INTEGRAX BERHAD (49317-W)
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

	Note	As at 31.12.2006 RM'000	As at 31.12.2005 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		374,347	385,547
Investment in associate	A 4.2	75,412	73,217
Other Investment	A 4.3	45,355	10,030
Goodwill on consolidation		128,030	128,030
		623,144	596,824
Current assets			
Trade and other receivables		25,357	22,057
Cash and cash equivalents		112,298	136,514
		137,655	158,571
TOTAL ASSETS		**760,799**	**755,395**
EQUITY AND LIABILITIES			
Equity			
Share capital	A 4.4	300,806	300,806
Share premium		46,706	46,706
Capital redemption reserve		185	185
Foreign currency translation reserves		(1,485)	-
Retained earnings		101,877	72,296
Equity attributable to shareholders of the Company		448,089	419,993
Minority interest		36,786	31,259
Total equity		484,875	451,252
Non-current liabilities			
Preference share capital	A 4.5	40	40
Preference share capital premium account	A 4.5	3,960	3,960
Other payables		71,271	71,520
Deferred taxation	A 4.6	41,657	36,360
LBT serial bonds (secured)	A 4.7	108,377	134,286
		225,305	246,166
Current liabilities			
Trade and other payables		24,603	26,060
Taxation		107	73
LBT serial bonds (secured)	A 4.7	25,909	31,844
Total liabilities		50,619	57,977
TOTAL EQUITY AND LIABILITIES		**760,799**	**755,395**
Net assets per ordinary share (RM)		1.61	1.50

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2005 and the explanatory notes attached to the interim financial statements.

INTEGRAX BERHAD (49317-W)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 DECEMBER 2006

	Note	Current quarter 3 months ended 31.12.2006 RM'000	31.12.2005 RM'000	Cumulative quarter 12 months ended 31.12.2006 RM'000	31.12.2005 RM'000
Revenue		22,912	22,343	90,752	88,774
Cost of sales		(7,133)	(6,794)	(28,117)	(26,454)
Gross profit		15,779	15,549	62,635	62,320
Other income		191	233	1,106	683
Depreciation		(5,013)	(1,125)	(8,707)	(4,393)
Other expenses		(931)	(454)	(931)	(454)
Administrative expenses		(1,514)	(1,069)	(3,667)	(3,561)
Operating profit		8,512	13,134	50,436	54,595
Interest income		1,081	777	3,674	2,826
Finance costs		(4,375)	(5,111)	(18,131)	(21,083)
Share of profit after tax of associate		2,428	621	11,671	5,379
Profit before taxation		7,646	9,421	47,650	41,717
Tax expense	A 4.8	2,189	(698)	(6,526)	(8,744)
Profit for the year		**9,835**	**8,723**	**41,124**	**32,973**
Attributable to:					
Shareholders of the Company		8,205	6,958	35,597	27,625
Minority interests		1,630	1,765	5,527	5,348
Profit for the year		**9,835**	**8,723**	**41,124**	**32,973**
Earnings per share					
Basic earnings per share (sen)	B 13	2.73	2.42	11.83	9.73

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2005 and the explanatory notes attached to the interim financial statements.

INTEGRAX BERHAD (49317-W)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2006

	31.12.2006 RM'000	31.12.2005 RM'000
Cash flows from operating activities		
Profit before taxation	47,650	41,717
Adjustments for :-		
Non-cash items	8,708	4,393
Non-operating items	2,464	12,878
Operating profit before working capital changes	58,822	58,988
Changes in working capital	7,850	8,466
Cash generated from operations	66,672	67,454
Income tax paid (net)	(4,546)	(1,120)
Net cash flow from operating activities	62,126	66,334
Investing activities		
Interest income received	3,674	2,826
Purchase of investment	(35,325)	-
Purchase of property, plant and equipment	(14)	(2,834)
Proceeds from disposal of property, plant and equipment	2,826	-
Net cash from investing activities	(28,839)	(8)
Financing activities		
(Increase)/decrease in Debt Service Reserve Account	(18,635)	17,260
Redemption of preference shares	-	(1,104)
Repayment of serial bonds	(50,000)	(50,000)
ICULS Interest paid	-	(484)
Dividend paid	(6,016)	(407)
Net cash used in financing activities	(74,651)	(34,735)
Net (decrease)/increase in cash and cash equivalent	(41,364)	31,591
Cash and cash equivalents at beginning of the period	111,069	79,478
Effects of foreign currency translation in consolidation	(1,487)	-
Cash and cash equivalents at end of the period (Note 1)	68,218	111,069

Note 1: Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following balance sheet amounts:-

