SURIAGROUP

PRESS RELEASE

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SURIAGROUP ANNOUNCES 4QFY23 AND FY23 FINANCIAL PERFORMANCE

Suria Capital Holdings Berhad is pleased to announce SuriaGroup's (the Company and its subsidiaries) performance for the fourth quarter of 2023 (4QFY23) and the 12-months period ended 31 December 2023 (FY23).

In 4QFY23, the Group registered a total revenue of RM66.4 million, marking a decline of 33.5% compared to RM99.9 million recorded in the same period of 2022 (4QFY22). This decline is attributable to a non-recurring and non-cash transaction finalised in 2022, involving carpark units provided as entitlement in kind to SuriaGroup by its property development partner for the Jesselton Quay (JQ) project. The impact on revenue performance during this quarter is specifically linked to the one-off nature of this transaction.

The Port Operations segment, managed under subsidiary Sabah Ports Sdn Bhd, remains as the major income contributor for the Group, accounting for 85% of total revenue in 4QFY23. Segmentally, the Ports' s operating revenue declined by 7.6% in 4QFY23 amounting to RM64.5 million compared to RM69.8 million registered in the year ended 31 December 2022 (4QFY22).

Despite the lower revenue, there was a 1% increase in cargo throughput (excluding containers) both at the wharf and at anchor, totaling 5.7 million metric tonnes in 4QFY23 compared to 5.6 million metric tonnes in 4QFY22. Meanwhile, container volume moderated by 1% from 110,182 Twenty-Foot Equivalent Units (TEUs) against 111,585 TEUs recorded in 4QFY22.

Correspondingly, the Group's profit after tax declined by RM11.1 million compared to RM(2.0) million recorded in 4QFY23 and the previous year's corresponding quarter's amount of RM9.0 million.

For FY23, the total revenue of the Group registered at RM280.5 million, a decrease of RM21.4 million as against the revenue of RM301.9 million in the corresponding period of 2022. As a result, the Group's profit before tax dipped by 7.9% in FY23 to RM49.3 million from RM53.5 million in FY22.

Overall, the quarterly and year-end performance of the Group were primarily impacted by a few significant events: the one-off nature of non-recurring non-cash transaction in 2022, additional provision of replacement cost arising from a more vigorous review of asset replacement policy and adjustments in the amortisation of the Port's concession assets.

Despite a mixed performance, the Group's overall fundamentals remain strong. The Group maintains a positive outlook, particularly with regard to port-related projects and prospects in property development.

Growth Prospects for the Group

With the approaching completion of the twin jetty at Sapangar Bay Oil Terminal in Kota Kinabalu, the Group anticipates a significant boost in handling capacity through increased facilities to handle more than one vessel simultaneously. Expected to be completed within April 2024, the project involves the construction of additional berths aimed at increasing efficiency and reducing vessel waiting time. With the new jetty, there will be sufficient window to carry out major maintenance of the existing single-berth jetty which has been in operation since 1985. The new oil jetty will contribute to long-term revenue growth, and the upgraded facilities position the terminal for promising prospects in the future.

Sabah Ports Sdn Bhd is poised for significant advances as it progresses with finalizing the strategic partnership with the world's leading smart logistics solutions provider, DP World. This strategic collaboration, entails establishing a joint venture in managing Sapangar Bay Container Port leveraging on DP World's global expertise in managing ports and building supply chain networks to help optimise SBCP's operations. With the partnership and DP World's expertise, the Port aims to establish a strategic link for shipping efficiency, thus opening opportunities for cargo generation and other high value logistics-related prospects which the Group may tap into.

In property development, Phase One of the Jesselton Quay project, known as Jesselton Quay Central, was successfully completed in 2022.The second phase of the ongoing joint venture with SBC Corporation Bhd has been planned to commence in second quarter of 2024 .

In March 2024, SuriaGroup signed another joint agreement for the development of the remaining 7-acre and 28.9-acre prime lands located within the Kota Kinabalu Port area, with property developer BEDI Development Sdn Bhd, a subsidiary of EXSIM Group. With a collective net development value of approximately RM4.2 billion, this mixed commercial project, in conjunction with Jesselton Quay, is integral to the overarching Jesselton Waterfront City Masterplan. Anticipated as catalysts for sustained growth, the Group's joint ventures are poised to consistently enhance and positively impact the future revenue stream of SuriaGroup.

SuriaGroup's outlook for 2024 remains optimistic as the group anticipates prospects of growth across its business segments. The Group is confident that the execution of its business strategies, completion of on – going development projects and future strategic collaborations will result in a profitable trajectory and drive long-term value creation.

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