

NCB HOLDINGS BHD

(Company No. 475221-K)
Incorporated in Malaysia



UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

| | 2009 Current Quarter Ended 31 December RM '000 | 2008 Current Quarter Ended 31 December RM '000 | 2009 12 Months Cumulative YTD 31 December RM '000 | 2008 12 Months Cumulative YTD 31 December RM '000 |
|---|---|---|--|--|
| Revenue | 224,568 | 232,293 | 831,415 | 946,185 |
| Expenditure | (190,614) | (213,041) | (705,659) | (812,960) |
| Other Operating Income | 4,403 | 6,670 | 41,528 | 30,606 |
| Profit from Operations | 38,357 | 25,922 | 167,284 | 163,831 |
| Share of Profit of Associate Companies | 177 | (1) | 702 | 324 |
| Profit Before Taxation | 38,534 | 25,921 | 167,986 | 164,155 |
| Taxation | (797) | 28,598 | (26,916) | (8,287) |
| Profit After Tax | 37,737 | 54,519 | 141,070 | 155,868 |
| Attributable to: | | | | |
| Equity Holders of The Parent | 37,755 | 54,491 | 141,043 | 155,615 |
| Minority Interest | (18) | 28 | 27 | 253 |
| | <u>37,737</u> | <u>54,519</u> | <u>141,070</u> | <u>155,868</u> |
| Basic Earnings Per Share (Sen) | <u>8.0</u> | <u>11.6</u> | <u>30.0</u> | <u>33.1</u> |
| Fully Diluted Earnings Per Share (Sen) | <u>8.0</u> | <u>11.6</u> | <u>30.0</u> | <u>33.1</u> |

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements).

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009**

| | As at 31 December 2009 RM '000 | As at 31 December 2008 RM '000 |
|---|--------------------------------------|--------------------------------------|
| NON-CURRENT ASSETS | | |
| Property, Plant and Equipment | 844,097 | 901,354 |
| Prepaid Land Lease Payments | 150,359 | 153,279 |
| Investment Properties | 2,294 | 2,358 |
| Intangible Assets | 69,960 | 87,494 |
| Investments in Associates | 6,276 | 5,574 |
| Other Investments | 1,534 | 1,534 |
| Long Term Receivables | 477 | 597 |
| Deferred Tax Assets | 13,380 | 11,523 |
| | <u>1,088,377</u> | <u>1,163,713</u> |
| CURRENT ASSETS | | |
| Inventories | 5,742 | 6,943 |
| Trade and Other Receivables | 163,234 | 173,087 |
| Tax Recoverable | 3,458 | 38,197 |
| Deposits with Financial Institutions | 802,902 | 630,813 |
| | <u>975,336</u> | <u>849,040</u> |
| TOTAL ASSETS | <u>2,063,713</u> | <u>2,012,753</u> |
| EQUITY AND LIABILITIES | | |
| Equity Attributable To Equity Holders of The Company | | |
| Share Capital | 470,253 | 470,253 |
| Reserves | 1,374,654 | 1,321,783 |
| | <u>1,844,907</u> | <u>1,792,036</u> |
| Minority Interest | 2,740 | 2,713 |
| TOTAL EQUITY | <u>1,847,647</u> | <u>1,794,749</u> |
| NON-CURRENT LIABILITIES | | |
| Deferred Tax Liabilities | 46,660 | 54,494 |
| CURRENT LIABILITIES | | |
| Bank Overdraft | - | 554 |
| Trade and Other Payables | 168,670 | 160,842 |
| Taxation | 736 | 2,114 |
| | <u>169,406</u> | <u>163,510</u> |
| TOTAL LIABILITIES | <u>216,066</u> | <u>218,004</u> |
| TOTAL EQUITY AND LIABILITIES | <u>2,063,713</u> | <u>2,012,753</u> |
| Net Assets Per Share (RM) | <u>3.93</u> | <u>3.82</u> |