	31.12.2006 RM'000	31.12.2005 RM'000
Cash and bank balances	22,466	24,554
Fixed deposits and repos with licensed banks (excluding deposits pledged)	45,752	86,515
Net cash and cash equivalents	68,218	111,069

Cash and cash equivalents stated in the balance sheet include the above stated amounts plus :-

i) RM 44.075 million (2005 - RM 25.440 million) held by way of deposits in the Debt Service Reserve Account which is required to be maintained by LBT for its serial bond obligations.

ii) RM5,000 (2005 - RM 5,000) pledged by LBT as security for the purposes of a bond required for its dry bulk terminal's customs legal landing point status.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2005 and the explanatory notes attached to the interim financial statements.

INTEGRAX BERHAD (49317-W)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2006

	<----Equity attributable to shareholders of the Company---->									
				<----Non-distributable ---->			<-Distributable->			
	Ordinary Share Capital RM'000	ICPS RM'000	ICULS RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 January 2006	300,806	-	-	46,706	185	-	72,296	419,993	31,259	451,252
Foreign exchange translation differences	-	-	-	-	-	(1,485)	-	(1,485)	-	(1,485)
Profit for the year	-	-	-	-	-	-	35,597	35,597	5,527	41,124
Dividend declared	-	-	-	-	-	-	(6,016)	(6,016)	-	(6,016)
At 31 December 2006	**300,806**	**-**	**-**	**46,706**	**185**	**(1,485)**	**101,877**	**448,089**	**36,786**	**484,875**
At 1 January 2005	268,852	1,037	24,267	51,246	165	-	44,691	390,258	25,911	416,169
Conversion of ICULS to ordinary shares	22,936	-	(24,267)	3,441	-	-	-	2,110	-	2,110
Conversion of ICPS to ordinary shares	9,018	(1,037)	-	(7,981)	-	-	-	-	-	-
Redemption of LBT RNCPS	-	-	-	-	20	-	(20)	-	-	-
Profit for the year	-	-	-	-	-	-	27,625	27,625	5,348	32,973
At 31 December 2005	**300,806**	**-**	**-**	**46,706**	**185**	**-**	**72,296**	**419,993**	**31,259**	**451,252**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2005 and the explanatory notes attached to the interim financial statements.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

ABBREVIATIONS

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

"Act"	:	Companies Act, 1965
"EPS"	:	Earnings per share
"FRS"	:	Financial Reporting Standards
"Group"	:	Integrax and its subsidiaries
"Integrax" or the "Company"	:	Integrax Berhad *(Company No. 49317-W)*
"ICPS"	:	Irredeemable convertible preference shares of RM0.10 each in Integrax
"ICULS"	:	3% Irredeemable convertible unsecured loan stocks 2003/2005 which were converted into ordinary shares in 4 Q 2005
"HRH"	:	Halim Rasip Holdings Sdn. Bhd. *(Company No. 64655-T)*
"LBT"	:	Lekir Bulk Terminal
"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
"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
"LMTC"	:	LMT Capital Sdn. Bhd. *(Company No. 488241-T)*, a wholly-owned subsidiary of LMTSB
"LPIP"	:	Lumut Port Industrial Park, the industrial properties division in LMTSB
"Lumut Port"	:	Lekir Bulk Terminal and Lumut Maritime Terminal collectively
"PLSB"	:	Pelabuhan Lumut Sdn. Bhd. *(Company No. 168205-M)*, a wholly owned subsidiary of Integrax
"PATSC"	:	Profit attributable to shareholders of the Company
"PBT"	:	Profit Before Tax
"PKS"	:	Petrokapal Sdn. Bhd. *(Company No. 30921-D)*, a wholly owned subsidiary of HRH
"PGMC"	:	Platinum Group Metals Corporation,an investment by the Company in the Republic of the Philippines
"RAM"	:	Rating Agency Malaysia Berhad

"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"RRSB"	:	Radikal Rancak Sdn Bhd *(Company No. 576210-X)*, a wholly owned subsidiary of Integrax
"Number Q "	:	The relevant quarter in a financial year stated

A1 COMMENTS ON FINANCIAL RESULTS, PERFORMANCE AND PROSPECTS

A1.1 FINANCIAL RESULTS FOR THE PERIOD

	4 Q 2006 RM	4 Q 2005 RM	3 Q 2006 RM	% Change 4 Q 2006 / 3 Q 2006	% Change 4 Q 2006 / 4 Q 2005
Revenue	22,912	22,343	23,085	(0.7)	2.5
Operating Profit	8,512	13,134	14,064	(39.5)	(35.2)
Share of Profit after Tax of Associate	2,428	621	1,800	34.9	291.0
PBT	7,646	9,421	12,362	(38.1)	(18.8)
PATSC	8,205	6,958	8,298	(1.1)	17.9
EPS (sen)	2.73	2.42	2.76	(1.1)	12.8

(a) Revenues comprised contractual revenues for the provision of port facilities, cargo handling and vessel services under term arrangements. There was no meaningful change in Revenues for 4Q2006 as against 4Q2005 and 3Q2006.

