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

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

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
"FRS"	:	Financial Reporting Standards
"Group"	:	Integrax and its subsidiaries
"Integrax" or the "Company"	:	Integrax Berhad *(Company No. 49317-W)*
"IJE"	:	P.T. Integra Jasa Energi, a 95% owned subsidiary of Integrax established in the Republic of Indonesia
"INDX"	:	P.T. Indoexchange Tbk, a limited company listed on the Indonesia Stock Exchange (IDX) which has emerged as a result of a merger between the Jakarta Stock Exchange and Surabaya Stock Exchange in the Republic of Indonesia
"HRH"	:	Halim Rasip Holdings Sdn. Bhd. *(Company No. 64655-T)*
"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
"LMTC"	:	LMT Capital Sdn. Bhd. *(Company No. 488241-T),* a wholly-owned subsidiary of LMTSB
"LPIP"	:	Lumut Port Industrial Park, the industrial properties division of LMTSB
"Lumut Port"	:	Lekir Bulk Terminal and Lumut Maritime Terminal collectively
"NAD"	:	Nanggroe Aceh Darussalam, Indonesia

"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 2007 RM'000	(Restated) 4 Q 2006 RM'000	% Change
Revenue	22,557	22,912	(1.5)
Operating Profit	11,747	8,512	38.0
Share of Profit after Tax of Associates	2,586	2,608	(0.8)
PBT	11,648	7,826	48.8
PATSC	8,810	8,385	5.1
EPS (sen)	2.93	2.79	5.0

(a) Revenues comprise contractual revenues for the provision of port facilities, cargo handling and vessel services under term arrangements. There were no significant movements in revenues on a quarter-on-quarter basis and on a year-on-year basis reflecting the nature of the revenue streams which are primarily fixed with annual escalation provisions.

(b) Operating Profit increased by 38.0% on a quarter-on-quarter basis primarily due to lower depreciation incurred as a consequence of a lower quarterly throughput but decreased by 2 % on a year-on-year basis primarily due to the lower annual throughput, increased cost of sales (incurred as a result of annual escalation provisions) and an increase in project development costs expensed as part of an ongoing policy of prudence in respect of project development expenditure carried in the books.

(c) Share of Profit after Tax of Associate remained flat on a quarter-on-quarter basis due to 4Q2007 losses incurred by PGMC (please refer to A1.2(e)) offsetting profits contributed by LMTSB. On a year-on-year basis it increased by 16.1% due to LMTSB's overall improved results for 2007 supplemented by the Company commencing equity accounting of the results of PGMC from June 2007.

(d) PBT increased by 48.8% on a quarter-on-quarter basis and by 6.6% on a year-on-year basis due to a combination of reasons stated above helped along by decreased finance costs as term debt continues to wind down.

(e) PATSC for 4Q2007 increased by 5.1% on a quarter-on-quarter basis and by 2.0% on a year-on-year basis.

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
	2007	2006	
Conventional / break-bulk	30,999	26,239	18.1
Liquid bulk	130,072	142,817	(8.9)
LMT Dry bulk	469,462	480,339	(2.3)
LMT Sub-Total	630,533	649,395	(2.9)
LBT Dry Bulk	1,203,390	1,374,308	(12.4)
Total	1,833,923	2,023,703	(9.4)

FWT	YTD 4 Q		% change
	2007	2006	
Conventional / break-bulk	94,563	67,995	39.1
Liquid bulk	489,002	563,927	(13.3)
LMT Dry bulk	1,862,968	1,539,073	21.0
LMT Sub-Total	2,446,533	2,170,995	12.7
LBT Dry Bulk	4,528,984	5,442,317	(16.8)
Total	6,975,517	7,613,312	(8.4)

BY INDUSTRY SECTOR

FWT	4 Q		% change
	2007	2006	
Chemicals	48,207	38,072	26.6
Mining	94,770	123,162	(23.0)
Agriculture	175,583	225,413	(22.1)
Construction Materials	302,812	253,932	19.2
Energy	1,203,390	1,374,308	(12.4)
Others	9,161	8,816	3.9
Total	1,833,923	2,023.703	(9.4)

