

# **NCB HOLDINGS BHD**

(Company No. 475221-K)  
Incorporated in Malaysia



**Date : 27 APRIL 2011**

**Subject : QUARTERLY FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

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# NCB HOLDINGS BHD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2011

	<b>2011 Current Quarter Ended 31 March RM '000</b>	<b>2010 Current Quarter Ended 31 March RM '000</b>	<b>2011 3 Months Cumulative YTD 31 March RM '000</b>	<b>2010 3 Months Cumulative YTD 31 March RM '000</b>
Revenue	212,889	209,263	212,889	209,263
Expenditure	(191,380)	(172,525)	(191,380)	(172,525)
Other Income	9,821	8,247	9,821	8,247
<b>Profit from Operations</b>	<b>31,330</b>	<b>44,985</b>	<b>31,330</b>	<b>44,985</b>
Share of Profit of Associates	41	85	41	85
<b>Profit Before Taxation</b>	<b>31,371</b>	<b>45,070</b>	<b>31,371</b>	<b>45,070</b>
Income Tax Expense	16	(4,135)	16	(4,135)
<b>Profit net of tax, representing total comprehensive income</b>	<b>31,387</b>	<b>40,935</b>	<b>31,387</b>	<b>40,935</b>
Attributable to:				
Equity Holders of The Company	31,432	40,837	31,432	40,837
Minority Interest	(45)	98	(45)	98
	<b>31,387</b>	<b>40,935</b>	<b>31,387</b>	<b>40,935</b>
Basic Earnings Per Share (Sen)	<b>6.7</b>	<b>8.7</b>	<b>6.7</b>	<b>8.7</b>
Fully Diluted Earnings Per Share (Sen)	<b>6.7</b>	<b>8.7</b>	<b>6.7</b>	<b>8.7</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements).

# NCB HOLDINGS BHD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	As at 31 March 2011 RM '000	As at 31 December 2010 RM '000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	960,818	943,365
Prepaid Land Lease Payments	6,216	6,292
Investment Properties	2,214	2,230
Intangible Assets	48,041	52,426
Investments in Associates	6,926	6,885
Other Investments	1,534	1,534
Long Term Receivables	528	528
Deferred Tax Assets	11,822	13,729
	<u>1,038,099</u>	<u>1,026,989</u>
<b>Current Assets</b>		
Inventories	8,130	7,384
Trade and Other Receivables	200,708	212,755
Tax Recoverable	14,486	15,652
Deposits with Financial Institutions	896,058	874,761
	<u>1,119,382</u>	<u>1,110,552</u>
<b>TOTAL ASSETS</b>	<b><u>2,157,481</u></b>	<b><u>2,137,541</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and Other Payables	194,969	196,817
Current Tax Payable	464	419
	<u>195,433</u>	<u>197,236</u>
<b>Net current assets</b>	<b><u>923,949</u></b>	<b><u>913,316</u></b>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	36,896	46,540
<b>Net assets</b>	<b><u>887,053</u></b>	<b><u>866,776</u></b>
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	470,253	470,253
Reserves	1,452,015	1,420,583
	<u>1,922,268</u>	<u>1,890,836</u>
<b>Minority Interest</b>	<u>2,884</u>	<u>2,929</u>
<b>Total Equity</b>	<b><u>1,925,152</u></b>	<b><u>1,893,765</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>2,157,481</u></b>	<b><u>2,137,541</u></b>
 Net Assets Per Share (RM)	 <u>4.09</u>	 <u>4.03</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 FIRST QUARTER ENDED 31 MARCH 2011

	Attributable to Equity Holders of the Parent							Total	Minority	Total		
	Non - Distributable						Distributable				Interest	Equity
	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 Earnings RM '000					
<u>For The 3 Months Period Ended 31 March 2011</u>												
As at 1 January 2011	470,253	305	35,259	99,794	358	66,004	1,218,863	1,890,836	2,929	1,893,765		
Profit net of tax, representing total comprehensive income	-	-	-	-	-	-	31,432	31,432	(45)	31,387		
<b>As at 31 March 2011</b>	<b>470,253</b>	<b>305</b>	<b>35,259</b>	<b>99,794</b>	<b>358</b>	<b>66,004</b>	<b>1,250,295</b>	<b>1,922,268</b>	<b>2,884</b>	<b>1,925,152</b>		
<u>For The 3 Months Period Ended 31 March 2010</u>												
Balance at 1 January 2010	470,253	305	35,259	99,794	358	66,004	1,172,934	1,844,907	2,740	1,847,647		
Effects of adopting FRS 139	-	-	-	-	-	-	7,276	7,276	107	7,383		
<b>As at 1 January 2010 (restated)</b>	<b>470,253</b>	<b>305</b>	<b>35,259</b>	<b>99,794</b>	<b>358</b>	<b>66,004</b>	<b>1,180,210</b>	<b>1,852,183</b>	<b>2,847</b>	<b>1,855,030</b>		
Profit net of tax, representing total comprehensive income	-	-	-	-	-	-	40,837	40,837	98	40,935		
<b>As at 31 March 2010</b>	<b>470,253</b>	<b>305</b>	<b>35,259</b>	<b>99,794</b>	<b>358</b>	<b>66,004</b>	<b>1,221,047</b>	<b>1,893,020</b>	<b>2,945</b>	<b>1,895,965</b>		

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements).

