SURIAGROUP

PRESS RELEASE

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SURIAGROUP RECORDS RM302 MILLION IN REVENUE FOR 2022

Suria Capital Holdings Berhad and Group of Companies (SuriaGroup) is pleased to announce its performance for the financial year ended 31 December 2022.

The Group demonstrated a robust performance by registering a profit after tax of RM59.1 million, an improvement of 49.6% or RM19.6 million higher than the RM39.5 million recorded in the previous year.

The Group recorded a total revenue of RM302.0 million in 2022, representing an increase of 20.2% or RM50.7 million compared to RM251.3 million registered in 2021.

The increase was mainly attributable to higher operating revenue from the Group's core business in port operations and additional entitlement-in-kind from Suria's property development venture with SBC Corporations Berhad (SBC).

JQC is the first phase of the Jesselton Quay (JQ) development –a mixed development project strategically located at Kota Kinabalu's waterfront that is jointly undertaken by Suria and SBC.

The Group's gross profit for 2022 stood at RM113. 6 million, an increase of 44.9% compared to RM78.4 million recorded in 2021.

The Company had earlier declared an interim single-tier dividend of 1.5 sen per ordinary share amounting to RM5.2 million, which was paid on 13 January 2023.

The final single-tier dividend of 2.5 sen per ordinary share was tabled and approved by the shareholders at the Group's 40th Annual General Meeting (AGM) thus bringing the total dividend payment in respect of the financial year ended 31 December 2022 to RM13.8 million, which is equivalent to 4.0 sen net per ordinary share.

The 40th AGM was held on 27th June 2023 presided by Suria's Chairman, Datuk Haji Faisyal Bin Datuk Yusof Hamdain Diego joined by Suria Board of Directors, Group

Managing Director, Datuk Ng Kiat Min and recently appointed Chief Financial Officer, Mr. Lai Su Yin.

In his statement, Datuk Faisyal said “In 2022, the Group’s key focus was to pursue growth through business collaborations, diversification and expansion to maximize the Group’s overall performance.”

“A key achievement in 2022 was the approval obtained for the extension of the concession period of Sabah Ports for another 30 years. Pursuant to the Privatisation Agreement signed in 2004, Sabah Ports’ tenure to provide and carry out the operations and management of ports in Sabah is until 31 August 2034. With this extension, these rights will continue until the year 2064.”

“Another key highlight was receiving approval from the State Cabinet of Sabah to enter into a strategic collaboration with DP World (DPW), a leading provider of worldwide smart end-to-end supply chain logistics, in the management and operation of Sapangar Bay Container Port.”

The port operations segment remains to be the main contributor to the Group’s revenue. It is expected that the Groups port operation section will remain sustainable and continue to be the core business of the Group. For 2022, the segment contributed 78.5% to the Group’s revenue, generating RM237.2 million out of RM302.0 million of total revenue. This represents an increase of RM22.7 million or 10.6% compared to RM214.5 million registered in 2021.

The higher contribution from the port operations sector was spurred by higher container throughput which was recorded at 449,485 TEUs an increased by 13.1% against 397,346 TEUs in 2021. This was attributable to the recovery of business activities post-pandemic.

Sapangar Bay Container Port handled 323,629 TEUs, representing 72% of the overall TEUs handled in Sabah in 2022. Tawau Port handled 18% or 80,181 TEUs while Sandakan Port handled 10.2% or 45,675 TEUs in 2022.

Sabah Ports’ total cargo throughput (including containers) in 2022 which registered at 29.2 million metric tonnes (MT), decreased by 3.3% as compared to the total throughput of 30.2 million MT reported in the year before. This was mainly attributed to the drop in throughput at sufferance wharves.

The primary types of cargo handled at wharf include containerized cargo which makes up 39.7% of the total load, followed by liquid cargo (palm oil and petroleum) at 34.7%, dry bulk (fertiliser and palm kernel expeller) at 6.3% and other general cargo at 19.3%.

BUSINESS DEVELOPMENT

The long-term plan of the Group is to develop the Sapangar Bay Integrated Port which shall comprise Sapangar Bay Container Port, Sapangar Bay Oil Terminal and Sapangar Bay Conventional Cargo Terminal.