FWT	YTD 4 Q		% change
	2007	2006	
Chemicals	153,484	108,625	41.3
Mining	516,517	434,803	18.8
Agriculture	674,568	768,427	(12.2)
Construction Materials	1,083,916	821,019	32.0
Energy	4,528,984	5,442,317	(16.8)
Others	18,048	38,121	(52.7)
Total	6,975,517	7,613,312	(8.4)

12 months ended	12 M 2007	12 M 2006	% change
Percentage Import	73%	79%	(7.6)
Percentage Export	27%	21%	28.6

(i) Cargo at LBT decreased by 12.4% on a quarter-on-quarter basis and decreased by 16.8% on a year-on-year basis. It decreased by 10.2% on a 4Q2007 to 3Q2007 basis. This trend reflects, notwithstanding our earlier optimism, the running down of coal stocks at TNBJ, a re-direction by Tenaga Nasional Berhad of its coal purchases to support the start-up of the Tanjung Bin Power Plant in Johor beginning in 2Q2007 and a growing coal supply availability problem faced by many power generators in regionally and elsewhere with the continuing run-up in coal prices. In some cases this has resulted in fixed priced contracts being ignored and coal being directed to whomever is prepared to pay current prices. Fortuitously LBT has a revenue stream that is primarily fixed in composition.

(ii) Liquid bulk exports from the Agriculture Sector decreased by 22.1% on a quarter-on-quarter basis and 12.2% on a year-on-year basis. Despite earlier expectations of a turnaround trend in 3Q2007 it has not happened as one of our larger users did not export any crude palm oil this year and may have everything to do with their plant problems which have now been apparently rectified.

(iii) Dry bulk exports increased with help from the Construction Materials Sector which increased by 19.2% on a quarter-on-quarter basis. This reflects the capacity availability of the cement companies for increased exports of cement sector product to domestic grinding plants, presumably in response to government development spending, and to export markets. This mitigated earlier weakness in 2007. The Mining Sector also had a good year with a year-on-year increase of 18.8% notwithstanding a 4Q2007 decrease. The Chemicals Sector also did well on a quarter-on-quarter basis and well as on a year-on-year basis with increases of 26.6% and 41.3% respectively.

(iv) Port operations continued to maintain its gross operational margins notwithstanding recent increases in sub-contractor service rates. LBT's margins remained intact while LMT's margins are being supported by a policy of effecting gradual tariff increases where appropriate in negotiation with clients.

(b) **Marine Services**

Vessel/ Barge Calls	**4Q 2007**		**3Q 2007**		**4Q 2006**	
	Ships	**Barges**	**Ships**	**Barges**	**Ships**	**Barges**
LMT	47	51	53	44	59	26
LBT	17	-	19	-	19	-
Total	64	51	72	44	78	26

Marine service revenues and costs are controlled by contracts and the level of activities is a direct reflection of vessel calls.

(c) **Industrial Properties**

	4Q 2007	3Q 2007	4Q 2006
Acres committed to sale by agreements in quarter	NIL	3.02	33.97

The above numbers give an indication of land sales achieved in the quarters with revenue and cost recognition consistent with agreed terms of executed Sale and Purchase Agreements. 4Q2007 has seen a continuation of the current general decline of interest in industrial property consistent with domestic investment trends and the biodiesel sector pausing on account of palm oil prices.

(d) **Investment Holdings**
The investment is that of the LMT RPS at Group level, which returns are determined by LMTSB. To date no redemption of preference dividends have been made.

(e) **Resource Activities**

(i) Resource activities currently only exist via the Company's 20.01% equity interest in PGMC whose results were equity accounted commencing from 1 June 2007. In the 2Q2007 the Company provisionally used PGMC's converted US Dollar results to determine its share of profits. In this 3Q2007 the Company switched to utilizing PGMC's Philippine Peso base results as it represents the ultimate currency of the investment made with our shares denominated in Philippine Peso.
Included in Share of Profit After Tax of Associates therefore is the Company's share of profit after tax of PGMC's unaudited results, shown below on a 100% basis:-

	YTD 4Q 2007
Nickel Ore Shipments	423,978 DMT
	PHP'000
EBIT	190,692
PBT	157,351
Tax Expense	51,601
PAT	105,750

An average RM / PHP100 exchange rate of 7.6528 was used for translation purposes. Please also take note of the comment in A1.2 (e)(iii).