(b) Operating Profit for 4 Q 2006 decreased by 39.5% against 3 Q 2006 and 35.2% against 4 Q 2005 and 7.6% on a YTD basis mainly due to the increase in depreciation. For an appreciation of the depreciation issue we draw your attention to Note A2.3(b).

(c) Share of Profit after Tax of Associate for 4 Q 2006 increased by 34.9% against 3 Q 2006 and increased by 291% against 4 Q 2005. On a YTD basis it increased by 117% due to improved port operation activities and industrial land sale activities.

(d) PBT for 4 Q 2006 decreased by 38.1% against 3 Q 2006 and 18.8% against 4 Q 2005 due to the reasons set out in Note A1.1(b). On a YTD basis, however, PBT increased by 14.2% primarily due to increase contribution from the Associate Company.

(e) PATSC for 4 Q 2006 decreased by 1.1% against 3 Q 2006. PATSC increased by 17.9% against 4 Q 2005, notwithstanding the increase in depreciation in 4Q2006, primarily due to an adjustment for deferred taxation caused by the decrease in income tax rates from 28% to 27% and 26% for the Years of Assessment 2007 and 2008.

(f) On a YTD basis, EPS as at YTD 4 Q 2006 increased by 21.6% against YTD 4 Q 2005.

A1.2 GROUP PERFORMANCE

(a) Port Operations

Set out below are cargo statistics for Lumut Port in Freight Weight Tonnes (FWT) analyzed by Type of Cargo and by the Industry Sectors.

BY CARGO TYPE

FWT	4 Q		% change
	2006	2005	
Conventional / breakbulk	26,239	7,733	239.3
Liquid bulk	142,817	115,071	24.1
LMT Dry bulk	480,339	359,637	33.6
LBT Dry Bulk	1,374,308	1,208,197	13.7
Total	2,023,703	1,690,638	19.7

FWT	YTD 4 Q		% change
	2006	2005	
Conventional / breakbulk	67,995	23,563	188.6
Liquid bulk	563,927	531,869	6.0
LMT Dry bulk	1,539,073	1,530,084	0.6
LBT Dry Bulk	5,442,317	4,881,301	11.5
Total	7,613,312	6,966,817	9.3

BY INDUSTRY SECTOR

FWT	4 Q		% change
	2006	2005	
Chemicals	38,072	16,470	131.2
Mining	123,162	82,907	48.6
Agriculture	225,413	141,539	59.3
Construction Materials	253,932	231,008	9.9
Energy	1,374,308	1,208,197	13.7
Others	8,816	10,517	(16.2)
Total	2,023,703	1,690,638	19.7

FWT	YTD 4 Q		% change
	2006	2005	
Chemicals	108,625	53,481	103.1
Mining	434,803	444,722	(2.2)
Agriculture	768,427	708,760	8.4
Construction Materials	821,019	843,887	(2.7)
Energy	5,442,317	4,881,301	11.5
Others	38,121	34,666	10.0
Total	7,613,312	6,966,817	9.3

12 months ended	12 M 2006	12 M 2005	% change
Percentage Import	78.8	79.2	(0.5)
Percentage Export	21.2	20.8	1.9

Cargo throughput increased by 4.5% against 3 Q 2006 and 19.7 % against 4 Q 2005. It increased by 9.3% on a YTD basis.

(i) Lumut Port experienced a 4Q2006 surge in cargo traffic across all cargo types and sectors which lifted the YTD total cargo throughput by 9.3% on a YTD basis. We had anticipated this at the time of reporting for the 3Q2006 and it has come to pass.

(ii) In this quarter the first of several tariff increases have also come into effect.

(iii) Please see additional comments in Note A1.3.

(b) **Marine Services**

Marine services were a direct reflection of vessel calls.

