INTEGRAX BERHAD

Company No. : 49317 - W

(Incorporated in Malaysia)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

## FOR THE QUARTER ENDED 30 SEPTEMBER 2011

**Abbreviations**

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

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| “Act” | : | Companies Act, 1965 |
| “EPS” | : | Earnings per share |
| “FRSs” | : | Financial Reporting Standards |
| “Group” | : | Integrax and its subsidiaries |
| “Integrax” or the “Company” | : | Integrax Berhad *(Company No. 49317-W)* |
| “INDX” | : | P.T. Indoexchange Tbk, previously a 70.31% owned subsidiary of Integrax listed on the Indonesia Stock Exchange (IDX) but was disposed in 1Q2011. |
| “LBT” | : | Lekir Bulk Terminal, a common-user bulk port facility |
| “LBTSB” | : | Lekir Bulk Terminal Sdn. Bhd. *(Company No. 414060-T)*, an 80% owned subsidiary of PLSB |
| “LBT Serial Bonds” | : | 12½ years zero coupon Serial Bonds of RM445 million issued by LBTSB |
| “LBT RCCPS” | : | Redeemable cumulative convertible preference share(s) of RM0.01 each in LBTSB |
| “LMT” | : | Lumut Maritime Terminal, a common-user multi purpose port facility |
| “LMTSB” | : | Lumut Maritime Terminal Sdn. Bhd. *(Company No. 180480-D)* |
| “LMT RPS” | : | Redeemable preference share(s) of RM0.01 each in LMTSB which is convertible to ordinary shares of RM1.00 each in LMTSB as per the Memorandum and Articles of Association |
| “LPIP” | : | Lumut Port Industrial Park, the industrial properties division of LMTSB |
| “Lumut Port” | : | Lekir Bulk Terminal and Lumut Maritime Terminal collectively |
| “PLSB” | : | Pelabuhan Lumut Sdn. Bhd. *(Company No. 168205-M),* a wholly owned subsidiaryof Integrax |
| “PATSC” | : | Profit attributable to Owners of the Company |
| “PBT” | : | Profit Before Tax |
| “PGMC” | : | Platinum Group Metals Corporation, previously a 20.01% owned associated company of the Group but was disposed in 1Q2011 |
| “PKS” | : | Petrokapal Sdn. Bhd. *(Company No. 30921-D),* a wholly owned subsidiaryof HRH |
| **Abbreviations (continued)** | | |
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| “RAM” | : | RAM Rating Services Berhad |
| “RM” and “sen” | : | Ringgit Malaysia and sen respectively |
| “RRSB” | : | Radikal Rancak Sdn Bhd *(Company No. 576210-X)*, a wholly owned subsidiary of INDX |
| “TNB” | : | Tenaga Nasional Berhad |
| “TNBJ” | : | TNB Janamanjung Sdn Bhd |

