



# **SURIA CAPITAL HOLDINGS BERHAD**

(COMPANY No: 96895-W)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2011

---

**Consolidated Statement of Comprehensive Income**  
For the Quarter and Year-to-date ended 30 June 2011

	Note	Quarter ended		Year-to-date ended	
		30.06.2011 Unaudited RM'000	30.06.2010 Unaudited and restated RM'000	30.06.2011 Unaudited RM'000	30.06.2010 Unaudited and restated RM'000
<b>Revenue</b>	9	66,138	62,410	128,815	122,070
Cost of sales		(39,181)	(34,381)	(78,957)	(67,379)
<b>Gross profit</b>		26,957	28,029	49,858	54,691
<b>Other items of income</b>					
Interest income		175	101	333	207
Other income		2,313	2,549	4,515	5,302
<b>Other items of expense</b>					
Administrative expense		(5,789)	(5,317)	(10,739)	(9,897)
Finance costs		(3,820)	(4,435)	(7,657)	(8,794)
Other expenses		(1,637)	(1,561)	(3,343)	(3,314)
<b>Profit before taxation</b>	9	18,199	19,366	32,967	38,195
Income tax expense	23	(4,865)	(197)	(8,793)	(275)
<b>Profit net of tax</b>		13,334	19,169	24,174	37,920
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		13,334	19,169	24,174	37,920
Profit attributable to:					
Owners of the Company		13,366	19,113	24,062	37,831
Non-controlling interests		(32)	56	112	89
		13,334	19,169	24,174	37,920
<b>Earnings per ordinary share attributable to owners of the Company (sen per share):</b>					
Basic	32(a)	4.72	6.75	8.49	13.35
Diluted	32(b)	4.72	6.75	8.49	13.35

*The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.*

**Consolidated Statement of Financial Position**  
As at 30 June 2011

	Note	As at 30.06.2011 Unaudited RM'000	As at 31.12.2010 Audited RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	715,703	713,757
Land held for property development		98,527	97,954
Investment properties		2,471	2,500
Intangible assets	12	92,505	95,131
Deferred tax assets		56,169	67,250
		965,375	976,592
<b>Current assets</b>			
Inventories		4,077	4,935
Trade receivables	13	26,413	22,509
Other receivables		8,616	6,280
Other current assets		17,033	14,869
Income tax refundable		18,817	19,290
Short term investments	26	110,572	97,236
Cash and bank balances	14	41,117	73,772
		226,645	238,891
<b>TOTAL ASSETS</b>		<b>1,192,020</b>	<b>1,215,483</b>

**Consolidated Statement of Financial Position (Cont'd)**  
As at 30 June 2011

	Note	As at 30.06.2011 Unaudited RM'000	As at 31.12.2010 Audited RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings	27	8,012	26,372
Loan from Sabah Ports Authority		19,715	19,715
Amount due to Sabah Ports Authority		3,058	3,058
Amount due to Sabah State Government		4,936	5,134
Income tax payable		10	-
Trade payables		11,600	8,538
Other payables		21,725	64,070
Other current liability		-	32
		69,056	126,919
<b>Net current assets</b>		<b>157,589</b>	<b>111,972</b>
<b>Non-current liabilities</b>			
Borrowings	27	61,819	62,363
Loan from Sabah Ports Authority		188,923	175,474
Amount due to Sabah State Government		54,330	54,330
Deferred tax liabilities		528	528
Other payable		69,092	71,050
		374,692	363,745
<b>TOTAL LIABILITIES</b>		<b>443,748</b>	<b>490,664</b>
<b>Net assets</b>		<b>748,272</b>	<b>724,819</b>
<b>Equity attributable to owners of the Company</b>			
Share capital		283,328	283,328
Share premium		62,785	62,785
Retained earnings	24	399,483	375,992
		745,596	722,105
<b>Non-controlling interests</b>		<b>2,676</b>	<b>2,714</b>
<b>Total equity</b>		<b>748,272</b>	<b>724,819</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,192,020</b>	<b>1,215,483</b>

