directly to the Audit Committee (AC) if any significant discrepancies are found. The AC has to report to the Board the corrective actions and monitor the progress in improving the deficiencies regularly. The Board recognises that the systems of internal control may not be fully proof against all risks or damages resulting from significant discrepancies, but it can be minimised at a reasonable level.

- **Monitoring and reporting of strategy and annual budget**
  The Group's strategies, corporate plans, key action items, and budgets for the following year are formulated and revised annually, taking into consideration the changing internal and external environments and risks facing the Group. The strategies, corporate plans, key action items, and budgets are reviewed annually during specific Board meetings for approval. At reasonable intervals, the Board will be informed by Management of the implementation status of the plans.

OVERVIEW OF GROUP INTERNAL AUDIT FUNCTIONS AND RESPONSIBILITIES

Group Internal Audit Department (GIA) is a function within the Group that provides independent assurance to the Board that the system of internal control designed and implemented by Management is adequate to ensure that assets are safeguarded against the risk of waste and loss, financial statements are reliable, and business operations are conducted by the Group's policies and procedures as well as the provisions of applicable laws and regulations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Objective	Responsibility	Approach
GIA roles encompass both independent assurance as well as advisory services. It aims to add value, improve the Group's operations, and accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve internal control, risk management, and governance processes.	In order to fulfil its responsibilities, GIA is responsible to conduct audits on the systems of internal control and risk management, report on the control weaknesses of the systems and provide recommendations for improvement to Management. As GIA is an independent function, it reports functionally to the Board through the AC and administratively to the GMD and the CFO. GIA has unrestricted access to the Board.	GIA develops a risk-based audit plan annually, which focuses on risks at potential areas based on the Group's risk priorities as well as those identified by the GRI Department. Apart from the planned audits, GIA conducts follow-up audits on previous audit reports to ensure that Management undertakes appropriate actions to address the reported audit issues. GIA may also perform ad-hoc audits upon the AC or the Board's requests.

CONCLUSION

For the financial year under review and up to the date of approval of this Statement, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control. The Board has received reasonable assurance from the GMD that the Group's system of risk management and internal control, in all material aspects, is operating adequately and effectively.

The disclosure in this statement do not include the risk management and internal controls practices of the Group's material joint ventures and associates. Where necessary, the key financial and other appropriate information on the performance of the entities is obtained and reviewed by the Board periodically.

This statement is made in accordance with the Board's resolution dated 19 April 2024.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Para 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control according to the scope set out in Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report (AAPG 3) issued by the Malaysian Institute of Accountants (MIA) for inclusion in the annual report of the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to the attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely for, and directed solely to the Board in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

AUDIT COMMITTEE REPORT

1. Overview

The Audit Committee (AC) of the Group is committed to its role of ensuring high corporate governance practices and provides critical oversight of the Group financial reporting process; monitoring the external and internal auditing processes compliance with relevant legal as well as statutory and other matters delegated by the Board to the AC through its approved Term of Reference (TOR).

2. Composition

The AC currently comprises three (3) members:

- Two (2) members are Non-Executive & Independent Directors; and
- One (1) member is a Non-Executive & Non-Independent Directors

The AC is guided by a written TOR or the Charter of the Audit Committee (Charter); endorsed by the Board, which sets out its authority and duties. The AC is made up of non-executive Directors, the majority of whom, including its Chairman, are Independent Directors.

The Chairman of the AC, Mr. Michael Tong Yin Shiew, J.P., is a qualified accountant and is a member of the Malaysian Institute of Accountants (MIA). This aligns with the Bursa Malasia MMLR, which requires that at least one of the AC members must be a qualified accountant. The AC's collective wealth of experience and expertise in accounting and financial management enables them to discharge their responsibilities competently.

During the financial year under review, there were changes in the composition of the AC where Kee Mustafa, who was an Independent & Non-Executive Director, resigned as a member of the AC on 16 March 2023 and was appointed as the Chairman of Nomination and Remuneration Committee. The changes of AC members are described below:

CURRENT MEMBERS	MEMBERSHIP	APPOINTMENT
Michael Tong Yin Shiew, J.P.	Chairman/Independent Non-Executive Director	31 October 2019
Ahmad Rizal Bin Dahli	Non-Independent Non-Executive Director	15 April 2022
Datuk Alexandra Chin @ Fui Lin, J.P.	Independent Non-Executive Director	15 April 2022

FORMER MEMBER	MEMBERSHIP	RESIGNED FROM AC
Kee Mustafa	Independent Non-Executive Director	16 March 2023

NEW MEMBER	MEMBERSHIP	APPOINTMENT TO AC
Emmie M Idang	Independent Non-Executive Director	1 March 2024

3. Meetings and Attendance

A total of six (6) meetings were held during the year 2023. Details of the composition of the Committee and the attendance by each member at the AC meetings are appended below:

DIRECTORS	HELD DURING TENURE IN OFFICE	ATTENDED
Michael Tong Yin Shiew, J.P.	6	6
Ahmad Rizal Bin Dahli	6	5
Datuk Alexandra Chin @ Fui Lin, J.P.	6	5
Kee Mustafa	1	0

AUDIT COMMITTEE REPORT

The AC meetings were appropriately structured with the AC members receiving notices, agendas and papers sufficiently in advance of the meetings. The AC meetings were also attended by the Group Managing Director (GMD), the Chief Financial Officer (CFO), the Group Company Secretary (GCS) and the Head of Group Internal Audit (Head of GIA), who are permanent invitees to the AC meetings.

The TOR or the Charter sets out the authority, duties and responsibilities of the AC which are consistent with the requirements of the MMLR of Bursa Malaysia and the MCCG. The AC carried out its duties in accordance with the Charter of the AC. The Charter is accessible for viewing via the QR code below.

Scan this QR code with your smart device for the full version of the Terms of Reference (Charter of the AC)

4. Summary of the activities of the Audit Committee during the financial year 2023

The AC continued to play a key role in assisting the Board to fulfil its oversight responsibilities in ensuring the effectiveness of financial reporting, system of internal control and the internal and external audit function. The main activities undertaken were as follows:

4.1 Financial reporting

a) Reviewed the Audited Financial Statements of the Group and of the company for the year ended 31 December 2022.
b) Reviewed the Group's Unaudited Quarterly Financial Statements for the year 2022 and 2023, to ensure that the financial statements presented complied with all disclosures and regulatory requirements:

Quarter / Year	Date	Meeting
Unaudited 4th Quarter 2022	23 February 2023	1st meeting
Unaudited 1st Quarter 2023	15 May 2023	3rd meeting
Unaudited 2nd Quarter 2023	18 August 2023	5th meeting
Unaudited 3rd Quarter 2023	23 November 2023	6th meeting

c) Reviewed the changes to the accounting policies and practices, significant judgments and matters highlighted in the audited financial statements to ensure compliance with the Malaysian Financial Reporting Standard (MFRS) prior to recommending to the Board for approval.
d) Discussed matters related to corporate tax governance such as Deferred Tax and Transfer Pricing (TP).

4.2 External audit

a) Reviewed the external audit fees, tax fees and others in relation to financial year ended 31 December 2022.
b) Reviewed the external auditors' audit plan for the Group, scopes of the audit to be undertaken and resource requirement to ensure effectiveness of the external auditors and their audit for the audit work for the financial year 2023.
c) Reviewed major audit findings and observation arising from the interim and final audits of the external auditors, significant accounting issues as well as other relevant matters which the external auditors require discussion with the AC.
d) Reviewed the external auditors' Management Letter (ML) and Suria Management's responses to the ML.

e) Reviewed the eligibility of the external auditor and recommend for reappointment as the Group's external auditor for the financial year ending 31 December 2023.
f) Reviewed the proposed provision of pre-concurrence of Those Charged With Governance (TCWG) for the proposed permissible non-assurance services by external auditor.

4.3 Internal audit

a) Reviewed and approved the GIA's annual internal audit plan for FY2024 in January 2024 on adequacy of scope and comprehensiveness of the audit activities.
b) Reviewed and deliberated on the internal audit reports arising from the audit conducted by the GIA in the last quarter of 2022 and during the year 2023.
c) Reviewed the update GIA's cross-checking exercise of audit issues highlighted in the ML from the external auditor.
d) Reviewed the GIA's activities in monitoring all corrective or improvement actions on audit findings identified by the GIA until all issued have been adequately resolved.
e) Reviewed the effectiveness of the internal audit process and the resources allocated to the GIA and assessed the performance of the overall internal audit function.

4.4 Other activities

a) Reviewed the Management's recommendation on fixed assets disposal and write-off.
b) The AC has also discussed on the need for tax planning to utilise the unabsorbed tax losses.
c) The AC has also discussed current matters impacting the Group arising from new requirements, laws and regulations introduced by the Government of Malaysia or relevant regulatory bodies.
d) Reviewed the Proposed Strategic Collaboration between Sabah Ports and DP World and updates on the valuation of Sapangar Bay Container Port by KPMG.

5. Summary of the activities of the group internal audit department during the financial year 2023

GIA department headed by Mr. Mohammad Daniel Lim is responsible to present all internal audit reports to the AC with each audit issue supported by GIA's recommendations and the relevant feedback from the Management. As part of the audit process, GIA monitors and verify the implementation of the Management's actions to address audit issues on the next follow-up audit.

The GIA places emphasis on the risk-based auditing approach which forms an integral part of the audit plan. During the financial year ended 31 December 2023, GIA had undertaken the following activities:

√ Prepared the internal audit plan for the year 2024;
√ Conducted audit reviews to provide independent assessment on the effectiveness of management of risks and internal controls over the Group's business operations as follows:

Company	Audit Area	Audit Review
• **Sabah Ports:** Sandakan Port Tawau Port Lahad Datu Port Kota Kinabalu Port Sapangar Bay Oil Terminal	Operational/Strategic	- Procurement - Port Operations, i.e., Planning, COU, L&S, Driver, Wharf, Container, PJMS, PAPD and HSE Section - Service Centre - IT Systems

AUDIT COMMITTEE REPORT

Company	Audit Area	Audit Review
• **SCHB Engineering:** Jesselton Point's Operations	Operational/Strategic	- JP Operations, i.e., Boat Registration, Ticketing, Collection & Payment and JP Jetty & Counter Section - Car Park - IT System, i.e., e-Ticketing System
• **Sabah Ports:** Group IT Sapangar Bay Container Port Sapangar Bay Oil Terminal Lahad Datu Port Kota Kinabalu Port • **SCHB Engineering** • **SP Marine** • **Suria**	Follow Up Audit	Follow-up audit on the past audit issues: - Previous audit findings/reports - Review on the implementation of Anti-Bribery Corruption Policy

√ Cross checking against ML from the external auditor;
√ Verification of write-off of assets and on-site observation of assets disposal exercises; and
√ Participated in the Tender Evaluation Committee (TEC) meetings for the Group as an independent observer and advisor.

6. Training

During the financial year ended 31 December 2023, the AC members attended physical as well as virtual conferences, seminars and training programmes on governance, audit-related topics and other relevant programmes. Please refer to page 142 of the Statement of the Corporate Governance.

The staff of GIA had also obtained regular updates and attended various internal audit trainings virtually as well as physically. This is to enable them to remain competent and to keep abreast with the latest development in internal auditing. The total amount of expenditure incurred by the GIA during the financial year 2023 was RM585,271 as compared to RM436,034 in 2022.



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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal activities

The principal activities of the Company are investment holding, and property development and leasing.

The principal activities of the subsidiaries and other information relating to the subsidiaries are disclosed in Note 17 to the financial statements.

There has been no significant change in the nature of these principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit net of tax	34,325	23,652
Profit attributable to:		
Owners of the Company	34,326	23,652
Non-controlling interests	(1)	-
	34,325	23,652

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the financial statements.

Reserves and provisions

There was no material transfer to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

The dividends paid by the Company since 31 December 2022 were as follows:

	RM'000
In respect of the financial year ended 31 December 2022 as reported in the directors' report of that year:	
Single-tier final dividend of 2.5 sen per ordinary share, on 345,820,779 ordinary shares, declared on 27 June 2023 and paid on 28 July 2023	8,646
In respect of the financial year ended 31 December 2023:	
Single-tier interim dividend of 2.0 sen per ordinary share on 345,820,779 ordinary shares, declared on 30 November 2023 and paid on 28 December 2023	6,916
	15,562

DIRECTORS' REPORT

Dividends (continued)

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 December 2023, of 1.5 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

Directors

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Datuk Hj. Faisyal Yusof Hamdain Diego*	
Datuk Ng Kiat Min*	
Datuk Kee Mustafa*	
Michael Tong Yin Shiew, J.P.	
Ahmad Rizal Bin Dahli	
Datuk Alexandra Chin @ Fui Lin, J.P.	
Ir. Jerome Jimbangan @ Terence	
Datuk Mohd Sofian Alfian Nair*	Appointed on 16 March 2023
Datuk Dr Yusof @ Josree Bin Yacob	Appointed on 1 April 2023
Emmie M Idang	Appointed on 20 April 2023
Datuk Juslie Bin Ajirol	Resigned on 1 February 2023
Datuk Seri Panglima Dr. Md Salleh Bin Tun Said Keruak, J.P.	Resigned on 19 January 2023

* These directors are also directors of the Company's subsidiaries.

The directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Datuk Pg. Hassanel Bin Datuk Pg. Hj. Mohd Tahir	
Datuk Dr. Johnson Tee	
Azman Bin Amarasikin	
Matbee @ Matbeh Bin Ismail	
S. Zainal Abidin Bin S. Hassan	
Siti Noraishah Azizan	
Datuk Hanafiah Bin Mohd. Kassim	Appointed on 16 March 2023 and resigned on 31 January 2024
Lai Su Yin	Appointed on 15 December 2023 and resigned on 1 April 2024

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' REPORT

Directors' benefits (continued)

Directors' remunerations for the financial year ended 31 December 2023 were as follows:

	Group RM'000	Company RM'000
Salaries and allowances	528	528
Bonus	153	153
Defined contribution plan	103	103
Fees	781	504
Other emoluments	396	321
Benefits-in-kind	91	91
	2,052	1,700

Further details are disclosed in Note 10 to the financial statements.

Indemnities to directors or officers

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and the officers of the Group and of the Company were RM30,000,000 and RM44,530 respectively.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares			
Name of directors	1.1.2023	Acquired	Sold	31.12.2023
Direct Interest:				
Ordinary shares of the Company				
Datuk Hj. Faisyal Yusof Hamdain Diego	24,000	-	-	24,000
Datuk Ng Kiat Min	40,000	-	-	40,000
Indirect Interest:				
Ordinary shares of the Company				
Datuk Ng Kiat Min	337,400	-	-	337,400

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

Other statutory information

a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

b) At the date of this report, the directors are not aware of any circumstances which would render:

   i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

   ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

e) At the date of this report, there does not exist:

   i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

f) In the opinion of the directors:

   i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

   ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Subsequent event

Subsequent event is disclosed in Note 34 to the financial statement.

DIRECTORS' REPORT

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration for the current financial year is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	268	100

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment were made to indemnify Ernst & Young PLT during the financial year and up to the date of this report.

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 April 2024.

Datuk Hj. Faisyal Yusof Hamdain Diego

Datuk Ng Kiat Min

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, Datuk Hj. Faisyal Yusof Hamdain Diego and Datuk Ng Kiat Min, being two of the directors of **Suria Capital Holdings Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 186 to 271 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 April 2024.

Datuk Hj. Faisyal Yusof Hamdain Diego

Datuk Ng Kiat Min

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Aileen Kong Siew Ming, being the officer primarily responsible for the financial management of **Suria Capital Holdings Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 186 to 271 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Aileen Kong Siew Ming at
Kota Kinabalu in the State of Sabah on 19 April 2024.

Aileen Kong Siew Ming
(MIA 32906)

Before me,

PESURUHJAYA SUMPAH
No. S 160
MISUN BIN SHAPI
01. 01. 22-25.06.24
MALAYSIA

Lot 8, Tingkat 1
Donggongon Point
89507, Pekan Donggongon,
Sabah.

INDEPENDENT AUDITORS' REPORT

to the members of Suria Capital Holdings Berhad (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Suria Capital Holdings Berhad**, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a material accounting policy information, as set out on pages 186 to 271.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below. This matter was addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Recoverable amount of the concession assets

Refer to Notes 2.12, 3.2(a), and 16 to the financial statements.

At the reporting date, the Group's concession assets amounted to RM713,845,000 which represents 49.4% of the total assets of the Group. The Group estimated the recoverable amount of the concession assets whenever there are indicators of impairment. During the financial year, the Group continued the impairment assessment of the concession assets due to the significant amount of the concession assets and significant judgement required to estimate its recoverable amount. Accordingly, we have identified this area as an area of audit focus.

