

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2008

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 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. (<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

	1 Q 2008 RM'000	1 Q 2007 RM'000	% Change
Revenue	22,140	21,867	1.2
Operating Profit	12,355	12,788	(3.4)
Share of Profit/(Loss) after Tax of Associates	(191)	3,757	(105)
PBT	9,566	13,265	(27.9)
PATSC	5,640	9,390	(40.0)
EPS (sen)	1.87	3.12	(40.1)

- (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 reflecting the nature of the revenue streams which are primarily fixed with annual escalation provisions.
- (b) Operating Profit decreased marginally by 3.4% due to higher depreciation caused by increased throughput, increased cost of sales due to annual escalation provisions, and project development costs expensed as part of an ongoing policy of prudence.
- (c) Share of Profit After Tax of Associate decreased by 105% being the result LMTSB having no contribution from land sales exacerbated by losses incurred by PGMC in the current quarter (which has completely offset profits taken up in the previous year). Please refer to Items A1.2(e) and A1.3(e)
- (d) PBT and PATSC decreased by 27.9% and 40.0% respectively due to the reasons stated above notwithstanding decreased finance costs.
- (e) The reported preceding 4Q2007 PBT and PATSC in RM'000 were 11,648 and 8,810 respectively. The PBT and PATSC for 1Q2008 therefore showed a decrease of 17.8% and 35.9% respectively against the preceding 4Q2007. The reasons for the decrease was primarily due to the booking of a profit contribution from PGMC in the 4Q2007 even while the LMTSB contribution remained flat. This underlines the volatility of results arising from the booking of contributions from PGMC.

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	1 Q		% change
	2008	2007	
Conventional / break-bulk	22,136	23,426	(5.5)
Liquid bulk	139,004	106,534	30.5
LMT Dry bulk	462,033	445,818	3.6
LMT Sub-Total	623,173	575,778	8.2
LBT Dry Bulk	1,154,173	1,121,515	2.9
Total	1,777,346	1,697,293	4.7

BY INDUSTRY SECTOR

FWT	1 Q		% change
	2008	2007	
Chemicals	19,891	51,882	(61.7)
Mining	163,682	136,772	19.7
Agriculture	188,790	143,450	31.6
Construction Materials	248,564	239,534	3.8
Energy	1,154,173	1,121,515	2.9
Others	2,246	4,140	(45.7)
Total	1,777,346	1,697,293	4.7

3 months ended	3 M 2008	3 M 2007	% change
Percentage Import	71%	74%	(4.0)
Percentage Export	29%	26%	11.50

- (i) Liquid bulk exports of palm oil related products from the Agriculture Sector increased by 30.5% on a quarter-on-quarter basis and exceeded exports experienced in 4Q2007. This is attributed to increased throughput at the refinery that is located proximate to the LMT.
- (ii) Dry bulk exports increased by 3.6% on a quarter-on-quarter basis aided by increased exports of palm kernel expellers, limestone chips and clinker emerging from the Mining, Agriculture and Construction Sectors respectively. This continued the trend that we saw in the 4Q2007.

- (iii) After three consecutive quarters of decreases, cargo at LBT increased by 2.9% on a quarter-on-quarter basis but was still marginally lower than that of the 4Q2007. This does not represent a turnaround as yet until we see what will happen in the 2Q2008 as coal sourcing and coal supply reliability still presents a continuing problem for the power plant. Nonetheless the storage capacity at the power station has been increased by adopting higher stacking heights and this may be a harbinger of things to come.
- (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.

(b) **Marine Services**

Vessel/ Barge Calls	1Q 2008		4 Q 2007		1Q 2007	
	Ships	Barges	Ships	Barges	Ships	Barges
LMT	52	42	47	51	42	35
LBT	17	-	17	-	15	-
Total	69	42	64	51	57	35

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

(c) **Industrial Properties**

	1Q 2008	4Q 2007	1Q 2007
Acres committed to sale by agreements in quarter	NIL	NIL	1.21

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. 1Q2008 has seen a continuation of the current general decline of interest in industrial property consistent with domestic investment trends and the general situation.

(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. Included in Share of Profit After Tax of Associates is the Company's share of profit/loss after tax of PGMC's unaudited group results, shown below on a 100% basis:-

	YTD 1 Q 2008
Nickel Ore Shipments	NIL
	PHP'000
EBIT	(108,014)
PBT	(141,411)
Tax Expense	905
Minority Interest	124
PATSC	(142,440)

- (ii) Nickel ore and ferro nickel are not homogenous products as nickel ore emerges from the earth and its source areas have different assays/mineralization. This fact means that selling nickel ore or ferro nickel does not first occur without extensive negotiations per shipment between sellers and buyers. Very often sellers prefer to maintain product in inventory instead of selling at a lower price from the first buyer that comes along. Offtake contracts are pegged to LME prices less a margin and allowances for impurities that are negotiated upon for every shipment.