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| **A.** | **Compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and Bursa Listing Requirements** |
| **A1.** | **Basis of Preparation**  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 2010. |
| **A2.**  **A2.**  (a)  (b) | **Changes in Accounting Policies**  The significant accounting policies and methods of computations adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements of the Group for the year ended 31 December 2010, except for the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations :   |  |  | | --- | --- | | FRS 1 | First-time Adoption of Financial Reporting Standards (revised) | | FRS 1 | First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS Disclosures for First-time Adopters) | | FRS 1 | First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for first-time adopters) | | FRS 2 | Share-based Payment (Amendments relating to group cash-settled share-based payment transactions) | | FRS 2 | Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3) | | FRS 3 | Business Combinations (revised) | | FRS 5 | Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plans to sell the controlling interest in a subsidiary) | | FRS 7 | Financial Instruments : Disclosures (Amendments relating to improving disclosures about financial instruments) | | FRS 127 | Consolidated and Separate financial Statements (revised) | | FRS 128 | Investments in Associates (revised) | | FRS 138 | Intangible Assets (Amendments relating to additional consequential amendments arising from FRS 3) | | FRS 139 | Financial Instruments : Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127) | |  |  | | Improvements to FRSs 2010 | | | IC Int. 4 | Determining whether an Arrangement contains a Lease | | IC Int. 9 | Reassessment of Embedded derivatives (Amendments relating to consequential amendments arising from revised FRS 3) | | IC Int. 12 | Service Concession Arrangements | | IC Int. 16 | Hedges of a Net Investment in a Foreign Operation | | IC Int. 17 | Distribution of Non-cash Assets to Owners | | IC Int. 18 | Transfers of Assets from Customers |  |  | | --- | |  |   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:  **Changes in Accounting Policies (continued)**  FRS 3 : Business Combinations (revised)  This revised FRS introduces the option, on an acquisition-by-acquisition basis, to measure non-controlling interest in a business combination either at fair value or at the non-controlling interest’s proportionate share of the net identifiable assets acquired. Goodwill is measured as the difference between the aggregate of the fair value of consideration transferred, any non-controlling interest in the acquiree, and the fair value at acquisition date of any previously held equity interest in the acquiree, and the net identifiable assets acquired. Any negative goodwill is recognized in the income statement. Any consideration transferred in a business combination is measured at fair value as at the acquisition date. This revised FRS has a prospective effect only and therefore has no impact on the financial statements upon its adoption. It has an impact only on future acquisitions of the Group.  FRS 127 : Consolidated and Separate Financial Statements (revised)  The main change introduced by this revised FRS is in the accounting for changes in ownership interest in a subsidiary, where changes in ownership which do not result in the loss of control are now accounted for within equity instead of the income statement. Where changes in ownership interest result in loss of control, any remaining interest is re-measured at fair value and a gain or loss is recognized in the income statement. All comprehensive income is proportionately allocated to non-controlling interest (minority interest), even if it results in the non-controlling interest having a deficit balance. This revised FRS has a prospective effect only and therefore has no impact on the financial statements upon its adoption. It has an impact only on future transaction of the Group. |
| **A3.** | **Audit report on the preceding year’s financial statements**  The audit report of the preceding year’s annual financial statements of the Group did not contain any qualifications. |
| **A4.** | Foreign currency translation rates The principal closing rates as at 30 Sept 2011 used in the translation of foreign currency amounts to RM are as follows :-  1 US Dollar - RM 3.1855  100 Indonesian Rupiah - RM 0.0360  100 Philippine Peso - RM 7.2950 |
| **A5.** | **Seasonal or cyclical factors**  The business of the Group is generally not affected by any seasonal or cyclical factors. |
| **A6.** | **Unusual items due to nature, size or incidence**  Unusual items which have been recognized in the income statement are as follows :-   |  |  |  | | --- | --- | --- | |  | **3Q2011**  **RM’000** | **YTD 3Q2011**  **RM’000** | | Gain on disposal of an associated company | - | 722 | | Gain on disposal of a subsidiary company | - | 1,926 | | Realised gains on foreign exchange | - | 3,147 | | **Total** | **-** | **5,795** |   Other than the above, there were no items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, size or incidence. |
| **A7.** | **Issuances, repurchases and repayments of equity and debt securities**  During the current quarter, the 17th tranche of LBT Serial Bonds amounting to RM 20 million was fully repaid upon its maturity on 7 July 2011. Other than this, there were no issuances, cancellations, repurchases or repayments of equity and debt securities during the current quarter. |
| **A8.** | **Loans and borrowings**   |  |  |  |  | | --- | --- | --- | --- | |  | **As at 30.09.11**  **RM’000**  **Non-Current** | **As at 30.09.11**  **RM’000**  **Current** | **As at 30.09.11**  **RM’000**  **Total** | | *Secured* |  |  |  | | LBT Serial Bonds | - | 57,336 | 57,336 | | Finance lease | 398 | 132 | 530 | | Sub- total | 398 | 57,468 | 57,866 | | *Unsecured* |  |  |  | | Redeemable preference shares : |  |  |  | | Preference share capital | 40 | - | 40 | | Preference share premium | 3,960 | - | 3,960 | | Sub – total | 4,000 | - | 4,000 | | **Total loans and borrowings** | **4,398** | **57,468** | **61,866** |   During the current quarter, the 17th tranche of LBT Serial Bonds amounting to RM 20 million was fully repaid upon its maturity on 7 July 2011. The balance of LBT Serial Bonds as at 30 Sept 2011 comprises 2 series (i.e. series nos. 18 and 19) with an aggregate value of RM 60 million.  In September 2011, RAM reaffirmed their enhanced rating of AAA(bg) for these Serial Bonds 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 LBTSB and TNB Janamanjung Sdn Bhd, and a designated bank account of LBTSB, with the serial bondholders ranking after the guarantee provider. LBTSB is obligated to ensure that there shall, on a progressive basis over a period of six months, be an amount accumulated in the designated bank account which is equivalent to the serial bond due at the end of each six months’ period. |

