

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 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 ( <i>Company No. 49317-W</i> )
“INDX”	:	P.T. Indoexchange Tbk, a limited company listed on 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> )
“LBT”	:	Lekir Bulk Terminal, a common-user bulk port facility
“LBT SB”	:	Lekir Bulk Terminal Sdn. Bhd. ( <i>Company No. 414060-T</i> ), an 80% owned subsidiary of PLSB
“LBT Serial Bonds”	:	12½ years zero coupon Serial Bonds of RM445 million issued by LBT SB
“LBT RCCPS”	:	Redeemable cumulative convertible preference share(s) of RM0.01 each in LBT SB
“LMT”	:	Lumut Maritime Terminal, a common-user multi purpose port facility
“LMT SB”	:	Lumut Maritime Terminal Sdn. Bhd. ( <i>Company No. 180480-D</i> )
“LMT RPS”	:	Redeemable preference share(s) of RM0.01 each in LMT SB which is convertible to ordinary shares of RM1.00 each in LMT SB as per the Memorandum and Articles of Association
“LMT C”	:	LMT Capital Sdn. Bhd. ( <i>Company No. 488241-T</i> ), a wholly-owned subsidiary of LMT SB
“LPIP”	:	Lumut Port Industrial Park, the industrial properties division of LMT SB
“Lumut Port”	:	Lekir Bulk Terminal and Lumut Maritime Terminal collectively
“NAD”	:	Nanggroe Aceh Darussalam, Indonesia

“PLSB”	:	Pelabuhan Lumut Sdn. Bhd. ( <i>Company No. 168205-M</i> ), a wholly owned subsidiary of Integrax
“PATSC”	:	Profit attributable to 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
“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**

	<b>3 Q 2007 RM</b>	<b>3 Q 2006 RM</b>	<b>% Change</b>
Revenue	22,960	23,085	(0.5)
Operating Profit	11,872	14,064	(15.6)
Share of Profit after Tax of Associates	2,769	1,800	53.8
PBT	11,623	12,362	(6.0)
PATSC	7,740	8,298	(6.7)
EPS (sen)	2.57	2.76	(6.9)

- (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 for 3Q2007 decreased by 15.6% on a quarter-on-quarter basis and by 10.1% on a year-on-year basis primarily due to increased depreciation charges (refer to A2.4), 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 for 3Q2007 increased by 53.8% on a quarter-on-quarter basis and by 20.8% on a year-on-year basis due to the Company commencing equity accounting of the results of PGMC from June 2007 (refer to A1.2).
- (d) PBT for 3Q2007 decreased by 6% against 3Q 2006 due to a combination of reasons stated above mitigated by decreased finance costs.
- (e) PATSC for 3Q2007 decreased by 6.7% on a quarter-on-quarter basis but increased by 1.1% on a year-on-year basis aided by the decrease in income tax rate from 28% to 27% for the Year of Assessment 2007.

## 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	3 Q		% change
	2007	2006	
Conventional / breakbulk	25,304	23,664	6.9
Liquid bulk	146,635	131,894	11.2
LMT Dry bulk	532,282	340,844	56.2
<b>LMT Sub-Total</b>	<b>704,221</b>	<b>496,402</b>	<b>41.9</b>
LBT Dry Bulk	1,340,345	1,440,548	(7.0)
<b>Total</b>	<b>2,044,566</b>	<b>1,936,950</b>	<b>5.6</b>

FWT	YTD 3 Q		% change
	2007	2006	
Conventional / breakbulk	63,564	50,167	26.7
Liquid bulk	358,931	421,110	(14.8)
LMT Dry bulk	1,393,505	1,050,323	32.7
<b>LMT Sub-Total</b>	<b>1,816,000</b>	<b>1,521,600</b>	<b>19.3</b>
LBT Dry Bulk	3,325,594	4,068,009	(18.3)
<b>Total</b>	<b>5,141,594</b>	<b>5,589,609</b>	<b>(8.0)</b>

#### BY INDUSTRY SECTOR

FWT	3 Q		% change
	2007	2006	
Chemicals	23,232	16,290	42.6
Mining	152,408	74,666	104.1
Agriculture	198,986	169,177	17.6
Construction Materials	327,523	224,395	46.0
Energy	1,340,345	1,440,548	(7.0)
Others	2,072	11,874	(82.6)
<b>Total</b>	<b>2,044,566</b>	<b>1,936,950</b>	<b>5.6</b>

