

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2009

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 (<i>Company No. 49317-W</i>)
“IJE”	:	P.T. Integra Jasa Energi, a 95% owned subsidiary of Integrax established in the Republic of Indonesia
“INDX”	:	P.T. Indoexchange Tbk, a 70.31% owned subsidiary of Integrax listed on the Indonesia Stock Exchange (IDX) 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. (<i>Company No. 64655-T</i>)
“LATSC”	:	Losses attributable to shareholders of the Company
“LBT”	:	Lekir Bulk Terminal, a common-user bulk port facility
“LBTBSB”	:	Lekir Bulk Terminal Sdn. Bhd. (<i>Company No. 414060-T</i>), an 80% owned subsidiary of PLSB
“LBT Serial Bonds”	:	12½ years zero coupon Serial Bonds of RM445 million issued by LBTBSB
“LBT RCCPS”	:	Redeemable cumulative convertible preference share(s) of RM0.01 each in LBTBSB
“LMT”	:	Lumut Maritime Terminal, a common-user multi purpose port facility
“LMTSB”	:	Lumut Maritime Terminal Sdn. Bhd. (<i>Company No. 180480-D</i>)
“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
“NAD”	:	Nanggroe Aceh Darussalam, Indonesia
“PLSB”	:	Pelabuhan Lumut Sdn. Bhd. (<i>Company No. 168205-M</i>), a wholly owned subsidiary of Integrax

“PATSC”	:	Profit attributable to shareholders of the Company
“PBT”	:	Profit Before Tax
“PKS”	:	Petrokapal Sdn. Bhd. (<i>Company No. 30921-D</i>), 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 (<i>Company No. 576210-X</i>), a wholly owned subsidiary of Integrax currently under process of disposal to INDX
“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

	2 Q 2009 RM'000	2 Q 2008 RM'000	2Q09/2Q08 % Change	1 Q 2009 RM'000	2Q09/1Q09 % Change
Revenue	20,051	21,569	(7.0)	19,901	0.8
Operating Profit	12,762	11,410	11.8	12,293	3.8
Share of Profit after Tax of Associates	2,864	747	283.4	1,554	84.3
Profit Before Tax	13,577	9,729	39.5	11,743	15.6
PATSC	9,105	6,132	48.4	7,750	17.5
EPS (sen)	3.03	2.04	48.5	2.57	17.9

- (a) Revenues comprise contractual revenues for the provision of port facilities cargo handling and vessel services under term arrangements. Revenue decreased by 7.0% on a quarter-on-quarter basis due to the reduced throughput at LBT after the record high experienced in 4Q2008. Please refer to Items A1.2 (a) and A1.3 (b) for comments and details and A4.4 for results of RRSB.
- (b) Operating Profit increased by 11.8% on a quarter-on- quarter basis and by 3.8% compared to 1Q2009 due to profit from sale of RRSB, decreased depreciation, and project development costs.
- (c) Share of Profit After Tax of Associate increased by 283.4% on a quarter-on- quarter basis and increased by 84.3% compared to 1Q2009 due increased contributions from LMTSB and decreased losses incurred by PGMC. Please refer to Items A1.2 and A1.3 for further details and comments.
- (d) Profit Before Tax increased by 39.5% on a quarter-on- quarter basis and increased by 15.6% compared to 1Q2009 due to a combination of the above factors.

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	2 Q		% change
	2009	2008	
Conventional / break-bulk	33,690	33,720	0
Liquid bulk	208,154	125,427	66.0
LMT Dry bulk	577,934	601,872	(4.0)
LMT Sub-Total	819,778	761,049	7.7
LBT Dry Bulk	796,571	1,589,304	(49.9)
Total	1,616,349	2,350,353	(31.2)

FWT	YTD 2Q		% change
	2009	2008	
Conventional / break-bulk	56,890	55,856	1.9
Liquid bulk	384,471	264,461	45.4
LMT Dry bulk	1,101,693	1,063,905	3.6
LMT Sub-Total	1,543,054	1,384,222	11.5
LBT Dry Bulk	1,662,011	2,743,477	(39.4)
Total	3,205,065	4,127,699	(22.4)

BY INDUSTRY SECTOR

FWT	2 Q		% change
	2009	2008	
Chemicals	93,618	81,186	15.3
Mining	132,579	144,010	(7.9)
Agriculture	197,749	208,714	(5.3)
Construction Materials	393,375	319,766	23.0
Energy	796,571	1,589,304	(49.9)
Others	2,457	7,373	(66.7)
Total	1,616,349	2,350,353	(31.2)