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| **A9.** | **Dividends paid**  No dividends were declared or paid in the current quarter. |
| **A10.** | **Segmental information**  Segment information is presented in respect of the Group’s business. No information on geographical segments is presented as all operations 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.  Segment results include items directly attributable to a segment as well as those which can be allocated on a reasonable basis.  The main business segments of the Group are as follows :-   |  |  | | --- | --- | | Port operations | Ownership and operation of two port facilities, LMT (port facility for dry bulk, liquid bulk, break bulk and containers) and LBT | | Marine services | Provision of tuggage services via RRSB, a wholly owned subsidiary of INDX. This business segment was discontinued upon the sale of the Group’s investment in INDX in 1Q2011. | | Investment holding | Investment in ordinary and preference shares of subsidiary companies and associated companies | | Industrial property | Sale of industrial property via LMTSB. | | Metal business | Mining and smelting of nickel ore via investment in PGMC. This business segment was discontinued upon the sale of the Group’s investment in PGMC in 1Q2011. | |

**A10. Segmental Information (continued)**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **9 Months Ended 30.09.11**  **RM’000** | **Port**  **Operations** | **Marine**  **Services** | **Investment**  **Holding** | **Industrial**  **Properties** | **Metal Business** | **Eliminations** | **Consolidated** | **Less:**  **Discontinued operations** | **Continued operations** |
| Business segments |  |  |  |  |  |  |  |  |  |
| Revenue from external customers | 65,865 | - | - | - | - | - | 65,865 | - | 65,865 |
| Inter-segment revenue | - | - | 33,700 | - | - | (33,700) | - | - | - |
| Share of revenue of associates | 26,287 | - | - | - | - | - | 26,287 | - | 26,287 |
| Total gross revenue | 92,152 | - | 33,700 | - | - | (33,700) | 92,152 | - | 92,152 |
| Share of revenue of associates | (26,287) | - | - | - | - | - | (26,287) | - | (26,287) |
| Total revenue | 65,865 | - | 33,700 | - | - | (33,700) | 65,865 | - | 65,865 |
| Segment result | 34,729 | - | 37,311 | - | - | (33,700) | 38,340 | - | 38,340 |
| Operating profit | 34,729 | - | 37,311 | - | - | (33,700) | 38,340 | - | 38,340 |
| Financing costs | (5,556) | - | (25) | - | - | 1,200 | (4,381) | - | (4,381) |
| Interest income | 1,778 | - | 1,164 | - | - | - | 2,942 | - | 2,942 |
| Share of profit after tax of associates | 9,145 | - | - | - | - | - | 9,145 | - | 9,145 |
| Profit before taxation | 40,096 | - | 38,450 | - | - | (32,500) | 46,046 | - | 46,046 |
| Tax expense | (8,369) | - | 1 | - | - | - | (8,368) | - | (8,368) |
| Profit/(Loss) for the period | 31,727 | - | 38,451 | - | - | (32,500) | 37,678 | - | 37,678 |
| Non-controlling interest | (4,482) | - | (1) | - | - | - | (4,483) | - | (4,483) |
| Profit for the period attributable to Owners of the Company | 27,245 | - | 38,450 | - | - | (32,500) | 33,195 | - | 33,195 |

