



# **SURIA CAPITAL HOLDINGS BERHAD**

**(COMPANY No: 96895-W)**

**(INCORPORATED IN MALAYSIA)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2010**

**Consolidated Income Statement**

For the Quarter and Year-to-date ended 30 June 2010

RM'000	Note	Quarter ended		Year-to-date ended	
		30.06.2010 Unaudited	30.06.2009 Unaudited and not restated (see Note 2)	30.06.2010 Unaudited	30.06.2009 Unaudited and not restated (see Note 2)
Revenue	9	62,786	60,959	122,494	114,517
Cost of sales		(35,126)	(38,506)	(68,072)	(73,732)
Gross profit		27,660	22,453	54,422	40,785
Other income		2,650	1,836	5,509	3,780
Other expenses		(1,561)	(2,463)	(3,314)	(3,978)
Administrative expenses		(5,317)	(4,740)	(9,897)	(10,265)
Operating profit	9	23,432	17,086	46,720	30,322
Finance costs		(4,435)	(4,524)	(8,794)	(8,849)
Profit before taxation		18,997	12,562	37,926	21,473
Taxation	23	(197)	(199)	(275)	(509)
<b>Profit for the period</b>		<b>18,800</b>	<b>12,363</b>	<b>37,651</b>	<b>20,964</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		18,744	12,292	37,562	20,761
Non-controlling interests		56	71	89	203
		<b>18,800</b>	<b>12,363</b>	<b>37,651</b>	<b>20,964</b>
<b>Earnings per share (EPS) attributable to equity holders of the Company (sen):</b>					
Basic	31(a)	6.62	4.34	13.26	7.33
Diluted	31(b)	-	-	-	-

*The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

**Consolidated Statement of Comprehensive Income**  
For the Quarter and Year-to-date ended 30 June 2010

RM'000	Quarter ended		Year-to-date ended	
	30.06.2010 Unaudited	30.06.2009 Unaudited and not restated (see Note 2)	30.06.2010 Unaudited	30.06.2009 Unaudited and not restated (see Note 2)
Profit for the period	18,800	12,363	37,651	20,964
Other comprehensive income / (loss)	-	-	-	-
<b>Total comprehensive income</b>	<b>18,800</b>	<b>12,363</b>	<b>37,651</b>	<b>20,964</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	18,744	12,292	37,562	20,761
Non-Controlling Interests	56	71	89	203
	<b>18,800</b>	<b>12,363</b>	<b>37,651</b>	<b>20,964</b>

*The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

**Consolidated Statement of Financial Position**  
As at 30 June 2010

RM'000	Note	As at 30.06.2010 Unaudited	As at 31.12.2009 Audited and not restated (see Note 2)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	11	644,566	646,237
Land held for property development		34,783	34,769
Investment properties		2,528	2,556
Prepaid land lease payments		26,748	26,902
Intangible assets	12	97,792	100,509
Deferred tax assets		86,363	86,316
		892,780	897,289
<b>Current Assets</b>			
Inventories		4,161	3,287
Trade receivables	13	30,554	30,203
Other receivables		16,656	9,281
Tax recoverable		19,398	19,116
FVTPL investments	25	75,048	62,071
Cash and bank balances	14	61,672	68,720
		207,489	192,678
<b>TOTAL ASSETS</b>		<b>1,100,269</b>	<b>1,089,967</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		283,328	283,328
Share premium		62,785	62,785
Retained earnings		363,129	333,308
		709,242	679,421
<b>Non-Controlling Interests</b>		2,623	2,834
<b>Total Equity</b>		<b>711,865</b>	<b>682,255</b>

**Consolidated Statement of Financial Position (Cont'd)**  
As at 30 June 2010

RM'000	Note	As at 30.06.2010 Unaudited	As at 31.12.2009 Audited and not restated (see Note 2)
<b>EQUITY AND LIABILITIES (CONT'D)</b>			
<b>Non-current Liabilities</b>			
Borrowings	26	83,998	84,445
Loan from Sabah Ports Authority		170,688	166,136
Amount due to Sabah Ports Authority		59,267	59,267
Deferred tax liabilities		546	546
		314,499	310,394
<b>Current Liabilities</b>			
Borrowings	26	10,242	27,116
Loan from Sabah Ports Authority		18,460	18,460
Amount due to Sabah Ports Authority		4,900	2,926
Tax payable		8	-
Trade payables		10,291	8,708
Other payables		30,004	40,108
		73,905	97,318
<b>Total Liabilities</b>		388,404	407,712
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,100,269</b>	<b>1,089,967</b>