FWT	YTD 3 Q		% change
	2007	2006	
Chemicals	105,277	70,553	49.2
Mining	421,747	311,641	35.3
Agriculture	498,985	543,014	(8.1)
Construction Materials	781,104	567,087	37.7
Energy	3,325,594	4,068,009	(18.3)
Others	8,887	29,305	(69.7)
<b>Total</b>	<b>5,141,594</b>	<b>5,589,609</b>	<b>(8.0)</b>

9 months ended	9 M 2007	9 M 2006	% change
Percentage Import	73%	81%	(9.9)
Percentage Export	27%	19%	42.1

- (i) Cargo at LBT decreased by 7% quarter-on-quarter basis and decreased by 18.3% year-on-year basis. However, it increased by 55.2% on a 3Q2007 to 2Q2007 basis. This trend turnaround is due to TNBJ slowly rebuilding its stockpile after the earlier re-direction in the year to date of coal imports to support the start up of the Tanjung Bin Power Plant in 2Q2007.
- (ii) Liquid bulk exports from the Agriculture Sector increased by 17.6% quarter-on-quarter basis but on a year on year basis decreased by 8.1%. There however appears a trend turnaround imminent that is apparently attributable to increased plant yields now possible after the previous two consecutive quarters of low yields caused by early harvesting of fruits in 4Q2006 and bad weather conditions in 1Q2007.
- (iii) Significant increases in dry bulk cargo in 3Q2007 contributed by the Mining and Construction Materials Sectors helped to narrow the year-on-year deficit from 15.2% in 2Q2007 to 8.0% in 3Q2007.
- (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	3Q 2007		2Q 2007		3Q 2006	
	Ships	Barges	Ships	Barges	Ships	Barges
LMT	53	44	60	20	53	30
LBT	19	-	12	-	20	-
<b>Total</b>	<b>72</b>	<b>44</b>	<b>72</b>	<b>20</b>	<b>73</b>	<b>30</b>

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

(c) **Industrial Properties**

	3Q 2007	2Q 2007	3Q 2006
Acres committed to sale by agreements in quarter	3.02	7.57	Nil

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. 3Q2007 has seen a continuation of the current general decline of interest 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 has switched to utilizing PGMC's Philippine Peso base results as it represents the ultimate currency of the investment made as our shares are 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 results, shown below on a 100% basis:-

	<b>YTD 3 Q 2007</b>
Nickel Ore Shipments	287,341 DMT
	PHP'000
EBIT	324,819
PBT	308,125
Tax Expense	107,844
PAT	200,281

An average RM / PHP100 exchange rate of 7.5343 was used for translation purposes.

- (iii) During the course of 3 Q 2007, PGMC's smelter commenced test production and produced 189.6MT of FeNi with average grades of between 9% to 19%. Test production has continued in order to get grades in excess of 20% as required by PGMC's primary off taker (refer to A1.3(e)).
- (iv) Readers are cautioned that the above results are unaudited and are subject to such adjustments as may be required at year end by International Accounting Standards applicable in the Philippines and changes in tax accounting consequent to PGMC being successful in obtaining taxation incentives (a 6 year tax holiday) for its Surigao mining operations from November 2007 and for its Iligan smelter from early 2008.

**A1.3 PROSPECTS GOING FORWARD**

(a) **Forward Looking Statements Disclaimer**

Comments set out in this Quarterly Report may include forward looking statements which are statements that cannot be sustained merely on historical facts. 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 in 3Q2007 has shown a turnaround from declines in earlier quarters for liquid and dry bulk cargoes across the board. We expect this turnaround to continue into 4Q2007.
- (ii) The first phase of LMT's Northern Piperack System to serve liquid bulk exporters/importers was completed in early 4Q2007 and users have begun installing their pipelines. While plans for the expansion of berth facilities at LMT to deal with the expected increase in liquid bulk cargo will go ahead in 1Q2008 such plans are being reviewed as to scope and timing so as to appropriately match revised expectations of growth of liquid cargo and the consequences of the cargo rationalization project as between LMT and LBT, instituted by Lumut Port, to meet expectations of existing clients and their anticipated use of larger vessels for certain dry bulk cargoes.

- (iii) At LBT, the concept layout for the provision of a loading capability and storage facilities has been approved and the engineering design process, the initial procurement process and related works continue with due speed. Negotiations with users and additional potential users continue apace.