Vessel Calls	**4Q 2006**	**3Q 2006**	**4Q 2005**
LMT	85	83	75
LBT	19	20	17
Total	104	103	92

(c) **Industrial Properties**

	4Q 2006	**3Q 2006**	**4Q 2005**
Sales per S & P signed in the quarter (acres)	33.97	Nil	Nil

The abovestated figures are gross and do not reflect adjustments required for previous sales of land rescinded as may occur for reason of land buyer default or for other reasons. Nonetheless the figures are provided to give an indication of land sales being closed out in each quarter. The land sale to Petronas Dagangan Berhad represents the sole transaction in 4Q2006 with the balance revenue and profit to be recognized over the 1Q and 2Q 2007.

(d) **Investment Holdings**

The investment is that of the LMT RPS at Group level, which returns are determined wholly by LMTSB and PGMC Class B Redeemable Shares.

(e) **Overall Comments On Performance**

The Group's performance, demonstrating yet again its continuing stable and resilient core earnings, has been reasonable given cargo trends and aided by industrial property sales.

A1.3 PROSPECTS GOING FORWARD

(a) **Port Operations**

(i) Going forward into 2007, buttressed by a strong 4Q2006, we anticipate a robust year 2007 with the normal nature of fluctuations in cargo occurring as between the quarters.

(ii) The prospects for liquid bulk cargo as reported earlier in 3Q2006 remain intact with continued interest in biodiesel activities and with the prospects raised by the impending construction of a fuel distribution depot/tank farm by Petronas Dagangan Berhad located adjacent to LMT.

(iii) With pressure on consignees/consignors of dry bulk cargo to utilize larger vessels we also anticipate a need to rationalize cargo handling capability as between LMT and LBT through this will depend on negotiations on traffic volumes and tariffs.

(iv) Our exercise in raising tariffs to accommodate increased costs has already yielded results in this 4Q2006 and efforts continue to interact with clients so as to achieve further progress during the 2007.

(v) Our plans for capital expenditure on a pipe rack network and for an expansion of berthing capability at LMTSB are being firmed up in respect to engineering and design in this quarter and it is planned to enter into contract bidding and negotiation with the intention of commencing works on a phased basis through out 2007. LMTSB will bear such capital expenditure and is well placed in terms of internal funds to deal with such expenditure. Additional debt is being considered to optimize return for shareholder benefit.

Capital expenditure at LMT is anticipated to be approximately RM22 million starting in 2007.

Naturally this will require much management attention with our Encik Amin Halim Rasip taking on greater responsibility over Lumut Port especially, in view of his engineering background, with regard to the capital expenditure programme proposed. This will enable our Encik Harun Halim Rasip to focus on projects under development.

(b) **Marine Services**

Further to a Board determination, we anticipate the start of developments in 2007 in our marine services activities (tuggage and tug-barge services) so as to increase its capability to deal with opportunities arising particularly in the liquid cargo trade on a regional basis.

(c) **Industrial Properties**

There remains continuing interest in industrial property at the Lumut Port Industrial Park for all nature of activities. Prices of land have risen as much as 25% to date and will inevitably rise further as our land bank diminishes in area.

(d) **Projects Under Development**

Port Activities

The Group continues to make efforts to establish, participate in and/or operate and manage specialized and multi-purpose port facilities outside Malaysia. In response to shareholder and investor queries we set out where we are at this date.

(i) **India**

India holds such a huge potential for cargos and port profits that people speak of the "India premium" necessary to get into the India market which already possesses considerable engineering and financial sophistication.

We have made bids in response to tenders floated by State/Federal Authorities in Tamil Nadu and Orissa. Neither succeeded. We remain, however, always on the lookout for others.

We have also sought to enter into consortiums comprising a promoter, financial investors and ourselves in the role of port operator. Negotiations were held for projects in Maharasthra and Andhra Pradesh but failed to close last year as we were not comfortable with the terms and conditions involved, the concept design and cost and project structure. We remain however always in discussion with various parties in respect to several port projects in India at any point in time.

Given the requisite India premium it is only proper that we be prudent.

(ii) **Indonesia**

To date efforts still remain hostage to the need for clear legislation permitting private sector multi-user multi purpose ports to exist and to function and to be financed. Significant steps have been made in this direction by the Indonesia Government and legislation is now pending that would render the existing port sector entities into owners/operators within a new regulatory regime that would permit the entry of new owner/operators after two years. On the basis that intent is followed by action on the ground there are significant opportunities for ports and terminals in Indonesia.

We are in close negotiation for binding agreements with at least two (2) Provincial and Regency Governments, having already received their in-principle approvals, with the intention to promote, establish, fund, own and operate a multipurpose port integrated with an economic zone development of up to 2,000 hectares. We have not named the locations for commercial reasons. Anticipated initial project value for each will be in the order of USD100 million. The agreements will be for purposes of committing to a process by which the parties will seek all relevant conditional approvals from all relevant authorities in respect to all port, land and development issues for what is planned and required and thereafter to implement the projects subject prior receipt of all final approvals and project financial close. Announcements will be made in respect of such, if and when appropriate.