*The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

**Consolidated Statement of Changes in Equity**  
For the Year-to-date ended 30 June 2010

**<-Attributable to equity holders of the Company->**

RM'000	Non-distributable		Distributable		Non-controlling interest	Total equity
	Share capital	Share premium	Retained earnings	Sub-total		
<b>At 1 January 2010</b>	283,328	62,785	333,308	679,421	2,834	682,255
Effect arising from adoption of FRS 139 (Note 2)	-	-	51	51	-	51
<b>At 1 January 2010 (restated)</b>	283,328	62,785	333,359	679,472	2,834	682,306
Profit for the period	-	-	37,562	37,562	89	37,651
Dividends	-	-	(7,792)	(7,792)	(300)	(8,092)
<b>At 30 June 2010</b>	283,328	62,785	363,129	709,242	2,623	711,865
<b>At 1 January 2009</b>	283,328	62,785	287,807	633,920	2,598	636,518
Profit for the period	-	-	20,761	20,761	203	20,964
Dividends paid by a subsidiary	-	-	-	-	(45)	(45)
Dividends	-	-	(6,375)	(6,375)	-	(6,375)
<b>At 30 June 2009</b>	283,328	62,785	302,193	648,306	2,756	651,062

*The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*

**Consolidated Statement of Cash Flow**  
For the Year-to-date ended 30 June 2010

RM'000	Year-to-date ended	
	30.06.2010 Unaudited	30.06.2009 Unaudited and restated
<b>Cash flows from operating activities</b>		
Profit before tax	37,926	21,473
Adjustments for:		
Depreciation of property, plant and equipment	15,148	16,037
Amortisation	2,898	3,353
Finance costs	8,794	8,849
Operating profit before working capital changes	64,766	49,712
Increase in inventories	(874)	(625)
(Increase)/decrease in receivables	(7,723)	8,261
Increase/decrease in amount due to/from Sabah Ports Authority	1,974	1,491
Decrease in payables	(6,125)	(13,490)
Cash generated from operations	52,018	45,349
Tax (paid)/refunded	(314)	3,049
<b>Net cash generated from operating activities</b>	<b>51,704</b>	<b>48,398</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(13,483)	(18,034)
Increase in land development costs	(14)	(69)
Net purchase of FVTPL investments	(12,977)	(3,506)
<b>Net cash used in investing activities</b>	<b>(26,474)</b>	<b>(21,609)</b>

**Consolidated Statement of Cash Flow (Cont'd)**  
For the Year-to-date ended 30 June 2010

RM'000	Year-to-date ended	
	30.06.2010 Unaudited	30.06.2009 Unaudited and restated
<b>Cash flows from financing activities</b>		
Drawdown of term loan	1,000	-
Repayment of Islamic debt securities	(10,144)	(8,817)
Repayment of term loan	(709)	(1,062)
Repayment of hire purchase liabilities	(7,726)	(7,354)
Interest paid	(4,211)	(4,960)
Dividends paid	(10,488)	(6,396)
<b>Net cash used in financing activities</b>	<b>(32,278)</b>	<b>(28,589)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(7,048)</b>	<b>(1,800)</b>
Cash and cash equivalents at beginning of the year	68,720	61,018
<b>Cash and cash equivalents at end of the period</b>	<b>61,672</b>	<b>59,218</b>
<b>Composition of cash and cash equivalents</b>		
Short term deposits	45,874	41,107
Cash and bank balances	15,798	18,111
<b>Cash and cash equivalents at end of the period</b>	<b>61,672</b>	<b>59,218</b>

*The above consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.*



## **Part A – Explanatory Notes Pursuant to FRS 134**

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### **1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2009.

### **2. Significant Accounting Policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the mandatory adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations effective from 1 January 2010.

On 1 January 2010, the Group adopted the following FRSs, Amendments to FRSs and Interpretations:

#### **FRSs, Amendments to FRSs and Interpretations**

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 139	Financial Instruments: Recognition and Measurement (revised)
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue

**Part A – Explanatory Notes Pursuant to FRS 134**

**2. Significant Accounting Policies (Cont'd)**

**FRSs, Amendments to FRSs and Interpretations (Cont'd)**

Amendments to FRS 119	Employee Benefits
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 132	Financial Instruments: Presentation - paragraphs 95A, 97AA and 97AB
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other revised FRSs, Amendments to FRSs and Interpretations which are effective on 1 January 2010 are not applicable to the Group.