The property development segment will focus on completing the second phase of the JQ project and developing commercial land at Kota Kinabalu Port.

1. **Sapangar Bay Container Port**

   On the expansion of the Sapangar Bay Container Port construction works are currently underway and scheduled to be completed by 2025. The expansion will involve extending the berth length from 500m to 833m and widening the quay from 50m to 100m, dredging works to deepen the draft of the berth from 12m to 14m, and land reclamation to extend the container yard area from 15 acres to 40 acres.

   The upgraded infrastructure will increase Sapangar Bay Container Port's handling capacity from the current 500,000 TEUs up to 1 million TEUs and will enable the terminal to capture and accommodate bigger vessels that frequent the Intra-Asia trade lanes.

2. **Sapangar Bay Oil Terminal**

   Concurrently, the construction works for the additional jetty at Sapangar Bay Oil Terminal is progressing rapidly to meet the targeted operational commencement in the 3rd quarter of 2023. The new jetty will provide two additional berths designed to handle two vessels at any one time to ease congestion and reduce vessel waiting time, thereby improving operational efficiency.

   With the additional jetty, maintenance works on the existing pipelines can be carried out with minimal interruptions to operations. Currently, Sapangar Bay Oil Terminal handles an average volume of 1.2 million tonnes of bulk oil on an annual basis, and serves oil majors such as Shell, Petron and Petronas. Once completed, Sapangar Bay Oil Terminal will be able to accommodate vessels from the current capacity of 30,000 deadweight tonnage (DWT) to a maximum capacity of 60,000 DWT.

3. **Sapangar Bay Conventional Cargo Terminal**

   Sapangar Bay Conventional Cargo Terminal, being the last component of Sapangar Bay Integrated Port, will be constructed in late 2023 with completion anticipated in 2027 to cater for general cargo handling and provision of ancillary

services for the oil and gas sector. Currently, general cargo operations are undertaken at Kota Kinabalu Port. The infrastructure is a necessary investment due to the impending developments surrounding the Kota Kinabalu Port area that will constrain the operational area of the port. The Sapangar Bay Conventional Cargo Terminal will be planned and designed to handle general cargo, dry bulk and include the provision of marine services for the oil and gas sector.

4. **Jesselton Quay**

   JQ Central, the first phase of the 16.25 acres of the JQ development, was completed with occupation certificate obtained on 19 January 2022. Phase two, which is also the last phase of the JQ project to be developed on the remaining 10.3 acres land parcel will commence construction in 2023, with completion period expected in 2030. It shall consist of hospitality towers, high-end residences and a low-rise heritage precinct.

   Suria will own the commercial shops within the heritage precinct of JQ which will be completed in 2027. The heritage shops will have unmatched inherent value with great potential for appreciation in the future.

5. **Commercial land at Kota Kinabalu Port**

   The Company will be looking to form a strategic partnership with a reputable developer to implement the development of both the 7 acres and 28.9 acres commercial lands. The 7 acres land is part of the ex-container yard of Kota Kinabalu Port that is readily available to be developed.

   In January 2023, Suria had obtained the registered land title for the 28.9 acres commercial land, intended for transformation into a dedicated international cruise terminal supplemented with related realty.

OUTLOOK FOR 2023

SuriaGroup is optimistic that despite economic uncertainties the Groups performance shall continue on an upward momentum. By capitalizing on the present opportunities, the Group is confident of unlocking greater growth for its business segments.

The Group shall continue to pursue its strategic goals which among them is to position Sapangar Bay Container Port as a regional load center for the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area (BIMP- EAGA) as well as developing high –end waterfront projects to transform Kota Kinabalu city.

The extended concession period for Sabah Ports until year 2064 will enable the Group to continue its port expansion and upgrading programme to serve the economy while

the proposed collaboration with DPW will fast-track the transshipment hub initiative and generate further value-adding propositions that DPW will bring to Sabah Ports and the State in general.

To ensure a holistic, integrated and sustainable waterfront living, environmental conscious strategies will be incorporated in the planning of the entire waterfront development to align with a green and sustainable development. The Group envisions to transform Kota Kinabalu city as a vibrant, sustainable, investable and attractive waterfront city and tourist hub.

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