INDEPENDENT AUDITORS' REPORT

to the members of Suria Capital Holdings Berhad (Incorporated in Malaysia)

Key audit matters (continued)

Recoverable amount of the concession assets (continued)

The Group estimated the recoverable amount of the concession assets using value in use computation based on cash flows projections derived from budgets approved by Board covering the concession period and discounting these cash flows at an appropriate discount rate.

In addressing this area of audit focus, we have performed the following procedures:

1) we have obtained an understanding of the methodology adopted by Board in estimating the value in use and assessed whether such methodology is consistent with those used in the industry;

2) we have assessed the key assumptions used, focusing on projected revenue and growth rates, taking into consideration the current and expected future economic conditions. We compared the key assumptions against past actual outcomes;

3) we have involved our internal valuation experts to evaluate the appropriateness of the discount rate used and assessed whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset; and

4) we have assessed the sensitivity of the cash flows to changes in the discount rates.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining other information expected to be included in the Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information expected to be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

to the members of Suria Capital Holdings Berhad (Incorporated in Malaysia)

Responsibilities of the directors for the financial statements (continued)

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT

to the members of Suria Capital Holdings Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants



Sundralingam A/L Navaratnam
No. 02984/05/2024 J
Chartered Accountant

Kota Kinabalu, Malaysia
Date: 19 April 2024

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000
Revenue					
Revenue from operations		248,767	270,796	29,544	56,504
Revenue from construction services for concession infrastructure		29,594	27,251	-	-
Total revenue	4	278,361	298,047	29,544	56,504
Cost of sales					
Operational costs		(170,966)	(160,417)	(3,145)	(280)
Construction services costs for concession infrastructure		(29,594)	(27,251)	-	-
Total cost of sales		(200,560)	(187,668)	(3,145)	(280)
Gross profit		77,801	110,379	26,399	56,224
Other items of income					
Interest income	5	13,769	11,693	9,664	10,475
Other income	6	9,474	10,275	360	4,501
Other items of expense					
Administrative expenses		(31,063)	(32,363)	(10,133)	(9,526)
Finance costs	7	(10,470)	(11,011)	(1,043)	(166)
Other expenses		(10,781)	(33,231)	-	(22,917)
Profit before tax	8	48,730	55,742	25,247	38,591
Income tax expense	11	(14,405)	(5,127)	(1,595)	754
Profit net of tax		34,325	50,615	23,652	39,345
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		34,325	50,615	23,652	39,345

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000
Profit net of tax attributable to:					
Owners of the Company		34,326	50,616	23,652	39,345
Non-controlling interests		(1)	(1)	-	-
		34,325	50,615	23,652	39,345
Total comprehensive income attributable to:					
Owners of the Company		34,326	50,616	23,652	39,345
Non-controlling interests		(1)	(1)	-	-
		34,325	50,615	23,652	39,345
Earnings per ordinary share attributable to owners of the Company (sen per share):					
Basic	12	9.93	14.64		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 Restated	Group 2021 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000 Restated	Company 2021 RM'000 Restated
Assets							
Non-current assets							
Property, plant and equipment	13	100,072	99,546	56,725	90,401	88,959	46,586
Land held for property development	14	48,475	48,475	-	48,475	48,475	-
Investment properties	15	73,175	74,687	83,967	73,175	74,687	83,967
Concession assets	16	713,845	742,098	771,436	-	-	-
Investments in subsidiaries	17	-	-	-	210,593	210,353	210,353
Deferred tax assets	18	1,349	2,765	1,767	1,149	2,744	1,751
Other assets	21	145,769	138,419	34,456	145,769	138,419	34,456
Trade and other receivables	20	18,757	25,201	92,909	10,155	17,464	92,909
		1,101,442	1,131,191	1,041,260	579,717	581,101	470,022
Current assets							
Inventories	19	30,109	29,559	10,646	18,666	18,666	-
Trade and other receivables	20	31,161	28,999	124,062	14,151	14,305	103,242
Other assets	21	7,610	7,644	3,110	5,735	5,803	111
Tax recoverable		65	2,010	24,955	-	-	7,638
Investment securities	22	142,489	118,191	78,833	10,062	7,818	7,647
Cash and bank balances	23	131,428	114,355	79,894	14,638	21,080	21,763
		342,862	300,758	321,500	63,252	67,672	140,401
Total assets		1,444,304	1,431,949	1,362,760	642,969	648,773	610,423
Equity and liabilities							
Current liabilities							
Loans and borrowings	24	10,178	6,616	67	6,853	3,063	33
Concession liabilities	25	11,792	11,531	11,280	-	-	-
Contract liabilities		-	-	2,720	-	-	-
Tax payable		8,323	13,953	10,694	7,479	13,952	10,693
Trade and other payables	26	37,873	40,523	37,058	17,926	22,851	23,533
Provisions	27	4,424	5,796	4,000	-	-	-
		72,590	78,419	65,819	32,258	39,866	34,259

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 Restated	Group 2021 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000 Restated	Company 2021 RM'000 Restated
Non-current liabilities							
Loans and borrowings	24	66,608	59,322	10,371	18,431	21,230	55
Concession liabilities	25	90,851	95,929	100,430	-	-	-
Deferred tax liabilities	18	21,029	27,939	39,332	-	-	-
Tax payable		2,611	3,487	17,431	-	3,487	17,431
Provisions	27	73,432	68,428	67,734	-	-	-
		254,531	255,105	235,298	18,431	24,717	17,486
Total liabilities		327,121	333,524	301,117	50,689	64,583	51,745
Equity attributable to owners of the Company							
Share capital	29	358,825	358,825	358,825	358,825	358,825	358,825
Other reserves	30	(393)	(393)	(393)	-	-	-
Retained earnings		758,751	740,006	703,223	233,455	225,365	199,853
		1,117,183	1,098,438	1,061,655	592,280	584,190	558,678
Non-controlling interests		-	(13)	(12)	-	-	-
Total equity		1,117,183	1,098,425	1,061,643	592,280	584,190	558,678
Total equity and liabilities		1,444,304	1,431,949	1,362,760	642,969	648,773	610,423
Net current assets		270,272	222,339	255,681	30,994	27,806	106,142
Net assets		1,117,183	1,098,425	1,061,643	592,280	584,190	558,678

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Attributable to owners of the Company					
	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Retained earnings RM'000	Other reserves (Note 30) RM'000	Non-controlling interests RM'000
Group						
At 1 January 2023, as previously reported	1,178,022	1,178,035	358,825	819,603	(393)	(13)
Prior year adjustments (Note 39)	(79,597)	(79,597)	-	(79,597)	-	-
At 1 January 2023, as restated	1,098,425	1,098,438	358,825	740,006	(393)	(13)
Total comprehensive income for the year	34,325	34,326	-	34,326	-	(1)
Transactions with owners						
Dividends on ordinary shares (Note 31)	(15,562)	(15,562)	-	(15,562)	-	-
Acquisition of non-controlling interest (Note 17)	(5)	(19)	-	(19)	-	14
Total transactions with owners	(15,567)	(15,581)	-	(15,581)	-	14
At 31 December 2023	1,117,183	1,117,183	358,825	758,751	(393)	-
At 1 January 2022, as previously reported	1,132,728	1,132,740	358,825	774,308	(393)	(12)
Prior year adjustments (Note 39)	(71,085)	(71,085)	-	(71,085)	-	-
At 1 January 2022, as restated	1,061,643	1,061,655	358,825	703,223	(393)	(12)
Total comprehensive income for the year	50,615	50,616	-	50,616	-	(1)
Transactions with owners						
Dividends on ordinary shares (Note 31)	(13,833)	(13,833)	-	(13,833)	-	-
At 31 December 2022	1,098,425	1,098,438	358,825	740,006	(393)	(13)

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Equity, total RM'000	Share capital RM'000	Retained earnings RM'000
Company			
At 1 January 2023, as previously reported	590,055	358,825	231,230
Prior year adjustments (Note 39)	(5,865)	-	(5,865)
At 1 January 2023, as restated	584,190	358,825	225,365
Total comprehensive income for the year	23,652	-	23,652
Transaction with owners			
Dividends on ordinary shares (Note 31)	(15,562)	-	(15,562)
At 31 December 2023	592,280	358,825	233,455
At 1 January 2022, as previously reported	564,543	358,825	205,718
Prior year adjustments (Note 39)	(5,865)	-	(5,865)
At 1 January 2022, as restated	558,678	358,825	199,853
Total comprehensive income for the year	39,345	-	39,345
Transaction with owners			
Dividends on ordinary shares (Note 31)	(13,833)	-	(13,833)
At 31 December 2022	584,190	358,825	225,365

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 Restated	Company 2023 RM'000	Company 2022 RM'000
Operating activities					
Profit before tax		48,730	55,742	25,247	38,591
Adjustments for:					
Additional entitlement for disposal of land held for property development (non-cash consideration)	4	-	(28,844)	-	(28,844)
Amortisation of concession assets	8	57,847	56,589	-	-
Allowance for expected credit loss on trade receivables	8	147	287	-	-
Depreciation of property, plant and equipment	8	2,994	1,704	1,969	885
Depreciation of investment properties	8	1,512	919	1,512	919
Dividend income from subsidiaries	4	-	-	(22,400)	(22,200)
Employee leave entitlement	9	63	-	-	-
Employee leave entitlement written back	9	(3)	(31)	(3)	(8)
Finance costs	7	10,470	11,011	1,043	166
Interest income	5	(3,373)	(1,779)	(280)	(561)
Investment income from investment securities	8	(1,422)	(636)	(140)	(94)
Revision of estimated cash flows on receivables	8	-	21,818	-	21,818
Net loss on disposal of property, plant and equipment	8	9	21	10	-
Net fair value gain on investment securities	6	(3,150)	(1,493)	(103)	(77)
Plant and equipment written off	8	2	46	*	-
Provisions	8	7,773	6,585	-	-
Reversal of expected credit loss on trade receivables	8	(17)	(4,241)	-	(4,236)
Unrealised on foreign exchange loss, net	8	26	50	-	-
Unwinding of discount on receivable	5	(10,396)	(9,914)	(9,384)	(9,914)
Waiver of debt	8	-	1,099	-	1,099
Total adjustments		62,482	53,191	(27,776)	(41,047)

* Below RM1,000

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Operating cash flows before changes in working capital	111,212	108,933	(2,529)	(2,456)
Changes in working capital:				
Increase in inventories	(550)	(247)	-	-
Decrease/(increase) in trade and other receivables	7,198	(15,044)	9,498	(11,540)
Decrease in other assets	34	11,285	67	10,127
(Decrease)/increase in trade and other payables	(4,365)	(8,491)	122	(4,977)
Decrease in contract liability	-	(2,720)	-	-
Payment of concession liabilities	(11,531)	(11,280)	-	-
Total changes in working capital	(9,214)	(26,497)	9,687	(6,390)
Cash flows from/(used in) operations	101,998	82,436	7,158	(8,846)
Interest received	1,002	531	-	-
Income tax paid	(31,918)	(24,236)	(9,960)	(10,697)
Income tax refunded	7,458	11,566	-	-
Real property gain tax refunded	-	7,411	-	7,411
Net cash flows from/(used in) operating activities	78,540	77,708	(2,802)	(12,132)
Investing activities				
Increase in cash at banks pledged and deposits with maturity more than 3 months	(192)	(18,432)	-	-
Purchase of investment in subsidiary	-	-	(235)	-
Acquisition of non-controlling interest in a subsidiary	(5)	-	(5)	-
Increase in concession assets	(27,922)	(26,286)	-	-
Proceeds from disposal of investment securities	3,750	8,800	3,000	-
Proceed from disposal of plant and equipment	20	10	20	-
Purchase of investment securities	(24,750)	(46,666)	(5,140)	(94)
Purchase of land held for property development	-	(24,237)	-	(24,237)
Purchase of property, plant and equipment	(3,551)	(2,797)	(3,441)	(1,582)
Investment income received from investment securities	1,245	636	140	94
Interest received	2,370	1,248	280	560
Dividends received from a subsidiary	-	-	22,400	22,200
Net cash flows (used in)/from investing activities	(49,035)	(107,724)	17,019	(3,059)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Financing activities				
Decrease in cash at banks pledged	-	12,677	-	-
Dividends paid	(20,582)	(8,326)	(20,582)	(8,326)
Drawdown of Islamic financing facilities	-	30,613	-	24,237
Drawdown of short-term revolving credit	4,800	2,000	4,800	-
Drawdown of Tawarruq facilities	14,241	22,855	-	-
Interest paid	(2,917)	(973)	(1,068)	(170)
Repayment of short-term revolving credit	(3,000)	-	(1,000)	-
Repayment of Tawarruq facilities	(1,921)	-	-	-
Repayment of Islamic financing facilities	(3,142)	-	(2,777)	-
Repayment of advances due to subsidiary	-	-	-	(1,200)
Payment of principal portion of lease liabilities	(103)	(124)	(32)	(33)
Net cash flows (used in)/ from financing activities	(12,624)	58,722	(20,659)	14,508
Net increase/(decrease) in cash and cash equivalents	16,881	28,706	(6,442)	(683)
Cash and cash equivalents at 1 January	88,605	59,899	21,080	21,763
Cash and cash equivalents at 31 December (Note 23)	105,486	88,605	14,638	21,080

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. Corporate information

Suria Capital Holdings Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 3-03 - 3-31, Level 3, JQ Central, Coastal Highway, Off Jalan Tun Fuad Stephens, 88400, Kota Kinabalu, Sabah, Malaysia.

The principal activities of the Company are investment holding, and property development and leasing. The principal activities of the subsidiaries and other information relating to the subsidiaries are disclosed in Note 17. There has been no significant change in the nature of these principal activities during the financial year.

2. Basis of preparation and material accounting policy information

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

These financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as discussed below.

On 1 January 2023, the Group and the Company adopted the following new standards, amendments, and interpretations (collectively referred as "pronouncements") mandatory for annual financial periods beginning on or after 1 January 2023.

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts (including amendments on Initial Application of MFRS 17 and MFRS 9 - Comparative Information)	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: 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 112: International Tax Reform -Pillar Two Model Rules	1 January 2023

The adoption of these pronouncement did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.3 Standards issued but not yet effective

The pronouncements that are issued, but not yet effective up to the date of issuance of these financial statements are disclosed below. The Group and the Company intend to adopt these amendments, standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The pronouncements are not expected to have any material impact on the financial statements of the Group and of the Company.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for similar transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

2. Basis of preparation and material accounting policy information (continued)

2.4 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.4 Basis of consolidation (continued)

Business combinations (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *MFRS 9 Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(b) exposure, or rights, to variable returns from its investment with the investee; and

(c) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. Basis of preparation and material accounting policy information (continued)

2.6 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.7 Property, plant and equipment (continued)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings: 50 years
- Ferry terminal: Over remaining lease period
- Cruise terminal: 5 years
- Motor vehicles: 4 to 5 years
- Furniture, equipment and renovation: 2.5 to 10 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

A contract which involves the use of an item of property, plant and equipment that meets the definition of a lease is recognised as a right-use-asset.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at the lower of cost and net realisable value.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2.9 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

2. Basis of preparation and material accounting policy information (continued)

2.9 Investment properties (continued)

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use.

2.10 Service concession arrangements

The Company, Sabah Ports Sdn. Bhd. (a subsidiary of the Company), the State Government of Sabah and Sabah Ports Authority entered into the Privatisation Agreement on 23 September 2003 ("Privatisation Agreement") to privatise the business of port undertakings of Sabah Ports Authority at the seven (7) ports of Sabah for a period of 30 years and can be extended for a further period of 30 years.

The terms of the Privatisation Agreement allow the subsidiary to charge and collect from the port users in relation to any services or facilities provided by the subsidiary in accordance with the tariffs prescribed pursuant to the Sabah Ports Authority Enactment 1981 and the Sabah Ports (Privatisation) Enactment 1998, as amended from time to time and including all and any rules made thereunder ("Port Enactments"). The subsidiary shall apply to Sabah Ports Authority to amend, vary or introduce port dues and charges from time to time in accordance with Port Enactments based on the financial need of the ports as well as the financial performance of the subsidiary.

The Group recognises concession assets as intangible assets to the extent that it receives a right to charge users for the public service. Concession assets received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition. Accordingly, the cost and expenditure incurred on capital expenditure during the concession period can be capitalised as part of concession asset if the Group is contractually required to add to the infrastructure to which it is given a licence and from this generate additional revenues. Subsequent to initial recognition, concession assets are measured at cost, less accumulated amortisation and accumulated impairment losses.

The Group also recognises concession assets (and the corresponding concession liabilities) arising from the annual concession fee payables and the lease rental payable for the existing port infrastructures, facilities and land under the Privatisation Agreement at the present value of the obligations at the inception date of the service concession arrangement.

Concession assets are amortised over the concession period using the straight-line method less impairment loss, if any.