During the course of 1Q2008, the smelters continued with test production to raise grades (the product produced is saleable based on grades and its other constituent elements) and to optimize production and dealing with technical issues that have arisen with the delay in supply of certain equipment. To date grades above 20% (that grade commanding near full market price) have been achieved and daily production rates are up at about 10-15MT. Inventory currently stands at about 500MT which is expected to be shipped (and therefore sold at acceptable prices) by end of the 2Q2008.

Mining activity continued at both mine sites in Surigao and Isabela at between 2,000-5,000MT per day along with exploration and reserve delineation/infill drilling. Inventory currently stands at about 220,000WMT which is expected to be shipped (per buyer shipping schedules) at the end of 2Q2008.

In the 4Q2007 and the 1Q2008 any shipments of ferro nickel were of lower grades and, pending the commencement date for the tax holiday, were booked and offset against expenses or plant cost rather than recognized as revenues. PGMC had re-applied for tax holidays for both its mining and smelting operations further to changes to the guidelines set by the Philippine Board of Investment. PGMC has received in-principle approval for a tax holiday for both its mining and smelting activities and is now awaiting the declaration of the tax holiday's formal commencement date. The prospective profit element in inventories is approximately USD4.8 million subject buyer assays and the final prices paid.

- (iii) *Readers are cautioned that the above PGMC results are unaudited and are subject to such adjustments as may be required at its financial year end by International Accounting Standards applicable in the Philippine.*

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 in 1Q2008 has shown how past and future 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, new opportunistic players and the inevitable price increases emerging across the board in response to Asia’s growth. This will continue. Looking forward, we now see improved prospects emerging from the resource sector with possible new cargoes in the form of iron ore from mine sources out of Kelantan, some nascent fertilizer imports, some small manganese exports and some grain imports arising as a consequence of the flour mill across the river having short term issues with their own import terminal.

We expect the Construction Materials Sector to be robust along with exports of clinker and of limestone and its derivatives. Liquid bulk exports we now anticipate to remain strong with petroleum imports expected to commence towards the end of the year. Coal imports we expect to rebound to get back to the levels seen in 2006 and perhaps exceed such as the power station seeks to rebuild stocks of coal in an uncertain supply situation.

- (ii) The first phase of LMT’s plan to deal with growth in liquid cargo emerging from downstream petroleum product distribution is well underway with an expectation that cargo flows will commence before the end of 2008. As reported in the 3Q2007 we have had to re-review the scope of the liquid berth facilities to match expectations with the consequence that we have not built a new berth but have opted to use the existing facilities more efficiently. The biofuel promise has not emerged given the sector’s problems but its deficit is replaced by the prospect of petroleum product imports. We remain committed to expanding port capabilities at either one or both our ports 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) **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 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 and delays in achieving sales and shipments threw out all expectations for 4Q2007 and 1Q2008. For 2Q2008 effort is being placed on continuing to build inventories for an optimized shipping schedule and better prices with term offtakers towards the end of 2Q2008.

Surigao expects to mine in excess of 50,000WMT per month approximately towards the end of the 2Q2008 for inventories given weather windows. 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 and we will report on such expectations in the Annual Report 2007.

Isabela is expected to mine and stockpile in excess of 30,000WMT per month approximately before the end of 2Q2008 for inventories given weather windows. Its equipment and personnel count remains unchanged. Drilling works undertaken to gain greater levels of confidence in the current resource picture continue and we will report on such expectations in the Annual Report 2007.

In Palawan, no mining activities are being conducted pending resolution of the claims of a third party which were of a very spurious nature. It has been anticipated that some developments will occur, with the intervention of the authorities, but nothing so far has emerged. In the meantime site maintenance works are carried out and social community activities continue.

Smelter Activities

Works to improve grades and to enhance and optimize production levels so as to get to between 480MT to 600MT per month were bedeviled late in 4Q2007 by technical issues exacerbated by power efficiency issues and delay in the supply of certain equipment items. Corrective action has been and is continuing in order to sort out these issues and to further reduce the impact of rising non-ore input costs. Target production levels now expected are a prospective annual 6,000,000 pounds for the next 12 months. At current market prices, this represents a revenue stream of about USD60 million.

Corporate

PGMC remains on friendly terms with its primary banker. We conservatively anticipate slippage in earlier expectations for 2008 by up to 8 months. Plans remain on track to obtain listed status for the activities of PGMC in 2008.

