SURIAGROUP

PRESS RELEASE

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SURIA RECORDS RM39.5 MILLION PROFIT AFTER TAX IN 2021

KOTA KINABALU: Suria Capital Holdings Berhad (Suria) is pleased to announce that the Company and its Group of subsidiaries (SuriaGroup) made a profit after tax of RM39.5 million in the financial year 2021, an increase of 20.1% against RM32.9 million in 2020.

SuriaGroup's gross profit picked up by 8.0% to RM78.4 million in 2021 from RM72.6 million in 2020. Despite the unfavourable economic conditions during the year, the Group had registered higher revenue of RM251.3 million in 2021, up by RM23.3 million or 10.2% versus RM228.0 million in 2020, mainly due to higher contribution by its core business in port operations.

This was disclosed by the Group Managing Director of Suria, Datuk Ng Kiat Min in her briefing to shareholders on the Group's overall performance in 2021 during the company's 39th annual general meeting (AGM). It was conducted physically at Wisma SabahPorts at Sapangar Bay after two years of virtual AGM following the regulatory requirements during the pandemic.

The AGM was presided by the Company's Chairman, Datuk Haji Faisyal Bin Datuk Yusof Hamdain Diego with other Board of Directors also in attendance.

During the AGM, the shareholders approved a final tax-exempt dividend of 2.5 sen per ordinary shares amounting to RM 8.65 million. This brings the total dividend pay-out in respect of the financial year ended 31 December 2021 to RM13.8 million, which is equivalent to 4.0 sen net per ordinary share and represented a pay-out ratio of 35.0% as against 34.6% in the preceding year.

According to Datuk Ng, port operations segment remained the key component of the Group's revenue, contributing RM214.5 million or 85.3% of the overall revenue in 2021. This contribution stood 4.1% higher when compared to RM206.0 million registered in 2020. The rest of the revenue was contributed by other segments such as Logistics and Bunkering Services as well as Contract and Engineering & Ferry Terminal Operations. The higher contribution from port operations was in view of the increase in the overall cargo throughput and container volume handled by subsidiary, Sabah Ports Sdn Bhd (Sabah Ports) during the

year under review. This indicated positive signs of the State's economic recovery during the period as the Government gradually eased movement control orders and lock-downs while opening up the economy.

During the year, Sabah Ports handled a total of 24.7 million metric tonnes of cargoes (excluding containers), slightly higher in comparison to 24.5 million metric tonnes in 2020. Container operations saw higher container handling at 397,346 twenty-foot equivalent units (TEUs) in 2021, up by 11.2% as against 357,416 TEUs in 2020. Sapangar Bay Container Port handled 285,619 TEUs or 71.9% of the overall TEUs, an increase of 12.2% during the year compared to 254,630 TEUs in 2020. This was followed by Tawau Port (17.3% or 68,866 TEUs) and Sandakan Port (10.8% or 42,861 TEUs) for the same period.

In terms of cargo component, liquid cargo (palm oil and petroleum products) formed 43.0% of the total throughput handled at the wharfs, whilst containers (general cargoes and consumable goods), dry bulk (palm kernel expeller and fertiliser) and break bulk (wood products and other general cargoes) contributed 38.0%, 9.0% and 10.0% respectively of the remaining throughput.

The impact of COVID-19 has required the Group to re-examine growth strategies to strengthen the ports role as trade facilitators. The port expansion project at Sapangar Bay Container Port is seen as an important project for the State's trade development and economy as it is expected to further enhance the port's handling capacity and boost its position as a transshipment hub serving the BIMP-EAGA region and the larger ASEAN region once it is completed by 2025. It had already kicked-off with groundworks at the site since September 2021 and the first phase of the development is expected to be completed by 2025. Similarly, another project involving jetty extension at Sapangar Bay Oil Terminal is now progressing well to ease congestion and reduce vessel waiting time.

Several programmes and measures were carried out by the Group during 2021, particularly Sabah Ports, which prioritised on mitigating the adverse impacts of the pandemic. Some of these, included measures to improve operational capability, efficiency and capacity to ensure uninterrupted port operations, as well as mitigate challenges that come hand in hand with growth, such as accommodating larger vessels, addressing congestion at ports and investing in more port handling equipment.

Meanwhile, the first phase of the Group's Jesselton Quay development, i.e., Jesselton Quay Central (JQC) was completed in December 2021. It was launched by the Chief Minister of Sabah in January 2022.

However, the pandemic had left adverse impacts on our ferry terminal operations at Jesselton Point as well as cruise terminals since the outbreak of the pandemic since 2020. The closure of international borders had resulted in a drastic drop in tourist arrivals and passengers at the terminals impacting revenue from this business segment.

On another note, the Group also took one step further going into renewable energy with the signing of a Memorandum of Understanding (MOU) with Vandelay Ventures Sdn Bhd, early in 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.

Meanwhile, Datuk Faisyal, Chairman of Suria stated that the favourable performance of the Group during 2021 reflected the resilience of the Group in coping with the unprecedented outbreak of the pandemic which had become a global crisis. It was in part due to appropriate financial management as well as mitigation strategies. The uncertainties brought about by the pandemic had given the Group the opportunity to realign its focus and strategies towards reinforcing the Group's sustainability.

Looking ahead, he concluded that SuriaGroup would continue to fulfil its commitment to ensure efficiency in the port services and facilities for the enhancement of port infrastructure in the State in order to facilitate economic recovery and growth in Sabah. He pointed that although we are not out of the wood yet when looking at the emerging economic challenges both at domestic and global levels, SuriaGroup will remain cautiously optimistic that positive signs of economic stabilisation domestically will bode well 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. As such, the Group had already planned for its Capex for development projects which focussed mainly on port development and expansion. All these planned developments are meant to bring about better benefits or potentials to the Group's business, the industry and more importantly more sustainable values to both the shareholders and stakeholders.

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