SURIAGROUP

PRESS RELEASE

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SURIAGROUP'S REVENUE BOUNCES BACK IN 3Q2022 ON STABLE ECONOMIC RECOVERY

Kota Kinabalu: Suria Capital Holdings Berhad and its Group of Companies (SuriaGroup) recorded a total revenue of RM73.4 million in the third quarter of 2022 (3QFY22), surged by 23.8 % year on year from RM59.3 million in the same quarter of 2021 (3QFY21). Revenue during the quarter rose by 27.2% quarter on quarter from RM57.7million in the second quarter of 2022 (2QFY22). The favourable uptrend was mainly driven by higher contributions from port operations segment.

The Group registered a profit after tax of RM18.8 million in the third quarter of 2022 (3QFY22) improving by 80.8% year on year from RM10.4 million in the same quarter last year (3QFY21). It rose by more than double from RM7.2 million registered earlier in the 2QFY22.

For the nine months of 2022 (9MFY22), the total revenue of the Group amounted to RM202.0 million, which represents an improvement of 14.6% or RM25.7 million over RM176.3 million recorded in the corresponding period of 2021.

According to Suria Capital's Group Managing Director, Datuk Ng Kiat Min, "the improvement in the Group's financial performance was mainly due to higher contribution from the port operations segment as well as to a smaller extend from contract and engineering and ferry terminal operations as well as logistics and bunkering services segments, boosted by the more stabilised economic conditions after recovering from the pandemic."

Port operations segment contributed 98% to the Group's revenue during the 3QFY22. During the quarter, subsidiary, Sabah Ports Sdn Bhd (Sabah Ports) handled higher cargo volume which increased by 3% quarter-on-quarter mainly attributed to higher handling of bulk oil and general cargo. For the container operations, the Group handled a total of 125,441 TEUs, up by 32.6% year-on-year and by 13.2% from the earlier 2QFY22.

"Moving forward, SuriaGroup is positive that it will continue to hold solid long-term business prospects in line with its business strategic plans, especially in providing

efficient port services to support the growing State's economy and investments," Datuk Ng said. This coincides well with the recent State government's consideration on the extension of port concession to subsidiary, Sabah Ports.

In its latest development, Suria Capital has just announced that the Sabah State government has agreed for its subsidiary, Sabah Ports, to be given the extension of concession for another 30 years from 1st September 2034 to 31st August 2064.

"This new important development is very crucial to our long-term vision and most welcomed by the Group as well as by our stakeholders and shareholders alike, as this enables long-term planning for the Sapangar Bay transshipment hub initiative and to allow SPSB to continue its port expansion programs to support the economic growth of the State", Datuk Ng explained.

Datuk Ng added that "This is subject to terms and conditions to be mutually agreed with the State government of Sabah. The negotiated new term is to be tabled for consideration and approval by the State Cabinet latest by 31st December 2023 or one year after negotiation commences."

"We thank the State government for the confidence in Sabah Ports. We believe that the new extension will enable Sabah Ports to contribute towards making Sabah ports 'The Port of Preference' in the region while forging ahead as the catalyst and game changer for the State's economy." she added.

The current 30-year concession period was signed in 2004 through the Ports Privatisation Agreement that will expire in 2034. Sabah Ports has since been operating the eight key ports in the State – Sapangar Bay Container Port, Sapangar Bay Oil Terminal, Kota Kinabalu Port, Sandakan Port, Tawau Port, Lahad Datu Port, Kunak Port and Kudat Port.

In the recent tabling of Federal Budget 2023, the Federal government had allocated RM250.0 million as part of its RM1.03 billion funding through SEDIA for the expansion project of Sapangar Bay Container Port. This signifies the Federal government's continuous commitment to ensure port infrastructure and facilities in the State will be able to bridge the gap of trade imbalances.

The expansion project, which already commenced last year in September, is aimed at transforming the port into a transhipment hub for BIMP-EAGA and the larger ASEAN region that can handle 1.25 million TEUs and accommodate bigger vessels from the region by 2025. Meanwhile, the expansion works at Sapangat Bay Oil Terminal which involve the construction of a new jetty at the terminal is on track for completion in 4QFY22.

The Group's involvement in property development has seen the completion of Jesselton Quay Central as the Phase 1 of its Jesselton Quay development last

January 2022 with impressive take-up rates. The next Phase 2 will soon commence and expected for completion in 2030.

“With the recovering economy, the Group will continue to be actively committed in bringing about more sustainable and higher values to its stakeholders and shareholders as the core pillar of our business for the benefits of the State and its people.” Datuk Ng said.

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For media enquiries, please contact:
Group Corporate Affairs and Communications
Tel: **088-257788;** HP: **019-821 9888 (Datin Dr Mariam)** or **010-368 8788 (Kashani)**
Email: **mariam@suriaplc.com.my / kashani@suriaplc.com.my**