**A10. Segmental Information (continued)**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **9 Months Ended 30.09.11**  **RM’000** | **Port**  **Operations** | **Marine**  **Services** | **Investment**  **Holding** | **Industrial**  **Properties** | **Metal Business** | **Eliminations** | **Consolidated** | **Less:**  **Discontinued operations** | **Continued operations** |
| **Business segments** |  |  |  |  |  |  |  |  |  |
| Segment assets | 422,038 | - | 212,080 | - | - | - | 634,118 | - | 634,118 |
| Investment in associate | 66,340 | - | - | 31,291 | - | - | 97,631 | - | 97,631 |
| **Total assets** | 488,378 | - | 212,080 | 31,291 | - | - | 731,749 | - | 731,749 |
| **Total liabilities** | 126,842 | - | 920 | - | - | - | 127,762 | - | 127,762 |
| **Depreciation of property, plant & equipment** | 7,307 | - | 168 | - | - | - | 7,475 | - | 7,475 |

**A10. Segmental Information (continued)**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **9 Months Ended 30.09.10**  **RM’000 (Restated)** | **Port Operations** | **Marine Services** | **Investment Holding** | **Industrial Properties** | **Metal Business** | **Eliminations** | **Consolidated** | **Less:**  **Discontinued operations** | **Continued operations** |
| **Business segments** |  |  |  |  |  |  |  |  |  |
| Revenue from external customers | 66,758 | 4,666 | - | - | - | - | 71,424 | (4,666) | 66,758 |
| Inter-segment revenue | - | - | 1,200 | - | - | (1,200) | - | - | - |
| Share of revenue of associate | 25,636 | - | - | 6,356 | 35,703 | - | 67,695 | (35,703) | 31,992 |
| **Total gross revenue** | 92,394 | 4,666 | 1,200 | 6,356 | 35,703 | (1,200) | 139,119 | (40,369) | 98,750 |
| Share of revenue of associate | (25,636) | - | - | (6,356) | (35,703) | - | (67,695) | 35,703 | (31.992) |
| **Total revenue** | 66,758 | 4,666 | 1,200 | - | - | (1,200) | 71,424 | (4,666) | 66,758 |
| **Segment result** | 35,516 | 414 | (1,311) | - | - | (1,200) | 33,419 | (414) | 33,005 |
| Operating profit | 35,516 | 414 | (1,311) | - | - | (1,200) | 33,419 | (414) | 33,005 |
| Financing costs | (7,705) | - | (9) | - | - | 1,200 | (6,514) | - | (6,514) |
| Interest income | 1,985 | 376 | 427 | - | - | - | 2,788 | (376) | 2,412 |
| Share of profit after tax of associates | 11,946 | - | - | - | 4,876 | - | 16,822 | (4,876) | 11,946 |
| Profit before taxation | 41,742 | 790 | (893) | - | 4,876 | - | 46,515 | (5,666) | 40,849 |
| Tax expense | (7,960) | (223) | (236) | - | - | - | (8,419) | 223 | (8,196) |
| Profit/(Loss) for the period | 33,782 | 567 | (1,129) | - | 4,876 | - | 38,096 | (5,443) | 32,653 |
| Non-controlling interest | (4,335) | (93) | - | - | - | - | (4,428) | 93 | (4,335) |
| **Profit for the period attributable to Owners of the Company** | 29,447 | 474 | (1,129) | - | 4,876 | - | 33,668 | (5,350) | 28,318 |