*The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011

	Note	----- Attributable to owners of the Company -----					Non-controlling interests
		Equity, Total RM'000	Equity attributable to owners of the Company, Total RM'000	Share capital RM'000	Share premium RM'000	Distributable Retained earnings RM'000	
<b>Opening balance at 1 January 2011</b>		724,819	722,105	283,328	62,785	375,992	2,714
Effects of adopting IC Interpretation 12		7,929	7,929	-	-	7,929	-
<b>At 1 January 2011 (restated)</b>		732,748	730,034	283,328	62,785	383,921	2,714
Total comprehensive income		24,174	24,062	-	-	24,062	112
Dividends paid by a subsidiary		(150)	-	-	-	-	(150)
Dividends		(8,500)	(8,500)	-	-	(8,500)	-
<b>Closing balance at 30 June 2011</b>		748,272	745,596	283,328	62,785	399,483	2,676
<b>Opening balance at 1 January 2010</b>		682,255	679,421	283,328	62,785	333,308	2,834
Effects of adopting FRS 139		51	51	-	-	51	-
Effects of adopting IC Interpretation 12		8,729	8,729	-	-	8,729	-
<b>At 1 January 2010 (restated)</b>		691,035	688,201	283,328	62,785	342,088	2,834
Total comprehensive income		37,920	37,831	-	-	37,831	89
Dividends paid by a subsidiary		(300)	-	-	-	-	(300)
Dividends		(7,792)	(7,792)	-	-	(7,792)	-
<b>Closing balance at 30 June 2010 (restated)</b>		720,863	718,240	283,328	62,785	372,127	2,623

*The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.*

**Consolidated Statement of Cash Flow**  
For the Year-to-date ended 30 June 2011

	Year-to-date ended	
	30.06.2011 Unaudited RM'000	30.06.2010 Unaudited and restated RM'000
<b>Operating activities</b>		
Profit before tax	32,967	38,195
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	16,208	15,148
Amortisation	2,727	2,898
Finance costs	7,657	8,794
Allowance for impairment loss	527	491
Interest income	(447)	(586)
Investment income from short term investments	(1,278)	(902)
Net fair value (gains)/loss on held for trading short term investments	(106)	(120)
<b>Total adjustments</b>	<b>25,288</b>	<b>25,723</b>
<b>Operating cash flows before changes in working capital</b>	<b>58,255</b>	<b>63,918</b>
<u>Changes in working capital:</u>		
Decrease/(increase) in inventories	858	(874)
Increase in trade and other receivables	(8,404)	(7,723)
Increase in amount due to Sabah Ports Authority	-	1,974
Decrease in amount due to Sabah State Government	(197)	-
Increase/(decrease) in payables	490	(6,125)
<b>Total changes in working capital</b>	<b>(7,253)</b>	<b>(12,748)</b>
<b>Cash flows from operations</b>	<b>51,002</b>	<b>51,170</b>
Net income tax refunded/(paid)	128	(596)
<b>Net cash flows generated from operating activities</b>	<b>51,130</b>	<b>50,574</b>

**Consolidated Statement of Cash Flow (Cont'd)**  
For the Year-to-date ended 30 June 2011

	Year-to-date ended	
	30.06.2011 Unaudited	30.06.2010 Unaudited and restated
	RM'000	RM'000
<b>Investing activities</b>		
Purchase of property, plant and equipment	(7,582)	(13,747)
Increase in land held for property development	(572)	(14)
Land premium and annual rent paid	(41,444)	-
Net purchase of short term investments	(13,336)	(12,977)
<b>Net cash flows used in investing activities</b>	<b>(62,934)</b>	<b>(26,738)</b>
<b>Financing activities</b>		
Dividends paid	(8,971)	(10,488)
Interest paid	(6,570)	(7,771)
Proceeds from borrowings	13,449	5,552
Repayment of Islamic debt securities	(10,000)	(10,000)
Repayment of term loan	(2,806)	(451)
Repayment of obligations under finance leases	(5,953)	(7,726)
<b>Net cash flows used in financing activities</b>	<b>(20,851)</b>	<b>(30,884)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(32,655)</b>	<b>(7,048)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>73,772</b>	<b>68,720</b>
<b>Cash and cash equivalents at end of period (Note 14)</b>	<b>41,117</b>	<b>61,672</b>
<b>Composition of cash and cash equivalents</b>		
Cash on hand and at banks	18,680	45,874
Deposits with licensed financial institutions	22,437	15,798
<b>Cash and cash equivalents at end of period</b>	<b>41,117</b>	<b>61,672</b>

*The above consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.*

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

---

**1. Basis of Preparation**

The interim financial statements, other than for financial instruments, have been prepared on the historical cost basis. Financial instruments have been fair valued in accordance to FRS 139 Financial Instruments: Recognition and Measurement.