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

Negotiations continue to lock down on an identified suitable and very promising site for a multipurpose port with a prospective partner though several issues still remain to be resolved. The potential remains very significant and we must spare no effort to seek appropriate solutions to such issues and not undervalue the contribution we bring to such a project in terms of experience and knowledge.

(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 and onshore have been completed. Importantly we have evolved a development concept which will be presented shortly to the relevant authorities after the prospective commercial and financial framework has been worked.

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 been the intensive market study commissioned earlier which involved a month long data collection exercise along the Province’s major roads. Data evaluation is now complete and a Business Plan is in final preparation for presentation to and for detailed negotiations to commence with the relevant authorities. Representatives of Pelindo I are expected to visit our Lumut Port facilities shortly as a precursor to negotiations.

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 completing investigations and negotiations on behalf of INDX for the acquisition of a site of some 75 hectares in Kalimantan to develop a coal terminal to serve the low rank domestic coal market and the export market as well as examining the prospects, with potential partners, to develop other onshore terminals and offshore carnage or 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. 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 2007.

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 2007 except for new / revised FRSs which came into effect in the current financial year. The adoption of these new / revised FRSs has no material impact on these interim financial statements.

A2.3 Foreign Currency Translation Rates

The principal closing rates as at 31 March 2008 used in the translation of foreign currency amounts to RM are as follows :-

1 US Dollar	- RM 3.1985
1 Pound Sterling	- RM 6.3850
100 Indonesian Rupiah	- RM 0.0343
100 Philippine Peso	- RM 7.6350

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. Treating PGMC on an equity accounting basis has its downsides particularly in relation to the costs of external audit reviews. The Company advises that is in the nature of a finite investment and some volatility in its earnings should be expected.

A4.2.2 INDX

- (a) The Company's shareholding in INDX as at 31 March 2008 remained at 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. Plans for acquisitions are advancing with the onset of due diligence exercises and preparation of documentation.

- (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. After the end of 1Q2008 regulators declared that they found nothing illegal in the trading pattern of INDX.
- (d) INDX remains in a net capital deficit position as at 1Q2008 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
Independent Commissioner
Independent Commissioner

Dato' Ir Onn bin Hamzah
RM Tommy Wikutomojati
Ch'ng Chin Hon

Board of Directors

President Director
Director

Harun bin Halim Rasip
Mohd Sofian bin Jaafar

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

(a) **Unaudited Income Statements for 1Q 2008**

	LMTSB RM'000	PGMC RM'000	INDX RM'000
Gross Revenue - Port Operations	14,096	-	-
- Industrial Property	231	-	-
- Mining	-	-	-
- Web site hosting services	-	-	8
Gross Profit - Port Operations	9,698	-	-
- Industrial Property	134	-	-
- Mining	-	-	-
- Web site hosting services	-	-	3
Gross Profit % - Port Operations	69%	-	-
- Industrial Property	58%	-	-
- Mining	-	-	-
- Web site hosting services	-	-	37%
Depreciation & amortization	670	935	1
Operating Profit / (Loss)	6,832	(8,520)	(65)
Finance Costs	1,034	1,906	-
Profit / (Loss) Before Tax	5,798	(11,155)	(67)
Profit / (Loss) After Tax	4,163	(11,236)	(67)
Foreign exchange rates used for translation:- RM / 100 Philippine Peso		7.8883	
RM / 100 Indonesian Rupiah			0.0343

(b) **Unaudited Balance Sheets as at 31 March 2008**

	LMTSB RM'000	PGMC RM'000	INDX RM'000
Fixed Assets (Net Book Value)	78,589	138,079	14
Land held for resale	11,023	-	-
Other non current assets	-	73,504	-
Cash and cash equivalents	38,586	8,488	72
Other current assets	54,536	46,731	48
	182,734	266,802	134
Shareholders Funds	103,670	62,234	(651)
Minority interest	-	1,385	-
Total current and non current liabilities	24,064	203,183	785
Non current bonds (Refer note below)	55,000	-	-
	182,734	266,802	134
Foreign exchange rates used for translation:- RM / 100 Philippine Peso		7.6350	
RM / 100 Indonesian Rupiah			0.0343

LMTSB currently has in issue 9 series of BaIDS totalling RM 55 million. These BaIDS bear a current RAM rating of AA3 and they have the following maturities:-

	As at 31.03.08 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 LBT SB were redeemed by LBT SB during the current quarter.

