

INTEGRAX BERHAD
Company No. : 49317 - W
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2010

ABBREVIATIONS

In these interim financial statements, unless otherwise stated, the following abbreviations shall have the following meanings:-

“Act”	:	Companies Act, 1965
“DMT”	:	Dry Metric Tonnes of Nickel Ore
“EBIT”	:	Earnings before interest and tax
“EPS”	:	Earnings per share
“FRSs”	:	Financial Reporting Standards
“Group”	:	Integrax and its subsidiaries
“Integrax” or the “Company”	:	Integrax Berhad (<i>Company No. 49317-W</i>)
“IJE”	:	P.T. Integra Jasa Energi, a 95% owned subsidiary of Integrax established in the Republic of Indonesia
“INDX”	:	P.T. Indoexchange Tbk, a 70.31% owned subsidiary of Integrax listed on the Indonesia Stock Exchange (IDX)
“HRH”	:	Halim Rasip Holdings Sdn. Bhd. (<i>Company No. 64655-T</i>)
“LBT”	:	Lekir Bulk Terminal, a common-user bulk port facility
“LBT SB”	:	Lekir Bulk Terminal Sdn. Bhd. (<i>Company No. 414060-T</i>), an 80% owned subsidiary of PLSB
“LBT Serial Bonds”	:	12½ years zero coupon Serial Bonds of RM445 million issued by LBT SB
“LBT RCCPS”	:	Redeemable cumulative convertible preference share(s) of RM0.01 each in LBT SB
“LMT”	:	Lumut Maritime Terminal, a common-user multi purpose port facility
“LMT SB”	:	Lumut Maritime Terminal Sdn. Bhd. (<i>Company No. 180480-D</i>)
“LMT RPS”	:	Redeemable preference share(s) of RM0.01 each in LMT SB which is convertible to ordinary shares of RM1.00 each in LMT SB as per the Memorandum and Articles of Association
“LPIP”	:	Lumut Port Industrial Park, the industrial properties division of LMT SB
“Lumut Port”	:	Lekir Bulk Terminal and Lumut Maritime Terminal collectively
“NAD”	:	Nanggroe Aceh Darussalam, Indonesia
“PLSB”	:	Pelabuhan Lumut Sdn. Bhd. (<i>Company No. 168205-M</i>), a wholly owned subsidiary of Integrax
“PATSC”	:	Profit attributable to Owners of the Company

“PBT”	:	Profit Before Tax
“PKS”	:	Petrokapal Sdn. Bhd. (<i>Company No. 30921-D</i>), a wholly owned subsidiary of HRH
“ PT LINES”	:	P.T. Pelayaran Indx Lines, a 99% owned subsidiary of P.T. Indoexchange Tbk established in the Republic of Indonesia
“RAM”	:	RAM Rating Services Berhad
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“RRSB”	:	Radikal Rancak Sdn Bhd (<i>Company No. 576210-X</i>), a wholly owned subsidiary of INDX
“Number Q ”	:	The relevant quarter in a financial year stated

A1 COMMENTS ON UNAUDITED FINANCIAL RESULTS, PERFORMANCE AND PROSPECTS

A 1.1 REVIEW OF PERFORMANCE

Revenues comprise contractual revenues for the provision of port facilities cargo handling and vessel services under term arrangements.

The Group recorded revenues of RM 24.92 million in 3Q2010 compared to RM 24.06 million in 3Q2009 which is an increase of 3.6%. Revenues for the nine months ended 30 September 2010 increased by 7.2% compared to the same period in 2009. These increases in revenues were due to increased cargo throughput at LBT.

The Group achieved a PBT of RM 15.34 million in 3Q2010 which is an increase of 9.4% compared to 3Q2009 PBT of RM 14.02 million. Group PBT for the nine months ended 30 September 2010 increased by 17.3%, from RM 39.66 million to RM 46.51 million compared to 2009. These increases in the Group's profit were due to higher contributions from the Group's Associates and lower finance expense.

A1.2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group revenues for 3Q2010 increased by 6.1% compared to 2Q2010 due to improved LBT throughput. PBT for the 3Q2010 decreased by 15.2% compared to 2Q2010 due to lower contributions from LMT and PGMC.

