



PRESS RELEASE

SURIAGROUP REPORTS STABLE PERFORMANCE, SUPPORTED BY PORT OPERATIONS

Suria Capital Holdings Berhad and its Group of Companies (SuriaGroup) is pleased to announce its performance for the financial year ended 31 December 2023. The Group has delivered a stable performance despite mixed results, supported by the strength of its underlying businesses.

For the financial year ended 31 December 2023, SuriaGroup achieved a total revenue of RM278.4 million, a 6.6% decrease from RM298.0 million recorded in the previous year. The decline in revenue is primarily due to a one-off, non-cash transaction finalised in 2022, involving carpark units provided as entitlement in kind for the Jesselton Quay (JQ) project.

The Group's financial performance was further impacted by additional provisions for replacement costs resulting from a rigorous review of asset replacement policies, and adjustments in the amortisation of the Port's concession assets. Consequently, the Group's gross profit for 2023 stood at RM77.8 million, compared to RM110.4 million recorded in 2022.

The Group declared an interim dividend of 2.0 sen per ordinary share for 2023. During the 41st Annual General Meeting, a final dividend pay-out of 1.5 sen per ordinary share was further approved, resulting in a total dividend distribution of 3.5 sen per ordinary share, equating to 35.3% of the net profit for the year. In total, RM12.1 million in dividends will be disbursed to shareholders for the year 2023.

The port operations segment continues to be the primary revenue generator for the Group in 2023, accounting for 97% of the total revenue with RM241.2 million (excluding construction revenue).

During the fiscal year, the port operations division witnessed a marginal downturn in cargo throughput (excluding containers), both at wharf and anchor, totalling 6.5%, resulting in a cargo throughput of 21.7 million metric tonnes (MT) compared to 23.2 million MT in the previous year. Similarly, container throughput registered a slight decline at 428,313 TEUs compared to 449,485 TEUs in 2022.

Sabah Ports, overall, managed a total cargo throughput of 27.5 million MT (including containers) during the financial year, compared to 29.2 million MT in 2022, with bulk oil constituting a significant portion of the handled cargo.

Primary types of cargo handled at the wharf consist of containerised cargo and liquid cargo such as palm oil and petroleum, each comprising 38% of total load, dry bulk items like fertiliser and palm kernel expeller at 6%, and other general cargo at 18%.

Key Developments

Sapangar Bay Container Port (SBCP)

The Sapangar Bay Container Port is currently in the initial phases of its expansion project, poised to transform into a regional trade hub with enhanced international connectivity. Notable completed aspects under the expansion include the parking facilities for trailers and a commercial centre expected to be completed by year's end. The key features of this expansion include extending the berth to 833m, deepening the draft to 14m, and expanding the container yard area from 15 to 40 acres. Upon completion, the port's handling capacity is set to increase from 500,000 TEUs to 1.0 million TEUs.

Having entered into a partnership with DP World to manage Sapangar Bay Container Port (SBCP), the collaboration will cement SBCP's position as the premier regional trade hub for the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA).

Sapangar Bay Oil Terminal (SBOT)

The completion of the twin jetty at the Sapangar Bay Oil Terminal promises a substantial enhancement in handling capacity, enabling the simultaneous accommodation of several vessels. In addition, SBOT will be further enhanced with bunkering capacity via pipeline to cater for supply vessels of up to 5,000 deadweight tonnage (DWT). The jetty, currently at 98% completion, is expected to be completed by the third quarter of 2024. Presently handling 1.2 million tonnes of bulk oil annually for major companies like Petronas, Shell, Petron, and MyGaz. The upgraded terminal will accommodate vessels up to 60,000 DWT from the current 30,000 DWT capacity.

Sapangar Bay Conventional Cargo Terminal (SBCCT)

The construction of the Sapangar Bay Conventional Cargo Terminal is set to commence in late 2024. This project will facilitate the relocation of general cargo operations from Kota Kinabalu Port to Sapangar Bay. The terminal's design will support various activities such as general cargo, dry bulk, Roll-On Roll-Off (RoRo), and oil & gas operations, with an estimated completion timeline around 2027/2028.

Jesselton Quay (“JQ”)

JQ Central, being Phase One of the 16.25 acres JQ project developed in collaboration with SBC Corporation Berhad (SBC), was successfully completed in 2022. Comprising close to 700 units of commercial suites called CityPads, one (1) tower of I-Office adaptable as a 24-storey hotel tower in the future, as well as 216 units of Gallery Shoppes, a recreation club (BeachClub) and a seven (7)-storey carpark.

Phase 2 of the JQ project, anticipated for construction commencement in 2024 and completion by 2032, will introduce hospitality towers, high-end residences, and a low-rise heritage precinct featuring retail shops which Suria will co-own with SBC.

Jesselton Docklands Development (“JD”)

Suria and BEDI Development have formalised a joint venture agreement to develop prime land at the Kota Kinabalu Port area into a mixed-development project named Jesselton Docklands. This envisioned development will encompass key components such as an international cruise terminal, commercial suites, serviced apartments, retail outlets, offices, SOHO and hotels.

Earlier this year, in February, Suria Capital successfully concluded two joint venture agreements with BEDI Development to oversee the development of two significant land parcels – Land 1 spanning 2.534 hectares and Land 2 covering 11.69 hectares, located within the KK Port area. A Joint Development Agreement was formally signed in June 2024 with Jesselton Docklands 1 Sdn Bhd, a joint venture company between Suria Capital and BEDI Development, that will undertake the development of the 2.534-hectare land parcel situated in Kota Kinabalu, Sabah.

Notably, Jesselton Quay and Jesselton Docklands are integral parts of the larger 'Jesselton Waterfront City' development initiative, alongside other prominent landmarks such as the Sabah International Convention Centre (SICC) and Kota Kinabalu Convention City (KKCC). The synergy between these projects is poised to elevate the Kota Kinabalu landscape and establish it as a vibrant hub for commercial, residential, and leisure activities.

Outlook for 2024

SuriaGroup has exhibited promising indicators as it entered 2024. Notably, there was a significant 40.6% increase in profit before tax (PBT) for the 1st quarter of the financial year 2024, reaching RM19.7 million and subsequently increasing net profit up to RM14.9 million. This achievement was predominantly attributed to improved contributions from the port operations segment.

SuriaGroup further anticipates to make significant headway on strategic ventures such as the partnership between Sabah Ports and DP World, anticipated to propel business growth in 2024. The collaboration with DP World to manage and operate SBCP underscores the strategic focus on strengthening the port's regional trade prominence.

The Group views the partnership optimistically, as Sabah Ports leverages on DP World's global expertise in managing ports and building supply chain networks to help optimise SBCP's operations and potentially catalyse increased trade through Sabah.

In the property development sector, Suria is positive on the future outlook through the joint ventures initiatives with the partners namely SBC and BEDI.

The Group is confident that the successful execution of its business strategies, the culmination of ongoing development projects, and strategic collaborations in the pipeline will pave the way for growth across its diversified business segments and foster long-term value creation.

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