FWT	YTD 2 Q		% change
	2009	2008	
Chemicals	139,449	101,077	38.0
Mining	268,799	307,692	(12.6)
Agriculture	394,040	397,504	(0.9)
Construction Materials	735,127	568,330	29.3
Energy	1,662,011	2,743,477	(39.4)
Others	5,639	9,619	(41.4)
Total	3,205,065	4,127,699	(22.4)

6 months ended	6 M 2009	6 M 2008	% change
Percentage Import	63%	76%	(17.1)
Percentage Export	37%	24%	54.2

- (i) A review of the period by nature of cargoes indicates that liquid bulk increased by 66.0% on a quarter-on-quarter basis and 45.4% on a year-on-year basis. This was primarily due to the commencement of

petroleum and bio diesel cargoes this quarter. Dry bulk cargo at LMT decreased by 4.0% on a quarter-on-quarter basis but increased on a year-on-year basis primarily due to the stronger cargo numbers for 1Q09 versus 1Q08.

- (ii) A review of the incremental movements over the period from 1Q08 until 2Q09 by the economic sector categorization of cargoes for LMT indicates (i) the growth momentum seen in Agricultural Sector last year appears to be showing some signs of slowing (ii) the Mining Sector has weakened ,consistent with its trend last year, and we wait to see if the increase we saw last year in the last quarter of the year is repeated again this coming 4Q09 (iii) the Construction Materials Sector's growth pattern in the first 2 quarters of this year appears to have weakened versus last year and we await to see what happens in the 3Q09 and (iv) the Chemicals Sector that usually sees weakness in the first 2 quarters in a year has been now buttressed by the inclusion of bio diesel and petroleum cargoes thus raising it to new potential higher levels in the future. These aforesaid cargoes will be classified more appropriately next quarter.
- (iii) Cargo at LBT decreased by 49.9% on a quarter-on-quarter basis and 39.4% on a year-on-year basis. This decrease follows the record high throughput in 4Q2008.
- (iv) Port operations continued to strive to maintain its gross operational margins notwithstanding the pressures of ever rising costs. While LBT's margins remained intact apart from contracted escalations, LMT's margins are being supported by a policy of effecting gradual tariff increases whenever possible and by seeking greater efficiencies in operational processes.

(b) **Marine Services**

Vessel/ Barge Calls	2 Q 2009		1 Q 2009		2 Q 2008	
	Ships	Barges	Ships	Barges	Ships	Barges
LMT	65	37	63	45	54	55
LBT	11	-	12	-	21	-
Total	76	37	75	45	75	55

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

(c) **Industrial Properties**

	2Q 2009	1Q 2009	2Q 2008
Acres committed to sale by agreements in quarter	7.697	Nil	6.84

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. The general weakness in industrial property remains in place consistent with domestic investment trends and the general economy.

(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.
- (ii) While the impact of global crisis still weighs heavily on PGMC, there have been improvements in nickel prices and on all metal prices driven by what is described by analysts as restocking by China aided presumably by USD currency movements. Nickel prices have risen from its lows at the end of 2008 of about USD9,000-10,000/Mt to around USD19,000/Mt as at the date of this Quarterly Report. PGMC's smelters remain on a care and maintenance basis but its mining activities from the Surigao Deposit continued with approximately 556,222DMT for the 6 months to 30 June 2009 shipped to Chinese and Mongolian buyers with another 297,302 DMT shipped in July 2009 making up a total of 853,524DMT shipped this year. Most of these shipments however were of low grade so it did not significantly improve PGMC's overall financial condition except to maintain credibility in the market. One consequence, of course, of the higher prices is that the value of PGMC's deposit can be said to have increased.

A1.3 PROSPECTS GOING FORWARD

(a) **Forward Looking Statements Disclaimer**

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

(b) **Port Operations**

- (i) The cargo throughput at LMT in 3Q2009 currently looks to remain steady. We have to still however remain cautious going forward based on how easily past and future expectations can go awry in the volatile business environment that exists currently and that is characterized by cargoes emerging from just a few key port users in the Agriculture, Mining and Construction Sectors . At LBT the weakness we saw in 1Q2009 continued especially after the very large surge we had late in 2008 though this may re-set as we go forward if the July 09 numbers are to serve as an early indication.
- (ii) LBTSB has moved further down the road to achieve its objective of having an enhanced ship unloading and a desired ship loading capability with progress in its negotiations with a single prospective user for a term arrangement of 10 years to supplement other identified prospective users. We will make such announcements as may be appropriate at the relevant times in respect to the LBTSB expansion plan, the funding arrangements that need to be obtained for such and the status of agreements with port users and suppliers and contractors.

