



PRESS RELEASE

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SLOWER PORT OPERATIONS EASE SURIAGROUP'S REVENUE BY 4% IN 1Q2021

Suria Capital Holdings Berhad is pleased to announce SuriaGroup's performance (the Company and its subsidiaries) for the first quarter of 2021 (1Q2021) which ended 31 March 2021

The Group's total revenue in the 1Q2021 eased by 4.0% to RM54.7 million when compared to RM56.9 million in the corresponding first quarter of 2020 (1Q2020) and registered a 4.8% drop from RM57.4 million recorded earlier in the fourth quarter of 2020 (4Q2020). The Group's revenue was affected primarily by the lower contributions from port operations which included revenues from wharves, sufferance wharves, private jetties, tug boat services as well as from logistics and bunkering services.

Following the drop in revenue from the port operations, the Group's gross profit declined by RM3.9 million in the 1Q2021 to RM14.0 million from the earlier 4Q2020. Year-on-year, the gross profit dropped by 20.1% from RM17.5 million registered in the 1Q2020. The Group reported lower profit after tax of RM8.97 million in the quarter under review against RM10.5 million post-tax profit for the same quarter last year.

For the 1Q2021, the cargo throughput (excluding containers) handled by Sabah Ports Sdn Bhd (Sabah Ports) dropped to 5.731 million metric tonnes, slipping by 11.1% from 6.443 million metric tonnes handled in 4Q2020. When compared to the corresponding 1Q2020, the throughput showed a 12.0% decline from 6.509 million metric tonnes.

The reduction in cargo throughput was attributed, particularly to the lower exports of palm oil as a result of labour shortage at mills following the health and safety regulations imposed by the Government due to the lingering pandemic. Similarly, the decrease in cargo throughput at sufferance wharves was caused mainly by lesser import and export activities of palm oil at Sandakan, Lahad Datu and Tawau ports.

Nevertheless, despite the slowdown in cargo operations in view of the pandemic, the ports handled higher container throughputs during the reviewed quarter. The total TEUs handled by Sabah Ports rose by 6.4% to 95,293 TEUs in the 1Q2021 over 89,579 TEUS in the same quarter a year ago. It also increased marginally by 1% when compared to 94,759 TEUs registered in the 4Q2020. Sapangar Bay Container Ports handled 73.1% of the total container volume during the quarter, which was 11.2% higher from the same quarter a year ago.

Meanwhile, revenue from contract & engineering segment stood favorable mainly due to the higher recognition of revenue from railway project in the quarter under review. The physical construction of the project was completed on 31 March 2021 and the project had been handed over to the Sabah State Railway Department to secure the necessary Certificate of Practical Completion. Nevertheless, revenue from ferry terminal operations at Jesselton Point and passenger fee income from cruise vessels suffered major setbacks due to travel restrictions amidst the COVID-19 pandemic that has affected the tourism sector worldwide.

Since the outbreak of the COVID-19 pandemic, the Group had carried out several measures to ensure ports were operating without any major supply and logistics disruptions in order to support the State's economy while adjusting to the new norms.

Despite the uncertainties in the current economic conditions caused by the COVID-19 pandemic, the Group continues to give focus on enhancing its business activities especially in ports' capacity and efficiency as well as in exploring new business ventures, in anticipation of the global and domestic economic recovery in 2021. The expansion project for Sapangar Bay Container Port and the jetty extension for Sapangar Bay Oil Terminal are well in progress. However, the prolonged pandemic and further imposition of movement control orders had delayed the progress of the Group's property developments. The completion of the first phase of the Jesselton Quay project is expected to be deferred to the third quarter of 2021 (3Q2021).

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For media enquiries, please contact:

Head, Group Corporate Affairs and Communications

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

Email: mariam@suriapl.com.my