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 12 MONTHS ENDED 31 DECEMBER 2009

| | ← Attributable to Equity Holders of the Parent → | | | | | | | Minority Interest | Total Equity | |
|--|--|-----------------------------|-------------------------------|-----------------------------------|-----------------------------------|------------------------------|--------------------------------|----------------------|-----------------|------------------|
| | ← Non - Distributable → | | | | | | Distributable | | | Total |
| | Share Capital RM '000 | Share Premium RM '000 | Capital Reserve RM '000 | Revaluation Reserve RM '000 | Translation Reserve RM '000 | Merger Reserve RM '000 | Retained Profits RM '000 | | | |
| For The 12 Months Period Ended 31 December 2009 | | | | | | | | | | |
| Balance at 1 January 2009 | 470,253 | 305 | 35,259 | 99,794 | 358 | 66,004 | 1,120,063 | 1,792,036 | 2,713 | 1,794,749 |
| Group's Foreign Currency Translation | - | - | - | - | - | - | - | - | - | - |
| Effect of Change in Tax Rate | - | - | - | - | - | - | - | - | - | - |
| Net Income Recognised Directly in Equity | - | - | - | - | - | - | - | - | - | - |
| Net Profit For The Period | - | - | - | - | - | - | 141,043 | 141,043 | 27 | 141,070 |
| Total Recognised Income For The Period | - | - | - | - | - | - | 141,043 | 141,043 | 27 | 141,070 |
| Dividend 2008 | - | - | - | - | - | - | (63,484) | (63,484) | - | (63,484) |
| Interim Dividend 2009 | - | - | - | - | - | - | (24,688) | (24,688) | - | (24,688) |
| As at 31 December 2009 | 470,253 | 305 | 35,259 | 99,794 | 358 | 66,004 | 1,172,934 | 1,844,907 | 2,740 | 1,847,647 |
| For The 12 Months Period Ended 31 December 2008 | | | | | | | | | | |
| Balance at 1 January 2008 | 470,253 | 305 | 35,259 | 98,822 | 359 | 66,004 | 1,058,404 | 1,792,406 | 2,460 | 1,731,866 |
| Group's Foreign Currency Translation | - | - | - | - | (1) | - | - | (1) | - | (1) |
| Effect of Change in Tax Rate | - | - | - | 972 | - | - | - | 972 | - | 972 |
| Net Income Recognised Directly in Equity | - | - | - | 972 | (1) | - | - | 971 | - | 971 |
| Net Profit For The Period | - | - | - | - | - | - | 155,615 | 155,615 | 253 | 155,868 |
| Total Recognised Income For The Period | - | - | - | 972 | (1) | - | 155,615 | 156,586 | 253 | 156,839 |
| Dividend 2007 | - | - | - | - | - | - | (69,597) | (69,597) | - | (69,597) |
| Interim Dividend 2008 | - | - | - | - | - | - | (24,359) | (24,359) | - | (24,359) |
| As at 31 December 2008 | 470,253 | 305 | 35,259 | 99,794 | 358 | 66,004 | 1,120,063 | 1,792,036 | 2,713 | 1,794,749 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements).

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 12 MONTHS ENDED 31 DECEMBER 2009**

| | 12 Months Ended 31/12/2009 RM'000 | 12 Months Ended 31/12/2008 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 167,986 | 164,155 |
| Adjustment for: | | |
| Non-Cash Items | 116,032 | 143,692 |
| Non-Operating Items | (16,746) | (23,905) |
| Operating profit before working capital changes | 267,272 | 283,942 |
| Net change in Current Assets | 15,326 | 2,172 |
| Net change in Current Liabilities | 8,831 | (3,070) |
| Cash generated from operations | 291,429 | 283,044 |
| Net Taxes Paid | (3,246) | (74,575) |
| Net cash generated from operating activities | 288,183 | 208,469 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Other Investments | (27,168) | (107,110) |
| Net cash used in investing activities | (27,168) | (107,110) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of amount due to a corporate shareholder of a subsidiary | (200) | (600) |
| Dividend paid | (88,172) | (93,956) |
| Net cash used in financing activities | (88,372) | (94,556) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 172,643 | 6,803 |
| Effect of exchange rate changes | - | (1) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 630,259 | 623,457 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 802,902 | 630,259 |
| Cash and cash equivalents comprise of: | | |
| Cash and bank balances | 53,313 | 51,163 |
| Short term deposits | 749,589 | 579,650 |
| Less: Bank Overdraft | - | (554) |
| | 802,902 | 630,259 |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements).