(c) **Marine Services**

We continue to look at expansion opportunities for our marine services especially in Indonesia subsequent to the completion of the sale of our marine services entity, RRSB, to what is now our Indonesian subsidiary, INDX. Information in respect of such can be found in the various announcements we have made. We will however have to move rapidly and soon as earlier weak acquisition prices for tugs and barges in the region now appear to be trending up as Indonesia continues to grow.

(d) **Industrial Properties**

There still exists general weakness for land sale prospects until the economic picture improves.

(e) **Resources**

Mining Activities

PGMC's focus is likely to remain fixed on its mining activities. New export orders from Eastern Europe have emerged for high grade ore and much attention is being given to meeting these orders especially at the better prices that exist at this time. The month of August 2009 is expected to target shipments of about 280,000 DMT with a least one shipment each to Eastern Europe and Australia with the rest to China subject to weather conditions.

Smelter Activities

As indicated earlier, the smelters have all been put under a care and maintenance basis with staffing numbers taken to a minimum to reduce costs. PGMC is negotiating to lease or sell some of its non-critical smelter assets to improve and stabilize its financial position.

Corporate

In the Quarterly Report for 1Q09 we stated that the main focus of all medium and small sized mining companies is to now stay alive through 2009. There has also been a significant destruction of world supply with cutbacks and delays in major mining and nickel production activities worldwide by even the major international mining houses which implies that a rebound or small pickup in demand for nickel may provide a bounce back for prices. This has come to pass but it is uncertain how long it will last given our past experience. We advised earlier that PGMC had appointed a consultant familiar with restructuring organizations and their finances, and they have developed a reaction plan that focuses on mining and the shipment of nickel ore. With recent price increases it is thought that it may soon be an appropriate time to consider the partial use of the smelter capability possessed by PGMC to contemplate a move into nickel pig iron production to provide a very competitive substitute to the same product produced in China. This time is not yet upon us as a certain amount of financial restructuring will be required to move forward. Trade sale interest, under terms of Non-Disclosure Agreements, continues with due diligence exercises and visits by interested parties.

A1.4 **PROJECT DEVELOPMENTS**

Port Projects

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

(a) **INDONESIA**

(i) **Province of Jawa Timur**

Negotiations still continue with a target company as to our participation in the target's hard won efforts to develop a very promising coastal site into a multipurpose port. The potential is very significant and we continue to seek appropriate mutually beneficial arrangements with the target company and its shareholders while not undervaluing the contribution we bring to such a project in terms of experience and knowledge which is not easy to do. There can be and is no assurance that such negotiations will succeed but if successful this project would be undertaken by INDX with such costs as may have been incurred by the Company being recoverable from INDX.

(ii) Provinsi Aceh

Further to the **Memorandum of Agreement** dated 16th November 2008 with the Pemerintah Kota Langsa, Provinsi Aceh (“PEMKO Langsa”) and works done to date as advised in the earlier quarters, approval for the conversion of 800Hectares of coastal land earmarked for the port site and an industrial park has been obtained from the Governor of Provinsi Aceh. The approval of Indonesia’s Central Government is still pending.

With respect to the **Memorandum of Agreement** dated 8 November, 2008 entered into by INDX and Perusahaan Daerah Bina Usaha (PD Bina Usaha), a corporation wholly owned by Pemerintah Kabupaten Aceh Utara, as advised in the previous quarters. PD Bina Usaha and Pelindo 1 had on 21 August 2009 entered into a Memorandum of Understanding (“Nota Kesepahaman”) for the proposed cooperative arrangements in the management and development of Pelabuhan Krueng Geukueh. The underlying objective of the Nota Kesepahaman is for Pelindo 1 and PD Bina Usaha with the involvement of INDX to formulate a structure for cooperative arrangement as well as to agree upon the terms and conditions of the proposed Memorandum of Agreement to be entered into by the parties.