The Group has yet to adopt the following FRSs, Amendments to FRSs and Interpretations which are effective for annual periods beginning on and after 1 March 2010, 1 July 2010 and 1 January 2011:

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures of First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation - Paragraphs 11, 16 and 97E
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangement
IC Interpretation 15	Agreement for the Construction of Real Estate

**Part A – Explanatory Notes Pursuant to FRS 134**

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**2. Significant Accounting Policies (Cont'd)**

**FRSs, Amendments to FRSs and Interpretations (Cont'd)**

The adoption of the above FRSs, Amendments to FRSs and Interpretations do not have any significant impact on the financial statements of the Group except for the following:

**FRS 8: Operating Segments**

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group determines and presents operating segments based on information that is internally provided to the Board of Directors, who are the Group's chief operating decision maker. This standard does not have any impact on the financial position and results of the Group.

**FRS 101: Presentation of Financial Statements**

Prior to the adoption of the revised FRS 101, the components of the financial statements consist of balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity, statement of cash flow and notes to the financial statements. The Group has adopted to present the comprehensive income in two separate statements of income and comprehensive income where the individual component of comprehensive income and the related tax effects have been disclosed therein.

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

**FRS 139: Financial Instruments: Recognition and Measurement**

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

**Part A – Explanatory Notes Pursuant to FRS 134**

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**2. Significant Accounting Policies (Cont'd)**

**FRSs, Amendments to FRSs and Interpretations (Cont'd)**

**Financial Assets**

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, or held-to-maturity investments.

The Group's financial assets include cash and short-term deposits, financial assets at fair value through profit or loss, loans and receivables and held-to-maturity investments.

Financial assets are initially measured at fair value. The fair value is normally the transaction price or market price, plus transaction costs directly attributable to the acquisition of the financial assets. The Group determines the classification of the financial assets at initial recognition and subsequent measurement based on the classification of each financial asset.

***Financial assets at fair value through profit or loss***

Financial assets classified as held-for-trading are categorised as financial assets at fair value through profit or loss. Financial assets are held-for-trading if they are acquired for the purpose of selling in the near term. The carrying amount is marked to market with the difference taken to income statement.

***Loans and receivables***

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in income statement as a result of the amortisation process and when the loans and receivables are derecognised or impaired.

***Financial assets held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity, when the Group has the expressed intention and ability to hold to maturity.

Investments which are intended to be held-to-maturity are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income statement as a result of the amortisation process, and when the investment are derecognised or impaired.

**Part A – Explanatory Notes Pursuant to FRS 134**

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**2. Significant Accounting Policies (Cont'd)**

**FRSs, Amendments to FRSs and Interpretations (Cont'd)**

**Financial liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortised cost using the EIR method. Financial liabilities at fair value are held-for-trading if the financial liabilities are incurred with the intention of repurchasing them in the near term.

The Group's financial liabilities include trade and other payables and, loans and borrowings.

*Derecognition of financial liabilities*

Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

**Policy on impairment loss**

The Group assess whether there is any objective evidence that a financial asset is impaired at each reporting date. Receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on the Group's past experience. If in a subsequent period, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

**Impact on opening balances**

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

<b>RM'000</b>	<b>Previously stated</b>	<b>Effect of FRS 139</b>	<b>As restated</b>
<b>Assets</b>			
Short term investment	62,071	308	62,379
Other receivables	9,281	(257)	9,024
Retained earnings	333,308	51	333,359

**Part A – Explanatory Notes Pursuant to FRS 134**

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**3. Qualification of Auditors’ Report of the Preceding Annual Financial Statements**

There were no qualification of auditors’ report on the financial statements for the year ended 31 December 2009.

**4. Comments About Seasonal or Cyclical Factors**

The Group’s operations were not materially affected by any seasonal or cyclical factors.

**5. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial year-to-date.

**6. Changes in Estimates**

There were no changes in estimates that have had material effect in the current quarter and financial year-to-date results.

**7. Changes in Debt and Equity**

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter and financial year-to-date.

**Part A – Explanatory Notes Pursuant to FRS 134**

**8. Dividends Paid**

	Amount		Net Dividend Per Ordinary Share	
	2010 RM'000	2009 RM'000	2010 Sen	2009 Sen
<b>Final Dividend</b>				
<u>For 2009:</u>				
1.0% less 25% taxation and 2% tax exempt dividend, on 283,327,992 ordinary shares, declared on 28 April 2010 and paid on 21 May 2010	7,792	-	2.75	-
<u>For 2008:</u>				
3.0% less 25% taxation, on 283,327,992 ordinary shares, declared on 28 April 2009 and paid on 20 May 2009	-	6,375	-	2.25
	7,792	6,375	2.75	2.25

