



# **SURIA CAPITAL HOLDINGS BERHAD**

(COMPANY NO: 96895-W)

(INCORPORATED IN MALAYSIA)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2010**

**Consolidated Income Statement**  
For the Quarter and Year-to-date ended 31 March 2010

RM'000	Note	Quarter and Year-to-date ended	
		31.03.2010 Unaudited	31.03.2009 Unaudited and not restated (see Note 2)
Revenue	9	59,708	53,558
Cost of sales		(32,946)	(35,226)
Gross profit		26,762	18,332
Other income		2,859	1,944
Other expenses		(1,753)	(1,515)
Administrative expenses		(4,580)	(5,525)
Operating profit	9	23,288	13,236
Finance costs		(4,359)	(4,325)
Profit before taxation		18,929	8,911
Taxation	23	(78)	(310)
<b>Profit for the period</b>		<b>18,851</b>	<b>8,601</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		18,818	8,469
Non-controlling interests		33	132
		<b>18,851</b>	<b>8,601</b>
<b>Earnings per share (EPS) attributable to equity holders of the Company (sen):</b>			
Basic	31(a)	6.64	2.99
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 31 March 2010

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<b>RM'000</b>	<b>Quarter and Year-to-date ended</b>	
	<b>31.03.2010 Unaudited</b>	<b>31.03.2009 Unaudited and not restated (see Note 2)</b>
Profit for the period	18,851	8,601
Other comprehensive income / (loss)	-	-
<b>Total comprehensive income</b>	<b>18,851</b>	<b>8,601</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	18,818	8,469
Non-Controlling Interests	33	132
	<b>18,851</b>	<b>8,601</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 31 March 2010

RM'000	Note	As at 31.03.2010 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	643,277	646,237
Land held for property development		34,763	34,769
Investment properties		2,542	2,556
Prepaid land lease payments		26,825	26,902
Intangible assets	12	99,150	100,509
Deferred tax assets		86,387	86,316
		<b>892,944</b>	<b>897,289</b>
<b>Current Assets</b>			
Inventories		3,181	3,287
Trade receivables	13	28,410	30,203
Other receivables		19,640	9,281
Tax recoverable		19,192	19,116
FVTPL investments	25	66,356	62,071
Cash and bank balances	14	72,817	68,720
		<b>209,596</b>	<b>192,678</b>
<b>TOTAL ASSETS</b>		<b>1,102,540</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		352,177	333,308
		<b>698,290</b>	<b>679,421</b>
<b>Non-Controlling Interests</b>		<b>2,867</b>	<b>2,834</b>
<b>Total Equity</b>		<b>701,157</b>	<b>682,255</b>

**Consolidated Statement of Financial Position (Cont'd)**  
As at 31 March 2010

RM'000	Note	As at 31.03.2010 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	80,621	84,445
Loan from Sabah Ports Authority		168,412	166,136
Amount due to Sabah Ports Authority		59,267	59,267
Deferred tax liabilities		546	546
		308,846	310,394
<b>Current Liabilities</b>			
Borrowings	26	27,927	27,116
Loan from Sabah Ports Authority		18,460	18,460
Amount due to Sabah Ports Authority		3,714	2,926
Tax payable		8	-
Trade payables		8,783	8,708
Other payables		33,645	40,108
		92,537	97,318
<b>Total Liabilities</b>		401,383	407,712
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,102,540</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 31 March 2010

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

RM'000	Non-distributable		Distributable		Sub-total	Non-controlling interest	Total equity
	Share capital	Share premium	Retained earnings				
<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	-	-	18,818	18,818	33	18,851	
<b>At 31 March 2010</b>	283,328	62,785	352,177	698,290	2,867	701,157	
<b>At 1 January 2009</b>	283,328	62,785	287,807	633,920	2,598	636,518	
Profit for the period	-	-	8,469	8,469	132	8,601	
<b>At 31 March 2009</b>	283,328	62,785	296,276	642,389	2,730	645,119	

*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 31 March 2010

RM'000	Year-to-date ended	
	31.03.2010 Unaudited	31.03.2009 Unaudited and restated
<b>Cash flows from operating activities</b>		
Profit before tax	18,929	8,911
Adjustments for:		
Depreciation of property, plant and equipment	7,593	8,012
Amortisation	1,449	1,176
Finance costs	4,381	4,325
Operating profit before working capital changes	32,352	22,424
Decrease in inventories	106	351
Increase in receivables	(8,566)	(4,118)
Increase/decrease in amount due to/from Sabah Ports Authority	788	996
Decrease in payables	(3,822)	(4,303)
Cash generated from operations	20,858	15,350
Tax (paid)/refunded	(218)	3,499
<b>Net cash generated from operating activities</b>	<b>20,640</b>	<b>18,849</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,632)	(12,801)
Decrease/(increase) in land development costs	6	(53)
Net (purchase)/disposal of FVTPL investments	(4,000)	15,220
<b>Net cash (used in)/generated from investing activities</b>	<b>(8,626)</b>	<b>2,366</b>

**Consolidated Statement of Cash Flow (Cont'd)**  
For the Year-to-date ended 31 March 2010

RM'000	Year-to-date ended	
	31.03.2010 Unaudited	31.03.2009 Unaudited and restated
<b>Cash flows from financing activities</b>		
Drawdown of term loan	-	277
Repayment of Islamic debt securities	-	(8,817)
Repayment of term loan	(226)	-
Repayment of hire purchase liabilities	(3,873)	(3,624)
Interest paid	(1,253)	(3,094)
Dividends paid	(2,565)	(11)
<b>Net cash used in financing activities</b>	<b>(7,917)</b>	<b>(15,269)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,097</b>	<b>5,946</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>72,817</b>	<b>66,964</b>
<b>Composition of cash and cash equivalents</b>		
Short term deposits	51,118	49,284
Cash and bank balances	21,699	17,680
<b>Cash and cash equivalents at end of the period</b>	<b>72,817</b>	<b>66,964</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.