(ii) During the course of 4Q2007, PGMC's smelter continued test production and preliminary testing produced approximately 351MT of sub-grade ferronickel. Test production has continued in order to get production processes optimized and the grades of nickel required to achieve the better prices even though markets exist for a lesser standard. Sales were made during 4Q2007 but these were only shipped after the year end and revenues were offset against costs pending the effective commencement of the tax holiday in 2008. From its mines PGMC also sold 136,637 DMT of low grade nickel ore from its Surigao deposit to Chinese buyers and to the BHP Group.
Appallingly bad weather in the 4Q2007 in PGMC's areas of operations adversely impacted PGMC's mining operations and shipments. Technical issues also arose at the smelters that have affected targeted production levels though they are being addressed.
PGMC consequently made a loss in 4Q2007 which was accounted for and offset the earlier take-up of a profit in 3Q2007 resulting in a smaller contribution to net profit for the year.

(iii) *Readers are <u>cautioned</u> that the above PGMC results are still <u>unaudited</u> and are subject to such adjustments as may be required at year end by International Accounting Standards applicable in the Philippines, conditioned by PGMC being successful in obtaining taxation incentives and the impact of accounting for foreign exchange conversions and derivatives. PGMC results will be reviewed by our statutory auditors as part of the year end audit for the Group.*

A1.3 PROSPECTS GOING FORWARD

(a) ***<u>Forward Looking Statements Disclaimer</u>***

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) **<u>Port Operations</u>**

(i) The cargo throughput in 4Q2007 has shown how expectations, on the margin (only), can go awry in a business environment that is characterized by cargoes emerging from a few key port users. This has always been the nature of our business but the environment is now more volatile than before with supply shortages and the inevitable price increases emerging across the board in response to Asia's growth. This will continue. Looking forward then we shall continue to rely on the competitiveness and now, more importantly, the availability, of the resources that are required by or are exported from within our hinterland to provide the cargo throughput for Lumut Port.
We expect the Construction Materials Sector to be robust but cargo items such Palm Kernel Expellers may be flat or lower as one of the plants appear to have slowed production. Liquid bulk exports we anticipate to be flattish. Coal imports we expect to rebound to get back to the levels seen in 2006.

(ii) The first phase of LMT's plan to deal with growth in liquid cargo emerging from downstream petroleum product distribution is underway with the subsequent phases to follow quickly. As reported in the 3Q2007 we have had to re-review the scope of the liquid berth facilities to match expectations. More importantly we had to take into consideration the poor availability of contractors and construction plant to undertake the works because it would seem that everyone is busy and prices have increased across the board for everything. This fact has also affected our thought processes in respect to all expansion of all relevant port capabilities. Nonetheless we remain bullish and committed to expanding port capabilities to meet expectations of existing clients and prospective clients that need the economies availed by the use of larger vessels for the import and export of bulk cargoes at a fair and reasonable tariff.

(c) **<u>Marine Services</u>**

(i) We continue to look at expansion opportunities for our marine services activities in support of cargo throughput prospects for LBT and LMT.

(ii) New building prices for tugs, barges and vessels continue their upward trend. Existing units to purchase are in short supply. This behooves us to move warily with a preference for term business opportunities.

(d) **Industrial Properties**

(i) There exists a lull at present for land sale prospects especially for the bio – diesel sector which has paused for obvious reasons. While the outlook is uncertain, LMTSB in 2007 continued to book sales revenue stemming from the completion stages of previous sales now coming to final title stages. This will be much less in 2008 unless the economic picture improves or significant enterprises emerge that realize that the District of Manjung, Perak with its superior in-place infrastructure (especially marine infrastructure) and amenities, is the place to be.

