



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 SEPTEMBER 2010**

Consolidated Income Statement
For the Quarter and Year-to-date ended 30 September 2010

RM'000	Note	Quarter ended		Year-to-date ended	
		30.09.2010 Unaudited	30.09.2009 Unaudited and not restated (see Note 2)	30.09.2010 Unaudited	30.09.2009 Unaudited and not restated (see Note 2)
Revenue	9	64,604	64,730	187,098	179,247
Cost of sales		(36,782)	(36,516)	(104,854)	(110,248)
Gross profit		27,822	28,214	82,244	68,999
Other income		1,909	1,594	7,418	5,374
Other expenses		(1,746)	(3,107)	(5,060)	(7,085)
Administrative expenses		(5,082)	(5,287)	(14,979)	(15,552)
Operating profit	9	22,903	21,414	69,623	51,736
Finance costs		(4,233)	(4,147)	(13,027)	(12,996)
Profit before taxation		18,670	17,267	56,596	38,740
Taxation	23	(38)	(637)	(313)	(1,146)
Profit for the period		18,632	16,630	56,283	37,594
Profit attributable to:					
Equity holders of the Company		18,755	16,405	56,317	37,166
Non-controlling interests		(123)	225	(34)	428
		18,632	16,630	56,283	37,594
Earnings per share (EPS) attributable to equity holders of the Company (sen):					
Basic	31(a)	6.62	5.79	19.88	13.12
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 September 2010

RM'000	Quarter ended		Year-to-date ended	
	30.09.2010 Unaudited	30.09.2009 Unaudited and not restated (see Note 2)	30.09.2010 Unaudited	30.09.2009 Unaudited and not restated (see Note 2)
Profit for the period	18,632	16,630	56,283	37,594
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income	18,632	16,630	56,283	37,594
Total comprehensive income attributable to:				
Equity holders of the Company	18,755	16,405	56,317	37,166
Non-Controlling Interests	(123)	225	(34)	428
	18,632	16,630	56,283	37,594

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 September 2010

RM'000	Note	As at 30.09.2010 Unaudited	As at 31.12.2009 Audited and not restated (see Note 2)
ASSETS			
Non-current Assets			
Property, plant and equipment	11	638,118	646,237
Land held for property development		34,810	34,769
Investment properties		2,513	2,556
Prepaid land lease payments		26,672	26,902
Intangible assets	12	96,434	100,509
Deferred tax assets		86,396	86,316
		884,943	897,289
Current Assets			
Inventories		3,914	3,287
Trade receivables	13	30,662	30,203
Other receivables		13,146	9,281
Tax recoverable		19,647	19,116
FVPL investments	25	95,996	62,071
Cash and bank balances	14	62,897	68,720
		226,262	192,678
TOTAL ASSETS		1,111,205	1,089,967
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		283,328	283,328
Share premium		62,785	62,785
Retained earnings		381,884	333,308
		727,997	679,421
Non-Controlling Interests		2,500	2,834
Total Equity		730,497	682,255

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

RM'000	Note	As at 30.09.2010 Unaudited	As at 31.12.2009 Audited and not restated (see Note 2)
EQUITY AND LIABILITIES (CONT'D)			
Non-current Liabilities			
Borrowings	26	83,660	84,445
Loan from Sabah Ports Authority		166,135	166,136
Amount due to Sabah Ports Authority		59,267	59,267
Deferred tax liabilities		546	546
		309,608	310,394
Current Liabilities			
Borrowings	26	7,636	27,116
Loan from Sabah Ports Authority		18,460	18,460
Amount due to Sabah Ports Authority		356	2,926
Tax payable		8	-
Trade payables		8,323	8,708
Other payables		36,317	40,108
		71,100	97,318
Total Liabilities		380,708	407,712
TOTAL EQUITY AND LIABILITIES		1,111,205	1,089,967