LMT throughput decreased by 5.2% in 3Q2010 compared to 2Q2010 and the lack of land sales in 3Q2010 caused the decrease in contribution from LMTSB.

A1.3 PROSPECTS GOING FORWARD

(a) Forward Looking Statements Disclaimer

Comments set out in this Quarterly Report include forward looking statements which are statements that cannot be sustained merely on historical facts and for which there exists no assurances as to their realization or occurrence or successful implementation. A forward looking statement predicts projects or sees future events as expectations or possibilities. A forward looking statement contains words such as "believe, estimate, anticipate, plan, predict, may, hope, can, will, should, expect, intend, is designed to, with the intent, potential", the negative of such words or such other variations or comparable word, may indicate forward looking statements, but their absence does not mean a statement is not forward looking.

(b) Port Operations

The cargo throughput at LMT in 4Q2010 continues to look steady overall. However, we have to remain cautious going forward based on how easily past and future expectations can go awry in the volatile business environment that exists currently and that is characterized by cargoes emerging from just a few key port users in the Agriculture, Mining and Construction Sectors.

The Group continues to investigate several port opportunities in Indonesia and India in line with its objectives of expanding into these regions.

(c) Marine Services

We continue to look at expansion opportunities and are investigating certain opportunities of promise for our marine services especially in Indonesia.

(d) Resources

Please refer to Note A6 (a).

A1.4 PROJECT DEVELOPMENTS

Port Projects

The Company continues to make efforts to establish, participate in and / or operate and manage specialized and multipurpose / bulk port facilities outside Malaysia and now particularly in Indonesia. Please note, however, that projects of this nature take a considerable time to develop, promote, fund and build, assuming such are deemed viable propositions after due investigation.

(a) Provinsi Aceh

- (i) The status of this project remains unchanged from that reported in our 4Q2009 report and negotiations are ongoing.

(b) Kalimantan

The status of this project remains unchanged from that reported in our 4Q2009 report.

A1.5 REVIEW OF THE GROUP'S INVESTMENT PROCESS

In response to queries from shareholders at the 2009 AGM, the Company had appointed an independent legal consultant to conduct reviews of its investment process. The reviews are expected to be completed in 4Q2010.

A1.6 WEBSITE

The Company's website address is www.integrax.com.my

The Lumut Port website address is www.lumutport.com.my

A 2 INTERIM FINANCIAL STATEMENTS – BASIS OF PREPARATION

- A2.1** These interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRSs"), FRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Bhd (Bursa Securities"). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

A2.2 Changes In Accounting Policies

The interim financial statements have been prepared in accordance with the same accounting policies and method of computation adopted in audited financial statements for the year ended 31 December 2009, except for the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations:

- FRS 7, *Financial Instruments: Disclosures*
- FRS 8, *Operating Segments*
- FRS 101, *Presentation of Financial Statements* (revised)
- FRS 123, *Borrowing Costs* (revised)
- FRS 139, *Financial Instruments: Recognition and Measurement*
- FRS 132, *Financial Instruments: Presentation (Revised)*
- Amendment to FRS 1, *First-time Adoption of Financial Reporting Standards*
- Amendment to FRS 7, *Financial Instruments: Disclosures*
- Amendment to FRS 8, *Operating Segments*
- Amendment to FRS 101, *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendment to FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendment to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendment to FRS 128, *Investment in Associates*
- Amendment to FRS 132, *Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation*
- *Separation of Compound Instruments*
- Amendment to FRS 134, *Interim Financial Reporting*
- Amendment to FRS 139, *Financial Instruments: Recognition and Measurement*
- *Reclassification of Financial Assets*
- *Collective Assessment of Impairment for Banking Institutions*
- Improvements to FRSs (2009)
- IC Interpretation 10, *Interim Financial Reporting and Impairment*

The adoption of the above new and revised FRSs, IC Interpretations and Amendments to FRSs and IC interpretations does not have a significant impact to the Group, except as described below:

(a) **FRS 101, *Presentation of Financial Statements* (revised)**

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. Pursuant to the revised standard, the Group presents all non-owner changes in equity separately in the Consolidated Statement of Comprehensive Income.

The comparative information has been re-presented to conform to this revised standard.