(e) **Resources**

(i) Mining Activities

The really bad weather threw out all expectations for 4Q2007 and in the first two months of 1Q2008 the same picture exists. If the weather abates as it normally should, mining operations at both the Surigao deposit and the Isabela deposit should start shipping ore towards the end of 1Q2008 and all efforts are being made to make up for 4Q2007 shortfalls. There exist significant stockpiles of ready shipping ore at both deposits.

Surigao expects to ship approximately 65,000DMT in weather windows towards the end of 1Q2008. Its equipment and personnel count remains unchanged on site supplemented by contractor personnel. Drilling works in CAGA-2 continue so as to fill out the resource determination for Surigao and the additional resource estimates promise to be quite significant.

Isabela is expected to make its first shipment of ore now in late 1Q2008. Its equipment and personnel count remains unchanged. Drilling works undertaken to gain greater levels of confidence in the current resource picture continue with an anticipated 18Million DMT nickel ore of various grades from 1.34% to 1.83% in view.

In Palawan, no mining activities are being conducted pending resolution of the claims of a third party which are of a very spurious nature. It is anticipated that some developments will occur, with the intervention of the authorities, within the next few months. In the meantime site maintenance works are carried out and social community activities continue.

Nickel ore shipping target for 2008 is approximately 1.5M DMT.

Smelter Activities

Works to improve grades and to enhance and optimize production levels so as to get to between 480MT to 600MT per month have been bedeviled late in 4Q2007 by technical issues exacerbated by power efficiency issues. Corrective action is however being taken with some alacrity to sort out these issues and to further reduce the impact of rising non-ore input costs. Target production levels remain in place though some delay in achieving targets is to be expected in this 2008.

Corporate

PGMC has also secured a non-recourse 5 year structured pre-export and working capital facility from Deutsche Bank AG of a total of USD45Million to be drawn down in stages. The first drawdown has occurred in 4Q2007 and it has been utilized to deal with capital expenditure commitments in relation to the smelters with the balance drawdown expected in 2008.

Plans to obtain listed status for certain activities of PGMC in 2008 are in process of implementation in this 1Q2008.

A1.4 DEVELOPMENTS

Port Projects

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

(a) INDIA

No active developments.

(b) INDONESIA

(i) Province of Jawa Timur

As advised in 2Q2007, the Company is seeking to establish a liquid and gas terminal in the Province of Jawa Timur. Negotiations continue to lock down a suitable site though a number of alternative sites have emerged to give more choice. The potential remains very significant and we must spare no effort to seek the right location and implicitly, the right partner that shares our development ideas.

(ii) Nanggroe Aceh Darussalam ("NAD")

On 10 May 2007, the Company entered into an agreement with the Walikota Langsa, NAD, to undertake, as a first phase, a pre-feasibility study and concept master plan for a port and related 800 hectare industrial zone at Kuala Langsa, NAD. Preliminary site investigation works offshore have been completed while onshore works are still in progress. Importantly we have evolved a development concept which will be presented as soon as possible to the relevant authorities after the current works are completed.

On 31 July 2007, the Company entered into an agreement with the Pemerintah Kabupaten Aceh Utara, NAD to undertake, as a first phase, the preparation of a business plan, with the intent of forming a cooperative arrangement between the parties for the to-be-negotiated assumption of commercial, operational and management responsibilities of Pelabuhan Krueng Geukeh, Lhokseumawe from Pelindo I and to intensify the port's activities and to upgrade and enhance the port's facilities. Site assessment works have been completed as has now been the intensive market study commissioned earlier which involved a month long data collection exercise along the Province's major roads. Data evaluation is underway and we expect results to emerge in a Business Plan for presentation to and detailed negotiations to commence with the relevant authorities in the beginning of 2Q2008.

On 27 December 2007, the Company entered into a Letter Agreement with INDX to set out the terms of participation by INDX in the above projects as the Indonesian partner.

(iii) Kalimantan

The Company is investigating the acquisition of 2 sites of some 75 hectares and 40 hectares in Kalimantan to develop as coal terminals to serve the low rank domestic coal market and the export market as well as examining the prospects, with potential partners, to develop floating transshipment facilities to serve coal exports and a fleet capability to serve domestic and regional exports.

