



PRESS RELEASE

Friday, 27 November 2020

FINANCIAL RESULTS ANNOUNCEMENT

SURIA CAPITAL'S REVENUE REBOUNDED IN 3Q2020

Suria Capital Holdings Berhad is pleased to announce the Company's performance for the 3rd Quarter of 2020 (3Q2020) and the 9-month period ended on 30 September 2020

Financial Performance

For the 3Q2020, SuriaGroup (the Company and its Group of subsidiaries) registered higher revenue of RM60.98 million, which improved by 31% from RM46.53 million earlier in 2Q2020. This was contributed mainly by the higher revenue from port operations which rebounded by 25% as well as by revenue from construction services. The 3Q2020 saw improved port operations with higher conventional cargo throughput handled at wharves as well as improved container throughput at Sapangar Bay Container Port.

For the first nine months of 2020, SuriaGroup's total revenue reached RM164.45 million. It however, dropped when compared to RM204.59 million registered in the same period of 2019, attributable mainly to the lower contribution by its port and non-port operations. Revenue from ferry terminal operations and shipping agency fee showed significant drop as these segments had been adversely impacted by the imposition of movement control order (MCO) and conditional movement control order (CMCO) due to the COVID-19 pandemic.

The Group recorded a post-tax profit of RM28.22 million in the January-September period of 2020 as against RM41.30 million in the same period of 2019.

Port Performance

The port operation segment remained the major component of SuriaGroup's revenue, accounting for about 96% of the Group's total revenue from operations as

of September 2020.

During the 3Q2020, Sabah Ports handled higher throughput, both in terms of cargo and container volume. Conventional cargo throughput improved by 41% to 6.78 million metric tonnes from a total of 4.82 million metric tonnes recorded earlier in the 2Q2020. The major commodities handled by the ports consisted of liquid bulk (palm oil and petroleum products), fertilizer, palm kernel expeller (PKE), wood products and other general cargo.

Container throughput also showed improved performance with 45.8% increase from 70,429 TEUs in the 2Q2020 to reach 102,649 TEUs as of 3Q2020. During the said quarter, Sapangar Bay Container Port handled 71% of the overall TEUs, while Tawau Port and Sandakan Port handled 18% and 11% of the total TEUs respectively.

Achievements and Outlook 2020

During the first nine months of 2020, a number of initiatives had been accomplished by the Group which focused on the port operations, property development and railways rehabilitation projects, in its efforts to continuously improve operational efficiency and capacity, while mitigating challenges posed by the COVID-19 pandemic.

Among the port development programmes carried out by its port-operating subsidiary, Sabah Ports Sdn Bhd included the following:

- The dredging works at Sandakan Port and Tawau Port were completed in the second quarter of 2020.
- The installation of 80-reefer points at Sapangar Bay Container Port was completed in September 2020. The total number of reefer points have now increased to 292 from 212.
- The construction of a new jetty at Sapangar Bay Oil Terminal was awarded to the successful contractor in September 2020. The construction is expected to commence in December 2020 and is targeted for completion by end of March 2022. The financier for the project is Bank Pembangunan Malaysia Berhad.
- Preliminary studies and assessments for the construction of Sapangar Bay Conventional Cargo Terminal have been completed. The design of the new port is expected to be finalised by the first quarter of 2021.

In the property development and construction sector, the first phase of the Jesselton Quay project at Tanjung Lipat, which is within the vicinity of the Kota Kinabalu Port and is a joint-venture project between Suria Capital Holdings Berhad and SBC Corporation Berhad, had reached 82% completion as at 30 September 2020.

The construction of the railway rehabilitation project between Tenom and Halogilat had reached 98% completion as at 30 September 2020 and will be fully completed soon by January 2021.

Moving Forward

Despite the uncertainties in the current economic condition which has been significantly impacted by the COVID-19 pandemic, we are anticipating gradual recovery in the global economy in the next fiscal year. We expect that there will be continuous improvements in conventional cargo and container throughput going through the wharves for the coming 4th quarter 2020.

The expansion of Sapangar Bay Container Port will proceed as planned and it is being managed by the Sabah Economic Development and Investment Authority (SEDIA) with participation from Sabah Ports Sdn Bhd on technical inputs.

For its property development, with the imposition of MCO and CMCO, the completion of the first phase of the Jesselton Quay project is expected to be deferred to the first quarter of 2021.

SuriaGroup will continue to explore new businesses in the construction or upgrading of railway lines in the State of Sabah as we have proven track records in this type of construction works.

The COVID-19 Pandemic and the imposition of MCO and CMCO have affected the State's tourism sector resulting in significantly lower income from the Jesselton Point operations. Businesses will be back to normal when the number of cases is reduced, the chain of COVID-19 infection is broken, the much-anticipated vaccine is readily available and the Government is ready to open our borders to promote the State tourism to local and foreign tourists.

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