We have, however, on 15 February 2007, entered into a binding agreement with Petrogas Jatim Utama ("PJU"), a business entity of the Provincial Government of East Java to, via an SPV, develop, establish, fund, own and operate a liquid and gas terminal and storage facility to meet the growing needs of the Province. PJU will hold 25% of the SPV. Initial estimates indicate a project value of approximately USD40 million. Further information will be announced when available and appropriate.

We are continuously looking at several other projects of a similar nature in other provinces and regencies in Indonesia to play a role in the provision of the port infrastructure sorely needed by Indonesia to further develop its economy for the benefit of its people.

(iii) **Indochina PNG, Middle East, Philippines**

Projects in these areas are in initial stages only and may progress to the next stages or be stillborn, only to be replaced by possibilities.

Resources

As at the end of 4Q2006 our position in PGMC stands with an investment of approximately USD10 million for an issue of Class B shares (which have a redeemable feature for a limited duration) in PGMC representing 17.25% of its equity.

Subsequent to 31 December 2006 and on 13 February 2007 the said equity % increased to 20.01% with completion of the last subscription of approximately USD1.726 million. PGMC will therefore be treated as an associated investment at the end of the 1Q2007 subject to the completion of registration and share issue formalities. At such time this Report will include information on key operating and financial data pertinent to PGMC.

In 3Q2006 it was reported that PGMC had begun steps to obtain listed status on the Philippine Stock Exchange for all or some of its mining and smelting activities. PGMC remains in negotiation with a number of public listed shells while at the same time continuing with the process of preparing itself for an IPO.

PGMC mining operations in 2006 have been hampered by adverse weather in respect of all its deposits and nuisance claims in respect to one of its deposits. Such issues appear to have abated and full production from at least two deposits is expected to recommence in 1Q2007.

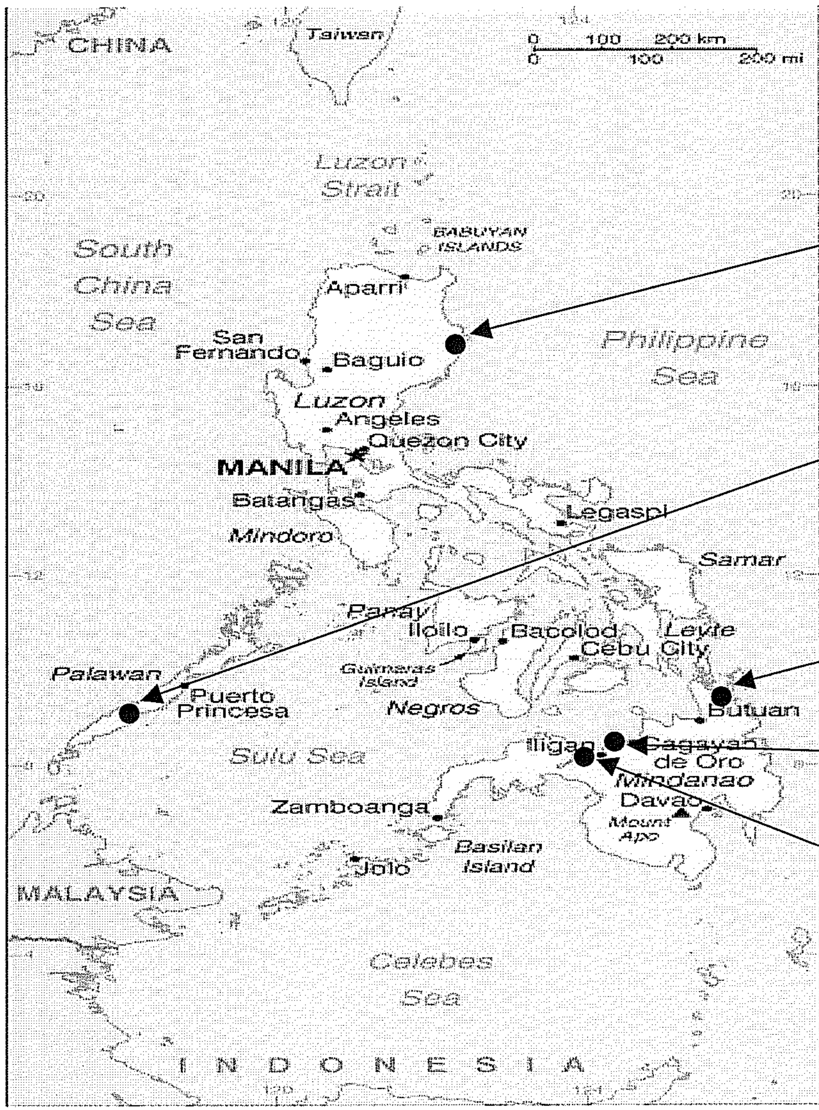
In 3Q2006 it was reported that the internally determined (not independent) estimates of nickel ore resources and reservcs (at a cut-off grade of 1.25% nickel) was 61 million DMT in total. We advise that a formal certification in compliance with the Australian JORC Code is underway and its results will be announced upon its completion by way of information.