When the Group has contractual obligations that it must fulfill as a condition of its license to: a) maintain the infrastructure to a specified standard or, b) to restore the infrastructure when the infrastructure has deteriorated below a specified condition, it recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 2.18. Repair and maintenance and other expenses that are routine in nature are expensed and recognised in the profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold lands	Remaining lease period of 50 to 88 years
Buildings	3 years
Motor vehicles	5 years
Equipment	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Basis of preparation and material accounting policy information (continued)

2.11 Leases (continued)

Group as a lessee (continued)

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Lease in which the Group that does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long- term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss.

Excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that, the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.12 Impairment of non-financial assets (continued)

Goodwill is tested for impairment annually as at the reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate- related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value in use amounts.

2.13 Fair value measurement

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. Basis of preparation and material accounting policy information (continued)

2.13 Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.14 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primary for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classified all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.15 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.15 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. Basis of preparation and material accounting policy information (continued)

2.15 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.15 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either: (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments carried at amortised cost and fair value through OCI, contract assets and lease receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows expected to be received, discounted at the original effective interest rate (EIR). The expected cash flows will include cash flows from the sale of collaterals held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognised as a loss allowance based on lifetime ECLs at each reporting date. The Group has established provision matrices that are based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. Basis of preparation and material accounting policy information (continued)

2.15 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Impairment (continued)

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortised cost (loans and borrowings).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.15 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Financial liabilities (continued)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition comprise purchase costs and are accounted for on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2. Basis of preparation and material accounting policy information (continued)

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses, social security contributions and employment insurance scheme contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Malaysian companies in the Group make contributions to the Employee Provident Fund (EPF) in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

2.21 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Group has generally concluded that they are the principal in their revenue arrangements, except for the agency services in 2.21 (d), because they typically controls the goods and services before transferring them to the customer.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.21 Revenue (continued)

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods/services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Liquidated ascertained damages on contracts give rise to variable consideration.

Non-cash consideration

The Group estimates the fair value of the non-cash consideration by reference to its market price. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the item concerned.

a) Revenue from port operations

Revenue from port operations are generated from port services provided to customer. The Group recognises revenue at a point in time upon performance of services.

b) Revenue from construction and engineering contracts

The Group principally operates fixed price contracts.

Revenue is recognised over time. The Group uses the stage of completion method to determine the appropriate amount to recognise in a given period for a performance obligation. The stage of completion is measured by reference to the contract costs of fulfilling the performance obligation incurred up to the end of the reporting period as a percentage of total expected fulfilment costs under the contract, which is an input measure according to MFRS 15.

Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

c) Revenue from bunkering, shipping fees, scheduled waste disposal services and other services

Revenue from bunkering, shipping fees, scheduled waste disposal services and other services are recognised at a point in time when services are rendered.

d) Agency and distributor fees

The Group acts as an agent to provide a service of arranging for another party to transfer goods or services to a customer. The Group recognises a commission fee, being the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods and services to be provided by that party.

e) Management fees

Revenue from management fees are recognised over time when services are rendered.

2. Basis of preparation and material accounting policy information (continued)

2.21 Revenue (continued)

Non-cash consideration (continued)

f) Sale of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery on goods.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Other items of income

a) Interest income

Interest income is recognised using the effective interest method.

b) Dividend income

Dividend income is recognised when the Group's rights to receive payment is established.

c) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.22 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2. Basis of preparation and material accounting policy information (continued)

2.22 Taxes (continued)

b) Deferred tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

c) Sales and services tax ("SST")

Revenue is recognised net of the amount of SST as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable.

2.23 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.24 Contingencies

A contingent liability is:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Basis of preparation and material accounting policy information (continued)

2.24 Contingencies (continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgement made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting policies on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Recoverable amount of the concession assets

The Group assesses whether there are any indicators of impairment or reversal of impairment losses recognised in prior periods exist for concession assets at each reporting date. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. This requires an estimation of the value in use for the CGU, which involved significant judgement. The value in use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used as well as the expected future cash inflows and the growth rates used for extrapolation purposes.

During the financial year, the Group continued the impairment assessment of the concession assets considering the finite useful life of the concession assets ending 2034 and due to its significant net book value of the concession assets as at year end.

The carrying amount of concession assets are disclosed in Note 16.

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

b) Recoverability of the receivable for disposal of land held for property development

In 2013, the Company disposed of a parcel of land held for property development to a property developer company ("the Developer") for the purpose of developing it into a mixed-use development project ("the Project"). The disposal was made for a minimum guaranteed consideration of RM324 million, payable progressively over the course of the Project. As of 31 December 2023, the amount due from the Developer of RM164.6 million consist of RM18.8 million in-cash and RM145.8 million in-kind (non-cash).

The Company has entered into several supplemental agreements with the Developer to modify the mode and timing of payments for the outstanding amount. The most recent revision was made in November 2022, which resulted in an expense arising from the revision of estimated cash flows on receivable of RM21.8 million and has been recognised in prior year. The Company applied significant estimate when assessing the financial impact arising from the variations in cash flows caused by the change in the mode and timing of payments. These variations of cash flows are impacted by the discount rate applied, the expected timing of receipt of the cash and non-cash considerations and the expected timing of completion of development by the Developer. Any significant variation in the factors mentioned above may result in changes to the carrying amounts of the receivables and capital prepayments.

The information on trade receivables, amount due from the Developer and the capital prepayments is disclosed in Note 20 (b) and Note 21(i).

c) Provision for replacement costs

Provision for replacement costs is recognised for the obligation to replace the moveable assets and port infrastructure during the concession period in accordance with MFRS 137: Provision, Contingent Liabilities and Contingent Assets. To determine whether it is probable that an outflow of resources will be required to replace the assets and the reliable amount of estimates can be made, the Company takes into consideration factors such as the age, past historical experiences, expected timing of the replacement and other available information. Other significant assumptions are disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Revenue from contracts with customers:				
Type of goods and services				
Income from port operations	244,235	237,199	-	-
Contract revenue from engineering contract	18	1,785	-	-
Agency and distributor fees	300	1,058	-	-
Management fees received from subsidiaries	-	-	5,340	5,340
Bunkering, shipping fees, scheduled waste disposal services and others	1,079	638	-	-
Additional entitlement for disposal of land held for property development (non-cash consideration)	-	28,844	-	28,844
	245,632	269,524	5,340	34,184
Revenue from construction services for concession infrastructure	29,594	27,251	-	-
	275,226	296,775	5,340	34,184
Other revenue				
Dividend income from subsidiaries	-	-	22,400	22,200
Rental income	2,642	1,272	1,311	120
Carpark income	493	-	493	-
	278,361	298,047	29,544	56,504
Timing of revenue recognition				
Over time	29,612	29,036	5,340	5,340
At a point in time	245,614	267,739	-	28,844
	275,226	296,775	5,340	34,184

Significant terms of sale are as follows:

Sales of goods and services - Credit period of 30 days to 90 days (2022: 30 days to 90 days) from invoicing date.

Construction contract - Credit period of 30 days to 90 days (2022: 30 days to 90 days) from invoicing date.

Revenue from construction services for concession infrastructure is recognised as required under IC Interpretation 12: Service Concession Arrangements and in accordance with MFRS 15: Revenue from contracts with customers in respect of the upgrading of port facilities works undertaken during the year.

4. Revenue (continued)

Significant terms of sale are as follows: (continued)

Non-cash consideration – Additional entitlement for disposal of land held for property development.

In prior year, the Group received additional entitlement in the form of car park units (non-cash consideration). Further details of this additional entitlement are disclosed in Note 21(i). The amount of non-cash consideration is measured at fair value when the Group obtained control of the car park units. In estimating the fair value, the Group relied on a valuation performed by an accredited independent valuer using income approach.

5. Interest income

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income from:				
Deposits with financial institutions	2,651	1,512	238	422
Other loans and receivables	722	267	42	139
	3,373	1,779	280	561
Unwinding of discount on receivables	10,396	9,914	9,384	9,914
	13,769	11,693	9,664	10,475

6. Other income

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Gain on disposal of property, plant and equipment	-	8	-	-
Investment income from investment securities	1,422	636	140	94
Fair value gains on investment securities	3,150	1,645	103	77
Foreign exchange gain:				
- realised	6	10	-	-
- unrealised	1	*	-	-
Rental income	550	448	-	92
Cargo related income	1,008	426	-	-
Water sales	796	622	-	-
Sundry income	2,341	2,143	117	2
Reversal of expected credit loss on trade receivables	-	4,241	-	4,236
Wage subsidy	200	96	-	-
	9,474	10,275	360	4,501

* Below RM1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Finance costs

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Interest expense on:				
Advances from subsidiary	-	-	133	163
Islamic financing facility	1,194	25	892	-
Lease liabilities	4	8	2	3
Short-term revolving credit	16	3	16	-
Tawarruq financing	1,676	965	-	-
Unwinding of discount on:				
- concession liabilities (Note 25)	6,714	7,030	-	-
- provisions (Note 27)	2,538	2,335	-	-
- security deposit	-	1,610	-	-
	12,142	11,976	1,043	166
Less: Capitalised in concession assets (Note 16)	(1,672)	(965)	-	-
Total finance costs	10,470	11,011	1,043	166

8. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Employee benefits expense (Note 9)	66,970	67,182	4,521	3,933
Non-executive directors' remunerations (Note 10)	1,177	1,211	825	845
Allowance for expected credit loss on:				
- trade receivables (Note 20(a))	147	287	-	-
Amortisation of concession assets (Note 16)	57,847	56,589	-	-
Auditors' remuneration:				
Statutory audit:				
- current year	268	248	100	99
- under/(over) provision in respect of previous year	4	(30)	-	(4)
Other services	12	12	12	12
Depreciation of property, plant and equipment (Note 13)	2,994	1,704	1,969	885
Depreciation of investment property (Note 15)	1,512	919	1,512	919
Leasing of port land	4,092	3,828	-	-
Net fair value gain on investment securities	(3,150)	(1,493)	(103)	(77)
Plant and equipment written off	2	46	*	-
Provisions (Note 27)	7,773	6,585	-	-
Realised loss on foreign exchange, net	-	50	-	-
Reversal of expected credit loss on trade receivables (Note 20(a))	(17)	(4,241)	-	(4,236)
Revision of estimated cash flows on receivables	-	21,818	-	21,818
Net loss on disposal of property, plant and equipment	9	21	10	-
Unrealised loss on foreign exchange, net	26	50	-	-
Waiver of debt	-	1,099	-	1,099

* Below RM1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. Employee benefits expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, wages and allowances	51,027	50,673	3,062	3,038
Contributions to defined contribution plan	7,067	7,067	525	494
Bonus				
- current year	5,999	5,357	602	231
- (over)/under provision in respect of previous year	(942)	532	148	(3)
Employment insurance system contributions	93	88	4	3
Social security contributions	921	775	37	31
Interest subsidies	14	22	-	-
Medical expenses	2,731	2,699	146	147
Employee leave entitlement	63	-	-	-
Employee leave entitlement written back	(3)	(31)	(3)	(8)
	66,970	67,182	4,521	3,933

Included in employee benefits expense are directors' remunerations as further disclosed in Note 10.

10. Directors' remunerations

The aggregate amount of remunerations receivable by the directors of the Company and of the Group, categorised into appropriate components for the financial year were as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive directors' remuneration:				
Other emoluments	784	675	784	675
Non-executive directors' remuneration (Note 8):				
Fees	782	812	505	523
Other emoluments	395	399	320	322
	1,177	1,211	825	845
Total directors' remunerations (Note 32(c))	1,961	1,886	1,609	1,520
Estimated money value of benefits-in-kind	91	39	91	39
Total directors' remunerations including benefits-in-kind	2,052	1,925	1,700	1,559

10. Directors' remunerations (continued)

The details of remunerations receivable by directors of the Company during the year were as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive:				
Salaries and allowances	528	498	528	498
Bonus	153	88	153	88
Defined contribution plan	103	89	103	89
Estimated money value of benefits-in-kind	83	35	83	35
	867	710	867	710
Non-Executive:				
Fees	580	565	505	523
Other emoluments	334	334	320	322
Estimated money value of benefits-in-kind	8	4	8	4
	922	903	833	849
	1,789	1,613	1,700	1,559

11. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2023 and 2022 are:

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Statements of comprehensive income				
Current income tax:				
- Malaysian income tax	19,146	19,020	-	225
- Under/(over) provision in respect of previous years	753	(1,502)	-	14
	19,899	17,518	-	239
Deferred income tax (Note 18):				
- Origination and reversal of temporary differences	(5,285)	(8,281)	1,596	(987)
- Overprovision in respect of previous years	(209)	(4,110)	(1)	(6)
	(5,494)	(12,391)	1,595	(993)
Income tax expense recognised in profit or loss	14,405	5,127	1,595	(754)

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11. Income tax expense (continued)

Reconciliation between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the corporate tax rate for the financial years ended 31 December 2023 and 2022 is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Profit before tax	48,730	55,742	25,247	38,591
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	11,695	13,378	6,060	9,262
Adjustments:				
Income not subject to taxation	(913)	(723)	(5,435)	(5,466)
Non-deductible expenses	3,451	3,031	971	510
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(380)	(5,211)	-	(5,068)
Effect of deferred tax assets not recognised	8	264	-	-
Under/(over) provision of income tax in respect of previous year	753	(1,502)	-	14
Over provision of deferred income tax in respect of previous year	(209)	(4,110)	(1)	(6)
Income tax expense/(credit) recognised in profit or loss	14,405	5,127	1,595	(754)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

12. Earnings per share

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

The diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares outstanding.

12. Earnings per share (continued)

The following reflect the data used in the computation of basic and diluted earnings per share:

	Group	
	2023 RM'000	2022 RM'000 Restated
Profit net of tax attributable to owners of the Company used in the computation of basic and diluted earnings per share	34,326	50,616

	Group	
	2023 Number of shares '000	2022 Number of shares '000 Restated
Weighted average number of ordinary shares for basic earnings per share computation	345,821	345,821
Basic and diluted earnings per ordinary share (sen)	9.93	14.64

There was no other transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

13. Property, plant and equipment

Group	Long-term leasehold lands RM'000	Buildings RM'000	Ferry terminal RM'000	Storage tank and equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
Cost:								
At 1 January 2022	56,880	299	15,857	299	2,772	5,849	229	82,185
Additions	-	783	34	-	-	47	2,062	2,926
Transfer from other assets (Note 21(i))	-	4,316	-	-	-	-	-	4,316
Additional entitlement (Note 21(i))	-	28,844	-	-	-	-	-	28,844
Disposals	-	-	(1,937)	-	-	-	-	(1,937)
Transfer from investment properties (Note 15)	-	8,516	-	-	-	-	-	8,516
Write off	-	-	(4)	(283)	-	(184)	(40)	(511)
At 31 December 2022 and at 31 December 2023	56,880	42,758	13,950	16	2,772	5,712	2,251	124,339
Additions	-	-	35	-	-	937	2,579	3,551
Disposals	-	-	(4)	-	-	(312)	-	(316)
Write off	-	-	-	-	-	(287)	-	(287)
Reclassifications	-	-	539	-	-	4,088	(4,627)	-
At 31 December 2023	56,880	42,758	14,520	16	2,772	10,138	203	127,287

13. Property, plant and equipment (continued)

Group	Long-term leasehold lands RM'000	Buildings RM'000	Ferry terminal RM'000	Storage tank and equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation:								
At 1 January 2022	6,963	294	9,984	289	2,607	5,323	-	25,460
Depreciation charge for the year (Note 8)	572	298	553	4	127	150	-	1,704
Disposals	-	-	(1,906)	-	-	-	-	(1,906)
Write off	-	-	(4)	(277)	-	(184)	-	(465)
At 31 December 2022 and 1 January 2023	7,535	592	8,627	16	2,734	5,289	-	24,793
Depreciation charge for the year (Note 8)	574	1,072	618	-	38	692	-	2,994
Disposals	-	-	(4)	-	-	(283)	-	(287)
Write off	-	-	-	-	-	(285)	-	(285)
At 31 December 2023	8,109	1,664	9,241	16	2,772	5,413	-	27,215
Net carrying amount:								
At 31 December 2022	49,345	42,166	5,323	-	38	423	2,251	99,546
At 31 December 2023	48,771	41,094	5,279	-	-	4,725	203	100,072