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SELECTED EXPLANATORY NOTES ON QUARTERLY FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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. 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 December 2009 is as follows :-.

| | 3 months ended | | 12 months ended | |
|---|----------------|------------|-----------------|------------|
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment Revenue | | | | |
| Revenue from continuing operations: | | | | |
| Port Operation | 170,755 | 155,670 | 612,244 | 672,815 |
| Haulage/Logistics Operation | 58,151 | 78,664 | 229,695 | 283,258 |
| Investment Holding | 2,228 | 1,127 | 127,942 | 3,970 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenue including inter-segment sales | 231,134 | 235,461 | 969,881 | 960,043 |
| Elimination of inter-segment sales | (6,566) | (3,168) | (138,466) | (13,858) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenue | 224,568 | 232,293 | 831,415 | 946,185 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Other Income: | | | | |
| Port Operation | 432 | 1,622 | 24,235 | 11,080 |
| Haulage/Logistics Operation | 1,342 | 1,272 | 5,841 | 3,421 |
| Investment Holding | 2,629 | 3,776 | 11,452 | 16,105 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 4,403 | 6,670 | 41,528 | 30,606 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Income | | | | |
| Port Operation | 170,843 | 156,961 | 636,135 | 683,564 |
| Haulage/Logistics Operation | 55,499 | 78,226 | 225,356 | 277,122 |
| Investment Holding | 2,629 | 3,776 | 11,452 | 16,105 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 228,971 | 238,963 | 872,943 | 976,791 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

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| | 3 months ended | | 12 months ended | |
|-------------------------------------|----------------|------------|-----------------|------------|
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment Results | | | | |
| Results from continuing operations: | | | | |
| Port Operation | 75,509 | 20,847 | 190,406 | 141,311 |
| Haulage/Logistics Operation | 16,757 | 386 | 19,414 | 2,810 |
| Investment Holding | 1,735 | 1,006 | 126,690 | 3,871 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 94,001 | 22,239 | 336,510 | 147,992 |
| Elimination | (59,254) | (1,127) | (184,968) | (3,970) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 34,747 | 21,112 | 151,542 | 144,022 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Finance income: | | | | |
| Port Operation | 972 | 860 | 3,422 | 2,869 |
| Haulage/Logistics Operation | 9 | 176 | 868 | 837 |
| Investment Holding | 2,629 | 3,774 | 11,452 | 16,103 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 3,610 | 4,810 | 15,742 | 19,809 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Results: | | | | |
| Port Operation | 30,718 | 21,707 | 148,065 | 144,180 |
| Haulage/Logistics Operation | 5,503 | 562 | 9,019 | 3,647 |
| Investment Holding | 2,136 | 3,653 | 10,200 | 16,004 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 38,357 | 25,922 | 167,284 | 163,831 |
| Associates Results | 177 | (1) | 702 | 324 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Profit Before Taxation | 38,534 | 25,921 | 167,986 | 164,155 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

A3. Unusual Items due to their Nature, Size or frequency

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

A4. 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 2009. 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.

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A5. Comments about Seasonal or Cyclical Factors

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

A6. Dividends Paid

Total dividends paid during the quarter ended 31 December 2009 amounted to RM24,688,267. This is in respect of interim dividend for the financial year ended 31 December 2009 declared at 7.0 sen per ordinary share less 25% income tax. The dividend was paid on 9 October 2009.

A7. Debt and Equity Securities

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

A8. Changes in Composition of the Group

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

A9. Subsequent Events

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

A10. Changes in Contingent Liabilities

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 RM8.2 million as at 31 December 2009.

Contingent liabilities in respect of claims for damages to goods and other claims have decreased from RM4.3 million as at 31 December 2008 to RM1.1 million as at 31 December 2009.

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 RM224.5 million, which is 3.3% lower than the corresponding comparative quarter's figure of RM232.2 million. The port operating subsidiary contributed RM170.4 million while the haulage/logistics subsidiary contributed RM54.1 million. The year-to-date revenue of the Group amounted to RM831.4 million, a decrease of 12.1% compared to the corresponding period of RM946.1 million. The decrease in revenue for the current quarter was mainly due to decreased business volume undertaken by the haulage/logistics subsidiary.