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

	<b>3 Months Ended 31/03/2011 RM'000</b>	<b>3 Months Ended 31/03/2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	31,371	45,070
Adjustment for:		
Non-Cash Items	36,780	26,057
Non-Operating Items	(6,728)	(4,273)
<b>Operating profit before working capital changes</b>	<b>61,423</b>	<b>66,854</b>
Net change in Current Assets	12,155	(12,492)
Net change in Current Liabilities	(7,673)	5,899
<b>Cash generated from operations</b>	<b>65,905</b>	<b>60,261</b>
Net Taxes Paid	(6,402)	(10,596)
<b>Net cash generated from operating activities</b>	<b>59,503</b>	<b>49,665</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Other Investments	(38,206)	(1,293)
Net cash used in investing activities	(38,206)	(1,293)
<b>CASH AND CASH EQUIVALENTS</b>		
<b>Net change in cash and cash equivalents</b>	<b>21,297</b>	<b>48,372</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>874,761</b>	<b>802,902</b>
<b>Cash and cash equivalents at end of period</b>	<b>896,058</b>	<b>851,274</b>
Cash and cash equivalents comprise of:		
Cash and bank balances	12,447	11,058
Short term deposits	883,611	840,216
	<b>896,058</b>	<b>851,274</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements).

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## SELECTED EXPLANATORY NOTES ON QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

### 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 2010. 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 2010.

#### Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”):

Effective for financial periods beginning on or after 1 March 2010:

Amendments to FRS 132 Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments to IC Interpretation 9)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

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Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settle Shared based Payment Transactions
Amendments to FRS 3	Business Combinations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 121	The Effect of Changes in Foreign Exchange Rates
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 13	Amendments to IC Interpretation 13
IC Interpretation 18	Transfer of Assets from Customers

Effective for financial periods beginning on or after 1 July 2011:

IC Interpretation 14	Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

Effective for financial periods beginning on or after 1 January 2012:

IC Interpretation 15	Agreements for the Construction of Real Estate
Amendments to FRS 124	Related Party Disclosures Interaction

The directors expect that the adoption of the standards and interpretations above will have no material impact on financial statements in the period of initial application.

## **A2. Segmental Information**

The segment information is presented on the basis of the Group's primary business segments. This segment reporting format is also the basis for the Group's management and internal reporting structure to the chief operating decision maker. There are 2 segments namely the Port Operations and Logistics Operations.

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The analysis of results for the 3 months period ended 31 March 2011 is as follows :-

	3 months ended 31.03.2011			Consolidated RM'000
	Port Operations RM'000	Logistics Operations RM'000	Others and Eliminations RM'000	
Revenue				
External	161,317	51,572	-	212,889
Inter – Segment	997	3,077	(4,074)	-
Total revenue	<u>162,314</u>	<u>54,649</u>	<u>(4,074)</u>	<u>212,889</u>
Other Income	<u>5,889</u>	<u>396</u>	<u>3,536</u>	<u>9,821</u>
Results				
Depreciation of property, plant and equipment	28,672	3,659	30	32,361
Amortisation of prepaid port rights	4,383	-	-	4,383
Amortisation of prepaid land lease payments	75	-	-	75
Share of profit of associates	-	41	-	41
Profit/(Loss) before tax	<u>31,077</u>	<u>(3,223)</u>	<u>3,517</u>	<u>31,371</u>

The analysis of results for the 3 months period ended 31 March 2010 is as follows :-

	3 months ended 31.03.2010			Consolidated RM'000
	Port Operations RM'000	Logistics Operations RM'000	Others and Eliminations RM'000	
Revenue				
External	162,353	46,910	-	209,263
Inter – Segment	-	3,069	(3,069)	-
Total revenue	<u>162,353</u>	<u>49,979</u>	<u>(3,069)</u>	<u>209,263</u>
Other Income	<u>5,098</u>	<u>496</u>	<u>2,653</u>	<u>8,247</u>
Results				
Depreciation of property, plant and equipment	27,074	3,650	43	30,767
Amortisation of prepaid port rights	4,383	-	-	4,383
Amortisation of prepaid land lease payments	75	-	-	75
Share of profit of associates	-	85	-	85
Profit/(Loss) before tax	<u>44,452</u>	<u>(1,677)</u>	<u>2,295</u>	<u>45,070</u>



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### **A3. Unusual Items due to their Nature, Size or Incidence**

There were no material unusual items affecting assets, liabilities, equity, net income, or cash flow during the financial period ended 31 March 2011.