PGMC has beneficial ownership rights over two smelters, in Mindanao which are undergoing rehabilitation and upgrading so as to produce an initial aggregate of approximately 9 million pounds of ferro-nickel. Such works are well advanced with commissioning and first production expected by 2Q2007. Negotiations with interested parties and mining majors are underway to increase capacity to approximately 30 million pounds in aggregate by way of their participation therein or in some other manner and for offtake arrangements.

PGMC also is in negotiation with blast furnace operations in China for offtake arrangements for PGMC's low grade ore for processing into ferro-nickel pig iron. Consideration is also being given in the medium term to joint-venture undertakings for ferro-nickel pig iron in China and/or near our deposits in the Philippines. PGMC's medium grade ore is already subject to offtake arrangements with an Australian mining major while its high grade ore is destined for PGMC's smelters.

For purposes of locating PGMC's deposits and smelters please find attached to this Report an Illustrative map indicating the same.

Resources & Smelters



ISABELA MPSA

Development Stage

Mining 1st Qtr 2007

PAHLAWAN COW

Toronto – Mining/export since late 2005

Pulot – Development Stage

SURIGAO CAGA MPSA

Development Stage

Mining 1st Qtr 2007

MANTICAO SMELTER (5Mlbpa)

Commissioning 1st Qtr 2007

ILIGAN SMELTER (4Mlbpa)

Operational 1st Qtr 2007

A 2 INTERIM FINANCIAL STATEMENTS – BASIS OF PREPARATION

A2.1 These interim financial statements are **unaudited**, have been prepared in compliance with FRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2005. These explanatory notes attached to the interim financial statement 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 year ended 31 December 2005.

A2.2 Changes In Accounting Policies

The accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2005, except for the adoption of the new/revised FRS's effective for the financial period beginning 1 January 2006.

The principal effects of the changes in accounting policies resulting from the adoption of these FRSs are as follows:-

(a) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of the consolidated balance sheet, consolidated income statement as well as the consolidated statement of changes in equity. Among other things, minority interests are now presented within total equity in the consolidated balance sheet and are presented as an allocation of the total profit or loss for the period in the consolidated income statement.

In addition, the Group's share of profit/loss of associated company is stated net of tax and minority interests in the consolidated income statement.
FRS 101 also requires disclosure on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent, minority interests and potential shareholders.
The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101.

(b) We believe that the adoption of the other FRSs does not have a significant financial impact on the Group.

A2.3 Changes In Accounting Estimates

(a) The revised FRS 116: Property, Plant and Equipment requires the review of the residual value, remaining useful life and expected output of an item of property, plant and equipment at least at each financial year end. During the 4 Q 2006, the Group reviewed the depreciation basis (using the units (or value thereof) of production method permitted by the revised FRS 116) with our auditors and had to make certain changes consistent with the prescriptive compulsory nature of FRS 116.

(b) The effects of this revision were accounted for as a change in accounting estimates and as a result, the depreciation charges for the 4 Q 2006 and YTD 2006 increased by RM 3.766 million.
Readers should be reminded that depreciation is not a cash item. It should not also be forgotten that the production method requires an annual review and any increase in expected cargo (production units) in future years will result in yet another change in accounting estimate and so on and so forth. Essentially readers will have to expect greater volatility in numbers going forward as the FRS vainly attempts an unreal quantification of the real world.

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 and with cash available to move quickly in response to sound opportunities and projects of long term benefit to the Group and its shareholders. The readers' attention is also drawn to Note A4.7.