13. Property, plant and equipment (continued)

Company	Long-term leasehold lands RM'000	Buildings RM'000	Office equipment RM'000	Furniture and office renovation RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost:							
At 1 January 2022	52,360	-	1,372	1,015	1,766	-	56,513
Additions	-	-	43	-	-	1,539	1,582
Transfer from other assets (Note 21(i))	-	4,316	-	-	-	-	4,316
Additional entitlement (Note 21(i))	-	28,844	-	-	-	-	28,844
Transfer from investment properties (Note 15)	-	8,516	-	-	-	-	8,516
Write off	-	-	(53)	-	-	-	(53)
At 31 December 2022 and 1 January 2023	52,360	41,676	1,362	1,015	1,766	1,539	99,718
Additions	-	-	602	290	-	2,549	3,441
Reclassification	-	-	487	3,601	-	(4,088)	-
Disposals	-	-	(180)	(132)	-	-	(312)
Write off	-	-	(254)	(29)	-	-	(283)
At 31 December 2023	52,360	41,676	2,017	4,745	1,766	-	102,564
Accumulated depreciation:							
At 1 January 2022	6,088	-	1,147	992	1,700	-	9,927
Depreciation charge for the year (Note 8)	506	219	104	7	49	-	885
Write off	-	-	(53)	-	-	-	(53)
At 31 December 2022 and 1 January 2023	6,594	219	1,198	999	1,749	-	10,759
Depreciation charge for the year (Note 8)	506	833	140	476	14	-	1,969
Disposal	-	-	(166)	(116)	-	-	(282)
Write off	-	-	(253)	(30)	-	-	(283)
At 31 December 2023	7,100	1,052	919	1,329	1,763	-	12,163
Net carrying amount:							
At 31 December 2022	45,766	41,457	164	16	17	1,539	88,959
At 31 December 2023	45,260	40,624	1,098	3,416	3	-	90,401

13. Property, plant and equipment (continued)

Included in the carrying amount of property, plant and equipment are right-of-use assets as follows:

Group as a lessee

Group	Long-term leasehold lands RM'000	Buildings RM'000	Motor vehicles RM'000	Equipment RM'000	Total RM'000
Cost					
At 1 January 2022	56,880	299	342	230	57,751
Additions	-	783	-	-	783
Transfer/Reclassification	-	-	(144)	-	(144)
Write off	-	-	-	(53)	(53)
At 31 December 2022 and 31 December 2023	56,880	1,082	198	177	58,337
Accumulated depreciation					
At 1 January 2022	6,963	294	198	171	7,626
Depreciation charge for the year	572	79	35	37	723
Transfer/Reclassification	-	-	(64)	(37)	(101)
Write off	-	-	-	(53)	(53)
At 31 December 2022 and 1 January 2023	7,535	373	169	118	8,195
Depreciation charge for the year	572	238	25	36	871
At 31 December 2023	8,107	611	194	154	9,066
Net carrying amount					
At 31 December 2022	49,345	709	29	59	50,142
At 31 December 2023	48,773	471	4	23	49,271

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For the financial year ended 31 December 2023

13. Property, plant and equipment (continued)

Company as a lessee

Company	Long-term leasehold lands RM'000	Motor vehicles RM'000	Equipment RM'000	Total RM'000
Cost				
At 1 January 2022	52,360	144	205	52,709
Transfer/Reclassification	-	(144)	-	(144)
Write off	-	-	(53)	(53)
At 31 December 2022 and 31 December 2023	52,360	-	152	52,512
Accumulated depreciation				
At 1 January 2022	6,088	101	122	6,311
Depreciation charge for the year	506	-	31	537
Transfer/Reclassification	-	(101)	-	(101)
Write off	-	-	(53)	(53)
At 31 December 2022 and 1 January 2023	6,594	-	100	6,694
Depreciation charge for the year	506	-	31	537
At 31 December 2023	7,100	-	131	7,231
Net carrying amount				
At 31 December 2022	45,766	-	52	45,818
At 31 December 2023	45,260	-	21	45,281

The Group and the Company have lease contracts for long-term leasehold lands, office premises, motor vehicles and equipment with respective lease terms that are used in their operations. The Group's and the Company's obligations under these leases are secured by the lessor's title to the leased assets. Included in buildings are ROU assets with a carrying amount of RM465,000 (2022: 639,000) acquired in an arrangement as disclosed in Note 20(d).

The Group and the Company also have certain leases of office equipment with low value. The Group and the Company have applied the lease of low-value assets' recognition exemptions for these leases.

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Additions of property, plant and equipment	3,551	2,926	3,441	1,582
Addition of right-of-use assets (non-cash payment)	-	(129)	-	-
Cash payment on purchase of property, plant and equipment	3,551	2,797	3,441	1,582

14. Land held for property development

Group and Company	Long-term leasehold land RM'000
Cost:	
At 1 January 2022/2023 and 31 December 2022/2023	48,475

15. Investment properties

Group and Company	Gallery shoppes RM'000	Capital work-in-progress RM'000	Total RM'000
Cost			
At 1 January 2022	-	83,967	83,967
Addition	-	155	155
Transfer to property, plant and equipment (Note 13)	-	(8,516)	(8,516)
Reclassification	75,606	(75,606)	-
At 31 December 2022 and 31 December 2023	75,606	-	75,606
Accumulated depreciation			
At 1 January 2022	-	-	-
Depreciation charge for the year (Note 8)	919	-	919
At 31 December 2022	919	-	919
Depreciation charge for the year (Note 8)	1,512	-	1,512
At 31 December 2023	2,431	-	2,431
Net carrying amount			
At 31 December 2022	74,687	-	74,687
At 31 December 2023	73,175	-	73,175

Pursuant to the 5th Supplemental Letter to the Joint Venture Agreement between the Company and SBC Corporation Berhad ("SBC") dated 21 October 2016 and the Supplemental Agreement dated 12 February 2021, the Company is entitled to 11 lots of Gallery Shoppes at Jesselton Quay Central which was previously under construction and are completed in prior year. The estimated fair value of the investment properties approximately RM81,800,000 (2022: RM82,800,000) as disclosed in Note 35.

Assets pledged as securities

As at the reporting date, investment properties of the Company, with a total carrying amount of RM35,051,000 are pledged as securities for Islamic financing facility of the Company as disclosed in Note 24.

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For the financial year ended 31 December 2023

15. Investment properties (continued)

The following are recognised in profit or loss in respect of investment properties:

	Group and Company	
	2023 RM'000	2022 RM'000
Rental income	1,069	120
Direct operating expenses (including repairs and maintenance) included in cost of sales:		
- income generating properties	(413)	(85)
- non-income generating properties	(88)	(195)
Profit/(loss) arising from investment properties	568	(160)

The Group has no restrictions on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

16. Concession assets

Group	Port concession rights RM'000	Leased port infrastructure and facilities RM'000	Capital expenditure RM'000 Restated	Total RM'000
Cost:				
At 1 January 2023, as previously reported	213,679	45,296	1,212,740	1,471,715
Prior Year Adjustments (Note 39)	-	-	(73,169)	(73,169)
At 1 January 2023, as restated	213,679	45,296	1,139,571	1,398,546
Additions	-	-	29,594	29,594
At 31 December 2023	213,679	45,296	1,169,165	1,428,140
Accumulated amortisation and impairment:				
At 1 January 2023, as previously reported	129,410	27,681	531,221	688,312
Prior Year Adjustments (Note 39)	-	-	(31,864)	(31,864)
At 1 January 2023, as restated	129,410	27,681	499,357	656,448
Amortisation (Note 8)	7,198	1,510	49,139	57,847
At 31 December 2023	136,608	29,191	548,496	714,295
Net carrying amount:				
At 31 December 2023	77,071	16,105	620,669	713,845

16. Concession assets (continued)

Group	Port concession rights RM'000	Leased port infrastructure and facilities RM'000	Capital expenditure RM'000 Restated	Total RM'000
Cost:				
At 1 January 2022, as previously reported	213,679	45,296	1,181,556	1,440,531
Prior Year Adjustments (Note 39)	-	-	(69,236)	(69,236)
At 1 January 2022, as restated	213,679	45,296	1,112,320	1,371,295
Additions	-	-	27,251	27,251
At 31 December 2022	213,679	45,296	1,139,571	1,398,546
Accumulated amortisation and impairment loss:				
At 1 January 2022, as previously reported	122,209	26,172	489,528	637,909
Prior Year Adjustments (Note 39)	-	-	(38,050)	(38,050)
At 1 January 2022, as restated	122,209	26,172	451,478	599,859
Amortisation (Note 8)	7,201	1,509	47,879	56,589
At 31 December 2022	129,410	27,681	499,357	656,448
Net carrying amount:				
At 31 December 2022	84,269	17,615	640,214	742,098

During the financial year, borrowing costs capitalised in concession assets amounted to RM1,672,000 (2022: RM965,000). The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.5%, (2022: 4.0%), which is the effective interest rate of the specific borrowing.

Included in capital expenditure are costs incurred on ongoing projects amounting to RM98.5 million (2022: RM75.1 million). Capital expenditure recognised as concession assets are to be handed over at no costs to Sabah Ports Authority upon the expiry of the concession period.

The Group received a letter from the State Economic Planning Unit dated 29 November 2022, conveying the decision by the State Government of Sabah approving a 30 years extension of concession from 1 September 2034 to 31 August 2064 ("new concession period"). Following the said decision, the Group can commence negotiation with the State Government to agree on the terms and conditions of the concession. The outcome of the negotiation on the new terms are to be tabled for consideration and approval by the State Cabinet latest by 31 December 2023 or one (1) year after the negotiation commences. At the reporting date, the Group has yet to commence the negotiation with the State Government of Sabah on the terms and conditions of the concession.

As disclosed in Note 39 to the financial statement, the Group has fully reversed the previously provided impairment allowances at 1 January 2022. During the financial year, the Group reassessed the impairment assessment of concession assets.

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For the financial year ended 31 December 2023

16. Concession assets (continued)

The recoverable amount is determined based on value in use using cash flow projection. The cash flow projection cover a period of 11 years which is based on the remaining concession period until 2034. The following describes each key assumption on which management has based its cash flow projection to undertake impairment testing on the concession assets:

(a) Discount rate

Value in use was determined by discounting the future cash flows generated by applying the pre-tax discount rate of 18.37% (2022: 18.40%).

(b) Revenue

Revenue growth is based on projected cargo volume which is assumed to grow at a higher rate in 2025 and 2026 due to the demand of port services from two foreign direct investment in Kota Kinabalu Industrial Park.

With regards to the assessment of value in use, the Group has performed a sensitivity analysis on the CGU's discounted cash flow analysis. The following table demonstrates the sensitivity of the recoverable amount to the possible changes in the above key assumptions with all other variables being held constant and its corresponding sensitivity result in a higher or lower recoverable value of concession assets:

	Increase/ (decrease) in recoverable amount of concession assets RM'000
Discount rate	
- 0.5%	15,666
+ 0.5%	(15,114)

17. Investments in subsidiaries

	Company	
	2023 RM'000	2022 RM'000
Shares, at cost		
Unquoted ordinary shares	112,300	112,060
Irredeemable preference shares	90,000	90,000
Redeemable preference shares	24,300	24,300
	226,600	226,360
Employees' Share Scheme granted to employees of subsidiaries	9,459	9,459
	236,059	235,819
Impairment losses:		
At 1 January/31 December	(25,466)	(25,466)
	210,593	210,353

17. Investments in subsidiaries (continued)

During the financial year, the Company has acquired the remaining equity interest in Borneo Waterways Explorer Sdn. Bhd. and Suria RE Sdn. Bhd. from its subsidiary, SCHB Engineering Services Sdn. Bhd. and non-controlling interest with cash consideration of RM235,000 and RM5,000 respectively. After the acquisition, Suria RE Sdn. Bhd. became a wholly-owned subsidiary of the Company.

Details of the subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group*		% of ownership interest held by non-controlling interests*	
			2023	2022	2023	2022
Sabah Ports Sdn. Bhd.	Malaysia	Provision and maintenance of port services and facilities, and the regulation and control of the management of ports	100	100	-	-
Suria Bumiria Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
SCHB Engineering Services Sdn. Bhd.	Malaysia	Construction contractor, provision of project management and technical support services and ferry terminal operation	100	100	-	-
Suria RE Sdn. Bhd.	Malaysia	Dormant	100	95	-	5
Borneo Waterways Explorer Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Held through Sabah Ports Sdn. Bhd.:						
SP Marine Services Sdn. Bhd.	Malaysia	Provision of bunkering and related services	100	100	-	-
S.P. Satria Sdn. Bhd.	Malaysia	Distribution of port cargo handling equipment and related spare parts	100	100	-	-

* Equals to the proportion of voting rights held.

Information with regards to non-controlling interest in prior year is not presented as they are not material.

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18. Deferred tax

Group	At 1 January 2022, as previously stated RM'000	Prior year adjustments (Note 39) RM'000	At 1 January 2022, as restated RM'000	Recognised in profit or loss (Note 11) RM'000	At 31 December 2022 RM'000
Deferred tax liabilities:					
Concession assets	95,929	(12,552)	83,377	(10,207)	73,170
Property, plant and equipment	27	631	658	1,081	1,739
Right-of-use assets	366	-	366	129	495
Investment properties	-	5,297	5,297	(157)	5,140
Inventory	-	97	97	-	97
	96,322	(6,527)	89,795	(9,154)	80,641
Deferred tax assets:					
Concession liabilities	(26,810)	-	(26,810)	1,020	(25,790)
Provision for bonus and accumulated compensated absences	-	(56)	(56)	-	(56)
Provision for dredging and replacement costs	(2,505)	(14,711)	(17,216)	(598)	(17,814)
Receivables	(7,615)	-	(7,615)	(2,100)	(9,715)
Lease liabilities	(366)	-	(366)	17	(349)
Unutilised business losses	-	(104)	(104)	(1)	(105)
Unabsorbed capital allowance	(27)	-	(27)	27	-
Others	(36)	-	(36)	(1,602)	(1,638)
	(37,359)	(14,871)	(52,230)	(3,237)	(55,467)
	58,963	(21,398)	37,565	(12,391)	25,174

Group	At 1 January 2023, as previously stated RM'000	Prior year adjustments (Note 39) RM'000	At 1 January 2023, as restated RM'000	Recognised in profit or loss (Note 11) RM'000	At 31 December 2023 RM'000
Deferred tax liabilities:					
Concession assets	88,204	(15,034)	73,170	(6,627)	66,543
Property, plant and equipment	1,108	631	1,739	(44)	1,695
Right-of-use assets	495	-	495	(97)	398
Investment properties	(157)	5,297	5,140	(104)	5,036
Inventory	-	97	97	-	97
	89,650	(9,009)	80,641	(6,872)	73,769

18. Deferred tax (continued)

Group	At 1 January 2023, as previously stated RM'000	Prior year adjustments (Note 39) RM'000	At 1 January 2023, as restated RM'000	Recognised in profit or loss (Note 11) RM'000	At 31 December 2023 RM'000
Deferred tax assets:					
Concession liabilities	(25,790)	-	(25,790)	1,156	(24,634)
Provision for bonus and accumulated compensated absences	-	(56)	(56)	(68)	(124)
Provision for dredging and replacement costs	(2,826)	(14,988)	(17,814)	(871)	(18,685)
Receivables	(9,715)	-	(9,715)	2,110	(7,605)
Lease liabilities	(349)	-	(349)	50	(299)
Unutilised business losses	(1)	(104)	(105)	(305)	(410)
Unabsorbed capital allowance	-	-	-	(135)	(135)
Others	(1,638)	-	(1,638)	(559)	(2,197)
	(40,319)	(15,148)	(55,467)	1,378	(54,089)
	49,331	(24,157)	25,174	(5,494)	19,680

Company	At 1 January 2022, as previously stated RM'000	Prior year adjustments (Note 39) RM'000	At 1 January 2022, as restated RM'000	Recognised in profit or loss (Note 11) RM'000	At 31 December 2022 RM'000
Deferred tax liabilities:					
Property, plant and equipment	23	631	654	1,084	1,738
Right-of-use assets	20	-	20	(8)	12
Investment properties	-	5,297	5,297	(157)	5,140
Inventory	-	97	97	-	97
	43	6,025	6,068	919	6,987
Deferred tax assets:					
Receivables	(7,615)	-	(7,615)	(1,943)	(9,558)
Lease liabilities	(21)	-	(21)	8	(13)
Provision for bonus and accumulated compensated absences	-	(56)	(56)	-	(56)
Unutilised business loss	-	(104)	(104)	-	(104)
Unabsorbed capital allowances	(23)	-	(23)	23	-
	(7,659)	(160)	(7,819)	(1,912)	(9,731)
	(7,616)	5,865	(1,751)	(993)	(2,744)

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For the financial year ended 31 December 2023

18. Deferred tax (continued)

Company	At 1 January 2023, as previously stated RM'000	Prior year adjustments (Note 39) RM'000	At 1 January 2023, as restated RM'000	Recognised in profit or loss (Note 11) RM'000	At 31 December 2023 RM'000
Deferred tax liabilities:					
Property, plant and equipment	1,107	631	1,738	(45)	1,693
Right-of-use assets	12	-	12	(7)	5
Investment properties	(157)	5,297	5,140	(104)	5,036
Inventory	-	97	97	-	97
	962	6,025	6,987	(156)	6,831
Deferred tax assets:					
Receivables	(9,558)	-	(9,558)	2,252	(7,306)
Lease liabilities	(13)	-	(13)	8	(5)
Provision for bonus and accumulated compensated absences	-	(56)	(56)	(68)	(124)
Unutilised business loss	-	(104)	(104)	(306)	(410)
Unabsorbed capital allowances	-	-	-	(135)	(135)
	(9,571)	(160)	(9,731)	1,751	(7,980)
	(8,609)	5,865	(2,744)	1,595	(1,149)

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Presented after appropriate offsetting as follows:				
Deferred tax assets	(1,349)	(2,765)	(1,149)	(2,744)
Deferred tax liabilities	21,029	27,939	-	-
	19,680	25,174	(1,149)	(2,744)
Unrecognised temporary differences				
Unused tax losses	10,397	11,475	-	-
Unabsorbed capital allowances	42	454	-	-
Deductible temporary differences	625	685	-	-
	11,064	12,614	-	-
Deferred tax assets @ 24%	2,655	3,027	-	-

18. Deferred tax (continued)

Unrecognised tax losses and unabsorbed capital allowances

At the reporting date, the Group and the Company have unused tax losses and unabsorbed capital allowances that are available for offset against future taxable profits of the Group and the Company, for which no deferred tax assets are recognised because it is not probable that future taxable profits will be available against which the Group can use the benefits therefrom. The use of these tax losses and unabsorbed capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. The unrecognised tax losses will expire as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Year of assessment 2028	2,144	3,314	-	-
Year of assessment 2029	201	201	-	-
Year of assessment 2031	213	213	-	-
Year of assessment 2032	7,747	7,747	-	-
Year of assessment 2033	92	-	-	-
	10,397	11,475	-	-

19. Inventories

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost				
Completed properties	18,666	18,666	18,666	18,666
Consumables	11,443	10,893	-	-
	30,109	29,559	18,666	18,666
Inventories recognised as an expense in profit or loss	12,916	13,515	-	-

The completed properties represents payment in-kind received from SBC Corporation Berhad, details of which are provided in Note 20(b).

