



PRESS RELEASE

Wednesday, 31 March 2021

FINANCIAL RESULTS ANNOUNCEMENT

SURIA CAPITAL'S REVENUE STABILISED IN 4Q2020 DESPITE COVID-19

Suria Capital Holdings Berhad (Suria Capital) is pleased to announce the Company's performance for the 4th Quarter of 2020 (4Q2020) and the 12-month period ended 31st December 2020.

Financial Performance

SuriaGroup's (the Company and its Group of subsidiaries) revenue rebounded in 3Q20 after the movement restrictions were lifted. This had cushioned the decline in revenue during the first 6 months of 2020. In 4Q2020, various forms of movement restrictions were imposed again but with much less adverse impact as compared to those experienced in the first 6 months of 2020.

SuriaGroup's total revenue in 4Q2020 stood at RM60.979 million, almost unchanged from the total revenue reported in 3Q2020 at RM60.983. However, revenue from port operations in 4Q2020 of RM49.909 million was 9% lower than that in 3Q2020 at RM54.574 million.

From the port operations, Sabah Ports Sdn Bhd (Sabah Ports), a wholly-owned subsidiary of Suria Capital, recorded lower volume of conventional cargo throughput, which had dropped by 5% for all commodities handled at wharves and less import and export activities for palm oil at sufferance wharves. Container throughput at Sapangar Bay Container Port, Tawau Port and Sandakan Port had also dropped by 8% in 4Q2020 compared to that in 3Q2020.

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 December 2020.

Revenue from ferry terminal operations and revenue from shipping agency fee showed significant reduction as these segments have been adversely impacted by

the COVID-19 pandemic and the imposition of Movement Control Order (MCO) and Conditional Movement Control Order (CMCO).

Notwithstanding this, revenue from the railway project under contract and engineering segment was higher in 4Q2020 at RM2.4 million compared to RM1.5 million reported in 3Q2020 based on the percentage of completion of the project.

The Group's pre-tax profit for 4Q2020 of RM11.5 million stood lower by RM3.3 million or 22% compared to the pre-tax profit reported in 3Q2020, mainly due to lower revenue from operations and other income.

For the year ended 31 December 2020, the Group registered a pre-tax profit of RM47.7 million, decreasing by RM25.0 million or 34% from RM72.7 million reported in the previous year ended 31 December 2019.

Port Performance

During the 4Q2020, Sabah Ports handled lower throughput when compared to 3Q2020, both in terms of cargo and container volume mainly affected by the pandemic and government's imposition of MCO and CMCO. Conventional cargo throughput dropped by only 5% to 6.44 million metric tonnes from a total of 6.78 million metric tonnes recorded earlier in the 3Q2020. 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.

During the 4Q2020, container throughput at Sapangar Bay Container Port, Tawau Port and Sandakan Port, nevertheless, dropped by 8% in 4Q2020 to 94,759 TEUs as against 3Q2020. Container throughput in 3Q2020 recorded the highest quarter volume in 2020 when it reached 102,649 TEUs.

During 4Q2020, Sapangar Bay Container Port handled 73% of the overall TEUs, while Tawau Port and Sandakan Port handled 16% and 11% of the total TEUs respectively.

Achievements in 2020

During 2020, a number of initiatives had been taken up by the Group which focused on the port operations and services, property development and railway rehabilitation projects. This was carried out despite the challenges posed by the COVID-19 pandemic and when some of planned project commencements were affected by the MCO and CMCO.

The dredging works at Sandakan Port and Tawau Port were completed in the second quarter of 2020, while the installation of 80-reefer points at Sapangar Bay

Container Port was completed in September 2020. The total number of reefer points has 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 has commenced since December 2020 and is targeted for completion by end of March 2022. The financier for the project is Bank Pembangunan Malaysia Berhad.

Meanwhile, the tender exercise for the proposed expansion of Sapangar Bay Container Port has been completed. The project is funded by the Federal Government and implemented by Sabah Economic Development and Investment Authority (SEDIA). It is expected that the tender will be awarded to the successful tenderer within the second quarter of 2021.

In property development, the first phase of the Jesselton Quay project at Tanjung Lipat, had reached 83% completion as at 31 December 2020. The project, located within the vicinity of the Kota Kinabalu Port, is a joint-venture project between Suria Capital Holdings Berhad and SBC Corporation Berhad.

Due to the movement control order in 4Q2020, extension of time (EOT) to complete the construction of the railway line between Tenom and Halogilat was approved and revised to 22 March 2021. Based on the approved EOT, the stage of completion was revised to 90% as at 31 December 2020. Notwithstanding this, as at 31 March 2021, the construction of the railway line has been fully completed for Jabatan Keretapi Negeri Sabah to recommend to the Ministry of Transport for the Conditional Certificate of Practical Completion.

Outlook in 2021

Despite the uncertainties in the current economic condition which has been significantly impacted by the COVID-19 pandemic, we are positive on the gradual economic recovery globally in the following years as the vaccine is being made available world-wide.

In our port operation activities, we have seen gradual and continuous improvements in conventional cargo and container throughput going through our ports beginning the 3Q2020.

The expansion of Sapangar Bay Container Port as implemented by SEDIA will proceed as planned with participation from Sabah Ports Sdn Bhd on technical inputs.

As for our property development segment, with the further imposition of MCO and CMCO in 4Q2020, the completion of the first phase of the Jesselton Quay project is expected to be deferred to the third quarter of 2021.

SuriaGroup will continue to explore new businesses which include logistics and port-related services.

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 are expected to be back to normal as the number of cases in Sabah has reduced significantly and the much anticipated vaccine is being made available to all Malaysians in 2021. The State Government of Sabah is getting itself ready to open our borders to promote the State tourism to local and foreign tourists.

- THE END -

For media enquiries, please contact:

Head, Group Corporate Affairs and Communications

Tel: 088-257788; HP: 019-821 9888;

Email: mariam@suriapl.com.my