(b) **FRS 139, *Financial Instruments: Recognition and Measurement***

Prior to the adoption of FRS 139, financial derivatives were recognized on their settlement dates. Outstanding derivatives at the balance sheet date were not recognized. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognized at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of the FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

Category	Measurement basis
Financial instruments at fair value through profit or loss	At fair value through profit or loss
Held-to-maturity investments	At amortized cost effective interest method
Loans and receivables	At amortized cost effective interest method
Available-for-sale investment	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
Loans and other financial liabilities	At amortized cost effective interest method

In accordance with FRS 139, the recognition, de-recognition and measurement are applied prospectively from 1 January 2010. The effects of the re-measurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained earnings as disclosed in the statement of changes in equity.

The adoption of the above new policies has the following effects:

	Retained earnings RM '000
At 1 January 2010, as previously stated	161,490
Adjustment arising from adoption of FRS 139 :	
-Fair value of embedded derivatives in an associate	(1,620)
At 1 January 2010, as restated	159,870

A2.3 Foreign Currency Translation Rates

The principal closing rates as at 30 September 2010 used in the translation of foreign currency amounts to RM are as follows :-

1 US Dollar	- RM 3.0865
100 Indonesian Rupiah	- RM 0.0346
100 Philippine Peso	- RM 7.0350

A3 PRECEDING ANNUAL FINANCIAL STATEMENTS' AUDIT REPORT

The audit report of the preceding annual financial statements of the Group was not subject to any qualification.

A4 COMMENTS ON ASSETS, LIABILITIES, EQUITY AND CASH FLOWS

A4.1 GENERAL COMMENTS

The Group's cash position remains solid with all LBT Serial Bonds commitments more than adequately covered. The Group's gearing and current ratio continues to improve over time.

A4.2 INVESTMENTS

(a) INVESTMENT IN ASSOCIATES

This represents the carrying value of the Group's investment in its associates LMTSB and PGMC. Please refer to Note A6 (a).

(b) INVESTMENT IN INDONESIA

- (i) The Company's investment in INDX remains unchanged at 70.31%. INDX serves as the Indonesian flagship for the Company for its expansion in Indonesia. INDX has identified the sectors of infrastructure (being ports and terminals in partnership with the Company) and marine services as its current primary business objectives.

In line with its objective of expanding its marine services business, INDX had on 4 May 2010 incorporated a 99% owned subsidiary, PT Pelayaran INDX Lines ("PT LINES"). The remaining 1% is held by an Indonesian national.

The quasi reorganization of INDX was completed on 5 April 2010 upon obtaining approval from the Minister of Justice and Human Rights of Indonesia. The consequence of such exercise has resulted in a reduction in the nominal value per share to Rp50 per share and all retained losses to 5th April 2010 have been extinguished.

INDX is listed on Bursa Efek Indonesia with stock code INDX and its closing price on 30 September 2010 was Rp 105 per share and on 19 November 2010 was Rp 120 per share. The highest price traded in the Quarter was Rp172 on 8 July 2010.

- (ii) The Company's advances to INDX for costs, expenses and project advances since the involvement of the Company in INDX amounted to approximately RM 4.9 million as at 30 September 2010 which includes the preliminary costs and advances covered by the letters of indemnity issued to INDX as disclosed in Note A4.8(b) consequent to the Company being the originator of the projects, pending the approval of INDX shareholders of the same and in compliance with authorities' requirements.

INDX is focusing on building a marine services business in Indonesia by way of acquisition or natural growth, initially utilizing the Rights Issue proceeds while still pursuing its port sector objectives for the long term.

Announcements in respect of such projects and other projects will be made as and when appropriate.

The status as at 30 September 2010 of the utilization of proceeds raised by INDX from its Rights Issue is as follows :-

Purpose	Proposed Utilisation		Actual Utilisation		Intended Timeframe for Utilisation
	Rp(Million)	RM ('000)	Rp(Million)	RM ('000)	
Acquisition of RRSB	8,000	2,680	8,020	2,687	Completed
Acquisition of tugs and / or barges & ancillary equipment to be engaged in marine services to ports & terminals and logistics activities	22,000	7,359	Nil	Nil	Within 12 months from June 2010
Rights issue expenses & working capital requirements	6,800	2,275	4,593	1,537	Within 12 months from June 2010
Total	36,800	12,314	12,613	4,224	

A4.3 OTHER INVESTMENT

This represents the Group's investment in LMT RPS of RM10.03 million which is redeemable and dividend bearing at the option of LMTSB.