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For the financial year ended 31 December 2023

20. Trade and other receivables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade receivables				
Third party – proceeds receivable for disposal of land held for property development (Note 20(b))	8,636	9,294	8,636	9,294
Third parties	20,388	17,218	3,671	2,605
Amounts due from subsidiaries	-	-	240	253
Retention sums on contract	1,237	1,237	-	-
	30,261	27,749	12,547	12,152
Less: Allowance for expected credit losses				
Third parties	(3,254)	(3,124)	-	-
Trade receivables, net	27,007	24,625	12,547	12,152
Other receivables				
Amounts due from subsidiaries	-	-	689	547
Refundable deposits	767	2,209	473	1,374
Sundry receivables	4,293	3,071	442	232
	5,060	5,280	1,604	2,153
Less: Allowance for expected credit losses				
Third parties	(906)	(906)	-	-
Other receivables, net	4,154	4,374	1,604	2,153
	31,161	28,999	14,151	14,305
Non-current				
Trade receivables				
Third party – proceeds receivable for disposal of land held for property development (Note 20(b))	10,155	17,464	10,155	17,464
Other receivables				
Amount due from joint venture partner (Note 20(d))	7,119	6,346	-	-
Security deposits	1,483	1,391	-	-
	8,602	7,737	-	-
	18,757	25,201	10,155	17,464
Total trade and other receivables	49,918	54,200	24,306	31,769
Add: Cash and bank balances (Note 23)	131,428	114,355	14,638	21,080
Total financial assets carried at amortised cost	181,346	168,555	38,944	52,849

20. Trade and other receivables (continued)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their transaction price on initial recognition.

Trade receivables of the Group amounting to RM27,414,000 (2022: RM5,577,000) are secured by bank guarantees made in favour of the Group.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

Movement in allowance accounts:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	3,124	12,559	-	9,591
Charge for the year (Note 8)	147	287	-	-
Reversal of expected credit loss (Note 8)	(17)	(4,241)	-	(4,236)
Write off	-	(5,481)	-	(5,355)
At 31 December	3,254	3,124	-	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors who have delayed payment. These receivables are not secured by collateral or credit enhancements.

(b) Proceeds receivable for disposal of land held for property development

This represents the balance of proceeds from the deemed disposal of land held for property development pursuant to the Joint Venture Agreement entered between the Company and SBC Corporation Berhad ("SBC") dated 21 May 2013 ("JVA"). RM2 million was received upon execution of the JVA in 2013. The remaining of the estimated proceeds of RM322 million was to be received in tranches within 7 years from the presentation date of instrument of charge for the creation of the third party charge on the said land, which was presented in 2018. Thereafter, the Group and SBC had agreed to enter into supplemental agreements to the JVA to vary the mode of payments other than cash. Further details are disclosed in Note 15 and Note 21.

On 30 November 2022, the Group and SBC entered into the Amended and Restated Agreement in relation to the JVA ("ARA") to amend and restate the payment terms concerning the Group's entitlement pursuant to the JVA. In addition to the variation of mode and terms of payments for the outstanding balances, as further disclosed in Note 21, the Group received a non-cash consideration in the form of car park units as an additional entitlement which are recognised and measured at fair value (Note 4). Consequently, the Group's and the Company's profit before tax for the financial year 2022 increased by RM28,844,000 in relation to the additional entitlement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

20. Trade and other receivables (continued)

(b) Proceeds receivable for disposal of land held for property development (continued)

The remaining maturities of the proceeds receivable as at the reporting date are as follows:

	Group and Company	
	2023 RM'000	2022 RM'000
Within 1 year	8,636	9,294
Later than 1 year but not later than 2 years	10,155	8,635
Later than 2 years but not later than 5 years	-	8,829
	18,791	26,758

Further details of these variations are disclosed in Note 21(i).

(c) Other receivables

These amounts are unsecured, non-interest bearing and are normally receivable upon demand.

Expected credit losses

Movement in allowance for expected credit losses of other receivables computed based on lifetime ECL are as follows:

Movement in allowance accounts:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	906	991	-	-
Write off	-	(85)	-	-
At 31 December	906	906	-	-

(d) Amounts due from joint venture partner

On 22 August 2022, a subsidiary of the Company, SCHB Engineering Services Sdn. Bhd. ("SCES") entered into a conditional joint venture agreement ("JVA") with a property development company ("JV partner") to collaborate in a property development project ("the Project"). SCES contribution to this JVA was by way of acquisition of certain properties ("JVP property") for a consideration of RM7 million from the JV partner. Based on the terms of the JVA, apart from profits from the JVA, the JV partner shall re-purchase all the JVP property upon completion of the Project at the price acquired by SCES.

The SCES's contribution of RM7 million was financed by a bank loan secured by the JVP property (Note 24). The JVP property is recognised as a right-of-use asset as SCHB is entitled to benefit from the ROU asset for the duration of the Project.

SCHB recognised the contribution as a financial asset recoverable from the JV partner.

20. Trade and other receivables (continued)

(e) Amounts due from subsidiaries

Included in amounts due from subsidiaries (non-trade) is an amount of RM157,000 (2022: RM157,000), which is unsecured, bears interest at 3.5% (2022: 3.5%) per annum and repayable upon demand. Other amounts due from these subsidiaries are unsecured, non-interest bearing and repayable on demand.

21. Other assets

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Prepayments	7,610	7,644	5,735	5,803
Non-current				
Capital prepayments (i)	145,769	138,419	145,769	138,419
	153,379	146,063	151,504	144,222

(i) These represents settlement-in-kind in the form of properties to be developed by SBC (Note 20(b)) after variations in the payment mode agreed between the Company and SBC. Upon completion of development of these properties, these amounts will be reclassified to own-occupied properties, investment properties or inventories accordingly.

In 2021 and 2022, the Company signed two (2) supplemental letters with SBC agreeing to vary the mode and timing of payments from SBC in the form of cash and property. On 30 November 2022, the Company signed an Amended and Restated Agreement with SBC whereby the outstanding debt due from SBC of RM206 million would be fulfilled by RM32 million in-cash and RM174 million in-kind in the form of the delivery of the identified to be completed commercial properties.

For agreeing to vary the mode of payments and other terms, the Company received additional entitlement in the form of car park units from SBC valued at RM28,844,000. These car park units are recognised as property, plant and equipment (Note 13). In view of the change in the timing and mode of payments, the Group recognised a revision of estimated cashflows on receivables of RM21,818,000 in prior year. In prior year, SBC delivered completed properties of RM23.0 million of which RM4.3 million were recognised in property, plant and equipment (Note 13) and RM18.7 million were recognised in inventory (Note 19).

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

22. Investment securities

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At fair value through profit or loss:				
Quoted unit trusts in Malaysia	142,489	118,191	10,062	7,818

23. Cash and bank balances

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash at banks and on hand	54,415	38,844	9,293	12,371
Cash at banks pledged as security for bank facilities (Note 24)	474	474	-	-
Short term deposits:				
- with licensed banks	51,071	49,761	5,345	8,709
Deposits with maturity more than 3 months	25,468	25,276	-	-
Total cash and bank balances	131,428	114,355	14,638	21,080
Less: Cash at bank pledged as securities	(474)	(474)	-	-
Deposits with maturity more than 3 months	(25,468)	(25,276)	-	-
Cash and cash equivalents	105,486	88,605	14,638	21,080

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 of the Company, and earn profits and interests at the respective short-term deposit rates. The effective profit or interest rates as at 31 December 2023 for the Group and the Company were 3.2% – 3.8% (2022: 3.0%) and 3.2% - 3.7% (2022: 2.9%) respectively.

Included in deposits with maturity of more than 3 months of the Group are deposits amounting to RM7,236,000 (2022: RM7,021,000) held under lien to secure bank guarantees which includes 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.

24. Loans and borrowings

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Secured:				
Islamic financing facility (i)	381	324	-	-
Islamic financing facility (ii)	3,030	3,030	3,030	3,030
Tawarruq financing	2,935	1,155	-	-
Unsecured:				
Lease liabilities (Note 29)	32	104	23	33
Short-term revolving credit	3,800	2,003	3,800	-
	10,178	6,616	6,853	3,063
Non-current				
Secured:				
Islamic financing facility (i)	5,630	6,075	-	-
Islamic financing facility (ii)	18,430	21,208	18,431	21,208
Tawarruq financing	42,548	32,008	-	-
Unsecured:				
Lease liabilities (Note 29)	-	31	-	22
	66,608	59,322	18,431	21,230
Total loans and borrowings	76,786	65,938	25,284	24,293

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. Loans and borrowings (continued)

The remaining maturities of the loans and borrowings:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
On demand or within 1 year	10,178	6,616	6,853	3,063
More than 1 year and less than 2 years	8,929	6,951	3,030	3,052
More than 2 years and less than 5 years	28,469	21,511	9,089	9,089
More than 5 years	29,210	30,860	6,312	9,089
	76,786	65,938	25,284	24,293

Short-term revolving credit

Short-term revolving credit is denominated in RM, unsecured and bears interest at 4.37% (2022: 3.92%) per annum at the reporting date.

Islamic financing facility (i)

This facility is denominated in RM, bears interest at 4.69% (2022: 4.69%) per annum at the reporting date. The facility tenure is 180 months and is secured by properties disclosed in Note 20(d) and fixed deposits with licensed bank as disclosed in Note 23.

Islamic financing facility (ii)

This facility is denominated in RM, bears interest at 4.50% (2022: 3.39%) per annum at the reporting date. The facility is repayable by 96 monthly instalments and is secured by certain investment properties disclosed in Note 15.

Tawarruq financing

This borrowing is denominated in RM, bears interest at 4.0% per annum for the first 2 years and thereafter at 4.5% per annum. This facility is repayable by 120 monthly instalments and secured by the following:

(i) Assignment on the contract agreement or its equivalent executed between Company and the main contractor for the extension of a jetty for an oil terminal located in a port operated by the Group;

(ii) Assignment of Performance Bond or Bank Guarantee issued by the main contractor;

(iii) Assignment and charge over the designated accounts (Note 23);

(iv) Assignment of all rights, title, interest and benefits under the relevant takaful certificates/insurance policies of the Project including but not limited to Contractor's All Risk (during construction) and General and Fire takaful (during operation).

24. Loans and borrowings (continued)

A reconciliation of liabilities arising from financing activities is as follows:

Group	1 January RM'000	Cash flows			Non-cash changes		31 December RM'000
		Drawdown of borrowings RM'000	Repayment of borrowings RM'000	Interest paid RM'000	Accrual of interest RM'000	Others RM'000	
2023							
Islamic financing facilities							
- current	3,354	-	(3,142)	(1,217)	1,193	3,223	3,411
- non-current	27,283	-	-	-	-	(3,223)	24,060
Tawarruq financing							
- current	1,155	-	(1,921)	(1,672)	1,672	3,701	2,935
- non-current	32,008	14,241	-	-	-	(3,701)	42,548
Short-term revolving credit							
- current	2,003	4,800	(3,000)	(24)	21	-	3,800
Lease liabilities							
- current	104	-	(103)	(4)	4	31	32
- non-current	31	-	-	-	-	(31)	-
Total	65,938	19,041	(8,166)	(2,917)	2,890	-	76,786

24. Loans and borrowings (continued)

A reconciliation of liabilities arising from financing activities is as follows: (continued)

		Cash flows			Non-cash changes			
Group	1 January RM'000	Drawdown of borrowings RM'000	Repayment of borrowings RM'000	Interest paid RM'000	Accrual of interest RM'000	New leases entered RM'000	Others RM'000	31 December RM'000
2022								
Islamic financing facilities								
- current	-	-	-	-	24	-	3,330	3,354
- non-current	-	30,613	-	-	-	-	(3,330)	27,283
Tawarruq financing								
- current	-	-	-	(965)	965	-	1,155	1,155
- non-current	10,308	22,855	-	-	-	-	(1,155)	32,008
Short-term revolving credit								
- current	-	2,000	-	-	3	-	-	2,003
Lease liabilities								
- current	67	-	(124)	(8)	8	57	104	104
- non-current	63	-	-	-	-	72	(104)	31
Total	10,438	55,468	(124)	(973)	1,000	129	-	65,938

24. Loans and borrowings (continued)

A reconciliation of liabilities arising from financing activities is as follows: (continued)

Company	1 January RM'000	Cash flows: Drawdown of borrowings RM'000	Cash flows: Repayment of borrowings RM'000	Cash flows: Interest paid RM'000	Non-cash changes: Accrual of interest RM'000	Non-cash changes: Others RM'000	31 December RM'000
2023							
Islamic financing facility							
- current	3,030	-	(2,777)	(892)	892	2,777	3,030
- non-current	21,208	-	-	-	-	(2,777)	18,431
Short-term revolving credit							
- current	-	4,800	(1,000)	(16)	16	-	3,800
Lease liabilities							
- current	33	-	(32)	(2)	2	22	23
- non-current	22	-	-	-	-	(22)	-
Total	24,293	4,800	(3,809)	(910)	910	-	25,284
2022							
Islamic financing facility							
- current	-	-	-	-	-	3,030	3,030
- non-current	-	24,238	-	-	-	(3,030)	21,208
Lease liabilities							
- current	33	-	(33)	(3)	3	33	33
- non-current	55	-	-	-	-	(33)	22
Total	88	24,238	(33)	(3)	3	-	24,293

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For the financial year ended 31 December 2023

25. Concession liabilities

	Group	
	2023 RM'000	2022 RM'000
At 1 January	107,460	111,710
Unwinding of discount (Note 7)	6,714	7,030
Payments	(11,531)	(11,280)
At 31 December	102,643	107,460
Current		
Within 1 year	11,792	11,531
Non-current		
More than 1 year and less than 2 years	11,275	11,021
More than 2 years and less than 5 years	30,979	30,260
5 years or more	48,597	54,648
	90,851	95,929
	102,643	107,460

This represents the annual periodic fixed lease payments and concession fees payable to the Sabah Ports Authority.

26. Trade and other payables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade payables				
Third parties	10,273	9,937	-	-
Accrued operating expenses	11	-	-	-
	10,284	9,937	-	-
Other payables				
Amounts due to subsidiaries	-	-	12,336	12,361
Accrued operating expenses	12,414	11,528	2,287	1,756
Deposits received	6,657	4,331	2,358	373
Dividend payables	488	5,507	488	5,507
Retention monies due to contractors	4,633	3,097	-	-
Sales and services tax payable	2	2	-	-
Sundry payables	3,395	6,121	457	2,854
	27,589	30,586	17,926	22,851
	37,873	40,523	17,926	22,851
Total trade and other payables	37,873	40,523	17,926	22,851
Add: Loans and borrowings (Note 24)	76,786	65,938	25,284	24,293
Add: Concession liabilities (Note 25)	102,643	107,460	-	-
Less: Sales and services tax payable	(2)	(2)	-	-
Less: Dividend payables	(488)	(5,507)	(488)	(5,507)
Total financial liabilities carried at amortised cost	216,812	208,412	42,722	41,637

26. Trade and other payables (continued)

a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30-days (2022: 30-days) terms.