**A10. Segmental Information (continued)**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **9 Months Ended 30.09.10**  **RM’000** | **Port**  **Operations** | **Marine**  **Services** | **Investment**  **Holding** | **Industrial**  **Properties** | **Metal Business** | **Eliminations** | **Consolidated** | **Less:**  **Discontinued operations** | **Continued operations** |
| **Business segments** |  |  |  |  |  |  |  |  |  |
| Segment assets | 474,130 | 15,191 | 162,196 | - | - | - | 651,517 | - | 651,517 |
| Investment in associate | 64,542 | - | - | 31,503 | 18,800 | - | 114,845 | - | 114,845 |
| **Total assets** | 538,672 | 15,191 | 162,196 | 31,503 | 18,800 | - | 766,362 | - | 766,362 |
| **Total liabilities** | 166,258 | 557 | 1,039 | - | - | - | 167,854 | - | 167,854 |
| **Depreciation of property, plant & equipment** | 8,059 | 7 | 116 | - | - | - | 8,182 | (7) | 8,175 |

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| **A11.** | **Valuation of property, plant and equipment**  The values of property, plant and equipment of the Group were brought forward without amendment from the audited annual financial statements for the year ended 31 December 2010. The property, plant and equipment of the Group are stated at cost less accumulated depreciation and impairment losses, if any. No revaluation of property, plant and equipment was undertaken during the current quarter under review. There were no significant purchases or disposals of property, plant and equipment during the current quarter.  During the current quarter, the Group committed to purchase equipment costing approximately RM 17.5 million to replace equipment whose lifespan is expected to expire within the next 12 months. Please refer to Note B13.  There were no other commitments for the purchase of property, plant and equipment as at the end of the current quarter. |
| **A12.** | **Changes in the composition of the Group**  There were no changes in the composition of the Group during the current quarter. |
| **A13.** | **Changes in contingent liabilities or contingent assets**  There were no changes in contingent liabilities or contingent assets since the previous audited annual financial statements. |
| **A14.** | **Significant related party transactions**  Related parties   |  |  | | --- | --- | | LMTSB | An associated company of the Group | | TNBJ | A subsidiary of Tenaga Nasional Berhad (TNB). TNB acquired 22.12% of the Company’s issued and paid up share capital on 23 March 2011. | | INDX | A company in which a former director of the Company, Encik Harun bin Halim Rasip has financial interest. Encik Harun bin Halim Rasip resigned as Executive Director of Integrax Berhad on 20 April 2011. | | RRSB | A wholly owned subsidiary of INDX | | PKS | A company in which a former director of the Company, Encik Harun bin Halim Rasip has financial interest. Encik Harun bin Halim Rasip resigned as Executive Director of Integrax Berhad on 20 April 2011. | | Equatorex Sdn Bhd | A company in which a former director of the Company, Encik Harun bin Halim Rasip has financial interest. Encik Harun bin Halim Rasip resigned as Executive Director of Integrax Berhad on 20 April 2011. |   Related party transactions   |  |  |  | | --- | --- | --- | |  | 3Q2011  RM’000 | YTD 3Q2011  RM’000 | | Proceeds from disposal of INDX to Equatorex Sdn Bhd | - | 9,603 | | Revenue receivable from TNBJ in respect of the Jetty Terminal Usage Agreement (JTUA) signed with LBTSB in the year 1999 | 22,214 | 65,865 | | Operations and maintenance fees charged by LMTSB | 7,537 | 21,891 | | Website maintenance fees charged by INDX | - | 27 | | Office rental charged to RRSB | - | 4 | | Telephone expenses charged to RRSB | - | 3 | | Sundry expenses charged to RRSB | - | 3 | | Office facility fees charged to PKS | - | 41 | |