A4.4 EQUITY AND CONVERTIBLE DEBT SECURITIES

There were no cancellations, repurchases, resale and repayments of equity and debt securities during the current quarter other than those shown in these interim financial statements.

A4.5 LOANS AND BORROWINGS

	As at 30.09.10 RM '000 Non-Current	As at 30.09.10 RM '000 Current	As at 30.09.10 RM '000 Total
Secured			
LBT Serial Bonds			
Bond liability	60,000	42,000	102,000
Interest in suspense	(48,250)	(23,912)	(72,162)
Bond Principal Sum	11,750	18,088	29,838
Finance lease liability	530	123	653
Unsecured			
Redeemable Preference Shares			
Preference share capital	40	-	40
Preference share capital premium	3,960	-	3,960
	4,000	-	4,000
Total loans and borrowings	16,280	18,211	34,491

The balance of LBT Serial Bonds as at 30.09.2010 comprises 4 series (i.e. series no. 16 to 19) of zero coupon bonds with an aggregate nominal value of RM 102 million (inclusive of interest). In October 2010, RAM enhanced their rating for these Serial Bonds from AA1 to AAA(bg) with a stable outlook. These Serial Bonds are secured by a guarantee issued by a Bank rated AAA by RAM. The Serial Bondholders and the guarantee provider share a charge over the Jetty Terminal Usage Agreement ("JTUA") signed by LBT and TNB Janamanjung Sdn Bhd, and a designated bank account of LBT, with the Serial Bondholders ranking after the guarantee provider with an obligation by LBT to ensure that there shall on a progressive basis over a period of six months be an amount accumulated equivalent to the serial bond due at the end of each six month period.

The LBT Serial Bonds bear the following maturities:-

	As at 30.09.10 RM'000
Less than one year	42,000
Between one and five years	60,000
Total	102,000

The redeemable preference shares comprise of LBT RCCPs of RM 0.01 each issued with a premium of RM 0.99 each held by Minority Interests in LBT. None of these LBT RCCPs were redeemed by LBT during the current quarter.

A4.6 DEFERRED TAXATION

	As at 30.09.10 RM'000
Balance at 1 January 2010	54,890
Transferred to the income statement	(1,032)
Total	53,858

A4.7 INCOME TAX EXPENSE

	3Q2010 RM'000	YTD 3Q2010 RM'000
Current year - Malaysian tax	3,276	9,391
Prior year - Malaysian tax	(1)	4
Current year - Foreign tax	4	56
Deferred tax	(465)	(1,032)
Total	2,814	8,419

A4.8 CONTINGENCIES

- (a) A right has been granted to the single minority shareholder of LBTSB to sell (put) to the Company its 20% stake or 13,600,000 ordinary shares of RM 1.00 each in LBTSB at fair value upon the redemption of all classes of preference shares issued by LBTSB after 15 years from 21 May 2002 provided it remains the sole beneficial owner of the 20% stake. The Directors are of the opinion that the value of this put option cannot be reliably measured.
- (b) The Company has issued letters of indemnity to INDX, a 70.31% subsidiary of the Company, in respect of preliminary costs and advances for two potential projects in Indonesia originating from and sought at the initiative of the Company. The Company will reimburse INDX the costs and advances for these projects if these amounts are not recoverable. The total preliminary costs and advances in respect of these two projects as at 30 September 2010 amounted to RM 3,264,479. Please refer to Note A4.2(b)(ii).

A5 SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business. No segment information on the basis of geographical segments is presented as all operations and segment assets are located in Malaysia. The primary format and business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms broadly based on market conditions and circumstances.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest revenue and financing costs.