Trade payables denominated in foreign currencies as at 31 December are as follows:

	Group	
	2023 RM'000	2022 RM'000
European Dollar	213	224
Singapore Dollar	182	227

b) Amounts due to subsidiaries

These amounts are unsecured, non-interest bearing and are repayable upon demand except for an amount of RM3,800,000 (2022: RM3,800,000), which bears interest at 3.5% (2022: 3.5%) per annum.

c) Other payables

These amounts are unsecured and non-interest bearing. Other payables are normally settled on an average term of one month (2022: average term of one month).

27. Provisions

Group	Maintenance dredging RM'000	Replacement obligation RM'000	Total RM'000
At 1 January 2023, as previously reported	7,173	4,602	11,775
Prior Year Adjustments (Note 39)	-	62,449	62,449
At 1 January 2023, as restated	7,173	67,051	74,224
Payment	(5,792)	(887)	(6,679)
Provision for the year (Note 8)	2,848	4,925	7,773
Unwinding of discount (Note 7)	156	2,382	2,538
At 31 December 2023	4,385	73,471	77,856
Current	-	4,424	4,424
Non-current	4,385	69,047	73,432
	4,385	73,471	77,856

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27. Provisions (continued)

Group	Maintenance dredging RM'000	Replacement obligation RM'000	Total RM'000
At 1 January 2022, as previously reported	5,462	4,975	10,437
Prior Year Adjustments (Note 39)	-	61,297	61,297
At 1 January 2022, as restated	5,462	66,272	71,734
Payment	-	(6,430)	(6,430)
Provision for the year (Note 8)	1,612	4,973	6,585
Unwinding of discount (Note 7)	99	2,236	2,335
At 31 December 2022	7,173	67,051	74,224
Current	4,909	887	5,796
Non-current	2,264	66,164	68,428
	7,173	67,051	74,224

Dredging cost

Provision is recognised for expected dredging cost on sea ports, based on past experience and hydrographic survey on the seabed. It is expected that the costs will be incurred in the next four (4) financial years, discounted at the risk free rate of 3.6% (2022: 3.2%). The dredging maintenance costs are for costs to be incurred at Tawau Port and Sandakan Port.

Replacement costs

Provision for replacement costs is recognised and measured at the present value of the estimated expenditures expected to be required to settle the present obligation at the reporting date, discounted at the risk free rate of 3.6% (2022: 3.6%). The estimated future expenditures are estimated based on general inflation rate of 2.0% (2022: 2.0%).

28. Leases

Group as a lessee

Set out below are the carrying amounts of lease liabilities (included under loans and borrowings) and the movements during the year:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	135	130	55	88
Additions	-	129	-	-
Accretion of interest	4	8	2	3
Payments	(107)	(132)	(34)	(36)
At 31 December	32	135	23	55
Current (Note 24)	32	104	23	33
Non-current (Note 24)	-	31	-	22
	32	135	23	55

The maturity analysis of lease liabilities are disclosed in Note 24.

28. Leases (continued)

Group as a lessee (continued)

The following are the amounts recognised in profit or loss:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Depreciation expense of right-of- use assets (Note 13)	871	723	537	537
Variable lease payments not included in lease liability	4,092	3,828	-	-
Interest expense on lease liabilities (Note 7)	4	8	2	3
Expenses relating to low value leases	226	139	10	10
Expenses relating to short-term leases	324	813	304	660
Total amount recognised in profit or loss	5,517	5,511	853	1,210

The Group and the Company had total cash outflows for leases of RM4,749,000 and RM348,000 (2022: RM4,912,000 and RM706,000) respectively.

The Group and the Company have several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's and the Company's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Within five years	
	2023 RM'000	2022 RM'000
Group		
Extension options expected not to be exercised	39	39
Company		
Extension options expected not to be exercised	34	34

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28. Leases (continued)

Group as a lessee (continued)

The table below describes the nature of the Group's leasing activities by type of right-of-use assets recognised on statement of financial position:

Right-of-use assets	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with option to purchase	No. of leases with termination options
Group						
2023						
Long-term leasehold lands	5	49 – 85 years	67 years	-	-	1
Buildings	3	1 – 11 years	6 years	-	-	1
Motor vehicles	2	-	-	-	2	-
Equipment	2	1 year	< 1 year	2	-	2
2022						
Long-term leasehold lands	5	50 – 86 years	68 years	-	-	1
Buildings	3	2 – 12 years	7 years	-	-	1
Motor vehicles	2	1 year	1 year	-	2	-
Equipment	2	1 – 2 years	1 year	2	-	2
Company						
2023						
Long-term leasehold lands	2	69 - 85 years	77 years	-	-	-
Motor vehicles	1	1 year	-	1	-	1
2022						
Long-term leasehold lands	2	70 - 86 years	78 years	-	-	-
Motor vehicles	1	2 years	2 years	1	-	1

29. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid				
At 1 January/31 December	345,821	345,821	358,825	358,825

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29. Share capital (continued)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

30. Other reserves

This represents premium paid on acquisition of non-controlling interests.

31. Dividends

	Group and Company	
	2023 RM'000	2022 RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
- Single-tier final dividend for year 2021: 2.5 sen per share	-	8,646
- Single-tier interim dividend for year 2022: 1.5 sen per share	-	5,187
- Single-tier final dividend for year 2022: 2.5 sen per share	8,646	-
- Single-tier interim dividend for year 2023: 2.0 sen per share	6,916	-
	15,562	13,833

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of financial year ended 31 December 2023, of 1.5 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

32. Related party transactions

a) Government-related entities

State Government-linked corporations are related to the Group and to the Company by virtue of Qhazanah Sabah Berhad (QSB), being a substantial shareholder in the Company. QSB is a wholly-owned entity of the State Government of Sabah. QSB and entities directly controlled by the State Government of Sabah are collectively referred to as government-related entities to the Group and the Company.

The State Government of Sabah and bodies controlled or jointly controlled by the State Government of Sabah are related parties of the Group and the Company. The Group and the Company enter into transactions with many of these bodies, including concession fees, port land lease, sufferance wharves charges, rates and assessments and license fees.

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For the financial year ended 31 December 2023

32. Related party transactions (continued)

a) Government-related entities (continued)

The significant transactions with the State Government of Sabah and government-related entities:

i) Privatisation Agreement

The Company, Sabah Ports Sdn. Bhd. (a subsidiary of the Company), the State Government of Sabah and Sabah Ports Authority have entered into the Privatisation Agreement on 23 September 2003 to privatise the business of port undertakings of Sabah Ports Authority at the seven (7) ports of Sabah for a period of 30 years and can be extended for a further period of 30 years.

The annual fixed periodic lease payment and concession fees payable to Sabah Ports Authority is recognised as concession liabilities (Note 25). The annual variable periodic lease payments payable to Sabah Ports Authority is recognised as expenses (leasing of port land) in profit or loss (Note 8).

ii) Alienation of land from Sabah State Government

Information regarding the alienation of land from Sabah State Government is disclosed in Note 21(i).

All transactions entered into by the Group and the Company with the government-related entities are conducted in the ordinary course of the Group's and the Company's businesses on negotiated terms or terms comparable to those with other entities that are not government-related, except otherwise disclosed elsewhere in the financial statements.

b) Other transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	Company	
	2023 RM'000	2022 RM'000
Subsidiaries:		
- Dividend income	22,400	22,200
- Interest income	5	5
- Interest expense	133	163
- Management fees income	5,340	5,340
- Rental income	90	92

32. Related party transactions (continued)

c) Compensation of key management personnel

The remunerations of directors and other members of key management during the financial year was as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term employee benefits	4,359	4,576	1,742	1,704
Defined contribution plan	452	509	103	123
	4,811	5,085	1,845	1,827

Included in the total remunerations of key management personnel are:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' remunerations (Note 10)	1,961	1,886	1,609	1,520

33. Capital commitments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Approved and contracted for:				
Concession assets	33,089	51,661	-	-
Property, plant and equipment	-	3,454	-	2,460
	33,089	55,115	-	2,460
Approved but not contracted for:				
Concession assets	190,088	207,463	-	-
Property, plant and equipment	1,640	741	534	313
	191,728	208,204	534	313
	224,817	263,319	534	2,773

Under the Ports Privatisation Agreement, the Group is committed to spend at least RM1.3 billion in upgrading and maintaining the relevant ports under the said agreement. The balance of the commitment is shown above.

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For the financial year ended 31 December 2023

34. Subsequent Event

On 6 February 2024, the Company announced that the Company and BEDI Development Sdn. Bhd. ("BEDI"), a subsidiary of EXSIM Development Sdn. Bhd. have, on 5 February 2024 entered into two (2) Joint Venture cum Shareholders Agreements ("JV Agreements") in respect of the joint venture ("Joint Venture") for the purpose of developing two (2) parcels of prime land owned by the Company within Kota Kinabalu Port area.

Under the JV Agreements, both parties have agreed to incorporate two (2) joint venture companies namely Jesselton Docklands 1 Sdn. Bhd. and Jesselton Docklands 2 Sdn. Bhd. (collectively "JV Co") as the developers to undertake the development, construction and completion of the integrated mixed-commercial project on these two parcels of lands with a collective net development value of approximately RM4.2 billion.

35. 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 measured at fair value through profit or loss				
Group				
Investment securities (Note 22)				
- 2023	142,489	-	-	142,489
- 2022	118,191	-	-	118,191
Company				
Investment securities (Note 22)				
- 2023	10,062	-	-	10,062
- 2022	7,818	-	-	7,818

B. Level 1 fair value measurements

The fair value of investment securities are determined by reference to prices quoted by the management company of the respective unit trust.

35. 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 and the Company's assets and liabilities not measured at fair value but for which fair value is disclosed:

Group and Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying Amount RM'000
At 31 December 2023					
Investment properties	-	-	81,800	81,800	73,175
At 31 December 2022					
Investment properties	-	-	82,800	82,800	74,687

Investment properties

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.

D. Financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current and non-current)	20
Cash and bank balances	23
Loans and borrowings (current and non-current)	24
Concession liabilities	25
Trade and other payables	26

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to the short-term maturities of these instruments or evaluated by the Group based on estimation by discounting expected future cash flows at market incremental lending rate for similar types of lending arrangements.

36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, market price risk and interest rate risk.

The Board has approved the Board Risk Policy for implementation and the Risk Management & Sustainability Committee reviews related policies and procedures for the management of these risks, which are executed by the management committee. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

36. Financial risk management objectives and policies (continued)

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the result showed that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward looking information which includes the following indicators:

- Actual or expected change in external or internal credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

36. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices as well as quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group and the Company provide for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's and the Company's historical observed default rates analysed in accordance to days past due. The expected credit losses below also incorporate forward looking information such as historical credit loss experience specific to the debtors and the economic environment. The loss allowance provision as at 31 December 2023 and 2022 is determined as follows:

Summarised below is the information about the credit risk exposure on the Group's and the Company's trade receivables using provision matrix:

	2023		2022	
	Gross carrying amount RM'000	Loss allowance provision RM'000	Gross carrying amount RM'000	Loss allowance provision RM'000
Group				
Current	16,697	-	39,349	-
1 to 30 days past due	316	-	1,317	-
31 to 60 days past due	140	-	64	-
61 to 90 days past due	40	-	1,464	-
More than 91 days past due	23,223	3,254	3,019	3,124
	40,416	3,254	45,213	3,124
Company				
Current	22,481	-	26,866	-
1 to 30 days past due	46	-	1,100	-
31 to 60 days past due	28	-	72	-
61 to 90 days past due	27	-	1,487	-
More than 91 days past due	120	-	91	-
	22,702	-	29,616	-

Information regarding loss allowance movement for trade receivables is disclosed in Note 20.

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For the financial year ended 31 December 2023

36. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Receivables from disposal of land held for property development

Information regarding receivable from disposal of land held for property development is disclosed in Note 20(b).

An impairment analysis is performed at each reporting date based on the discount cashflow expected to be received from the debtor. The calculation reflects the time value of money and reasonable and supportable information that is available at reporting date about past events, current conditions and forecasts of future economic conditions. These factors also represent the significant estimate used in estimating any potential ECL for the receivables. The amount of ECL is sensitive to changes in these circumstances and to changes in forecast of the economic conditions. Further details on the ECL are disclosed in Note 20.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the reporting date, the Group does not have any other significant exposure to individual customer or counter party nor does it have any major concentration of credit risk related to any financial assets except for the amount due from SBC, proceeds for disposal of land held for property development of RM18,791,000 (2022: RM26,758,000), approximately 46% (2022: 59%) of the Groups trade receivables. At the year end, the balance is secured by the bank guarantees provided by SBC. Also, in the event SBC is not able to meet its obligations under the Joint Venture Agreement as disclosed in Note 20(b), the Group is of the view that the remaining portion of undeveloped land will revert back to the Group.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed above. Cash, deposits with licensed banks and other financial institutions, and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed above.

b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group's Board Risk Policy requires effective maintenance of sufficient liquid financial assets and stand-by credit facilities in managing liquidity risk.

At the reporting date, approximately 14% (2022: 10%) of the Group's loans and borrowings (Note 24) will mature in less than one year based on the carrying amount reflected in the financial statements.

36. Financial risk management objectives and policies (continued)

b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted amounts:

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Group				
2023				
Financial liabilities:				
Concession liabilities	11,792	49,998	79,798	141,588
Trade and other payables	37,873	-	-	37,873
Loans and borrowings	15,094	46,076	30,595	91,765
Total undiscounted financial liabilities	64,759	96,074	110,393	271,226
2022				
Financial liabilities:				
Concession liabilities	11,531	48,844	92,744	153,119
Trade and other payables	40,523	-	-	40,523
Loans and borrowings	9,551	35,481	34,291	79,323
Total undiscounted financial liabilities	61,605	84,325	127,035	272,965
Company				
2023				
Financial liabilities:				
Trade and other payables	17,926	-	-	17,926
Loans and borrowings	7,769	14,368	6,618	28,755
Total undiscounted financial liabilities	25,695	14,368	6,618	46,681
2022				
Financial liabilities:				
Trade and other payables	22,851	-	-	22,851
Loans and borrowings	3,974	14,550	9,639	28,163
Total undiscounted financial liabilities	26,825	14,550	9,639	51,014

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

36. Financial risk management objectives and policies (continued)

c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from its investment in unit trusts. These instruments are classified as held for trading financial assets. The Group and the Company do not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the reporting date, if the market price had been 0.5% higher/lower, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM712,000 (2022: RM591,000) and RM50,000 (2022: RM39,000) higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis point (2022: 50 basis points) higher/lower, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM119,000 (2022: RM116,000) and RM96,000 (2022: RM92,000) respectively lower/higher, arising mainly as a result of higher/lower interest expense from floating rate loans. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No change was made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

37. Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt, loans and borrowings. Capital includes equity attributable to the owners of the Company.