(iv) Other Provinces

Efforts continue to negotiate mutually beneficial agreements with several other Provinces in respect of the establishment of new bulk terminals and a port and related industrial / mixed zone and with private parties in respect of the expansion of their existing terminals.

(c) OTHER REGIONS

No active developments.

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 2006. 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 2006.

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 2006, except for the adoption of the revised FRS 117: Leases and FRS 124: Related Party Transactions effective for the financial period beginning 1 January 2007.

The adoption of revised FRS 124 does not result in any significant change in the accounting policies of the Group.
The changes in accounting policies resulting from the adoption of the revised FRS 117 are as follows:-

FRS 117: Leases
The adoption of FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for leasehold land represents the prepaid lease payments and are amortized on a straight-line basis over the lease term.

Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment loss. Upon the adoption of FRS 117 at 1 January 2007, the unamortized amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and, as disclosed in Note A 2.3, certain comparative amounts as at 31 December 2006 have been restated.

A2.3 Comparatives

The following amounts have been restated due to the adoption of the revised FRS 117 :-

	Previously Stated RM '000	Adjustments RM '000	Restated RM '000
As at 31 December 2006			
Property, plant and equipment	374,347	(17,842)	356,505
Prepaid lease payments – non current portion	-	17,653	17,653
Prepaid lease payments – current portion	-	189	189
3 months ended 31 December 2006			
Depreciation	(5,013)	48	(4,965)
Administrative expenses	(1,514)	(48)	(1,562)
12 months ended 31 December 2006			
Depreciation	(8,707)	189	(8,518)
Administrative expenses	(3,667)	(189)	(3,856)

A2.4 Comments on Impact of Revised FRS 116 : Property, Plant and Equipment

The attention of the reader should be drawn to the impact of FRS 116: Property, Plant and Equipment on the depreciation charged for 4 Q 2007 and YTD 4 Q 2007.
Such changes are based on what estimates of future cargo throughputs of LBT over 30 and 50 years as prepared by management are assessed as being reasonable by our auditors. These estimates will be reviewed every financial year and therefore could change in any year. Accordingly the depreciation charge may change with consequential impact on results.

A2.5 Foreign Currency Translation Rates

The principal closing rates as at 31 December 2007 used in the translation of foreign currency amounts to RM are as follows :-

1 US Dollar	- RM 3.3125
1 Pound Sterling	- RM 6.6160
100 Indonesian Rupiah	- RM 0.0346
100 Philippine Peso	- RM 7.9850

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.

A4.2 INVESTMENT IN ASSOCIATES

This now represents the carrying value of the Group's investment in its associates LMTSB, PGMC and INDX.

A4.2.1 PGMC

The Company's second nominee was appointed to the Board of Directors of PGMC on 28 May 2007, and therefore PGMC was treated as an associated company with effect from 1 June 2007.

A4.2.2 INDX

(a) The Company's shareholding in INDX as at 31 December 2007 was 34.85% comprising 42,754,126 shares.

(b) INDX is to serve as the Indonesian partner for the Company. INDX has identified to the investing public and its shareholders via the mandatory once-per-year "Public Expose" held by INDX on 27th December 2007 in Jakarta that the sectors of infrastructure (being ports and terminals in partnership with the Company), resources and service (being information technology which is INDX's existing business) will be its primary business objectives. To such end INDX has held exhaustive discussions and negotiations with many parties with a view to acquisition and investment and expects to conclude on an acquisition or investment in an ongoing business or new project before its Annual General Meeting to be held this year.

(c) INDX is currently under temporary suspension from trading effective 3rd December 2007 by the Indonesia Stock Exchange for reasons of previous unusual price fluctuations arising from what must be speculative trading on the market. The suspension has been discussed with the relevant authorities and is being vigorously appealed but we can wait until an acquisition or project occurs.

(d) INDX remains in a net capital deficit position as at 4Q2007 and plans to put INDX on a sound financial footing will occur via acquisition and recapitalization exercises when market conditions are favorable and the planned acquisitions materialize. In the interim, the Company will provide financial assistance to INDX in the form of temporary advances with the last such assistance being provided on 20 April 2007.