Business segments

Port operations	-	Ownership and operation of two port facilities, the LMT (dry and liquid bulk, break bulk and containers) and the LBT (dry and liquid bulk) comprising Lumut Port.
Marine services	-	Provision of tuggage and related marine services
Investment holding	-	Investment in LBT RCCPS, LMT RPS
Industrial Properties	-	Sale of industrial property by LMTSB
Metals business	-	Mining and Smelting activities via current investment in PGMC

A5 SEGMENTAL INFORMATION – GROUP (continued)

9 Months Ended 30.09.10 RM'000	Port Operations	Marine Services	Investment Holding	Industrial Properties	Metals Business	Eliminations	Consolidated
Business segments							
Revenue from external customers	66,759	4,665	-	-	-	-	71,424
Inter-segment revenue	-	-	1,200	-	-	(1,200)	-
Share of revenue of associates	25,636	-	-	6,356	35,703	-	67,695
Total gross revenue	92,395	4,665	1,200	6,356	35,703	(1,200)	139,119
Share of revenue of associates	(25,636)	-	-	(6,356)	(35,703)	-	(67,695)
Total revenue	66,759	4,665	1,200	-	-	(1,200)	71,424
Segment result	35,516	270	(1,167)	-	-	(1,200)	33,419
Operating profit							33,419
Financing costs							(6,514)
Interest income							2,788
Share of profit after tax of associates							16,822
Profit before taxation							46,515
Tax expense							(8,419)
Minority interests							(4,428)
Profit for the period attributable to Owners of the Company							33,668

A5 SEGMENTAL INFORMATION – GROUP (continued)

9 Months Ended 30.09.09 RM'000	Port Operations	Marine Services	Investment Holding	Industrial Properties	Metals Business	Eliminations	Consolidated
Business segments							
Revenue from external customers	62,404	4,246	-	-	-	-	66,650
Inter-segment revenue	-	-	4,950	-	-	(4,950)	-
Share of revenue of associate	23,116	-	-	3,392	13,711	-	40,219
Total gross revenue	85,520	4,246	4,950	3,392	13,711	(4,950)	106,869
Share of revenue of associate	(23,116)	-	-	(3,392)	(13,711)	-	(40,219)
Total revenue	62,404	4,246	4,950	-	-	(4,950)	66,650
Segment result	37,540	373	4,295	-	-	(4,950)	37,258
Operating profit							37,258
Financing costs							(8,526)
Interest income							2,558
Share of profit after tax of associates							8,370
Profit before taxation							39,660
Tax expense							(8,593)
Minority interests							(4,389)
Profit for the period attributable to Owners of the Company							26,678

A6 SUBSEQUENT MATERIAL EVENTS

(a) Disposal of the Group's 20.01% shareholding in PGMC

On 19 October 2010, the Company's wholly owned subsidiary, Integrax Philippines Inc. entered into a Conditional Share Purchase Agreement for the disposal of its 20.01% shareholding in PGMC for a total consideration of USD 13,962,210.

The sale consideration is payable in two installments denominated in USD, the first, which amounts to approximately 50% of the consideration, is payable upon the fulfillment of all the conditions precedent relating to the approval or consents required from PGMC's primary lenders and the waiver of pre-emptive rights by other PGMC shareholders. These conditions precedent are expected to be fulfilled within 4Q2010. The balance is payable on or before 28 February 2011.

The carrying value of the Group's investment in PGMC as at 30 September 2010 is RM 18.8 million. Please refer to our various announcements made to Bursa Malaysia in the month of October 2010 for more information.

(b) Conditional Transshipment Services Agreement ("TSA")

On 19 October 2010, the TSA between Vale International SA ("VALE") and LBTSB effectively lapsed and the project contemplated under the terms of the TSA will no longer be pursued by the Company or LBTSB.

Please refer to our announcement made to Bursa Malaysia on 19 October 2010 for more information.

(c) Notice of Termination of Shareholders Agreement

On 28 October 2010, the Company received a notice from Taipan Merit Sdn Bhd ("TMSB"), the major shareholder of LMTSB, unilaterally terminating the Shareholders' Agreement between TMSB and PLSB, a wholly owned subsidiary of the Company. The Company does not agree to this unilateral termination and is seeking legal advice on this matter.

On 10 November 2010, the Company, through its solicitors, issued a Notice to Arbitrate to the solicitors acting for TMSB. The Company had also issued a notice to exercise its option requiring TMSB to transfer all its shares in LMTSB to the Company within 30 days from the date of issuance of this notice. This option is exercised pursuant to the Company's rights under the Shareholders' Agreement. The Company's notice has been disputed by TMSB.