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Loans and borrowings (Note 24)	76,786	65,938	25,284	24,293
Equity attributable to the owners of the Company	1,117,183	1,098,438	592,280	584,190
Capital and net debt	1,193,969	1,164,376	617,564	608,483
Gearing ratio	6.4%	5.7%	4.1%	4.0%

38. Segment information

For management purpose, the Group is organised into business units based on its products and services, and has five (5) reportable operating segments as follow:

i. Investment holding - investments in deposits and investment securities for interest, dividend and investment income.
ii. Property development and leasing - the development and leasing of commercial properties and car park operation.
iii. 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.
iv. Logistics and bunkering - provision of bunkering and related services.
v. Contract and engineering and ferry terminal operations - construction contractor, provision of project management, technical support services and operating of ferry terminal.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

38. Segment information (continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Investment holding RM'000	Property development and leasing RM'000	Port operations RM'000	Logistics and bunkering services RM'000	Contract and engineering and ferry terminal operations RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
31 December 2023								
Revenue:								
External customers	-	1,804	270,842	1,042	4,673	-		278,361
Inter-segment	27,740	-	94	629	204	(28,667)	A	-
Total revenue	27,740	1,804	270,936	1,671	4,877	(28,667)		278,361
Results:								
Interest income	276	9,393	3,306	36	1,026	(268)	A	13,769
Depreciation and amortisation	888	2,594	57,915	15	734	207		62,353
Other non-cash expenses	(3)	-	7,981	-	4	-	B	7,982
Segment profit/(loss) before tax	26,250	(1,550)	45,399	860	328	(22,557)	C	48,730
Assets:								
Additions to non-current assets	3,441	-	29,598	30	76	-	D	33,145
Segment assets	145,924	298,287	997,452	3,126	16,086	(16,571)	E	1,444,304
Segment liabilities	50,689	5	277,728	935	17,294	(19,530)	F	327,121

38. Segment information (continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (continued)

	Investment holding RM'000	Property development and leasing RM'000	Port operations RM'000 Restated	Logistics and bunkering services RM'000	Contract and engineering and ferry terminal operations RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000 Restated
31 December 2022								
Revenue:								
External customers	-	28,964	262,949	1,386	4,748	-		298,047
Inter-segment	27,540	-	70	27	557	(28,194)	A	-
Total revenue	27,540	28,964	263,019	1,413	5,305	(28,194)		298,047
Results:								
Interest income	526	9,985	1,443	33	20	(314)	A	11,693
Depreciation and amortisation	334	1,470	56,657	13	531	207		59,212
Other non-cash expenses	1,091	21,818	6,803	7	85	-	B	29,804
Segment profit/(loss) before tax	10,517	28,162	40,000	631	(1,368)	(22,200)	C	55,742
Assets:								
Additions to non-current assets	6,053	77,319	27,251	-	1,344	-	D	111,967
Segment assets	152,813	297,380	979,253	2,684	16,119	(16,300)	E	1,431,949
Segment liabilities	64,583	5	270,215	803	17,738	(19,820)	F	333,524

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38. Segment information (continued)

Note **Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

A Inter-segment revenues and interest income are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2023 RM'000	2022 RM'000 Restated
Allowance for expected credit loss on trade receivables (Note 8)	147	287
Employee leave entitlement written back (Note 9)	(3)	(31)
Employee leave entitlement (Note 9)	63	-
Revision of estimated cash flows on receivables (Note 8)	-	21,818
Plant and equipment written off (Note 8)	2	46
Provisions (Note 8)	7,773	6,585
Waiver of debt	-	1,099
	7,982	29,804

C The following items are deducted from segment profit to arrive at profit before tax presented in the consolidated statement of comprehensive income:

	2023 RM'000	2022 RM'000
Dividend income from intra-segment	22,400	22,200
Finance income from intra-segment	138	-
Lease income from intra-segment	19	-
	22,557	22,200

D Additions to non-current assets consist of:

	2023 RM'000	2022 RM'000 Restated
Property, plant and equipment	3,551	36,086
Land held for development	-	48,475
Investment properties	-	155
Concession assets	29,594	27,251
	33,145	111,967

E The following item is deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2023 RM'000	2022 RM'000
Inter-segment assets	(16,571)	(16,300)

38. Segment information (continued)

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (continued)

F The following item is deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2023 RM'000	2022 RM'000
Inter-segment liabilities	(19,530)	(19,820)

39. Prior Year adjustments

During the financial year, the following matters were adjusted retrospectively:

(a) In prior year, the Group had amortised the concession assets up to 2064 commencing from December 2022 pursuant to the approval given by the State Government for extension of the concession period for additional thirty (30) years from 1 September 2034 to 31 August 2064, subject to terms and conditions to be mutually agreed with the State Government of Sabah. After further assessment by the Group, the Group has not met the conditions to include the renewal period in the useful life of the concession asset. Accordingly, the amortization period has been revised back to its initial concession period ending 31 August 2034. The revision resulted in a decrease in the concession asset balance of RM3.01 million as at 31 December 2022, with a corresponding decrease in deferred tax liabilities of RM0.72 million as at 31 December 2022. The profit for the year ended 31 December 2022 was reduced by RM2.29 million.

(b) The Group has reassessed the provision for replacement costs provided in prior years and decided to have a more comprehensive provision on the port infrastructure and moveable assets by considering their age, maintenance schedule and replacement programme. The provision has been accounted for retrospectively, which resulted in an increase in the provision and related replacement expenses of RM61.30 million and RM62.45 million as at 1 January 2022 and 31 December 2022 respectively, with a corresponding decrease in deferred tax liabilities of RM14.71 million and RM16.14 million for the respective years. The profit before tax and profit after tax for the year ended 31 December 2022 was reduced by RM5.94 million and RM4.52 million respectively.

(c) The Group reassessed the concession assets that have been capitalized previously and identified certain assets that have not met the capitalization criteria as required under IC 12: Service Concession Arrangements. Certain work-in-progress which are ready for use were not amortised. As a result, the cost of those identified assets which have been wrongly capitalized have been written off in the period when incurred and the related amortization that was recognised previously has been reversed retrospectively. As for the work-in-progress, the amortization was made retrospectively from the date they were available for use over the remaining concession period. The above have been corrected retrospectively which resulted in a decrease in the concession asset balance of RM70.13 million and RM66.47 million as at 1 January 2022 and 31 December 2022 respectively, with a corresponding decrease in deferred tax liabilities of RM15.84 million and RM15.02 million for respective years. The profit before tax and profit after tax for the year ended 31 December 2022 has increased by RM3.66 million and RM2.84 million respectively.

(d) With the write-off assets as mentioned in Note 39(c) above, the carrying value of concession assets have been reduced. Accordingly, the Group has reassessed the impairment allowances that was recognised in prior year and noted that the value in use is higher than the restated carrying value of the concession assets. As a result, the previously provided impairment has been reversed retrospectively, which resulted in an increase in the concession asset balance of RM38.95 million as at 1 January 2022, with a corresponding increase in deferred tax liabilities of RM3.29 million as at 1 January 2022. The previous reversal of impairment concession assets of RM5.981 million recorded in financial year ended 31 December 2022 has been reversed accordingly. The profit before tax and profit after tax for the year ended 31 December 2022 was reduced by RM5.98 million and RM4.56 million respectively.

(e) The Company has not recognized the related deferred tax liabilities effect on the accrued interest income amounting to RM5.87 million. The related deferred tax liabilities has been recognized retrospectively.

39. Prior Year adjustments (continued)

Statement of comprehensive income for the year ended 31 December 2022 (Group)

	As previously stated RM'000	Adjustment (a) RM'000	Adjustment (b) RM'000	Adjustment (c) RM'000	Adjustment (d) RM'000	Restated RM'000
Revenue from construction services for concession infrastructure	31,184	-	(4,791)	858	-	27,251
Construction services cost for concession infrastructure	(31,184)	-	4,791	(858)	-	(27,251)
Operational costs	(157,181)	(3,011)	(3,888)	3,663	-	(160,417)
Other income	16,256	-	-	-	(5,981)	10,275
Finance Costs	(8,956)	-	(2,055)	-	-	(11,011)
Profit before tax	67,014	(3,011)	(5,943)	3,663	(5,981)	55,742
Income tax	(7,887)	723	1,426	(824)	1,435	(5,127)
Profit after tax	59,127	(2,288)	(4,517)	2,839	(4,546)	50,615

Consolidated Statement of financial position as at 31 December 2022 (Group)

	As previously stated RM'000	Adjustment (a) RM'000	Adjustment (b) RM'000	Adjustment (c) RM'000	Adjustment (d) RM'000	Adjustment (e) RM'000	Restated RM'000
Concession assets	783,403	(3,011)	(4,791)	(66,471)	32,968	-	742,098
Provision	11,775	-	62,449	-	-	-	74,224
Retained earnings	819,603	(2,288)	(51,102)	(51,453)	31,111	(5,865)	740,006
Deferred tax liabilities	57,961	(723)	(16,138)	(15,018)	1,857	-	27,939
Deferred tax assets	8,630	-	-	-	-	(5,865)	2,765

Consolidated Statement of financial position as at 1 January 2022 (Group)

	As previously stated RM'000	Adjustment (a) RM'000	Adjustment (b) RM'000	Adjustment (c) RM'000	Adjustment (d) RM'000	Adjustment (e) RM'000	Restated RM'000
Concession assets	802,622	-	-	(70,134)	38,948	-	771,436
Provision	10,437	-	61,297	-	-	-	71,734
Retained earnings	774,308	-	(46,586)	(54,290)	35,656	(5,865)	703,223
Deferred tax liabilities	66,595	-	(14,711)	(15,844)	3,292	-	39,332
Deferred tax assets	7,632	-	-	-	-	(5,865)	1,767

39. Prior Year adjustments (continued)

Statement of financial position as at 31 December 2022 (Company)

	As previously stated RM'000	Adjustment (e) RM'000	Restated RM'000
Retained Earnings	231,230	(5,865)	225,365
Deferred tax assets	8,609	(5,865)	2,744

Statement of financial position as at 1 January 2022 (Company)

	As previously stated RM'000	Adjustment (e) RM'000	Restated RM'000
Retained Earnings	205,718	(5,865)	199,853
Deferred tax assets	7,616	(5,865)	1,751

40. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors dated on 19 April 2024.

LIST OF PROPERTIES

	Location	Description	Current Use	Remaining Lease Period (Expiry Date)	Land Area/ Built-up Area	Date of Acquisition	Net Book Value (RM'000) @ 31.12.2023
SURIA CAPITAL HOLDINGS BERHAD							
1.	Kota Kinabalu Port area under Town Lease No. 017561974	Future Property Development	Ferry Passengers Terminal & Parking Space	85 years (31.12.2108)	6.28 acres	01.01.2010	45,024
2.	Lot A24, Country Lease 065323266, Mount Kinabalu Golf Course Complex, Kundasang	Vacant Residential Lot	Idle	69 years (31.12.2093)	1 acre	18.05.2006	238
3.	Level Ground, Level Mezzanine, Level 1 to 3, Jesselton Quay Central (JQC) Town Lease No. 017561983	Gallery Shoppes (61 units)	Units for rental and sale	85 years (31.12.2108)	64,220 sq. ft.	23.05.2022	91,841
4.	Unit 3-03 - 3-31, Level 3, Jesselton Quay Central (JQC), Town Lease No. 017561983	Gallery Shoppes (29 units)	Corporate office	85 years (31.12.2108)	17,506 sq. ft.	23.05.2022	12,405
5.	Seven storey car park podium and driveways	Seven storey car park podium and driveways	Commercial car park operation	85 years (31.12.2108)	49,151 m^2	30.11.2022	28,219
6.	Kota Kinabalu Port area under Town Lease No. 015722791	Future Property Development	Vacant land for future development	93 years (31.12.2116)	28.9 acres	24.02.2022	48,475
SURIA BUMIRIA SDN BHD							
1.	Kota Kinabalu Ferry Terminal known as Jesselton Point	K.K. Ferry Terminal Building	Ferry Passengers Terminal	11 Years (31.08.2034)	Land Area: 3.4 acres Built-up Area: 43,164 sq. ft.	01.09.2004	-
SCHB ENGINEERING SERVICES SDN BHD							
1.	Kota Kinabalu Ferry Terminal known as Jesselton Point	K.K. Ferry Terminal Building	Ferry Passengers Terminal	11 Years (31.08.2034)	Land Area: 3.4 acres Built-up Area: 43,164 sq. ft.	01.09.2004	2,391
2.	Kota Kinabalu Port	Renovation	Cruise Passengers Terminal	-	Built-up Area: 17,879 sq. ft.	31.12.2013	1
SABAH PORTS SDN BHD							
1.	Lahad Datu Port Jalan Kastam Baru Lahad Datu	Wharves & Approaches	Vessel	11 Years (31.08.2034)	37 acres	01.09.2004	355
2.	Lahad Datu Port Jalan Kastam Baru Lahad Datu	Office Building	Office	11 Years (31.08.2034)			836
3.	Lahad Datu Port Jalan Kastam Baru Lahad Datu TL 117503447	Land	Oil Storage Depot	47 years (31.12.2070)	0.9 acres	01.12.2013	1,988
4.	Lahad Datu Port Jalan Kastam Baru Lahad Datu	Oil Storage Tank	Gas oil	47 years (31.12.2070)			1,783
5.	Lahad Datu Port Jalan Kastam Baru Lahad Datu	Oil Terminal	Palm oil	47 years (31.12.2070)			405

LIST OF PROPERTIES

	Location	Description	Current Use	Remaining Lease Period (Expiry Date)	Land Area/ Built-up Area	Date of Acquisition	Net Book Value (RM'000) @ 31.12.2023
SABAH PORTS SDN BHD							
6.	Sandakan Oil Jetty at Karamunting	Oil Jetty	Bulk oil and Palm oil	11 Years (31.08.2034)	16.8 acres	01.09.2004	23,025
7.	Sandakan Oil Jetty at Sg. Mowtas	Oil Jetty	Palm oil	11 Years (31.08.2034)	350 acres	01.09.2004	
8.	Wisma Pelabuhan Jalan Karamunting Sandakan	Wharves & Approaches	Container	11 Years (31.08.2034)	445 acres	01.09.2004	6,755
9.	Wisma Pelabuhan Jalan Karamunting Sandakan	Sandakan Ferry Terminal Building	Ferry Passengers	11 Years (31.08.2034)			
10.	Kunak Oil Jetty	Oil Jetty	Palm oil	11 Years (31.08.2034)	100 acres	01.09.2004	14,461
11.	Kunak Oil Jetty	Office Building	Office	11 Years (31.08.2034)			3,127
12.	Wisma Pelabuhan Jalan Dunlop, Tawau	Wharves & Approaches	Storage of Cargo	11 Years (31.08.2034)	70 acres	01.09.2004	4,816
13.	Kota Kinabalu Port	Wharves & Approaches	Storage of Cargo	11 Years (31.08.2034)	178 acres	01.09.2004	2,230
14.	Sapangar Bay Oil Terminal, Jln Sapangar, Sapangar Bay	Oil Jetty	Bulk Oil	11 years (31.08.2034)	340 acres	01.09.2004	494
15.	Headquarters and Sapangar Bay Container Port's Operation Building Jln Sapangar, Sapangar Bay	Office Building	Office and Operation Building	11 Years (31.08.2034)	1,530 acres	01.06.2007	7,831
16.	Sapangar Bay Container Port Jln Sapangar, Sapangar Bay	Container Port	Vessel and Container	11 Years (31.08.2034)			127,708
17.	Town Lease 017530415 at Kg Banjaran, Kota Kinabalu	Vacant Land	Idle	50 Years (31.12.2073)	0.98 acre	01.09.2004	723
18.	Lot AA7, Country Lease 065323408, Mount Kinabalu Golf Course Complex, Kundasang	Vacant Residential Lot	Idle	72 Years (31.12.2095)	4.996 acres	01.09.2004	800
						Total:	**425,931**

(*) These are land areas gazetted by the State Government of Sabah to Sabah Ports Authority which have been leased to Sabah Ports Sdn Bhd for a period of 30 years under the Privatisation Agreement between the State Government of Sabah, Sabah Ports Authority, Suria Capital Holdings Berhad and Sabah Ports Sdn Bhd.

These lands are now categorised under Concession Assets and are to be handed over at no costs to Sabah Ports Authority upon the expiry of the concession period.

The Net Book Value of these assets as at 31.12.2023 are costs of new structures and upgrading as well as renovation to the existing structures that have been capitalised subsequent to 1 September 2004 less accumulated amortisation.