**9. Segmental Information**

<b>RM'000</b>	<b>3 months ended 30.06.2010</b>	<b>6 months ended 30.06.2010</b>
<b>Segment revenue</b>		
Investment holding	9,617	12,714
Port operations	56,825	110,037
Logistics and bunkering services	8,274	14,913
Contract and engineering	975	3,527
Property development	905	1,818
Revenue including inter-segment sales	76,596	143,009
Elimination of inter-segment sales	(13,810)	(20,515)
<b>Total revenue</b>	<b>62,786</b>	<b>122,494</b>
<b>Segment results</b>		
Investment holding	7,709	9,485
Port operations	24,500	48,036
Logistics and bunkering services	(238)	(317)
Contract and engineering	102	(165)
Property development	35	62
Profit from operations including inter-segment transactions	32,108	57,101
Elimination of inter-segment transactions	(8,676)	(10,381)
<b>Total operating profit</b>	<b>23,432</b>	<b>46,720</b>

**Part A – Explanatory Notes Pursuant to FRS 134**

**10. Related Party Disclosures**

Significant transactions within the Group between Suria Capital Holdings Berhad and its subsidiaries are as follows:

<b>RM'000</b>	<b>Year-to-date ended</b>	
	<b>30.06.2010</b>	<b>30.06.2009</b>
Dividend income	9,850	8,290
Interest income	261	449
Management fees income	2,367	2,345
Rental income	15	15
Computer maintenance fees	-	7
Vehicle leasing charges	49	48

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

**11. Carrying Amount of Revalued Assets**

There has not been any revaluation of property, plant and equipment for the Group.

**12. Intangible Assets**

<b>RM'000</b>	<b>Port Concession Rights</b>	<b>Goodwill on Business Acquisition</b>	<b>Software License and System Development (*)</b>	<b>Total</b>
<b>Group Cost</b>				
<b>At 1 January 2010</b>	110,615	4,486	6,784	121,885
Additions	-	-	-	-
<b>At 30 June 2010</b>	110,615	4,486	6,784	121,885
<b>Accumulated amortisation</b>				
<b>At 1 January 2010</b>	19,664	-	1,712	21,376
Amortisation	1,844	-	873	2,717
<b>At 30 June 2010</b>	21,508	-	2,585	24,093
<b>Net carrying amount</b>				
<b>At 30 June 2010</b>	89,107	4,486	4,199	97,792
<b>At 31 December 2009</b>	90,951	4,486	5,072	100,509



**Part A – Explanatory Notes Pursuant to FRS 134**

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**12. Intangible Assets (Cont'd)**

- (\*) Software license and port management system development costs are amortised using the straight-line basis over the estimated useful lives. In the previous financial year, the Group has revised the estimated economic useful lives of software license and port management system development costs from 10 years to 4 years. Amortisation of the assets commences when the assets are ready in use.

**13. Trade Receivables**

<b>RM'000</b>	<b>As at 30.06.2010</b>
Trade receivables	31,045
Less: Impairment loss	(491)
	<hr/>
	30,554

**14. Cash and Bank Balances**

<b>RM'000</b>	<b>As at 30.06.2010</b>
Cash on hand and at banks	15,798
Deposits with licensed banks	45,874
	<hr/>
	61,672

Deposits with a licensed financial institution of the Group amounting to RM4,661,000 (2009: RM4,598,000) are held under lien to secure bank guarantees made in favour of the Sabah Ports Authority (“SPA”) against lease rental of port land payable to SPA and the due maintenance of Sabah Ports properties and facilities.

**15. Subsequent Events**

There were no material events subsequent to the end of the reporting period that have not been reflected in the interim financial statements for the financial period ended 30 June 2010.

**16. Changes in Composition of the Group**

There were no changes in the composition of the Group for the current financial quarter and financial year-to-date.

**Part A – Explanatory Notes Pursuant to FRS 134**

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**17. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

**18. Capital Commitments**

The amount of capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2010 is as follows:

<b>RM'000</b>	<b>As at 30.06.2010</b>
<b>Approved and contracted for</b>	
Bulk fertilizer storage facilities for Sandakan	788
Jetty head extension for Sapangar Bay Oil Terminal	763
Construction of steel piles protection barrier at Sg. Mowtas Oil Jetty	5
Palm kernel expeller conveyor system at Kunak Port	987
Storage and distribution facilities for Sapangar Bay Oil Terminal	52
Construction of mosque at Sapangar Bay Container Port	8
	2,603
<b>Approved but not contracted for</b>	
Improvements to port infrastructure facilities	380,364
Purchase of property, plant and equipment	313,543
	693,907
	696,510

**Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

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**19. Review of Performance**

For the current quarter and financial period ended 30 June 2010, the Group registered revenue of RM62.8 million and RM122.5 million respectively, an increase of RM1.8 million or 3.0% and RM8.0 million or 7.0% respectively, when compared to the previous year's corresponding quarter and financial period ended 30 June 2009. The increase was mainly due to higher contribution by the core business of port operations.