(c) **Marine Services**

- (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 in the current high palm oil price environment. While the outlook is uncertain, LMTSB continues to book sales revenue stemming from the completion stages of previous sales now coming to final title stages.

(e) **Resources**

(i) **Mining Activities**

Nickel mining operations are charged with the objective of reaching a shipment target of 100,000DMT per month by year end. This shipment target (versus a production target) however has yet to be reached for a number of factors with the primary factor being the weather with a number of typhoons battering the Philippines over the last months and more typhoons this month impacting both Surigao and Isabela. The bad weather has been worse in impact and earlier in timing.

Surigao, however, managed to ship 51,252 WMT (approximately 35,000DMT) in an October weather window with a sales value of USD1.6 Million based on its grade. Its equipment count has reached 174 and it has 99 fulltime personnel on site supplemented by contractor personnel. Drilling works continue so as to fill out the resource determination for Surigao.

Isabela is expected to make its first shipment of ore in December 2007 if the weather permits with another shipment expected in early 2008. Its equipment count now stands at 30 and 198 personnel are on site presently. Works are planned to gain greater levels of confidence in the current resource picture with an anticipated 18Million DMT nickel ore of various grades from 1.34% to 1.83% in view.

In Palawan, mining has ceased 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 six months. In the meantime site maintenance works are carried out and social community activities continue.

**Smelter Activities**

Further to our 12 August 2007 advice that test production has commenced there was a first shipment of 190MT of FeNi ingots in October 2007 yielding a sales value of USD591,000 approximately with a remaining inventory level of 378MT as at end October 2007. Works continue to improve grades and to enhance and optimize production levels so as to get to between 480 to 600MT per month by year end with raw material inventory already in place.

There are presently 154 personnel at the Iligan smelter and 137 personnel at the Manticao smelter which is still doing calcined ore feed for Iligan.

A flowchart of the smelting process is attached for information.

**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 early 2008 remain in place.

## 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. In the previous quarter, we completed a site identification study and are still in negotiation for the acquisition of land suitable for our purposes at various sites. The land acquisition process is a complex exercise and fraught with difficulty.

(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 are underway as are market studies.

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 and we are awaiting the results of an extensive market survey.

(iii) Other Provinces

Efforts continue to negotiate mutually beneficial agreements with several other Provinces in respect of the establishment of a port and related industrial / mixed zone in three phases 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 amortised 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 :-

	<b>Previously Stated RM '000</b>	<b>Adjustments RM '000</b>	<b>Restated RM '000</b>
<b>As at 31 December 2006</b>			
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
<b>3 months ended 30 September 2006</b>			
Depreciation	(1,303)	47	(1,256)
Administrative expenses	(683)	(47)	(730)
<b>9 months ended 30 September 2006</b>			
Depreciation	(3,694)	141	(3,553)
Administrative expenses	(2,153)	(141)	(2,294)

## 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 3 Q 2007 and YTD 3 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 30 September 2007 used in the translation of foreign currency amounts to RM are as follows :-

1 US Dollar	- RM 3.4135
1 Pound Sterling	- RM 6.9210
1 Indonesian Rupiah	- RM 0.000366
100 Philippine Peso	- RM 7.5672

## **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) During the current quarter, the following shares of INDX were purchased :-

Contract Date	Payment Date	No. of Shares	Price per Share
16 July 2007	19 July 2007	47,500	307.4 rupiah
30 July 2007	2 August 2007	686,123	335 rupiah
9 August 2007	14 August 2007	520,126	335 rupiah
27 August 2007	30 August 2007	1,040,251	270 rupiah
Total		2,294,000	

These purchases resulted in an increase in the Company's shareholding in INDX to 42,754,126 shares or 34.85%.

(b) INDX is to serve as the Indonesian partner for the Company in the Company's drive to develop Indonesian port and terminal, resource based and service projects.