SHAREHOLDERS' INFORMATION

As at 1 April 2024

1. ANALYSIS OF SHAREHOLDINGS

Issued and Fully Paid-up : 345,820,779 with voting right of one vote per ordinary share
Class of Shares : Ordinary shares
No. of Shareholders : 12,842

2. DIRECTORS' SHAREHOLDINGS AS AT 1 APRIL 2024

		SHAREHOLDINGS			
NO.	NAME OF DIRECTORS	(DIRECT INTEREST)	%	(INDIRECT INTEREST)	%
1.	Datuk Hj. Faisyal Bin Datuk Yusof Hamdain Diego	24,000	0.006	-	-
2.	Datuk Ng Kiat Min	40,000	0.011	337,400	0.097
3.	Kee Mustafa	-	-	-	-
4.	Michael Tong Yin Shiew, J.P.	-	-	-	-
5.	Ahmad Rizal Bin Dahli	-	-	-	-
6.	Datuk Alexandra Chin @ Fui Lin, J.P.	-	-	-	-
7.	Ir. Jerome Jimbangan @ Terence	-	-	-	-
8.	Datuk Mohd Sofian Alfian Nair	-	-	-	-
9.	YB Datuk Dr. Hj. Yusof Bin Hj. Yacob	-	-	-	-
10.	Emmie M Idang	-	-	-	-
	TOTAL	**64,000**	**0.017**	**337,400**	**0.097**

3. ANALYSIS BY SIZE OF HOLDINGS AS AT 1 APRIL 2024 (MALAYSIAN & FOREIGN - COMBINE)

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	95	0.739	3,535	0.001
100 - 1,000	5,300	41.270	3,156,899	0.912
1,001 - 10,000	6,278	48.886	17,999,553	5.204
10,001 - 100,000	980	7.631	28,536,292	8.251
100,001 - 17,291,037 (*)	188	1.463	139,131,496	40.232
17,291,038 AND ABOVE (**)	1	0.007	156,993,004	45.397
TOTAL	**12,842**	**100.000**	**345,820,779**	**100.000**

REMARK: * Less than 5% of issued shares
** 5% and above of issued shares

4. HOLDER WITH HOLDINGS OF 5% AND ABOVE AS AT 1 APRIL 2024

NO.	NAME	NO. OF SHARES	%
1.	Qhazanah Sabah Berhad	156,993,004	45.397

SHAREHOLDERS' INFORMATION

As at 1 April 2024

5. LIST OF TOP 30 HOLDERS AS AT 1 APRIL 2024

(Without Aggregating Securities from Different Securities Accounts Belonging to the Same Registered Holder)

NO.	NAME	NATIONALITY/ COUNTRY OF INCORPORATION	NO. OF SHARES	%
1.	Qhazanah Sabah Berhad	Malaysian Malaysia	156,993,004	45.397
2.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd. Inter-Pacific Asset Management Sdn Bhd for Amanah Raya Berhad for Common Fund	Malaysian Malaysia	15,100,000	4.366
3.	Yayasan Sabah	Malaysian Malaysia	12,685,200	3.668
4.	Cartaban Nominees (Tempatan) Sdn Bhd iCapital.Biz Berhad	Malaysian Malaysia	11,894,380	3.439
5.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd. Exempt An for Inter-Pacific Asset Managemant Sdn Bhd	Malaysian Malaysia	8,410,000	2.431
6.	Magna Mahsuri Sdn Bhd	Malaysian Malaysia	6,113,000	1.767
7.	Chief Minister, State of Sabah	Malaysian Malaysia	5,760,000	1.665
8.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Khoo Bee Lian	Malaysian Malaysia	4,259,500	1.231
9.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siaw Teck Siong (E-PDG)	Malaysian Malaysia	3,799,080	1.098
10.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	Malaysian Malaysia	3,364,200	0.972
11.	Citygroup Nominees (Asing) Sdn Bhd Exempt An for UBS AG Singapore (Foreign)	Malaysian Malaysia	3,300,000	0.954
12.	CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS)	Malaysian Malaysia	3,277,540	0.947
13.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Kuan Gin	Malaysian Malaysia	2,332,500	0.674
14.	Tan Boon Seng	Malaysian Malaysia	2,281,400	0.659
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kian Aik	Malaysian Malaysia	1,803,000	0.521
16.	Yap Chooi Wah	Malaysian Malaysia	1,780,000	0.514
17.	Cheam May Yoon	Malaysian Malaysia	1,740,000	0.503
18.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siaw Teck Siong	Malaysian Malaysia	1,503,640	0.434
19.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Yeoh Ah Tu (T Curve-CL)	Malaysian Malaysia	1,392,600	0.402

SHAREHOLDERS' INFORMATION

As at 1 April 2024

5. LIST OF TOP 30 HOLDERS AS AT 1 APRIL 2024 (continued)

NO.	NAME	NATIONALITY/ COUNTRY OF INCORPORATION	NO. OF SHARES	%
20.	Lim Khuan Eng	Malaysian Malaysia	1,350,000	0.390
21.	Eng Siok Lay	Malaysian Malaysia	1,248,000	0.360
22.	Cheam May Choo	Malaysian Malaysia	1,113,373	0.321
23.	Cheam Heng Chai	Malaysian Malaysia	1,102,374	0.318
24.	CGS International Nominees Malaysia (Asing) Sdn Bhd Exempt An for CGS International Securities Singapore Pte. Ltd. (Retail Clients)	Malaysian Malaysia	1,022,800	0.295
25.	Maybank Nominees (Tempatan) Sdn Bhd Wong Chon Shuan	Malaysian Malaysia	977,300	0.282
26.	Liew Chee Cheong	Malaysian Malaysia	950,000	0.274
27.	Liew Siew Lan	Malaysian Malaysia	950,000	0.274
28.	Maybank Nominees (Tempatan) Sdn Bhd Yeoh Ah Tu	Malaysian Malaysia	915,820	0.264
29.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Chon Shuan	Malaysian Malaysia	909,300	0.262
30.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Kian Lang	Malaysian Malaysia	903,200	0.261

SUMMARY

TOTAL NO. OF HOLDERS : 30
TOTAL HOLDINGS : 259,231,211
TOTAL PERCENTAGE (%) : 74.961

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty First (41st) Annual General Meeting (AGM) of the Company will be held at Training Centre, 1st Floor, Wisma SabahPorts, Sapangar Bay Container Port, Jalan Sapangar, Sapangar Bay, Kota Kinabalu, Sabah on Thursday, 20 June 2024 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.

   (Please refer to Explanatory Note A)

2. To re-elect the following Directors who retire by rotation pursuant to Article 94 of the Company's Constitution and, being eligible, have offered themselves for re-election:

   (i) Datuk Alexandra Chin @ Fui Lin, J.P.; **Resolution 1**
   (ii) Ir. Jerome Jimbangan @ Terence; and **Resolution 2**
   (iii) Datuk Mohd Sofian Alfian Nair. **Resolution 3**

   (Please refer to Explanatory Note B)

3. To approve the final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2023. **Resolution 4**

4. To approve the payment of Directors' fees to the Non-Executive Directors of Suria Capital Holdings Berhad Group of Companies amounting to RM782,000 for the financial year ended 31 December 2023. **Resolution 5**

   (Please refer to Explanatory Note C)

5. To approve the payment of Directors' fees to the Non-Executive Directors of Suria Capital Holdings Berhad Group of Companies amounting to RM988,200 for the financial year ending 31 December 2024. **Resolution 6**

   (Please refer to Explanatory Note C)

6. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of Suria Capital Holdings Berhad Group of companies of up to RM600,000 for the period from 21 June 2024 until the next AGM of the Company to be held in 2025. **Resolution 7**

   (Please refer to Explanatory Note C)

7. To reappoint Messrs. Ernst & Young PLT, the retiring Auditors, as the Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to determine their remuneration. **Resolution 8**

   (Please refer to Explanatory Note D)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

8. **Authority for Kee Mustafa to continue in office as Independent Non-Executive Director of the Company** **Resolution 9**

   "**THAT**, authority be and is hereby given for Kee Mustafa who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM, in accordance with the Malaysian Code on Corporate Governance."

   (Please refer to Explanatory Note E)

NOTICE OF ANNUAL GENERAL MEETING

9. **Authority to the Directors to allot and issue shares** **Resolution 10**

"**THAT**, pursuant to Section 75 and Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such issue price, until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares does not exceed ten per centum (10%) of the issued capital of the Company at the time of issue AND **THAT**, the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued, subject to the Act, the Constitution of the Company and approval from the Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary."

(Please refer to Explanatory Note F)

10. To transact any other business for which due notice has been given in accordance to Section 340(1) (d) of the Companies Act 2016 and the Company's Constitution.

NOTICE OF BOOK CLOSURE AND DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the shareholders' approval for the payment of the final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2023, the dividend will be paid to the shareholders on 26 July 2024.

The entitlement date shall be fixed on 12 July 2024 and a Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 12 July 2024 in respect of transfers.

(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

HIKMAH RAHMANIYAH BINTI AHMAD KHATIB (MIA 18843)
(SSM PC No: 201908003888)

Company Secretary
Kota Kinabalu, Sabah
30 April 2024

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO NOTICE OF AGM:

(A) Audited Financial Statements for the financial year ended 31 December 2023

The Audited Financial Statements under Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require the formal approval of shareholders for the Audited Financial Statements. As such, this agenda will not be put forward for voting.

(B) Ordinary Resolutions 1, 2 and 3: Re-Election of Directors

Datuk Alexandra Chin @ Fui Lin, J.P., Ir. Jerome Jimbangan @ Terence and Datuk Mohd Sofian Alfian Nair are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

The details and profiles of the Directors who retire by rotation and are standing for re-election at the 41st AGM are provided in the Board of Directors section on pages 50, 51 and 52 of the Company's Annual Report 2023.

(C) Ordinary Resolutions 5, 6 and 7: Directors' Fees and Remuneration to the Non-Executive Directors

Section 230(1) of the Companies Act 2016 provides amongst others, that 'the Fees' and 'any benefits' i.e. directors' remuneration, payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. The directors' remuneration comprises the fees, allowances, benefits-in-kind and other emoluments payable to the Non-Executive Directors of the Company and its subsidiaries.

The remuneration payable to them is based on the remuneration structure as follows:

Board/Board Committee	Chairperson (RM/Year)	Members (RM/Year)
Directors' Fixed Allowance:		
Chairman's Duty Allowance	120,000	-
Board of Directors' Fees		
- Suria Capital Holdings Berhad (9 Directors for 12 months)	72,000	576,000
- Sabah Ports Sdn Bhd (6 Directors for 12 months and 1 Director for 9 months)	-	340,200
Meeting Attendance Allowance:		
Board Meetings		
- Suria Capital Holdings Berhad (10 meetings)	20,000	120,000
- Sabah Ports Sdn Bhd (10 meetings)	15,000	70,000
Board Audit Committee (7 meetings)	14,000	31,500
Board Risk Management & Governance Committee (5 meetings)	5,000	15,000
Board Nomination & Remuneration Committee (5 meetings)	5,000	15,000
Board Investment Committee (3 meetings)	3,000	9,000
Board Project Tender Committee (3 meetings)	3,000	3,000

The above is computed based on the revised remuneration for the existing number of Non-Executive Directors for SuriaGroup and estimated number of meetings scheduled to be held during year 2024.

(D) Ordinary Resolution 8: Reappointment of Auditors

Being satisfied with the performance, technical competency, audit approach as well as audit independency of Messrs. Ernst & Young PLT, the Board had at its meeting held on 29 February 2024 approved the recommendation by the Audit Committee for seeking shareholders' approval at the 41st AGM on the reappointment of Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and shall hold office until the conclusion of the next AGM in 2025.

The Board is also seeking shareholders' approval to authorise the Directors to determine their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON SPECIAL BUSINESS:

(E) Ordinary Resolution 9: Proposed Continuation in Office as Independent Non-Executive Director in line with the recommendation under the Malaysian Code on Corporate Governance 2021

Kee Mustafa was appointed as an Independent Non-Executive Director of the Company on 1 July 2014 and he has reached the nine (9) years term limit prescribed by the Malaysian Code on Corporate Governance 2021 (MCCG). In accordance with the MCCG, the Nomination & Remuneration Committee and Board of Directors of the Company, after having assessed the independence of Kee Mustafa, consider him to be independent based on amongst others, the following justifications and recommend that Kee Mustafa be retained as an Independent Director of the Company:

(i) He has confirmed and declared that he is an Independent Director as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
(ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into a contract especially material contract(s) with the Company and/or its subsidiary companies;
(iii) He actively participates in Board's and Board Committees' deliberations and decision-making in an objective manner, exercises due care in all undertakings of the Group and carried out his fiduciary duties in the interest of the Company; and
(iv) The Board of Directors of the Company is of the opinion that Kee Mustafa is an important Senior Independent Director in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Director.

Pursuant to the latest revised MCCG effective on 28 April 2021, the Company would adopt a two-tier voting process in seeking the annual shareholders' approval to retain an Independent Director beyond nine (9) years for best practice of corporate governance.

(F) Ordinary Resolution 10: Power of Directors to Allot and Issue Shares

This proposed Ordinary Resolution is a general mandate to be obtained from the shareholders of the Company at this AGM and if passed, would, subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, empower the Directors to issue up to a maximum of ten per centum (10%) of the total issued and paid-up share capital of the Company for such purpose as the Directors consider would be in the best interest of the Company without having to convene a general meeting. This general mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company in 2025.

The general mandate, if granted, will provide the Company flexibility to undertake any share issuance without having to convene a general meeting and thereby reducing administrative time and costs associated with the convening of additional general meeting. The general mandate is to allow for possible share issue and/or fund raising exercise, placement of fund for current and/or future investments projects, acquisitions and/or to meet working capital requirements as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new shares on an urgent basis. As such, the exercise of the general mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

The Company has not issued any new shares under the general mandate for allotment of shares pursuant to Section 75 and Section 76 of the Companies Act 2016 which was approved at the 40th AGM held on 27 June 2023 and which will lapse at the conclusion of this AGM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

(1) Directors retiring by rotation pursuant to Article 94 of the Company's Constitution and are eligible for re-election are:

(i) Datuk Alexandra Chin @ Fui Lin, J.P.;
(ii) Ir. Jerome Jimbangan @ Terence; and
(iii) Datuk Mohd Sofian Alfian Nair.

Further details of the abovementioned Directors seeking re-election, are provided on pages 50, 51 and 52 of the Annual Report.

Notes:

1. A Member of the Company entitled to participate and vote at the AGM is entitled to appoint up to two (2) proxies to attend and vote instead of him/her. A proxy may but need not be a Member of the Company.

2. Where a Member appoints two (2) proxies, the appointments shall be invalid unless the Member specifies the proportion of his/her shareholdings to be represented by each proxy.

3. In the case of a corporate body, the proxy appointed must be in accordance with the Constitution, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of an officer or attorney duly authorised.

   For instrument appointing a proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.

4. Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Unit 3-03 – 3-31, Level 3, JQ Central, Coastal Highway, Off Jalan Tun Fuad Stephens, 88400 Kota Kinabalu no later than 18 June 2024, Tuesday at 10.00 a.m. or at least forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

6. For the purpose of determining a Member who shall be entitled to participate and vote at the AGM in accordance with Article 71 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 12 June 2024. Only a Member whose name appears on the Record of Depositors as at 12 June 2024 shall be eligible to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.

7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the Meeting, including resolutions in addendum, errata or amended notice will be put to vote by way of poll. Poll Administrator and Independent Scrutineer will be appointed respectively to conduct the polling/e-voting process and to verify the results of the poll.

BUS SHUTTLE SERVICE

Bus shuttle service between Kota Kinabalu and Wisma SabahPorts, Sapangar Bay Container Port will be provided for the shareholders of the Company to attend the Annual General Meeting on Thursday, 20 June 2024. The shuttle bus will leave at 9.00 a.m. The pick-up point will be at the Kota Kinabalu Ferry Terminal, Jesselton Point.

Contact person : Norafedah Jamlin
Telephone No. : 088 257 788 / 014 686 0519

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PROXY FORM

SURIA CAPITAL HOLDINGS BERHAD
198301001662 (96895-W)
(Incorporated in Malaysia)

No. of Shares held	CDS Account No.

*I/We _____ NRIC No./Passport No./Co. No. _____
(full name in block letters)

of _____
(full address)

being a Member of SURIA CAPITAL HOLDINGS BERHAD, hereby appoint:

Full name and address (in block letters)	NRIC No./Passport No.	No. of shares	% of shareholding

and/or

Full name and address (in block letters)	NRIC No./Passport No.	No. of shares	% of shareholding

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Forty First (41st) Annual General Meeting (AGM) of the Company to be held at the Training Centre, 1st Floor, Wisma SabahPorts, Sapangar Bay Container Port, Jalan Sapangar, Sapangar Bay, Kota Kinabalu, Sabah on Thursday, 20 June 2024 at 10.00 a.m. or at any adjournment thereof in respect of my/our holding of _____ shares.

(Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be casted. In the absence of specific directions, your proxy will vote or abstain from voting at his/her discretion).

	RESOLUTION	FOR	AGAINST
	As Ordinary Business		
	To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.		
1.	To re-elect Datuk Alexandra Chin @ Fui Lin, J.P. who retire by rotation pursuant to Article 94 of the Company's Constitution.		
2.	To re-elect Ir. Jerome Jimbangan who retire by rotation pursuant to Article 94 of the Company's Constitution.		
3.	To re-elect Datuk Mohd Sofian Alfian Nair who retire by rotation pursuant to Article 94 of the Company's Constitution.		
4.	To approve the final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2023.		
5.	To approve the payment of Directors' fees to the Non-Executive Directors of Suria Capital Holdings Berhad Group of Companies amounting to RM782,000 for the financial year ended 31 December 2023.		
6.	To approve the payment of Directors' fees to the Non-Executive Directors of Suria Capital Holdings Berhad Group of Companies amounting to RM988,200 for the financial year ending 31 December 2024.		
7.	To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of Suria Capital Holdings Berhad Group of companies of up to RM600,000 for the period from 21 June 2024 until the next AGM of the Company to be held in 2025.		
8.	To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to determine their remuneration.		
	As Special Business		
9.	To authorise Kee Mustafa to continue in office as Independent Non-Executive Director of the Company.		
10.	To authorise the Directors to allot and issue shares under Section 75 and Section 76 of the Companies Act 2016.		

Dated this _____ day of _____ , 2024

_____
Signature of a Member / Common Seal of a Corporation

Notes:

1. A Member of the Company entitled to participate and vote at the AGM is entitled to appoint up to two (2) proxies to attend and vote instead of him/her. A proxy may but need not be a Member of the Company.
2. Where a Member appoints two (2) proxies, the appointments shall be invalid unless the Member specifies the proportion of his/her shareholdings to be represented by each proxy.
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Company Secretary
SURIA CAPITAL HOLDINGS BERHAD 198301001662 (96895-W)
(Incorporated in Malaysia)
Unit 3-03 – 3-31, Level 3, JQ Central,
Coastal Highway, Off Jalan Tun Fuad Stephens,
88400 Kota Kinabalu, Sabah, Malaysia.

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