

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

SELECTED EXPLANATORY NOTES ON QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

PART A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

The Interim Financial Statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements 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. Auditors' Report on Preceding Annual Financial Statements

The audit report of the previous annual financial statement for the year ended 31 December 2008 was not subject to any qualification.

A3. Segmental Information

The Group's primary basis of segment reporting is on business segments. There are three segments namely the Port Operation, Haulage/Logistics Operation and Investment Holding.

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The analysis of results by business activity for the period ended 31 March 2009 is as follows :-.

	3 months ended	
	31.03.2009	31.03.2008
	RM'000	RM'000
Segment Revenue		
Revenue from continuing operations:		
Port Operation	132,916	168,419
Haulage/Logistics Operation	56,953	71,332
Investment Holding	1,014	1,106
	<hr/>	<hr/>
Total revenue including inter-segment sales	190,883	240,857
Elimination of inter-segment sales	(3,119)	(4,330)
	<hr/>	<hr/>
Total revenue	187,764	236,527
	<hr/>	<hr/>
Other Income:		
Port Operation	17,043	1,817
Haulage/Logistics Operation	740	584
Investment Holding	3,543	4,320
	<hr/>	<hr/>
	21,326	6,721
	<hr/>	<hr/>
Total Income		
Port Operation	149,959	170,236
Haulage/Logistics Operation	55,588	68,692
Investment Holding	3,543	4,320
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	209,090	243,248
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	3 months ended	
	31.03.2009	31.03.2008
	RM'000	RM'000
Segment Results		
Results from continuing operations:		
Port Operation	31,938	43,239
Haulage/Logistics Operation	(1,068)	1,158
Investment Holding	960	1,248
	<hr/>	<hr/>
	31,830	45,645
Elimination	(1,014)	(1,106)
	<hr/>	<hr/>
	30,816	44,539
Finance income:		
Port Operation	1,074	573
Haulage/Logistics Operation	210	210
Investment Holding	3,543	4,320
	<hr/>	<hr/>
	4,827	5,103
Net Results:		
Port Operation	33,012	43,812
Haulage/Logistics Operation	(858)	1,368
Investment Holding	3,489	4,462
	<hr/>	<hr/>
	35,643	49,642
Associates Results	(40)	110
	<hr/>	<hr/>
Profit Before Taxation	35,603	49,752

A4. Unusual Items due to their Nature, Size or frequency

There were no material unusual items affecting assets, liabilities, equity, net income, or cashflow during the financial period ended 31 March 2009.

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A5. Changes in Estimates

The Group has adopted the FRS 116: Property, Plant and Equipment with effect from financial year 31 December 2006. The residual value of certain plant and equipment were revised in the year 2008. The revisions were accounted for as a change in accounting estimates.

There were no other changes in estimates that had a material effect in the current quarter results.

A6. Comments about Seasonal or Cyclical Factors

The Group's business are generally affected by the various festive seasons.

A7. Dividends Paid

No dividend was paid during the current quarter ended 31 March 2009.

A8. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment have been brought forward without any amendments from the financial statements for the year ended 31 December 2008.

A9. Debt and Equity Securities

There have been no issues and repayment of equity security, repurchases, share cancellation or new issuance for the current quarter ended 31 March 2009.

A10. Changes in Composition of the Group

There were no changes in the composition of the Group during the interim financial period ended 31 March 2009.

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A11. Subsequent Events

There were no other material events subsequent to the end of the current quarter that have not been reflected in this Interim Financial Statement.

A12. Changes in Contingent Liabilities

Changes in contingent liabilities or contingent assets since the last annual balance sheet date.

Contingent liabilities by way of corporate guarantees to financial institutions for banking facilities granted to subsidiary have increased from RM7.2 million as at 31 December 2008 to RM7.3 million as at 31 March 2009.

Contingent liabilities in respect of claims for damages to goods and other claims remains unchanged at RM4.3 million since the last balance sheet date, 31 December 2008.