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 2010. 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 2010.

**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 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2011.

**2.1 Changes In Accounting Policies**

On 1 January 2011, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (Revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010



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

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

2.1 Changes In Accounting Policies (Cont'd)

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendment to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendment to FRS 2: Group Cash- settled Share-based Payment Transactions	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
Improvements to FRS issued in 2010	1 January 2011
IC Interpretation 18 Transfer of Assets from Customers	Effective for transfers of assets from customers received on or after 1 January 2011

Adoption of the above standards and interpretation did not have any effect on the financial performance or position of the Group except for IC Interpretation 12 which is discussed as below.

**IC Interpretation 12 Service Concession Arrangement**

This Interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements.

The Group recognizes revenue from the construction and upgrading of the infrastructure in accordance with its accounting policy for construction contracts. Where the Group performs more than one service under the arrangement, consideration received or receivable is allocated to the components by reference to the relative fair value of the services delivered, when the amounts are separately identifiable.

The Group recognizes the consideration receivable as an intangible asset (“Port Concession Rights”) to the extent that it receives a right to demand, collect and retain port dues and charges from port users for the services and facilities provided by it in accordance with the tariffs prescribed pursuant to the Port Enactment. Intangible assets are accounted for in accordance with the accounting policy set out in Note 12.

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

---

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

2.1 Changes In Accounting Policies (Cont'd)

IC Interpretation 12 Service Concession Arrangement (Cont'd)

Subsequent costs and expenditures related to infrastructures and equipment arising from the Group's commitments to the concession contracts or that increase future revenue are recognized as additions to the intangible assets and are stated as cost. Capital expenditures necessary to support the Group's operation as a whole are recognized as property and equipment, and accounted for in accordance with the policy stated under property and equipment. When the Group has contractual obligations that it must fulfill as a condition of its license to:

- a) Maintain the infrastructure to a specified standard or,
- b) To restore the infrastructure when the infrastructure has deteriorated below a specified condition, it recognizes and measures these contractual obligations in accordance with the stated accounting policy for provisions. Repairs and maintenance and other expenses that are routine in nature are expensed and recognized in the profit or loss as incurred.

The Group has entered into a service concession arrangement in September 2003 with the State Government of Sabah to operate, maintain, manage and to provide facilities and services of the Sabah Ports for 30 years. The terms of the arrangement required the Group to take over the Movable Assets, Surplus assets, Non-Port Lands, Scheduled Liabilities, Scheduled Current Liabilities and Scheduled Current Assets and the Group is alienated a portion of the lands in the vicinity of Kota Kinabalu Port for commercial development. The terms of the arrangement provides that the Group has the right and is obliged to carry out the Port Undertakings. Further, the vested land for port use shall be leased to the Group for a period of 30 years in the form of Port Lease agreement. In addition to the Fixed Sum Consideration, the Group shall be obliged to pay periodic lease payments to the Sabah Ports Authority.

The terms of the arrangement also requires the Group to provide sufficient infrastructures and facilities to comply with the License. The Group's commitment in the Capital Expenditure is estimated to cost RM1,363,000,000.00 in aggregate over 30 years. Provided that the Group may vary the Capital Expenditure, re-allocate the Capital Expenditure Works or re-schedule the Capital Expenditure Programme subject to port demand, economic conditions and port operation performance.

The terms of the arrangement allows the Group to collect port dues and charges from port users for the services and facilities provided in accordance with the tariffs prescribed pursuant to the Port Enactments and/or any other charges as may be approved in writing by the Sabah Ports Authority from time to time.