In view of the Nota Kesepahaman dated 21 August 2009, PD Bina Usaha and INDX had on even date entered into Addendum Pertama to validate their earlier understanding with regard to the proposed cooperative arrangements in the management and development of Pelabuhan Krueng Geukueh.

(iii) Kalimantan

INDX, subsequent to an earlier agreement to acquire land for a coal terminal in South Kalimantan that has now expired by reasons of time and the non-fulfillment of Conditions Precedent by the vendors, is still in negotiations with the same vendors to negotiate for other ways and means and suitable structures within which to develop the project. The Company continues to investigate other coal terminal projects to serve the coal sector. It also continues to examine the prospects to develop projects involving offshore cranes and floating transshipment facilities and, in conjunction with INDX, a fleet capability to serve domestic and regional exports. Such projects shall be undertaken by INDX once investigations and assessments show that the projects are viable for INDX and the Group. There can be and is no assurance that such efforts will succeed but if successful these projects would be undertaken by INDX with such costs and advances as may have been incurred by the Company being recoverable from INDX. Advances paid to date in this effort in the books of INDX for project deposits total approximately RM 2.7 million which are adequately secured by rights and physical possession of title to shares and property.

(iv) Other Provinces

Efforts continue to negotiate mutually beneficial agreements with several other Provinces in respect of the establishment of new or to upgrade existing bulk terminals or ports. Such projects would be undertaken by INDX.

(b) OTHER REGIONS

No active developments.

A 1.5 WEBSITE:

We now have the website for the Company up and running and continue taking steps to ensure it will carry additional and updated information of interest and serve as a conduit for queries that readers may have. The Company’s website address is www.integrax.com.my
The Lumut Port website address is www.lumutport.com.my

A 2 INTERIM FINANCIAL STATEMENTS – BASIS OF PREPARATION

A2.1 These interim financial statements are **unaudited**, 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. 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 the year ended 31 December 2008.

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 2008 except for new / revised FRSs which came into effect in the current financial year. The adoption of these new / revised FRSs is not expected to have a material impact on these interim financial statements.

A2.3 Foreign Currency Translation Rates

The principal closing rates as at 30 June 2009 used in the translation of foreign currency amounts to RM are as follows :-

1 US Dollar	- RM 3.5315
1 Pound Sterling	- RM 5.8600
100 Indonesian Rupiah	- RM 0.0337
100 Philippine Peso	- RM 7.330

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 Group's gearing and current ratio continues to improve over time.

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 originally advised that the investment was taken on with a view to exiting within a short time horizon. Unfortunately various events and the global crisis have put paid to this idea and now, by necessity, it has to become a longer term investment than originally envisaged and its realization awaits developments in the global market for nickel and a restructuring of the enterprise itself.

A4.2.2 INDX

- (a) The Company's shareholding in INDX as at 30 June 2009 now stands at 70.31%, up from 34.85%, representing 189,738,228 ordinary shares now held subsequent to a Rights Issue undertaken on 10 June 2009 receiving the approval of INDX's shareholders and the relevant authorities on the 15 May 2009. INDX is also now the 100% owner of the Company's former subsidiary, Radikal Rancak Sdn Bhd, consequent to the receipt of all required approvals. Please refer to the various announcements by the Company.

INDX serves as the Indonesian partner for the Company for its business objectives and expansion in

Indonesia. INDX has identified the sectors of infrastructure (being ports and terminals in partnership with the Company) and marine services as its current primary business objectives.

INDX is a listed company on the Indonesian Stock Exchange (IDX) with stock code INDX and its share price as at 30 June 2009 was Rp 165.

- (b) As a result of its Rights Issue, INDX currently is in a positive net capital position as at 2Q2009 of Rp 26,604,181,605 or approximately RM 9 million. Plans are underway to implement a re-organization of its capital base so as to write off all retained losses and the re-consolidate its shares. In the interim, the Company will continue to provide financial assistance to INDX in the form of temporary advances with the last such assistance being provided on 1 June 2009. The Company's total investment in 70.31% shares of INDX totals approximately RM 14.4 million against a total market capitalization of INDX of approximately the same amount. The Company's advances to INDX for costs, expenses and project deposits since the involvement of the Company in INDX amounts to approximately RM 5.2 million as at 30 June 2009 (including RM 0.3 million repaid to the Company in July 2009.) INDX, with the assistance of the Company and pending success in the various port projects in development and under investigation, is also focusing on building a marine services business in Indonesia by way of acquisition or natural growth, initially utilizing the Rights Issue proceeds. Announcements will be made as and when appropriate.