**8. Dividends Paid**

No dividend was paid during the financial year-to-date.

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

**9. Segmental Information**

<b>RM'000</b>	<b>3 months ended 31.03.2010</b>
<b>Segment revenue</b>	
Investment holding	3,097
Port operations	53,212
Logistics and bunkering services	6,639
Contract and engineering	2,552
Property development	913
Revenue including inter-segment sales	66,413
Elimination of inter-segment sales	(6,705)
<b>Total revenue</b>	<b>59,708</b>
<b>Segment results</b>	
Investment holding	1,776
Port operations	23,536
Logistics and bunkering services	(79)
Contract and engineering	(267)
Property development	27
Profit from operations including inter-segment transactions	24,993
Elimination of inter-segment transactions	(1,705)
<b>Total operating profit</b>	<b>23,288</b>

**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>Quarter and year-to-date ended</b>	
	<b>31.03.2010</b>	<b>31.03.2009</b>
Dividend income	1,575	1,575
Interest income	230	222
Management fees income	1,185	1,183
Rental income	7	7
Computer maintenance fees	-	7
Vehicle leasing charges	22	24

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.

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

**11. Carrying Amount of Revalued Assets**

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

**12. Intangible Assets**

RM'000	Port Concession Rights	Goodwill on Business Acquisition	Software License and System Development (*)	Total
<b>Group</b>				
<b>Cost</b>				
<b>At 1 January 2010</b>	110,615	4,486	6,784	121,885
Additions	-	-	-	-
<b>At 31 March 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	922	-	437	1,359
<b>At 31 March 2010</b>	20,586	-	2,149	22,735
<b>Net carrying amount</b>				
At 31 March 2010	90,029	4,486	4,635	99,150
At 31 December 2009	90,951	4,486	5,072	100,509

(\*) 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.



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

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**13. Trade Receivables**

<b>RM'000</b>	<b>As at 31.03.2010</b>
Trade receivables	28,987
Less: Impairment loss	(577)
	<b>28,410</b>

**14. Cash and Bank Balances**

<b>RM'000</b>	<b>As at 31.03.2010</b>
Cash on hand and at banks	21,699
Deposits with licensed banks	51,118
	<b>72,817</b>

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 31 March 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.

**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.

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

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**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 31 March 2010 is as follows:

<b>RM'000</b>	<b>As at 31.03.2010</b>
<b>Approved and contracted for</b>	
Bulk fertilizer storage facilities for Sandakan	763
Extension of Sapangar Bay Oil Terminal	5
Construction of steel piles protection barrier at Sg. Mowtas Oil Jetty	576
Palm kernel expeller conveyor system at Kunak Port	1,780
Refurbishment work on oil depot at Lahad Datu	784
Storage and distribution facilities for Sapangar Bay Oil Terminal	1,575
	<hr/> 5,483
<b>Approved but not contracted for</b>	
Improvements to port infrastructure facilities	385,183
Purchase of property, plant and equipment	311,447
	<hr/> 696,630
	<hr/> 702,113

**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 31 March 2010, the Group registered revenue of RM59.7 million, an increase of RM6.1 million or 11.5%, when compared to the previous year's corresponding quarter and financial period ended 31 March 2009. The increase was mainly due to higher contribution by the core business of port operations due to recovery of the national economy. In the previous year's corresponding quarter, the Group's revenue was affected by the global economic downturn.

Subsequently, the Group recorded a higher profit before taxation of RM18.9 million as compared to RM8.9 million in the previous year's corresponding quarter, improved by RM10.0 million or more than 100.0%. This was directly resulting from 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 lower profit before taxation of RM18.9 million for the current financial quarter as compared to RM21.1 million for the preceding quarter, a decline of RM2.2 million or 10.5%. This was mainly due to lower revenue in the current quarter against preceding quarter arising from normally higher cargo volume towards end of the year.

**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 31.03.2010</b>
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Taxation expense for the period:	
Malaysian income tax	149
Deferred tax	(71)
<hr/>	
	78
<hr/>	

The provision for taxation of the Group for the financial period ended 31 March 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 31.03.2010</b>
Unit trust funds quoted in Malaysia	
- Cost	66,070
- Carrying value/market value	66,356

**26. Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 31 March 2010 are as follows:

<b>RM'000</b>	<b>As at 31.03.2010</b>
<b>Short-term</b>	
Secured:	
- Islamic debt securities	12,176
- Hire purchase liabilities	14,813
- Term loan	938
	<b>27,927</b>
<b>Long-term</b>	
Secured:	
- Islamic debt securities	70,000
- Hire purchase liabilities	7,982
- Term loan	2,639
	<b>80,621</b>
	<b>108,548</b>

**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 31 March 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 31.03.2010</b>
Profit for the financial period	18,851
Less: Attributable to minority interests	(33)
<b>Profit attributable to equity holders of the Company</b>	<b>18,818</b>
Number of ordinary shares in issue	283,328
<b>Basic earnings per share (sen)</b>	<b>6.64</b>

**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 31 March 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 26 March 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 : 26 March 2010