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 September 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		
At 1 January 2010	283,328	62,785	333,308	679,421	2,834	682,255
Effect arising from adoption of FRS 139 (Note 2)	-	-	51	51	-	51
At 1 January 2010 (restated)	283,328	62,785	333,359	679,472	2,834	682,306
Profit for the period	-	-	56,317	56,317	(34)	56,283
Dividends paid by a subsidiary	-	-	-	-	(300)	(300)
Dividends	-	-	(7,792)	(7,792)	-	(7,792)
At 30 September 2010	283,328	62,785	381,884	727,997	2,500	730,497
At 1 January 2009	283,328	62,785	287,807	633,920	2,598	636,518
Profit for the period	-	-	37,166	37,166	428	37,594
Dividends paid by a subsidiary	-	-	-	-	(355)	(355)
Dividends	-	-	(6,375)	(6,375)	-	(6,375)
At 30 September 2009	283,328	62,785	318,598	664,711	2,671	667,382

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 September 2010

RM'000	Year-to-date ended	
	30.09.2010 Unaudited	30.09.2009 Unaudited and restated
Cash flows from operating activities		
Profit before tax	56,596	38,740
Adjustments for:		
Depreciation of property, plant and equipment	24,105	23,960
Amortisation	4,346	5,033
Finance costs	13,027	12,996
Operating profit before working capital changes	98,074	80,729
Increase in inventories	(627)	(679)
(Increase)/decrease in receivables	(4,321)	5,899
Increase/decrease in amount due to/from Sabah Ports Authority	(2,570)	4,118
Decrease in payables	(1,621)	(1,691)
Cash generated from operations	88,935	88,376
Tax (paid)/refunded	(917)	2,705
Net cash generated from operating activities	88,018	91,081
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,985)	(67,855)
Increase in land development costs	(41)	(101)
Net purchase of FVPL investments	(33,925)	(5,186)
Net cash used in investing activities	(49,951)	(73,142)

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

RM'000	Year-to-date ended	
	30.09.2010 Unaudited	30.09.2009 Unaudited and restated
Cash flows from financing activities		
Drawdown of term loan	1,006	-
Repayment of Islamic debt securities	(10,000)	-
Repayment of term loan	(688)	(157)
Repayment of hire purchase liabilities	(11,420)	(11,162)
Interest paid	(12,142)	(5,779)
Dividends paid	(10,646)	(6,785)
Net cash used in financing activities	(43,890)	(23,883)
Net decrease in cash and cash equivalents	(5,823)	(5,944)
Cash and cash equivalents at beginning of the year	68,720	61,018
Cash and cash equivalents at end of the period	62,897	55,074
Composition of cash and cash equivalents		
Cash on hand and at banks	17,797	10,698
Deposits with licensed banks	45,100	44,376
Cash and cash equivalents at end of the period	62,897	55,074

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

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

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

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

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.

RM'000	Previously stated	Effect of FRS 139	As restated
Assets			
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

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
Final Dividend				
<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

RM'000	3 months ended 30.09.2010	9 months ended 30.09.2010
Segment revenue		
Investment holding	3,133	15,847
Port operations	56,976	167,013
Logistics and bunkering services	8,605	23,518
Contract and engineering	1,014	4,541
Property development	923	2,741
Revenue including inter-segment sales	70,651	213,660
Elimination of inter-segment sales	(6,047)	(26,562)
Total revenue	64,604	187,098
Segment results		
Investment holding	1,183	10,668
Port operations	23,778	71,814
Logistics and bunkering services	(239)	(556)
Contract and engineering	(119)	(284)
Property development	14	76
Profit from operations including inter-segment transactions	24,617	81,718
Elimination of inter-segment transactions	(1,714)	(12,095)
Total operating profit	22,903	69,623

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:

RM'000	Year-to-date ended	
	30.09.2010	30.09.2009
Dividend income	11,425	10,831
Interest income	284	677
Management fees income	3,543	3,628
Rental income	38	23
Computer maintenance fees	-	7
Vehicle leasing charges	82	71

