



PRESS RELEASE

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SURIAGROUP POSTS A 54.4% RISE IN PROFIT AFTER TAX IN 1Q2022

Kota Kinabalu: Suria Capital Holdings Berhad is pleased to announce SuriaGroup's (the Company and its subsidiaries) performance for the first quarter of 2022 (1Q2022) which ended 31 March 2022.

SuriaGroup recorded a profit after tax of RM13.9 million in the 1Q2022, which rose by 54.4% against RM9.0 million reported in the same quarter a year earlier (1Q2021).

The increase in the profit after tax came after the Group recorded higher revenue from operations of RM56.4 million in the 1Q2022, which improved by RM6.1 million or 12.1%, when compared to the revenue of RM50.3 million reported in the corresponding first quarter of 2021. The 1Q2022 performance was mainly attributed to higher contribution by the core business of port operations, which contributed 96.5% to the Group's revenue as against 93.7% in the previous 1Q2021. With the rise in revenue, the Group's pre-tax profit stood higher by RM6.0 million year-on-year to RM17.4 million in 1Q2022 when compared to RM11.4 million registered in 1Q2021. The improvement in port operations partly reflected improved economic environment in the quarter under review especially following the lifting of lockdown measures and implementation of mass vaccination programmes nationwide due to the pandemic, which sparked signs of economic recovery and to a large extent boosted economic and business activities during the quarter.

During the 1Q2022, cargo throughput (excluding containers) handled by Sabah Ports showed a 5.3% surge from 5.7 million metric tonnes in the corresponding 1Q2021, this rise mostly was attributed to increased throughput of palm products, fertiliser, wood products and general cargo. However, the throughput dropped to 6.0 million metric tonnes, slipping by 11.8% from 6.8 million metric tonnes handled in 4Q2021. The drop in cargo throughput was mainly due to the decrease in bulk oil handling at both anchor and sufferance wharves.

In terms of container operations, the total TEUs rose by 6.6% in 1Q2022 to reach 101,597 TEUs over 95,293 TEUs in the same quarter last year. Container volume increased marginally by 1.0% when compared to 101,331 TEUs registered in the 4Q2021. Sapangar Bay Container Ports handled the most volume, 70.7% of the total container volume during the quarter, which was 3.1% higher than the same quarter a year ago. Sapangar Bay Container Ports handled 71,860 TEUs in 1Q2022,

while Ports of Tawau and Sandakan recorded 18,704 TEUs and 11,033 TEUs respectively for the same period.

According to Suria Capital's Group Managing Director, Datuk Ng Kiat Min, during the January-March quarter of 2022, positive signs of improvement in economic activities began to be visible as indicated by the stronger port throughput, albeit the uncertainties caused particularly by the COVID-19 pandemic as it continued its threats with new variants after the government lifted lockdown measures and accelerated the mass-vaccination campaigns. The global challenges such as the geopolitical conflicts affecting the supply and logistic chain had also added to the downside risks for the port operations segment.

Forging ahead, Datuk Ng stated that SuriaGroup will remain positively cautious in improving its business undertakings, in particular through the continued enhancement of its ports' capacity and efficiency as well as exploration of new business ventures that are projected to provide new sources of income. The expansion project for Sapangar Bay Container Port and the jetty extension project for Sapangar Bay Oil Terminal are well underway. Leveraging on the Sapangar Port's strategic location and improved infrastructure, the expansion project will boost the port's capacity and efficiency as a transshipment hub for BIMP-EAGA and the larger ASEAN region once it is completed by 2025.

Meanwhile, the first phase of Jesselton Quay project, namely Jesselton Quay Central (JQC), had been completed and was officially launched by the Chief Minister of Sabah, YAB Datuk Seri Panglima Haji Hajiji Bin Haji Noor, at the Lighting-Up Ceremony upon receipt of the certificate of occupancy on 19 January 2022. This marked another important milestone for the Group as it sealed its position as a real estate player in Sabah.

The Group also took one step further into renewable energy with the signing of a Memorandum of Understanding (MOU) with Vandelay Ventures Sdn Bhd, witnessed by the Chief Minister of Sabah on 14 February 2022. The project involves the construction of an RM1.0 billion 'Sabah Maju Jaya Renewable Energy Industrial Complex' (SMJREIC) to be built on a land at Sapangar Bay Container Port. The endeavour will not only act as a catalyst for economic growth in Sabah but will generate job opportunities and bring new technologies to the State.

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