The status as at 30 June 2009 of the utilisation of proceeds raised by INDX from its Rights Issue is as follows :-

Purpose	Proposed Utilisation		Actual Utilisation		Intended Timeframe for Utilisation
	Rp(Million)	RM ('000)	Rp(Million)	RM ('000)	
Acquisition of RRSB	8,000	2,680	8,000	2,680	n/a
Acquisition of tugs and / or barges & ancillary equipment to be engaged in marine services to ports & terminals & in logistics activities	22,000	7,414	Nil	Nil	Within 12 months
Rights issue expenses & working capital requirements	6,800	2,292	Nil	Nil	Within 12 months
Total	36,800	12,386	8,000	2,680	

The Company's management is of the mind that Indonesia is and will continue to be a significant market and opportunity for the skills that the Company possesses and the absence now of a sustained, committed and long term effort to seek viable opportunities in Indonesia will be shown to be, in future, as a failure to understand the strategic potential of Indonesia for our core business and in the region in general.

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(a) ASSETS CLASSIFIED AS HELD FOR SALE

The conditions precedent set out in the agreement for the sale of RRSB by Integrax to INDX were

fulfilled after obtaining approvals from the shareholders of INDX on 15 May 2009 and the Foreign Investment Committee of Malaysia on 22 June 2009. The entire issued and fully paid ordinary shares of RRSB were transferred to INDX and the sales consideration was paid on 24 June 2009. Profit from the disposal of RRSB amounted to RM512,000.

A4.4(b) DISCONTINUED OPERATION

With the completion of the disposal of RRSB to INDX as stated in Notes A4.2.2 and A4.4(a) above, the results of RRSB for the period prior to the disposal are classified under Discontinued Operation. The profit attributable to RRSB was as follows :-

	2Q2009 RM'000	YTD 2Q2009 RM'000
Revenue	1,274	2,639
Cost of sales	(1,117)	(2,314)
Administrative expenses	(140)	(292)
Interest income	1	3
Profit before tax before consolidation	18	36
Consolidation elimination	138	288
Profit before tax after consolidation	156	324
Tax expense	(4)	(9)
Profit for the period	152	315

A4.5 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.

A4.6 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.

A4.7 DEFERRED TAXATION

	As at 30.06.09 RM'000
Balance at 1 January 2009	55,700
Transferred to the income statement	(35)
Total	55,665

A4.8 LBT SERIAL BONDS

	As at 30.06.09 Current RM'000	As at 30.06.09 Non - Current RM'000	As at 30.06.09 Total RM'000
Bond liability	44,000	124,000	168,000
Less : Interest in suspense	(22,705)	(72,163)	(94,868)
Total (exclusive of interest)	21,295	51,837	73,132

The balance of LBT Serial Bonds as at 30.06.2009 comprises 7 series (i.e. series no. 13 to 19) of zero coupon bonds with an aggregate nominal value of RM 168 million (inclusive of interest). Subsequent to this quarter, the thirteenth series of bonds amounting to RM 22 million (inclusive of interest) was paid on its maturity date on 7 July 2009. RAM Rating Services Berhad reaffirmed their **AA1** rating for these Serial Bonds in July 2008 and we expect no change in the rating in 2009. These bonds are secured by a charge over the assets and project agreements of LBTSB and bear the following maturities:-

	As at 30.06.09 RM'000
Less than one year	44,000
Between one and five years	124,000
Total	168,000

A4.9 TAX EXPENSE

	2Q2009 RM'000	YTD 2Q2009 RM'000
Current year - Malaysian tax	2,843	5,552
Prior year - Malaysian tax	302	302
Current year - Foreign tax	16	31
Deferred tax	(5)	(35)
Total	3,156	5,850

A5 SEGMENTAL INFORMATION

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

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

Business segments

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

A5 SEGMENTAL INFORMATION – GROUP (continued)