The Company, through its appointed LBTSB Owners' Representative based in LBTSB, continues to monitor the efficacy of LMTSB in the carrying out of its contractual obligations under an Operation and Maintenance Agreement to LBTSB.

Please refer to our various announcements made to Bursa Malaysia in the months of October and November 2010 for more information.

On 19 November 2010, the Company and PLSB served an Originating Summons on Perak Corporation Berhad ("PCB"), TMSB, LMTSB and five individuals seeking for several orders to be made in favour of the Company and PLSB. The Company had been advised that the matter is fixed for hearing and decision on 13 January 2011. Please refer to the Company's announcements made to Bursa Malaysia on 19 November 2010 and 22 November 2010 for more information.

A7 CHANGES IN GROUP COMPOSITION

There were no changes in the Group composition during the current quarter.

A8 CHANGES IN CONTINGENT ASSETS AND LIABILITIES

Refer to Note A4.8.

There were no changes in contingent assets and liabilities during the quarter.

A9 CAPITAL COMMITMENTS

No capital commitments were contracted for by the Company during the current quarter.

A10 RELATED PARTY TRANSACTIONS

Set out below are the significant related party transactions occurring in the normal course of business for the financial year and which were carried out on terms and conditions not more materially different from those obtainable in transactions with unrelated parties.

	Value of Transactions		Balance Outstanding As At	
	YTD 3Q2010 RM '000	YTD 3Q2009 RM '000	30.09.10 RM '000	30.09.09 RM '000
Operations and Maintenance fees payable to LMTSB	21,873	18,442	11,211	10,323
Management fees receivable from LMTSB.	450	450	100	100
Marine services revenue receivable from LMTSB.	4,665	4,293	1,075	786
Office facilities fees receivable from PKS, a company wholly owned by HRH.	124	124	-	-

A11 COMPARATIVE FIGURES

The following comparative figures have been reclassified as a consequence of the adoption of Amendments to FRS 117, Leases :-

	Individual quarter		Cumulative quarter	
	3Q2009 RM'000	3Q2009 Restated RM'000	30.09.2009 RM'000	30.09.2009 Restated RM'000
Consolidated Statement of Comprehensive Income :-				
Depreciation	(2,745)	(2,792)	(5,361)	(5,502)
Administrative expenses	(913)	(866)	(2,546)	(2,405)

	As at 30.09.2009 RM '000	As at 30.09.2009 Restated RM '000
Consolidated Statement of Financial Position :-		
Property, plant and equipment	335,574	352,896
Prepaid lease payments	17,322	-

MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

Refer to Notes A1.1 and A1.2.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Refer to Note A1.2.

B3 PROSPECTS

Refer to Note A1.3.

B4 PROFIT FORECAST

No profit forecast has been made in a public document.

B5 TAX EXPENSE

Refer to Note A4.7.

B6 DISPOSAL OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no disposals of unquoted investments and properties during the current quarter. Please refer to Note A6(a).

B7 PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposals of quoted securities during the current quarter.

B8 STATUS OF CORPORATE PROPOSALS

There are no corporate proposals in existence at this time.

B9 BORROWING AND DEBT SECURITIES

Refer to Notes A4.5.

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Company has not entered into any financial instruments with off balance sheet risk to the date of this announcement.

B11 CHANGES IN MATERIAL LITIGATION

The Company and Group are not involved in any material litigation at the date of this report.

B12 DIVIDENDS

The Company's shareholders approved a final ordinary dividend of 3 sen per share less tax of 25% in respect of the financial year ended 31 December 2009 (3Q2009: NIL) at the Company's 24th Annual General Meeting held on 23 June 2010. The entitlement and payment dates of this dividend were 30 June 2010 and 15 July 2010 respectively.

No other dividends were paid or declared during the current quarter and financial period to date.

B13 BASIC EARNINGS PER ORDINARY SHARE

The basic earnings per ordinary share is calculated by dividing the PATSC for the period by the weighted average number of ordinary shares in issue during the period.

	3Q2010 RM'000	YTD 3Q2010 RM'000
PATSC for the period	11,061	33,668
Weighted average number of ordinary shares in issue	300,806	300,806
Basic earnings per ordinary share (sen)	3.68	11.20

B14 CAPITAL COMMITMENTS

Refer to Note A 9.