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| **A15.**  (a)  (b)  (c) | **Significant litigation**  Originating Summons by the Company and PLSB against Taipan Merit Sdn Bhd [“TMSB”] and Arbitration between the Company & PLSB with TMSB [“The Arbitration”]  On 5 October 2011 PLSB entered into a new Shareholders Agreement to govern the business and management of LMTSB with TMSB. This new Shareholders Agreement was to replace the old Shareholders Agreement which was terminated earlier and was the subject matter of the Arbitration. With the signing of the new Shareholders Agreement, the parties had agreed to withdraw the Arbitration proceedings. With the withdrawal of the Arbitration proceedings, the Consent Order issued by the Kuala Lumpur High Court pursuant to the Originating Summons will no longer be in force and effect as the matters referred to in the Arbitration has been disposed and determined.  Please refer to our announcement on 6 October 2011 for more information  Suit No. D-22NCC-155-2011 against Amin Bin Halim Rasip  With the withdrawal of the Arbitration proceedings, the Company had on 5 October 2011 resolved that the suit against En Amin bin Halim Rasip be withdrawn. The Kuala Lumpur High Court was apprised of the Company’s said resolution at the case management on 14 October 2011 where the learned judge struck-off the suit with cost to be taxed unless otherwise agreed by the parties.  Writ of Summons No 22NCC6-762-2011 and Statement of Claim from Tenaga Nasional Berhad (“TNB”) against the Company and 7 others  The Company is only a nominal defendant to in this suit with no allegations of wrongdoings in TNB’s Statement of Claim against the Company. The Company had been advised by its legal counsel to take a neutral stand and leave it for the other 7 defendants to reply to the substantive part of TNB’s Statement of Claim.  As at the date of this report, the parties are still trying to negotiate a settlement.  More information on this suit can be obtained from the Company’s announcements on 6 May and 10 May 2011. |

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| **A16.** | **Subsequent events**  There were no significant events which occurred subsequent to this quarter. |
| **A17.** | **Comparative figures**  The following comparative figures have been reclassified as a consequence of the disposals of INDX and PGMC:-   |  |  |  |  | | --- | --- | --- | --- | |  | **As previously**  **stated**  **30.09.2010**  **RM’000** | **Reclassification**  **RM’000** | **As Restated**  **30.09.2010**  **RM’000** | | **Consolidated Statement of Comprehensive Income :** |  |  |  | | Revenue | 71,424 | (4,666) | 66,758 | | Cost of sales | (25,515) | 3,642 | (21,873) | | Depreciation | (8,182) | 7 | (8,175) | | Administrative expenses | (4,502) | 603 | (3,899) | | Interest income | 2,788 | (376) | 2,412 | | Share of profit after tax of associates | 16,822 | (4,876) | 11,946 | | Tax expenses | (8,419) | 223 | (8,196) | | Profit/(Loss) from discontinued operations | - | 5,443 | 5,443 | |  |  |  |  | | **Consolidated Statement of Cash Flows :** |  |  |  | | Net cash from operating activities | 32,826 | 210 | 33,036 | | Net cash from investing activities | 2,091 | (323) | 1,768 | | Net cash generated from continuing operations | (15,779) | (113) | (15,892) | | Net cash generated from discontinued operations | - | 113 | 113 | |