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

RM'000	Port Concession Rights	Goodwill on Business Acquisition	Software License and System Development (*)	Total
Group Cost				
At 1 January 2010	110,615	4,486	6,784	121,885
Additions	-	-	-	-
At 30 September 2010	110,615	4,486	6,784	121,885
Accumulated amortisation				
At 1 January 2010	19,664	-	1,712	21,376
Amortisation	2,765	-	1,310	4,075
At 30 September 2010	22,429	-	3,022	25,451
Net carrying amount				
At 30 September 2010	88,186	4,486	3,762	96,434
At 31 December 2009	90,951	4,486	5,072	100,509

Part A – Explanatory Notes Pursuant to FRS 134

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

RM'000	As at 30.09.2010
Trade receivables	31,274
Less: Impairment loss	(612)
	30,662

14. Cash and Bank Balances

RM'000	As at 30.09.2010
Cash on hand and at banks	17,797
Deposits with licensed banks	45,100
	62,897

Deposits with a licensed financial institution of the Group amounting to RM4,520,000 (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 September 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

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 September 2010 is as follows:

RM'000	As at 30.09.2010
Approved and contracted for	
Bulk fertilizer storage facilities for Sandakan	763
Jetty head extension for Sapangar Bay Oil Terminal	763
Palm kernel expeller conveyor system at Kunak Port	987
Storage and distribution facilities for Sapangar Bay Oil Terminal	68
Cargo handling equipment	994
	<hr/> 3,575
Approved but not contracted for	
Improvement to port infrastructure facilities	310,533
Purchase of equipment and computerisation project	378,823
	<hr/> 689,356
	<hr/> 692,931

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, the Group registered Revenue of RM64.6 million, a decline of less than 1.0% compared to previous year's corresponding quarter. However, for the period ended 30 September 2010, the revenue recorded was RM187.1 million. This RM7.8 million increase represents an improvement of 4% compared to corresponding period last year. The increase is attributable to the higher contribution by the core business in port operations.

Subsequently, the Group recorded a higher Profit Before Taxation of RM18.7 million compared to RM17.3 million in the previous year's corresponding quarter, registering an improvement of RM1.4 million or 8.0%. Similarly, the performance for the year-to-date 2010 of RM56.6 million was also higher comparing to the corresponding period in 2009, registering an increase of RM17.9 million or 46% compared to RM38.7 million of period ended September 2009. This is attributed to the higher revenue and lower operating expenditures in the current period under review.

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 RM18.7 million for the current financial quarter as compared to RM19.0 million for the preceding quarter, represents a marginal decrease of approximately 2.0%.

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 better 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

23. Taxation

RM'000	3 months ended 30.09.2010	9 months ended 30.09.2010
Taxation expense for the period:		
Malaysian income tax	71	393
Deferred tax	(33)	(80)
	38	313

The provision for taxation of the Group for the financial period ended 30 September 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:

RM'000	As at 30.09.2010
Unit trust funds quoted in Malaysia	
- Cost	95,576
- Carrying value/market value	95,996

26. Borrowings and Debt Securities

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

RM'000	As at 30.09.2010
Short-term	
Secured:	
- Islamic debt securities	1,927
- Hire purchase liabilities	3,737
- Term loan	1,972
	7,636
Long-term	
Secured:	
- Islamic debt securities	70,000
- Hire purchase liabilities	11,511
- Term loan	2,149
	83,660
	91,296

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

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 September 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.

RM'000	3 months ended 30.09.2010	9 months ended 30.09.2010
Profit for the financial period	18,632	56,283
Less: Attributable to minority interests	123	34
Profit attributable to equity holders of the Company	18,755	56,317
Number of ordinary shares in issue	283,328	283,328
Basic earnings per share (sen)	6.62	19.88

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

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 September 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 15 November 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 : 15 November 2010