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

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

2.1 Changes In Accounting Policies (Cont'd)

IC Interpretation 12 Service Concession Arrangement (Cont'd)

The following are effects arising from the above changes in accounting policies:

	Increase/(decrease)	
	<b>As at 30 June 2011</b>	<b>As at 30 June 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Statements of comprehensive income</b>		
Revenue	254	(424)
Profit before tax	218	269
Profit net of tax	218	269
<b>Statements of financial position</b>		
Property, plant and equipment	10,572	11,639
Deferred tax asset	(2,643)	(2,910)
Retained earnings	7,929	8,729

2.2 Standards Issued But Not Yet Effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
FRS 124 Related Party Disclosures	1 January 2012

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

---

**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 2010.

**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	
	2011 RM'000	2010 RM'000	2011 Sen	2010 Sen
<b>Final Dividend</b>				
<u>For 2010:</u>				
3.0% tax exempt dividend, on 283,327,992 ordinary shares, declared on 28 April 2011 and paid on 6 June 2011	8,500	-	3.00	-
<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
	8,500	7,792	3.00	2.75

**9. Segmental Information**

	3 months ended 30.06.2011 RM'000	6 months ended 30.06.2011 RM'000
<b>Segment revenue</b>		
Investment holding	53,260	56,215
Port operations	51,639	103,456
Logistics and bunkering services	11,772	24,333
Contract and engineering	1,148	1,763
Property development	1,005	1,952
Revenue including inter-segment sales	118,824	187,719
Elimination of inter-segment sales	(52,686)	(58,904)
<b>Total revenue</b>	<b>66,138</b>	<b>128,815</b>
<b>Segment results</b>		
Investment holding	51,133	52,282
Port operations	19,062	34,107
Logistics and bunkering services	31	263
Contract and engineering	(116)	(255)
Property development	14	70
Profit from operations including inter-segment transactions	70,124	86,467
Elimination of inter-segment transactions	(51,925)	(53,500)
<b>Total profit before tax</b>	<b>18,199</b>	<b>32,967</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:

	Quarter and Year-to-date ended	
	30.06.2011	30.06.2010
	RM'000	RM'000
Dividend income	(53,500)	(9,850)
Interest income	(87)	(261)
Management fees income	(2,280)	(2,367)
Rental income	(45)	(15)
Vehicle leasing charges	66	49

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.

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

**12. Intangible Assets**

	Port Concession Rights RM'000	Goodwill on Business Acquisition RM'000	Software Licenses and System Development RM'000	Total RM'000
<b>Group Cost</b>				
<b>At 1 January 2011</b>	110,615	4,486	6,784	121,885
Additions	-	-	-	-
<b>At 30 June 2011</b>	110,615	4,486	6,784	121,885
<b>Accumulated amortisation</b>				
<b>At 1 January 2011</b>	23,351	-	3,403	26,754
Amortisation	1,844	-	782	2,626
<b>At 30 June 2011</b>	25,195	-	4,185	29,380
<b>Net carrying amount</b>				
<b>At 30 June 2011</b>	85,420	4,486	2,599	92,505
<b>At 31 December 2010</b>	87,264	4,486	3,381	95,131

**13. Trade Receivables**

	As at 30.06.2011 RM'000
Trade receivables	26,940
Less: Provision for impairment loss	(527)
	26,413

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

---

**14. Cash and Bank Balances**

	<b>As at 30.06.2011 RM'000</b>
Cash on hand and at banks	18,680
Deposits with licensed financial institutions	22,437
	<b>41,117</b>

Deposits with a licensed financial institution of the Group amounting to RM4,778,000 (2010: RM4,714,000) are held under lien to secure bank guarantees which includes guarantees made in favour of the Sabah Ports Authority against lease rental of port land payable to Sabah Ports Authority 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 2011.

**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 except for a guarantee given by the Company for performance limited to the scope of work to be allocated to and performed by its subsidiary, SCHB Engineering Services Sdn. Bhd. with regard to a contract which has been awarded to a consortium comprising third parties and the said subsidiary. The scope of work is currently estimated to be approximately RM10 million.



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

---

**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 2011 is as follows:

	<b>As at 30.06.2011 RM'000</b>
<hr/>	
<b>Approved and contracted for</b>	
Bulk fertilizer storage facilities for Sandakan Port	13,273
Major repair and improvements at Ports	1,893
<hr/>	
	15,166
<hr/>	
<b>Approved but not contracted for</b>	
Purchase of equipment and computerization project	378,823
Improvement to port infrastructure	238,954
<hr/>	
	617,777
<hr/>	
	632,943
<hr/>	

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

---

**19. Review of Performance**

For the current quarter and financial period ended 30 June 2011, the Group registered revenue of RM66.1 million and RM128.8 million, improving by RM3.7 million and RM6.7 million or 6.0% respectively, when compared to the previous year's corresponding quarter and financial period ended 30 June 2010. The improvement in revenue was mainly contributed by the logistics and bunkering services segment.