(c) INDX is in a net capital deficit position as at 3 Q 2007 and plans to put INDX on a sound financial footing will occur via acquisition and recapitalization exercises when market conditions are favourable. 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 comprise of the following individuals:-

Board of Commissioners

President Commissioner	Dato' Ir Onn bin Hamzah
Independent Commissioner	RM Tommy Wikutomojati
Independent Commissioner	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 3Q 2007**

	<b>LMTSB RM'000</b>	<b>PGMC RM'000</b>	<b>INDX RM'000</b>
Gross Revenue - Port Operations	38,088	-	-
- Industrial Property	19,122	-	-
- Mining	-	66,715	-
- Web site hosting services	-	-	21
Gross Profit - Port Operations	25,650	-	-
- Industrial Property	9,326	-	-
- Mining	-	39,173	-
- Web site hosting services	-	-	6
Gross Profit % - Port Operations	67%	-	-
- Industrial Property	49%	-	-
- Mining	-	59%	-
- Web site hosting services	-	-	28%
Depreciation & amortization	1,406	652	4
Operating Profit / ( Loss )	29,442	24,473	(231)
Finance Costs	3,393	1,258	-
Profit / (Loss) Before Tax	26,050	23,215	(274)
Profit / (Loss) After Tax	18,804	15,090	(1,682)

- (b) **Unaudited Balance Sheets as at 30 September 2007**

	<b>LMTSB RM'000</b>	<b>PGMC RM'000</b>	<b>INDX RM'000</b>
Fixed Assets ( Net Book Value )	77,403	93,799	18
Land held for resale	12,436	-	-
Other non current assets	-	46,878	41
Cash and cash equivalents	28,440	3,526	253
Other current assets net of liabilities	41,029	(31,988)	(684)
	159,308	112,215	(372)
Shareholders Funds	91,541	71,726	(372)
Non current liabilities	12,767	40,489	-
Non current bonds ( Refer (iii) below )	55,000	-	-
	159,308	112,215	(372)

LMTSB has in issue RM 60 million BaIDS which comprises of 10 series, with the first series maturing on 3 December 2007. In June 2007, RAM reaffirmed its AA3 rating of LMTSB BaIDs. The BaIDs have the following maturities:-

	<b>As at 30.09.07 RM'000</b>
Less than one year	5,000
Between one and five years	15,000
More than five years	40,000
<b>Total</b>	<b>60,000</b>

#### **A4.3 OTHER INVESTMENT**

This represents the Group's investment in LMT RPS of RM 10.03 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 RM 0.01 each issued with a premium of RM0.99 each and held by Minority Interests in LBTBSB were redeemed by LBTBSB during the current quarter.

#### **A4.6 DEFERRED TAXATION**

	<b>As at 30.09.07 RM'000</b>
Balance at 1 January 2007	41,657
Transferred from income statement	6,879
<b>Total</b>	<b>48,536</b>

#### **A4.7 LBT SERIAL BONDS**

	<b>As at 30.09.07 Current RM'000</b>	<b>As at 30.09.07 Non - Current RM'000</b>	<b>As at 30.09.07 Total RM'000</b>
Bond liability	44,000	190,000	234,000
Less : Interest in suspense	(20,046)	(105,577)	(125,623)
<b>Total (exclusive of interest )</b>	<b>23,954</b>	<b>84,423</b>	<b>108,377</b>

The balance of LBT Serial Bonds as at 30.09.2007 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 LBTBSB.

The bonds are secured by a charge over the assets and project agreements of LBTBSB and bear the following maturities:-

	<b>As at 30.09.07 RM'000</b>
Less than one year	44,000
Between one and five years	190,000
More than five years	-
<b>Total</b>	<b>234,000</b>

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

**A4.8 TAX EXPENSE**

	<b>3Q2007 RM'000</b>	<b>YTD 3Q2007 RM'000</b>
Current year - Malaysian tax	274	841
Current year - Foreign tax	26	47
Deferred tax	2,321	6,879
<b>Total</b>	<b>2,621</b>	<b>7,767</b>

**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)**

<b>9 Months Ended 30.09.07 RM'000</b>	<b>Port Operations</b>	<b>Marine Services</b>	<b>Investment Holding</b>	<b>Industrial Properties</b>	<b>Resources</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Business segments</b>							
Revenue from external customers	61,616	4,669	-	-	-	-	66,285
Inter-segment revenue	-	-	7,620	-	-	(7,620)	-
Share of revenue of associates	19,040	-	-	9,559	7,958	-	36,557
<b>Total gross revenue</b>	<b>80,656</b>	<b>4,669</b>	<b>7,620</b>	<b>9,559</b>	<b>7,958</b>	<b>(7,620)</b>	<b>102,842</b>
Share of revenue of associates	(19,040)	-	-	(9,559)	(7,958)	-	(36,557)
<b>Total revenue</b>	<b>61,616</b>	<b>4,669</b>	<b>7,620</b>	<b>-</b>	<b>-</b>	<b>(7,620)</b>	<b>66,285</b>
<b>Segment result</b>	<b>38,420</b>	<b>1,027</b>	<b>(1,748)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,699</b>
Operating profit							37,699
Financing costs							(12,134)
Interest income							2,622
Share of profit after tax of associate							11,169
Profit before taxation							39,356
Tax expense							(7,767)
Minority interests							(3,892)
<b>Profit for the period attributable to shareholders</b>							<b>27,697</b>