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| **B.** | **Additional Information Required By The Listing Requirements of Bursa Malaysia Securities Berhad** |
| **B1.**  (a)  (b)  (c) | **Performance review**  Comparison between 3Q2011 and 3Q2010  Revenues decreased slightly by 4.6% due to lower throughput at LBT. Operating profit increased by 1.4% due to reduced depreciation and administrative expenses in the current quarter. Lower contribution from associated company, LMTSB, in 3Q2011 was offset by higher interest revenue and lower finance cost, causing the profit before tax to improve by 4.4% to RM13.7 million compared to RM13.1 million in 3Q2010.  Comparison between YTD 3Q2011 and YTD 3Q2010  Revenues for the first nine months registered a marginal decrease of 1.3% to RM65.8 million compared to RM66.8 million in the corresponding period of the previous year.  The Group posted an operating profit of RM 38.3 million in the current period under review compared to RM 33.0 million in the previous year’s corresponding period. This represents an increase of 16.2% and is due to gains on disposals of the Group’s investments in PGMC and INDX and foreign exchange gains recognized in 1Q2011.  Comparison between 3Q2011 and 2Q2011  Revenues increased by 3.5% due to higher throughput in LBT. Operating profit was lower by 5.5% compared to 2Q2011 due to higher depreciation and reduced other income. Lower interest income, higher contribution from LMTSB and lower finance costs helped to narrow the 3Q2011 decrease in profit before tax to a marginal 1.3% compared to 2Q2011. |
| **B2.** | **Prospects going forward**  The management remains very optimistic of the prospects going forward as the Lumut-Manjung Corridor continues to enjoy rapid growth and development. TNB’s 1,000-MW Manjung 4 Power Plant project and the prospects of Vale’s billion dollar iron and steel investment have turned the Corridor into a hive of economic activity. Integrax is expected to benefit significantly from these developments and management will continue to focus its attention on expanding its existing port businesses in Malaysia in order to increase shareholders’ value. |
| **B3.** | **Profit forecast**  The Company has not issued any profit forecast to the public. |
| **B4.** | **Tax expense**   |  |  |  | | --- | --- | --- | |  | **3Q2011**  **RM’000** | **YTD 3Q2011**  **RM’000** | | Current year - Malaysian tax | 2,879 | 9,215 | | - Foreign tax | 5 | 29 | | Deferred tax | (292) | (876) | | Total | 2,592 | 8,368 | |
| **B5.** | **Purchase or disposal of unquoted investments and properties**  There were no purchases or disposals of unquoted investments and properties during the current quarter. |
| **B6.** | **Purchase or disposal of quoted securities**  There were no purchases or disposals of quoted securities during the current quarter. |
| **B7.** | **Status of corporate proposals**  There are no corporate proposals currently in existence. |
| **B8.** | **Borrowing and debt securities**  Please refer to Note A8. |
| **B9.** | **Off balance sheet financial instruments**  The Group has not purchased any financial instruments during the quarter under review. |
| **B10.** | **Changes in material litigation**  Please refer to Note A15. |
| **B11.** | **Dividends**  Please refer to Note A9.  No dividends were declared or paid in the current quarter. |
| **B12.** | **Basic earnings per share**  The basic earnings per share is calculated by dividing the PATSC for the period by the weighted average number of ordinary shares in issue during the period   |  |  |  | | --- | --- | --- | |  | **YTD 3Q2011**  **RM’000** | **YTD 3Q2010**  **RM’000** | | PATSC for the period :  From continuing operations  From discontinued operation | 33,195  - | 28,318  5,350 | | PATSC for the period | 33,195 | 33,668 | | Weighted average number of ordinary shares in issue | 300,806 | 300,806 | | **Basic earnings/(Loss) per ordinary share :** |  |  | | **From continuing operations (sen)** | **11.04** | **9.40** | | **From discontinued operations (sen)** | **-** | **1.80** | |
| **B13.** | **Capital commitments**   |  |  |  | | --- | --- | --- | |  | **3Q2011**  **RM’000** | **YTD 3Q2011**  **RM’000** | | Plant and equipment  Contracted but not provided for | 17,500 | 17,500 | | **Total** | **17,500** | **17,500** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **B14.** | **Disclosure of realised and unrealised profits**  An analysis of the retained profits of the Group as at 30 Sept 2011 is as follows :   |  |  | | --- | --- | |  | **As at 30 Sept 2011**  **RM’000** | | Total retained earnings of the Company and its subsidiaries : |  | | Realised | 264,628 | | Unrealised | (43,951) | |  | 220,677 | | Total share of retained earnings from associated company : |  | | Realised | 87,070 | | Unrealised | (2,780) | |  | 84,290 | |  |  | | Less : Consolidated adjustments | (104,529) | | Total retained earnings as per consolidated statement of financial position | 200,438 | |