A4.6 DEFERRED TAXATION

	As at 31.03.08 RM'000
Balance at 1 January 2008	49,300
Transferred from income statement	2,293
Total	51,593

A4.7 LBT SERIAL BONDS

	As at 31.03.08 Current RM'000	As at 31.03.08 Non - Current RM'000	As at 31.03.08 Total RM'000
Bond liability	44,000	168,000	212,000
Less : Interest in suspense	(20,967)	(94,868)	(115,835)
Total (exclusive of interest)	23,033	73,132	96,165

The balance of LBT Serial Bonds as at 31.03.2008 comprises 9 series (i.e. series no. 11 to 19) of zero coupon bonds with an aggregate nominal value of RM 212 million (inclusive of interest). During the current quarter, 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 LBT SB and bear the following maturities:-

	As at 31.03.08 RM'000
Less than one year	44,000
Between one and five years	168,000
Total	212,000

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

A4.8 TAX EXPENSE

	1Q2008 RM'000
Current year - Malaysian tax	257
Current year - Foreign tax	13
Deferred tax	2,292
Total	2,562

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)

3 Months Ended 31.03.08 RM'000	Port Operations	Marine Services	Investment Holding	Industrial Properties	Resources	Eliminations	Consolidated
Business segments							
Revenue from external customers	20,694	1,446	-	-	-	-	22,140
Inter-segment revenue	-	-	400	-	-	(400)	-
Share of revenue of associates	7,047	-	-	115	-	-	7,162
Total gross revenue	27,741	1,446	400	115	-	(400)	29,302
Share of revenue of associates	(7,047)	-	-	(115)	-	-	(7,162)
Total revenue	20,694	1,446	400	-	-	(400)	22,140
Segment result	12,662	234	(141)	-	-	(400)	12,355
Operating profit							12,355
Financing costs							(3,566)
Interest income							968
Share of loss after tax of associate							(191)
Profit before taxation							9,566
Tax expense							(2,562)
Minority interests							(1,364)
Profit for the period attributable to shareholders							5,640

A5 SEGMENTAL INFORMATION – GROUP (continued)

3 Months Ended 31.03.07 RM'000	Port Operations	Marine Services	Investment Holding	Industrial Properties	Resources	Eliminations	Consolidated
Business segments							
Revenue from external customers	20,327	1,540	-	-	-	-	21,867
Inter-segment revenue	-	-	400	-	-	(400)	-
Share of revenue of associate	12,236	-	-	10,638	-	-	22,874
Total gross revenue	32,563	1,540	400	10,638	-	(400)	44,741
Share of revenue of associate	(12,236)	-	-	(10,638)	-	-	(22,874)
Total revenue	20,327	1,540	400	-	-	(400)	21,867
Segment result	12,728	341	119	-	-	(400)	12,788
Operating profit							12,788
Financing costs							(4,149)
Interest income							869
Share of profit after tax of associate							3,757
Profit before taxation							13,265
Tax expense							(2,594)
Minority interests							(1,281)
Profit for the period attributable to shareholders							9,390

A6 SUBSEQUENT MATERIAL EVENTS

- (a) The Board of Directors of Integrax recommended a final gross dividend of 2.7 sen per share in respect of the financial year ended 31 December 2007. Refer to Note B12.
- (b) On 7 May 2008, the Board of Directors of Integrax approved the winding up of Integrax (Mauritius) Limited (“IML”), a wholly owned subsidiary of Integrax. IML is a dormant company which has not commenced operations since its incorporation on 11 April 2006. The winding up of IML is not expected to have any material effect on the earnings and net tangible assets of the Group.

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.

	Value of Transactions		Balance Outstanding As At	
	1Q2008 RM ‘000	1Q2007 RM ‘000	31.03.2008 RM ‘000	31.03.2007 RM ‘000
Operations and maintenance fees payable to LMTSB	5,844	5,469	8,881	8,273
Management fees receivable from LMTSB.	150	150	50	100
Tuggage services receivable from LMTSB.	1,446	1,540	807	759
Office facilities fees receivable from PKS, a company wholly owned by HRH.	41	41	-	-

**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(e).

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 CORPORATE 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

The Board of Directors is pleased to recommend a final gross dividend of 2.7 sen per share, less tax at 26%, in respect of the financial year ended 31 December 2007. This proposed dividend is subject to the approval of the shareholders at the forthcoming 22nd Annual General Meeting. The dividend entitlement and payment dates will be announced in due course.

The Company paid a final tax exempt dividend of 0.8 sen and taxable gross dividend of 1.2 sen per share amounted to RM5,041,507 for the financial year ended 31 December 2006 on 27 August 2007.

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.

	1 Q 2008 RM'000
PATSC for the period	5,640
Weighted average number of ordinary shares in issue	300,806
Earnings per share (sen)	1.87

B14 CAPITAL COMMITMENTS

Refer to note A 9.