A4.2 INVESTMENT IN ASSOCIATE

(a) This currently represents the carrying value of the Group's investment in its associate, LMTSB, which during the quarter, increased by the Group's share in its profit after tax and decreased by its second interim dividend declared for 2006. By way of additional information, we also set out the following :-

Unaudited Income Statement of LMTSB

	4 Q 2006 (RM'000)	YTD 4Q 2006 (RM'000)
Gross Revenue - Port Operations	12,444	47,118
- Industrial Property	5,250	23,634
Gross Profit - Port Operations	8,611	31,454
- Industrial Property	1,216	13,568
Depreciation & amortization	479	1,611
Operating Profit	7,736	37,356
Finance Costs	1,129	4,534
Profit Before Tax	6,608	32,822
Profit After Tax	4,857	23,347

Unaudited Balance Sheet of LMTSB

	4 Q 2006 (RM'000)
Fixed Assets (Net Book Value)	74,409
Land held for resale	21,481
Cash and cash equivalents	42,618
Other current assets net of liabilities	16,344
	154,852
Equity	43,600
Retained earnings	51,403
Non current liabilities	4,849
Non current bonds	55,000
	154,852

LMTSB has in issue RM 60 million BaIDS which comprises of 10 series, with the first series maturing on 3 December 2007. The BaIDS bear a current RAM rating of AA3 and have the following maturities:-

	As at 31.12.06 (RM'000)
Less than one year	5,000
Between one and five years	15,000
More than five years	40,000
Total	60,000

(b) In accordance to agreements entered into in May 2006 and amended by an Amended and Restated Shareholders' Agreement dated 7 November 2006, the Company had agreed to subscribe for Class B Redeemable Shares representing, upon it becoming irredeemable, 20.01% of the paid up capital of PGMC for a total investment cost agreed sum of approximately USD 12 million subject to fixed foreign exchange rates.

As at 31 December 2006, the Company had subscribed for Class B Redeemable Shares representing 17.25% of the paid up capital of PGMC for an amount of approximately USD 10 million.
The balance of the shares were subscribed subsequent to 4 Q 2006, on 13 February 2007, for an amount equivalent to USD 1.726 million.

A4.3 OTHER INVESTMENTS

	As at 31.12.06 RM'000
LMT RPS	10,030
PGMC Class B Redeemable Shares	35,325
Total	45,355

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 PREFERENCE SHARE CAPITAL AND PREMIUM

No LBT RCCPS of RM 0.01 each issued with a premium of RM0.99 each and held by Minority Interests in LBTSB were redeemed by LBTSB during the current quarter.

A4.6 DEFERRED TAXATION

	As at 31.12.06 RM'000
Balance at 1 January 2006	36,360
Transfer from income statement	5,297
Total	41,657

A4.7 LBT SERIAL BONDS

	As at 31.12.06 Current RM'000	As at 31.12.06 Non - Current RM'000	As at 31.12.06 Total RM'000
Bond liability	44,000	234,000	278,000
Less : Interest in suspense	(18,091)	(125,623)	(143,714)
Total (exclusive of interest)	25,909	108,377	134,286

The balance of LBT Serial Bonds as at 31.12.2006 comprises 12 series (i.e. series no. 8 to 19) of zero coupon bonds with an aggregate nominal value of RM 278 million (inclusive of interest) issued by LBTSB. Subsequent to 4 Q 2006, the eighth series of bonds amounting to RM 22 million (inclusive of interest) was paid on its maturity date on 5 January 2007.

The bonds are secured by a charge over the assets, the power plant business and project agreements of LBTSB and bear the following maturities:-

	As at 31.12.06 RM'000
Less than one year	44,000
Between one and five years	174,000
More than five years	60,000
Total	278,000

In August 2006, RAM reaffirmed its AA1 rating of LBT's Serial Bonds. During the year a Supplemental Trust Deed was executed following receipt of the affirmative votes of more than 90% of the holders of the LBT Serial Bonds permitting, among other matters, the conditional increased utilization/distribution of surplus cash by LBTSB (for dividends, capital expenditure etc), the incurrence of additional indebtedness of up to RM200 million, the substitution of cash in the Debt Service Reserve Account with a bank guarantee and the issue of new shares by LBTSB.

A4.8 TAX EXPENSE

	4Q 2006 RM'000	YTD 4Q 2006 RM'000
Income tax	154	1,229
Deferred tax	(2,343)	5,297
Total	(2,189)	6,526

An adjustment was made in 4Q2006 to the deferred taxation provision for the year 2006 due to the decrease in income tax rates from 28% to 27% and 26% for the Years of Assessment 2007 and 2008 respectively.