### **A4. Changes in Estimates**

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

### **A5. Comments about Seasonal or Cyclical Factors**

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

### **A6. Dividends Paid**

No dividend was paid during the current quarter ended 31 March 2011.

### **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 March 2011.

### **A8. Changes in Composition of the Group**

There were no changes in the composition of the Group during the interim financial period ended 31 March 2011.

### **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 in respect of claims for damages to goods and other claims have remained unchanged at RM1.1 million as at 31 March 2011 since the last statement of financial position dated 31 December 2010.

There were no other changes in the contingent liabilities and contingent assets since the last annual statement of financial position dated 31 December 2010.

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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 RM212.8 million, which is 1.7% higher than the corresponding comparative quarter's figure of RM209.2 million. The port operating subsidiary contributed RM161.3 million while the logistics subsidiary contributed RM51.5 million. The increase in revenue for the current quarter was mainly due to increase in revenue earned by the logistics subsidiary.

Northport achieved a throughput during the current quarter of 761,641 TEUs reflecting a decrease of 2.3% as compared to the corresponding period last year of 779,867 TEUs. As for the logistics subsidiary there was an increase in the revenue mainly generated by the warehousing and forwarding activities.

For the first quarter under review, the decrease in the volume handled was recorded in import and export categories while transshipment recorded an increase.

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 RM31.3 million, lower than the immediate preceding quarter's profit before tax of RM32.8 million.

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

### **B3. Commentary on Prospects**

a) The volume of containers handled by the port operating subsidiary for the first quarter of the year indicated a slight decline compared to the same period last year. The company expects a modest growth for the remaining period till the end of year depending on the volume of trade from the Malaysian economy as well as regional economies.

The logistics business continues to expand and make in-roads into its total logistics business model.

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

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### **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 31.03.2011 RM'000	Cumulative to date 31.03.2011 RM'000
Current Tax Charge	7,721	7,721
Deferred Tax Reversal	(7,737)	(7,737)
	<u>(16)</u>	<u>(16)</u>

The effective tax rate for taxation of the Group is lower than the statutory rate of taxation mainly due to the availability of investment tax incentive for the main subsidiaries in the Group.

### **B7. Sale of Unquoted Investments and Properties**

There were no sale of unquoted investments and/or properties for the current quarter ended 31 March 2011.

### **B8. Sale of Quoted Investments**

There were no purchase or disposal of quoted securities during the quarter ended 31 March 2011.

### **B9. Corporate Proposals**

There were no corporate proposals which were announced but not completed as at 20 April 2011.

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### **B10. Borrowings**

There were no borrowings and debt securities as at 31 March 2011.

### **B11. Off Balance Sheet Financial Instruments**

With the adoption of FRS 139, there is no longer any off balance sheet financial instruments items. The Company pursuant to Bursa Malaysia's directive dated 25 March 2010 confirms that there do not exist any outstanding derivatives as at 20 April 2011.

### **B12. Gains/Losses Arising From Fair Value Changes to Financial Liabilities**

The Group's financial liabilities include trade and other payables. All financial liabilities of the Group are classified as loans and borrowings.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process. In the Group, the trade and other payables are carried at amortised cost which are not materially different from the fair value.

### **B13. Changes in Material Litigation**

As at 20 April 2011, there were no changes in material litigation, including the status of pending material litigation, since the last annual statement of financial position date of 31 December 2010.

### **B14. Dividend Payable**

Dividend:

No dividend has been declared for the current quarter ended 31 March 2011 (31 March 2010: Nil).

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### B15. Earnings Per Share

In respect of earnings per share:-

a) Basic/Diluted earnings per share

	Current Quarter 31.03.2011 '000	Cumulative to date 31.03.2011 '000
Total Comprehensive Income For The Period Attributable to:		
Equity Holders of The Company (RM)	31,432	31,432
Weighted average no. of ordinary shares in issue	470,253	470,253
Basic/Diluted earnings per share (Sen)	6.7	6.7

### B16. Audit Report

The audit report of the previous annual financial statements for the year ended 31 December 2010 was not subject to any qualification.

### B17. Disclosure of Realised and Unrealised Profits

On 25 March 2010, Bursa Malaysia Securities Berhad (Bursa Malaysia) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realized and unrealized profits or losses. On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2011 into realized and unrealized profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The breakdown of the retained profits of the Group and of the Company as at 31 March 2011, into realized and unrealized profits, pursuant to directives, is as follows:

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	31.03.2011	31.12.2010
	RM'000	RM'000
Total retained earnings of NCB Holdings Bhd and its subsidiaries:		
- Realised	1,239,430	1,216,250
- Unrealised	(33,081)	(40,881)
	<u>1,206,349</u>	<u>1,175,369</u>
Total share of retained earnings from associates		
- Realised	646	604
- Unrealised	-	-
	<u>646</u>	<u>604</u>
	1,206,995	1,175,973
Add: Consolidation adjustments	43,300	42,890
	<u>1,250,295</u>	<u>1,218,863</u>

The disclosure of realized and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

### **B18. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 27 April 2011.