**A5 SEGMENTAL INFORMATION – GROUP (continued)**

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<b>9 Months Ended 30.09.06 RM'000</b>	<b>Port Operations</b>	<b>Marine Services</b>	<b>Investment Holding</b>	<b>Industrial Properties</b>	<b>Resources</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Business segments</b>							
Revenue from external customers	63,069	4,771	-	-	-	-	67,840
Inter-segment revenue	-	-	1,200	-	-	(1,200)	-
Share of revenue of associate	17,183	-	-	9,190	-	-	26,373
<b>Total gross revenue</b>	<b>80,252</b>	<b>4,771</b>	<b>1,200</b>	<b>9,190</b>	<b>-</b>	<b>(1,200)</b>	<b>94,213</b>
Share of revenue of associate	(17,183)	-	-	(9,190)	-	-	(26,373)
<b>Total revenue</b>	<b>63,069</b>	<b>4,771</b>	<b>1,200</b>	<b>-</b>	<b>-</b>	<b>(1,200)</b>	<b>67,840</b>
<b>Segment result</b>	<b>40,843</b>	<b>1,130</b>	<b>1,151</b>	<b>-</b>	<b>-</b>	<b>(1,200)</b>	<b>41,924</b>
Operating profit							41,924
Financing costs							(13,756)
Interest income							2,593
Share of profit after tax of associate							9,243
Profit before taxation							40,004
Tax expense							(8,715)
Minority interests							(3,897)
<b>Profit for the period attributable to shareholders</b>							<b>27,392</b>

**A6 SUBSEQUENT MATERIAL EVENTS**

There were no subsequent material events.

**A7 CHANGES IN GROUP COMPOSITION**

Further to our announcement dated 27 March 2007 in respect of the establishment of a wholly-owned subsidiary, Integrax Philippines, Inc (“IP”) in the Republic of the Philippines, the Board wishes to confirm that the paid-up capital of IP is 9,671,993 shares of One (1) Peso each instead of 9,600,000 shares due to exchange conversion.

On 30 July 2007, the Company established a wholly-owned subsidiary named PT Integrax Indonesia (“PT Integrax”). PT Integrax obtained the approval from the Ministry of Law and Human Rights to be a foreign investment company limited by shares with a capital of 1,000 shares of USD 100 each.

The intended principal activity of PT Integrax is to serve as an investment entity of the Company for its future investments in the Republic of Indonesia.

The Company has also started the process in 3Q2007 to establish another subsidiary named PT Integra Jasa Energi in Indonesia but the final approvals and required permits are still outstanding as at the end of the 3Q2007.

The intended principal activity of this subsidiary is to serve as an oil and gas contractor in Indonesia.

Other than the above and the purchase of additional shares in INDX disclosed in Notes A4.2.2 (a), 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.

	<b>YTD 3Q 2007 RM'000</b>	<b>YTD 3Q 2006 RM'000</b>
Operations and maintenance fees payable to LMTSB	16,899	17,353
Management fees receivable from LMTSB.	450	450
Tuggage services receivable from LMTSB.	4,668	4,771
Office facilities fees receivable from PKS, a company wholly owned by HRH.	124	124

**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**

Refer to Notes A 4.3 and A6. There were no other purchases or disposals of quoted securities during the current quarter.

**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**

Dividends declared for the financial year ended 31 December 2006 and approved in the Company's Annual General Meeting held on 29 June 2007 amounting to RM 5.04 million (net) were paid on 27 August 2007. Other than this, 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.

	<b>3 Q 2007 RM'000</b>	<b>YTD 3 Q 2007 RM'000</b>
PATSC for the period	7,740	27,697
Weighted average number of ordinary shares in issue	300,806	300,806
<b>Earnings per share (sen)</b>	<b>2.57</b>	<b>9.21</b>

**B14 CAPITAL COMMITMENTS**

Refer to note A 9.