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, breakbulk and containers) and the LBT (dry and liquid bulk) comprising Lumut Port.
Marine services	-	Provision of tuggage and related services
Investment holding	-	Investment in LBT RCCPS, LBT RNCPS (which were fully redeemed in 2005) and LMT RPS.
Industrial property	-	Sale of industrial property by LMTSB

A5 SEGMENTAL INFORMATION – GROUP (continued)

12 Months Ended 31.12.06 RM'000	Port Operations	Marine Services	Investment Holding	Industrial Properties	Eliminations	Consolidated
Business segments						
Revenue from external customers	84,380	6,372	-	-	-	90,752
Inter-segment revenue	-	-	1,600	-	(1,600)	-
Share of revenue of associate	23,554	-	-	11,815	-	35,369
Total gross revenue	107,934	6,372	1,600	11,815	(1,600)	126,121
Share of revenue of associate	(23,554)	-	-	(11,815)	-	(35,369)
Total revenue	84,380	6,372	1,600	-	(1,600)	90,752
Segment result	50,794	1,505	(263)	-	(1,600)	50,436
Operating profit						50,436
Financing costs						(18,131)
Fixed deposit interest income						3,674
Share of profit of associate						11,671
Profit before taxation						47,650
Tax expense						(6,526)
Minority interests						(5,527)
Profit for the period attributable to shareholders						35,597

A5 SEGMENTAL INFORMATION – GROUP (continued)

12 Months Ended 31.12.05 RM'000	Port Operations	Marine Services	Investment Holding	Industrial Properties	Eliminations	Consolidated
Business segments						
Revenue from external customers	82,698	6,076	-	-	-	88,774
Inter-segment revenue	-	-	10,677	-	(10,677)	-
Share of revenue of associate	21,697	-	-	1,321	-	23,018
Total gross revenue	104,395	6,076	10,677	1,321	(10,677)	111,792
Share of revenue of associate	(21,697)	-	-	(1,321)	-	(23,018)
Total revenue	82,698	6,076	10,677	-	(10,677)	88,774
Segment result	55,036	1,184	9,052	-	(10,677)	54,595
Operating profit						54,595
Financing costs						(21,083)
Fixed deposit interest income						2,826
Share of profit of associate						5,379
Profit before taxation						41,717
Tax expense						(8,744)
Minority interests						(5,348)
Profit for the period attributable to shareholders						27,625

A6 SUBSEQUENT MATERIAL EVENTS

On 13 February 2007, the Company pursuant to the Amended and Restated Shareholders' Agreement dated 7 November 2006 that amended and restated the subscription value of the Class B Redeemable Shares in PGMC paid a sum equivalent to USD1.726 million for the last subscription sum due under the aforesaid Agreement. This payment has effectively provided the Company with a 20.01% equity interest in PGMC subject to legal formalities.

A7 CHANGES IN GROUP COMPOSITION

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

A8 CHANGES IN CONTINGENT ASSETS AND LIABILITIES

Consequent to the payment made for the subscription of the Class B Redeemable Shares in PGMC the Company now has contingent assets and liabilities in respect to the balance of shares to be subscribed amounting to USD1.726 million (approximately RM6.36 million) in cost terms to the Company.
These shares were subscribed subsequent to 4 Q 2006. Please refer Note A6.

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

	YTD 4Q 2006 RM'000	YTD 4Q 2005 RM'000
Operations and maintenance fees payable to LMTSB	23,262	21,603
Management fees receivable from LMTSB.	600	600
Tuggage services receivable from LMTSB.	6,372	6,077
Fees payable to HRH, a substantial shareholder of the Company, for the provision of office facilities and services to the Company and the Group.	-	300
Office facilities fees receivable from PKS, a company wholly owned by HRH.	166	83

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA 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 A1.1.

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 A4.8.

B6 DISPOSAL OF UNQUOTED INVESTMENTS AND PROPERTIES
There were no disposals of unquoted investments and properties during the current quarter.

B7 PURCHASE OR DISPOSAL OF QUOTED SECURITIES
The Group has not undertaken any purchase or disposal of quoted securities.

B8 STATUS OF COPORATE PROPOSALS
Refer to Notes A6 and A7. No other corporate proposals are in existence at this time.

B9 BORROWING AND DEBT SECURITIES
Refer to Notes A4.5 and A4.7.

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS
The Group has not entered into any financial instruments with off balance sheet risk to the date of this announcement.

B11 CHANGES IN MATERIAL LITIGATION
The Group is not involved in any material litigation.

B12 DIVIDENDS

No dividends were declared or paid by the Company during this quarter.

B13 EARNINGS PER ORDINARY SHARE

The 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.

	4 Q 2006 RM'000	**YTD 4Q 2006 RM'000**
PATSC for the period	8,205	35,597
Weighted average number of ordinary shares in issue	300,806	300,806
Earnings per share (sen)	**2.73**	**11.83**

B14 CAPITAL COMMITMENTS
Refer to note A 9.