Contingent liabilities in respect of claims for payment of quit rent against subsidiaries remains unchanged at RM1.4 million since the last balance sheet date, 31 December 2008.

There were no other changes in the contingent liabilities and contingent assets since the last annual balance sheet dated 31 December 2008.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

The Group's revenue for the current quarter amounted to RM187.7 million, which is 20.6% lower than the corresponding comparative quarter's figure of RM236.5 million. The port operating subsidiary contributed RM132.9 million while the haulage/logistics subsidiary contributed RM54.8 million. The decrease in revenue for the current quarter was due to decreased business volume in the Group.

Northport achieved a throughput for the current quarter of 620,633 TEUs registering a decrease of 15.0% as compared to the corresponding period last year of 730,452 TEUs. As for the haulage division in the haulage/logistics subsidiary the throughput for the quarter is 59,631 TEUs which is a decrease of 31.4% as compared to the figure for the corresponding quarter in 2008 of 86,920 TEUs.

For the first quarter under review, the decrease in the teu's was recorded in all categories, import, export and transshipment. As for the haulage/logistics subsidiary, the decline in throughput of its haulage division continued in the current quarter. The decline is mainly due to the adverse effects of the economic downturn.

There have been no other material factors affecting the earnings and/or revenue of the Group for the current quarter.

B2. Comment on Material Change in Profit Before Taxation

The profit before tax for the current quarter amounted to RM35.6 million, which includes a gain on disposal of plant and equipment amounting to RM13.8 million, is higher than the immediate preceding quarter's profit before tax figure of RM25.9 million.

There were no other unusual items affecting profits for the current quarter.

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B3. Commentary on Prospects

- a) The economic downturn continues to adversely affect the business of the Group. Northport has registered a year-on-year decline of 15.0% in its teu's handled. The haulage division of the haulage/logistics subsidiary has also registered a 31.4% decline in the number of boxes moved.

The Group is nevertheless focusing all its efforts to secure its volume of business and to improve its bottom line.

- b) The Company did not announce or disclose any internal management targets in a public document.

B4. Board of Directors Statement on Internal Targets

The Company did not announce or disclose any internal management targets in a public document.

B5. Profit Forecast or Profit Guarantee

The Company did not announce or disclose any profit forecast or profit guarantee in a public document.

B6. Income Tax Expense

The provision for income tax for the current quarter does not contain any deferred tax or adjustment for under or over provision in respect of prior years.

The taxation amount is more than the statutory tax rate mainly due to non deductible expenses such as depreciation, amortisation of intangible assets and non qualifying portion for land and building.

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B7. Sale of Unquoted Investments and Properties

There were no sale of unquoted investments and/or properties for the current quarter ended 31 March 2009.

B8. Sale of Quoted Investments

There were no purchase or disposal of quoted securities during the quarter ended 31 March 2009.

B9. Corporate Proposals

There were no corporate proposals which were announced but not completed as at 13 April 2009.

B10. Borrowings

	As at 31.03.2009 RM'000	As at 31.12.2008 RM'000
Short term borrowings		
Bank overdraft - unsecured	912	554
Unsecured and interest free	50	200
	<u>962</u>	<u>754</u>

B11. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 13 April 2009.

B12. Changes in Material Litigation

As at 13 April 2009, there were no changes in material litigation, including the status of pending material litigation, since the last annual balance sheet date of 31 December 2008.

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B13. Dividend Payable

Dividend:

No dividend has been declared for the current quarter ended 31 March 2009 (31 March 2008: Nil).

B14. Earnings Per Share

In respect of earnings per share:-

a) Basic/Diluted earnings per share

	3 months ended	
	31.03.2009	31.03.2008
	'000	'000
Profit after Tax (RM) Attributable to Equity Holders of The Company	29,868	33,492
Weighted average no. of ordinary shares in issue	470,253	470,253
Basic/Diluted earnings per share (Sen)	6.4	7.1

B15. Audit Report

The audit report of the previous annual financial statements for the year ended 31 December 2008 was not subject to any qualification.

B16. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 20 April 2009.