PRESS RELEASE

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SURIAGROUP'S REVENUE INCREASED TO RM55.5 MILLION IN 2QFY22

Kota Kinabalu: Suria Capital Holdings Berhad wishes to update on SuriaGroup's (the Company and its subsidiaries) performance for the second quarter of 2022 (2QFY22) and the first half of 2022 (1HFY22), which ended on 30 June 2022.

For the 2QFY22, the Group recorded a total revenue of RM55.5 million from its operations, which improved by 2.6% from RM54.1 million in the corresponding quarter of 2021 (2QFY21). This brought the total revenue from the Group's operations to reach RM111.9 million for the first six months of 2022 (1HFY22), increasing by 7.1% as against RM104.5 million in the corresponding period of 2021.

The increase in the revenue from operations during the reviewed quarter was mainly contributed by the 1.9% increase in operating revenue from the port segment as well as the 54.2% improvement from contract and engineering & ferry terminal operations mainly following the opening of international borders and the end of an endemic phase and thus boosting the incoming of domestic and international tourists. For the quarter under review, the port operations contributed 98.4% to the Group's revenue, while the rest was contributed by the contract and engineering & ferry terminal segments as well as logistics and bunkering services.

However, the Group's gross profit stood lower at RM17.9 million in the 2QFY22 after registering RM27.9 million in the 2QFY21, mainly impacted by the higher-than-expected operational cost, which included labour and fuel costs and administrative expenses. This brought the gross profit for the six months of 2022 to slip by 8.4% to RM38.3 million against RM41.8 million registered for the same period in 2021.

The ports' cargo handling registered mixed performance during the 2QFY22. In cargo throughput, the overall throughput from the wharf and sufferance wharf operations declined by 13.4% compared to the corresponding quarter a year earlier. When compared to the first six months of 2021, it showed a 4.0% drop for the same period

in 2022. The dip in cargo throughput was mainly due to lower import and export activities involving the major commodities such as bulk oil, palm oil and general cargo.

However, total TEUs handled during the 2QFY22 increased by 2.6% to 110,865 TEUs as compared to 108,082 TEUs registered in the corresponding quarter in 2021. In the 1HFY22, container throughput volume stood at 212,462 TEUs, 4.5% higher than 203,375 TEUs registered during the same period a year earlier. Depicting continuous improvement in consumer demand and thus positive signs of economic recovery in the State, the volume trended upwards since the 3QFY21 rising from 92,640 TEUs. Sapangar Bay Container Ports handled 71.4% (79,203 TEUs) of the total TEUs, while Tawau Ports handled 18.5% (20,488 TEUs) and Sandakan Port 10.1% (11,174 TEUs.)

Group Managing Director Datuk Ng Kiat Min said, "The Group will continue with its major initiatives to strengthen its business position, enhancing the port services and capacities. In the Group's latest development, our subsidiary Sabah Ports Sdn Bhd (SPSB) launched its Marine Unit, officiated by the State's Minister of Works, YB Datuk Seri Panglima Bung Moktar Bin Radin, to enhance the ports' offshore and onshore services and to improve efficiency. Among the new unit's functions is to support SPSB's business by providing ancillary marine services and advisory services. The scope will offer a diverse range of marine services, including hydrography and navigational aids, marine traffic control, and marine fleets."

According to Datuk Ng, since established, its key projects include setting up a team of Marine Traffic Controllers to operate a Vessel Traffic Monitoring & Information Systems (VTMIS) in collaboration with Sabah Ports Authority and Sabah Ports and Harbour Department. The VTMIS enhances navigational safety at Sabah's port limits through surveillance and monitoring, increases traffic movement efficiency and protects the marine environment.

The unit has further been instrumental in the success of SPSB's maiden entry into LNG bunkering operations by providing marine support services after SPSB was appointed as the main service provider for PETRONAS' first LNG bunkering operations in Sabah. In addition, the Marine Unit has successfully set up the Kota Kinabalu Port Offshore Gateway, providing oil & gas players with a base facility at Kota Kinabalu Port.

In view of the Sapangar Bay Container Port (SBCP) expansion, the establishment of the Marine Unit is timely in order to cater for the expected increase in volume, upsizing of ships and transshipment activities once the initial phase of the SBCP expansion is completed.

"It is our hope that through the support of the Sabah Works Ministry and important agencies, we will be able to position SBCP as a cargo consolidation point and bring balanced economic development to the State by enhancing port connectivity", said Datuk Ng.

A total of RM1.03 billion has been allocated for the mega SBCP project, which includes increasing the current jetty length from 500 metres to 1 km to allow more vessels to berth. Terminal handling capacity will also be expanded from 500,000 to 1.25 million TEUs. Approximately 13 hectares of land will be reclaimed for this project, including extending container yard space. With this capacity, SBCP will be able to handle 5th generation leading liners as part of its hub-and-spoke strategy with feeder vessels in this region.

Meanwhile, the construction of the second jetty at Sapangar Bay Oil Terminal is largely on track for completion by end of 2022 to ease the congestion and reduce vessel waiting time. When completed, the terminal will be able to handle two vessels at a time and accommodate vessels up to 60,000 DWT from the current 30,000 DWT.

"As for the property segment, we wish to update that the first phase of the Jesselton Quay Central project, a joint-venture with SBC Corporation Berhad at Tanjung Lipat, has been completed and occupancy certificate has been obtained on 19 January 2022. She said that the launching of Gallery Shoppes is scheduled in September 2022 to showcase new properties to prospective buyers and tenants. The second phase of the project, comprising hospitality towers, high-end residences and low-rise heritage precinct, is expected to commence soon and it is anticipated that the project will contribute positively to the Group."

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