However, the Group recorded a lower profit before taxation of RM18.2 million for the quarter and RM32.9 million for the year-to-date, compared to RM19.4 million in the previous year's corresponding quarter and RM38.2 million for the financial period ended 30 June 2010, registering a decline of RM1.2 million or 6.0% and RM5.2 million or 14.0% respectively. This was mainly attributed to higher ports' operating expenses in the current quarter and financial year under review.

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

The Group reported an improved profit before taxation of RM18.2 million for the current financial quarter as compared to RM14.8 million for the preceding quarter. This represents an increase of RM3.4 million or 23.0%, which was mainly due to higher contribution by high margin segment of port operations in the current quarter.

**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 non-controlling interest and forecast profit after tax and non-controlling 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**

**23. Income Tax Expense**

	<b>3 months ended 30.06.2011 RM'000</b>	<b>6 months ended 30.06.2011 RM'000</b>
Income tax expense for the period:		
Malaysian income tax	178	356
Deferred tax	4,687	8,437
	<b>4,865</b>	<b>8,793</b>

A subsidiary company, Sabah Ports Sdn. Bhd. had obtained approval from the Minister of Finance for its operations to be regarded as an approved service project under Schedule 7B of the Income Tax Act, 1967, 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.

Sabah Ports Sdn Bhd has RM419.3 million of unabsorbed investment allowance carried forward from year 2010 that could be utilised in future to offset future taxable income.

**24. Retained Earnings**

	<b>As at 30.06.2011 RM'000</b>
Realised	341,849
Unrealised	56,299
	398,148
Add: Consolidation adjustments	1,335
<b>Total Group retained earnings as per consolidated accounts</b>	<b>399,483</b>

**25. 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**

**26. Short Term Investments**

There were purchases and disposals of quoted securities during the current financial quarter and financial year-to-date, as follows:

	<b>3 months ended 30.06.2011 RM'000</b>	<b>6 months ended 30.06.2011 RM'000</b>
Unit trust funds (quoted in Malaysia):		
As at 1 January 2011	-	97,236
As at 31 March 2011	97,909	-
Purchases	60,500	97,000
Distribution reinvested	2,163	2,868
Less: Disposals	(50,000)	(86,532)
Carrying value/market value as at 30 June 2011	110,572	110,572

**27. Borrowings**

Particulars of the Group's borrowings as at 30 June 2011 are as follows:

	<b>As at 30.06.2011 RM'000</b>
<b>Current</b>	
Secured:	
- Islamic debt securities	818
- Term loan	1,009
- Trade loan	-
- Revolving credit financing	1,005
- Obligations under finance leases	5,180
	8,012
<b>Non-current</b>	
Secured:	
- Islamic debt securities	60,000
- Term loan	1,386
- Obligations under finance leases	433
	61,819
	69,831

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

---

**28. 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.

**29. Off Balance Sheet Financial Instruments**

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

**30. Changes in Material Litigation**

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

**31. Dividends Payable**

The directors do not recommend any dividend for the current financial quarter ended 30 June 2011.

**32. Earnings Per Share**

**a) Basic Earnings Per Share**

Basic earnings per share amount is calculated by dividing profit for the year-to-date, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	<b>3 months ended 30.06.2011 RM'000</b>	<b>6 months ended 30.06.2011 RM'000</b>
Profit net of tax for the financial period	13,334	24,174
Less: Attributable to minority interests	32	(112)
Profit net of tax attributable to owners of the Company	<b>13,366</b>	<b>24,062</b>
Weighted average number of ordinary shares	283,328	283,328
Basic earnings per ordinary share (sen)	<b>4.72</b>	<b>8.49</b>

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

---

**b) Fully Diluted Earnings Per Share**

The Company has no dilutive potential ordinary shares.

**33. 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 25 August 2011.

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

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

Kota Kinabalu  
Date : 25 August 2011