6 Months Ended 30.06.09 RM'000	Port Operations	Marine Services	Investment Holding	Industrial Properties	Resources	Eliminations	Consolidated	Less: Discontinued Operation	Continuing Operations
Business segments									
Revenue from external customers	39,869	2,722	-	-	-	-	42,591	(2,639)	39,952
Inter-segment revenue	-	-	4,550	-	-	(4,550)	-	-	-
Share of revenue of associates	14,256	-	-	3,309	4,400	-	21,965	-	21,965
Total gross revenue	54,125	2,722	4,550	3,309	4,400	(4,550)	64,556	(2,639)	61,917
Share of revenue of associates	(14,256)	-	-	(3,309)	(4,400)	-	(21,965)	-	(21,965)
Total revenue	39,869	2,722	4,550	-	-	(4,550)	42,591	(2,639)	39,952
Segment result	25,429	321	4,261	-	(85)	(4,550)	25,376	(321)	25,055
Operating profit							25,376	(321)	25,055
Financing costs							(5,901)	-	(5,901)
Interest income							1,751	(3)	1,748
Share of profit after tax of associates							4,418	-	4,418
Profit before taxation							25,644	(324)	25,320
Tax expense							(5,859)	9	(5,850)
Minority interests							(2,930)	-	(2,930)
Profit for the period attributable to shareholders							16,855	(315)	16,540

A5 SEGMENTAL INFORMATION – GROUP (continued)

6 Months Ended 30.06.08 RM'000	Port Operations	Marine Services	Investment Holding	Industrial Properties	Resources	Eliminations	Consolidated	Less: Discontinued Operation	Continuing Operations
Business segments									
Revenue from external customers	42,263	2,928	-	-	-	-	45,191	(2,928)	42,263
Inter-segment revenue	-	-	800	-	-	(800)	-	-	-
Share of revenue of associate	15,238	-	-	252	1,051	-	16,541	-	16,541
Total gross revenue	57,501	2,928	800	252	1,051	(800)	61,732	(2,928)	58,804
Share of revenue of associate	(15,238)	-	-	(252)	(1,051)	-	(16,541)	-	(16,541)
Total revenue	42,263	2,928	800	-	-	(800)	45,191	(2,928)	42,263
Segment result	24,842	496	(509)	-	-	(800)	24,029	(498)	23,531
Operating profit							24,029	(498)	23,531
Financing costs							(7,132)	-	(7,132)
Interest income							2,113	(13)	2,100
Share of loss after tax of associates							556	-	556
Profit before taxation							19,566	(511)	19,055
Tax expense							(5,081)	43	(5,038)
Minority interests							(2,713)	-	(2,713)
Profit for the period attributable to shareholders							11,772	(468)	11,304

A6 SUBSEQUENT MATERIAL EVENTS

There were no subsequent material events.

A7 CHANGES IN GROUP COMPOSITION

Refer to Note A 4.4 (a).

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

	Value of Transactions		Balance Outstanding As At	
	YTD 2Q2009 RM '000	YTD 2Q2008 RM '000	30.06.2009 RM '000	30.06.2008 RM '000
Operations and Maintenance fees payable to LMTSB	11,121	12,360	6,867	7,650
Management fees receivable from LMTSB.	300	300	100	100
Marine services revenue receivable from LMTSB.	2,639	2,928	545	361
Office facilities fees receivable from PKS, a company wholly owned by HRH.	82	82	-	14

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 A4.9.

B6 DISPOSAL OF UNQUOTED INVESTMENTS AND PROPERTIES

Refer to Notes A4.4(a), A4.4(b) and A7.

There were no other disposals of unquoted investments and properties during the current quarter.

B7 PURCHASE OR DISPOSAL OF QUOTED SECURITIES

Refer to Note A4.2.2(a).

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

B8 STATUS OF CORPORATE PROPOSALS

Refer to Notes A4.2.2(b). No other corporate proposals are in existence at this time.

B9 BORROWING AND DEBT SECURITIES

Refer to Notes A4.6 and A4.8.

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B11 CHANGES IN MATERIAL LITIGATION

The Company and Group are not involved in any material litigation.

B12 DIVIDENDS

No dividend has been proposed or declared in the current quarter. (2Q2008: Nil).

The total dividend for YTD2Q2009 is nil (YTD 2Q2008: 2.7sen less 26% income tax)

B13 BASIC EARNINGS PER ORDINARY SHARE

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

	2Q2009 RM'000	YTD 2Q2009 RM'000
PATSC for the period :		
From continuing operations	8,953	16,540
From discontinued operation	152	315
PATSC for the period	9,105	16,855
Weighted average number of ordinary shares in issue	300,806	300,806
Basic earnings per ordinary share :		
From continuing operations (sen)	2.98	5.50
From discontinued operation (sen)	0.05	0.10

B14 CAPITAL COMMITMENTS

Refer to Note A 9.