(e) The Board of Commissioners and the Board of Directors of INDX remain the following individuals:-

Board of Commissioners

President Commissioner	Dato' Ir Onn bin Hamzah
Independent Comissioner	RM Tommy Wikutomojati
Independent Commisioner	Ch'ng Chin Hon

Board of Directors

President Director	Harun bin Halim Rasip
Director	Mohd Sofian bin Jaafar

A4.2.3 By way of additional information, we also set out the following :-

(a) **Unaudited Income Statements for YTD 4Q 2007**

	LMTSB RM'000	**PGMC RM'000**	**INDX RM'000**
Gross Revenue - Port Operations	51,403	-	-
- Industrial Property	25,838	-	-
- Mining	-	73,232	-
- Web site hosting services	-	-	26
Gross Profit - Port Operations	34,462	-	-
- Industrial Property	14,936	-	-
- Mining	-	40,382	-
- Web site hosting services	-	-	6
Gross Profit % - Port Operations	67%	-	-
- Industrial Property	58%	-	-
- Mining	-	58%	-
- Web site hosting services	-	-	23%
Depreciation & amortization	2,017	963	5
Operating Profit / (Loss)	41,447	14,593	(422)
Finance Costs	4,491	1,625	-
Profit / (Loss) Before Tax	36,956	12,042	(460)
Profit / (Loss) After Tax	26,770	8,903	(1,827)

(b) **Unaudited Balance Sheets as at 31 December 2007**

	LMTSB RM'000	**PGMC RM'000**	**INDX RM'000**
Fixed Assets (Net Book Value)	77,665	108,988	15
Land held for resale	10,721	-	-
Other non current assets	-	71,182	39
Cash and cash equivalents	34,768	32,483	142
Other current assets net of liabilities	36,011	2,235	(733)
	159,165	214,888	(537)
Shareholders Funds	99,507	68,137	(537)
Non current liabilities	4,658	146,751	-
Non current bonds (Refer note below)	55,000	-	-
	159,165	214,888	(537)

LMTSB paid its first series of BaiDs upon its maturity on 3 December 2007, leaving 9 series outstanding as at 31 December 2007, totaling RM55 million with the next series maturing on 3 December 2009. In June 2007, RAM reaffirmed its AA3 rating of LMTSB BaIDs. The remaining 9 series of these BaIDs have the following maturities:-

	As at 31.12.07 RM'000
Between one and five years	20,000
More than five years	35,000
Total	55,000

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 PREFERENCE SHARE CAPITAL AND PREMIUM

No LBT RCCPS of RM0.01 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 31.12.07 RM'000
Balance at 1 January 2007	41,657
Transferred from income statement	7,643
Total	49,300

A4.7 LBT SERIAL BONDS

	As at 31.12.07 Current RM'000	As at 31.12.07 Non - Current RM'000	As at 31.12.07 Total RM'000
Bond liability	44,000	190,000	234,000
Less : Interest in suspense	(20,046)	(105,577)	(125,623)
Total (exclusive of interest)	23,954	84,423	108,377

The balance of LBT Serial Bonds as at 31.12.2007 comprises 10 series (i.e. series no. 10 to 19) of zero coupon bonds with an aggregate nominal value of RM 234 million (inclusive of interest) issued by LBTSB. Subsequent to 4Q2007, the tenth series of bonds amounting to RM 22 million (inclusive of interest) was paid on its maturity date on 7 January 2008.
The bonds are secured by a charge over the assets and project agreements of LBTSB and bear the following maturities:-

	As at 31.12.07 RM'000
Less than one year	44,000
Between one and five years	190,000
More than five years	-
Total	234,000

RAM reaffirmed its AA1 rating of LBT's Serial Bonds in June 2007.