Subsequently, the Group recorded a higher profit before taxation of RM19.0 million as compared to RM12.6 million in the previous year's corresponding quarter, improved by RM6.4 million or 51.2%. This was mainly due to higher revenue and lower operating expenditures in the current quarter.

**20. Comment on Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter**

The Group reported a consistent profit before taxation of RM19.0 million for the current financial quarter as compared to RM18.9 million for the preceding quarter, a difference of less than 1.0%.

**21. Commentary on Prospects**

Port operations will continue to be the main contributor to the Group's earnings and the Board is optimistic of achieving satisfactory performance for the financial year.

**22. Profit Forecast or Profit Guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

**Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

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**23. Taxation**

<b>RM'000</b>	<b>3 months ended 30.06.2010</b>	<b>6 months ended 30.06.2010</b>
Taxation expense for the period:		
Malaysian income tax	173	322
Deferred tax	24	(47)
	<b>197</b>	<b>275</b>

The provision for taxation of the Group for the financial period ended 30 June 2010 reflects an effective tax rate that is lower than the Statutory Income Tax Rate due primarily to the Approved Investment Allowance Tax Incentive under Schedule 7B of the Income Tax Act 1967 (Approved Service Project) granted by Ministry of Finance to a subsidiary, whereby the subsidiary is entitled to claim investment allowance tax incentive at the rate of 100% on capital expenditure incurred for the period of five years from 1 September 2004 to 31 August 2009.

The said subsidiary has RM467.8 million of unabsorbed investment allowance carried forward from year 2009 that could be utilised in future to offset future taxable income.

**24. Sale of Unquoted Investments and Properties**

There were no sales of unquoted investments and properties for the current financial quarter and financial year-to-date.

**Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**25. Fair Value Through Profit and Loss Investments**

There were no purchases and disposals of quoted securities during the current financial quarter and financial year-to-date.

The fair value through profit and loss investments are investment in quoted securities, carried at fair value as follows:

<b>RM'000</b>	<b>As at 30.06.2010</b>
Unit trust funds quoted in Malaysia	
- Cost	74,620
- Carrying value/market value	75,048

**26. Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 30 June 2010 are as follows:

<b>RM'000</b>	<b>As at 30.06.2010</b>
<b>Short-term</b>	
Secured:	
- Islamic debt securities	947
- Hire purchase liabilities	7,339
- Term loan	1,956
	10,242
<b>Long-term</b>	
Secured:	
- Islamic debt securities	70,000
- Hire purchase liabilities	11,602
- Term loan	2,396
	83,998
	94,240

**Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

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**27. Status of Corporate Proposal Announced**

There were no corporate proposals announced and thus none to be completed as at the date of submission of this report.

**28. Off Balance Sheet Financial Instruments**

The Group has no off balance sheet financial instruments as at the date of this report.

**29. Changes in Material Litigation**

There were no material litigations for the current financial quarter and financial year-to-date.

**30. Dividends Payable**

The directors do not recommend any dividend for the current financial quarter ended 30 June 2010.

**31. Earnings Per Share**

**a) Basic Earnings Per Share**

Basic earnings per ordinary share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the number of ordinary shares in issue during the financial period.

<b>RM'000</b>	<b>3 months ended 30.06.2010</b>	<b>6 months ended 30.06.2010</b>
Profit for the financial period	18,800	37,651
Less: Attributable to minority interests	(56)	(89)
Profit attributable to equity holders of the Company	18,744	37,562
Number of ordinary shares in issue	283,328	283,328
Basic earnings per share (sen)	6.62	13.26

**Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

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**31. Earnings Per Share (Cont'd)**

**b) Fully Diluted Earnings Per Share**

Diluted earnings per share are not disclosed as there are no issuance of shares that will cause any dilution for the financial period ended 30 June 2010.

**32. Authorised for Issue**

The Interim Financial Statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 July 2010.

By order of the Board  
For **SURIA CAPITAL HOLDINGS BERHAD**

**DATUK DR MOHAMED FOWZI HASSAN BIN MOHAMED RAZI**  
Group Managing Director

Kota Kinabalu  
Date : 30 July 2010