Northport achieved a throughput during the current quarter of 798,500 TEUs reflecting an increase of 11.5% as compared to the corresponding period last year of 715,943 TEUs. The year-to-date throughput achieved is 2,858,341 TEUs representing a decrease of 4.9% compared against the corresponding period last year of 3,005,920 TEUs. As for the haulage division in the haulage/logistics subsidiary the total volume handled during the quarter is 71,647 TEUs which is a decrease of 5.1% as compared to the figure for the corresponding quarter in 2008 of 75,519 TEUs. The year-to-date volume achieved is 268,075 TEUs representing a decrease of 22.1% compared to the figure for the corresponding period last year of 344,468 TEUs. For the quarter under review, the increase in the volume handled was recorded in all categories i.e. import, export and transshipment.

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 RM38.5 million, is lower than the immediate preceding quarter's profit before tax of RM56.0 million.

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

B3. Commentary on Prospects

- a) The port operation has registered a steady increase in the throughput handled during the last quarter and is expecting that this trend will continue in the year 2010. The haulage/logistics subsidiary has also registered improvements in its non-haulage businesses and it is expected to be sustained in the year 2010.

These expectations are in context within the current economic environment and may vary if there are significant changes in the economic scenario.

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- 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

| | Current Quarter RM'000 | Year ended 31 December 2009 RM'000 |
|---|---------------------------------------|---|
| Current income tax: | | |
| Current year's tax expense | 15,705 | 41,824 |
| Over provision of tax in prior years | (317) | (317) |
| | <u>15,388</u> | <u>41,507</u> |
| Deferred taxation: | | |
| Deferred tax assets recognized on unutilized investment allowance arising from current year | (23,256) | (23,256) |
| Relating to origination and reversal of temporary differences | 7,668 | 7,668 |
| Under provision in prior years | 997 | 997 |
| | <u>(14,591)</u> | <u>(14,591)</u> |
| | <u>797</u> | <u>26,916</u> |

Since the year 2008, Northport (Malaysia) Bhd received tax relief in the form of Investment Allowance for Approved Service Project (ASP) relating to capital investment for the expansion and improvement of port facilities. Kontena Nasional Berhad similarly, received Investment Tax Allowance for qualifying capital expenditure under the Promotion Investment Act, 1986 to carry out integrated logistics services as an expansion/diversification project. The deferred tax asset arising above is due to the utilization of this Investment Allowance.

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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 December 2009.

B8. Sale of Quoted Investments

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

B9. Corporate Proposals

There were no corporate proposals which were announced but not completed as at 16 February 2010.

B10. Borrowings

| | As at 31.12.2009 RM'000 | As at 31.12.2008 RM'000 |
|------------------------------|-------------------------------|-------------------------------|
| Short term borrowings | | |
| Bank overdraft - unsecured | - | 554 |
| Unsecured and interest free | - | 200 |
| | <u>-</u> | <u>754</u> |

B11. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 16 February 2010.

B12. Changes in Material Litigation

As at 16 February 2010, there were no changes in material litigation, including the status of pending material litigation, since the last annual balance sheet date of 31 December 2009.

B13. Dividend Payable

Dividend:

- a)
 - i) A final dividend in respect of the financial year 31 December 2009 has been recommended;

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- ii) The amount of final dividend is 10.0 sen and the special dividend is 11.0 sen per ordinary share less 25% income tax;
 - iii) The previous corresponding period was a final dividend of 10.0 sen and a special dividend of 8.0 sen per ordinary share less 25% income tax ;
 - iv) The date payable is on 7 May 2010; and
 - v) In respect of deposited securities, entitlement to dividend will be determined on the basis of the record of depositors as at 23 April 2010; and
- b) The total dividend for the current financial year is an interim dividend of 7.0 sen less 25% income tax and a proposed dividend 10.0 sen less 25% income tax and a proposed special dividend of 11.0 sen less 25% income tax, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

B14. Earnings Per Share

In respect of earnings per share:-

- a) Basic/Diluted earnings per share

| | 3 months ended | | 12 months ended | |
|--|----------------|----------------|-----------------|----------------|
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| | '000 | '000 | '000 | '000 |
| Profit after Tax (RM) | | | | |
| Attributable to: | | | | |
| Equity Holders of The Parent | <u>37,755</u> | <u>54,491</u> | <u>141,043</u> | <u>155,615</u> |
| Weighted average no. of ordinary shares in issue | <u>470,253</u> | <u>470,253</u> | <u>470,253</u> | <u>470,253</u> |
| Basic/Diluted earnings per share (Sen) | <u>8.0</u> | <u>11.6</u> | <u>30.0</u> | <u>33.1</u> |

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 23 February 2010.