A4.8 TAX EXPENSE

	4Q2007 RM'000	YTD 4Q2007 RM'000
Current year - Malaysian tax	399	1,240
Current year - Foreign tax	11	58
Deferred tax	764	7,643
Total	1,174	8,941

An adjustment was made in 4Q2007 to the deferred tax expense provision for the year 2007 due to the decrease in income tax rates from 27% to 26% and 25% for Years of Assessments 2008 and 2009 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, LMT RPS, and shares in INDX and PGMC
Industrial Properties	-	Sale of industrial property by LMTSB
Resources	-	Mining and Smelting activities via current investment in PGMC

A5 SEGMENTAL INFORMATION – GROUP (continued)

12 Months Ended 31.12.07 RM'000	Port Operations	Marine Services	Investment Holding	Industrial Properties	Resources	Eliminations	Consolidated
Business segments							
Revenue from external customers	82,625	6,217	-	-	-	-	88,842
Inter-segment revenue	-	-	17,450	-	-	(17,450)	-
Share of revenue of associates	25,696	-	-	12,916	14,654	-	53,266
Total gross revenue	108,321	6,217	17,450	12,916	14,654	(17,450)	142,108
Share of revenue of associates	(25,696)	-	-	(12,916)	(14,654)	-	(53,266)
Total revenue	82,625	6,217	17,450	-	-	(17,450)	88,842
Segment result	51,191	1,351	14,354	-	-	(17,450)	49,446
Operating profit							49,446
Financing costs							(15,990)
Interest income							3,793
Share of profit after tax of associate							13,755
Profit before taxation							51,004
Tax expense							(8,941)
Minority interests							(5,556)
Profit for the period attributable to shareholders							36,507

A5 SEGMENTAL INFORMATION – GROUP (continued)

77

12 Months Ended 31.12.06 RM'000	**Port Operations**	**Marine Services**	**Investment Holding**	**Industrial Properties**	**Resources**	**Eliminations**	**Consolidated**
Business segments							
Revenue from external customers	84,380	6,372	-	-	-	-	90,752
Inter-segment revenue	-	-	15,040	-	-	(15,040)	-
Share of revenue of associate	23,617	-	-	11,815	-	-	35,432
Total gross revenue	107,997	6,372	15,040	11,815	-	(15,040)	126,184
Share of revenue of associate	(23,617)	-	-	(11,815)	-	-	(35,432)
Total revenue	84,380	6,372	15,040	-	-	(15,040)	90,752
Segment result	50,794	1,505	13,177	-	-	(15,040)	50,436
Operating profit							50,436
Financing costs							(18,131)
Interest income							3,674
Share of profit after tax of associate							11,851
Profit before taxation							47,830
Tax expense							(6,526)
Minority interests							(5,527)
Profit for the period attributable to shareholders							35,777

A6 SUBSEQUENT MATERIAL EVENTS

There were no subsequent material events.

A7 CHANGES IN GROUP COMPOSITION

On 3 January 2008, the Company announced the completion of the incorporation process of PT Integra Jasa Energi ("IJE"), a 95% owned subsidiary in the Republic of Indonesia. IJE was established as a limited liability company (Perseroan Terbatas or PT) within the framework of the Indonesian Investment Law with an authorized capital of Rp. 2,352,500,000 or equivalent to USD250,000, divided into 1,000 shares, each with a nominal value of Rp, 2,352,500 or equivalent to USD250. IJE's objectives are to engage in oil and gas supporting services.

Other than the above, there were no other changes in Group composition during the current quarter and subsequent to the quarter.

A8 CHANGES IN CONTINGENT ASSETS AND LIABILITIES

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.

	YTD 4Q 2007 RM'000	**YTD 4Q 2006 RM'000**
Operations and maintenance fees payable to LMTSB	22,861	23,262
Management fees receivable from LMTSB.	600	600
Tuggage services receivable from LMTSB.	6,217	6,372
Office facilities fees receivable from PKS, a company wholly owned by HRH.	166	166

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

B8 STATUS OF COPORATE PROPOSALS
Refer to Note 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 2007 RM'000	**YTD 4 Q 2007 RM'000**
PATSC for the period	8,810	36,507
Weighted average number of ordinary shares in issue	300,806	300,806
Earnings per share (sen)	**2.93**	**12.14**

B14 CAPITAL COMMITMENTS
Refer to note A 9.