

NCB HOLDINGS BHD

(Company No. 475221-K)
Incorporated in Malaysia



Date : 25 MAY 2012

**Subject : QUARTERLY FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

	PAGE
CONTENTS	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Quarterly Financial Report – Part A	5-14
Information required by the Bursa Malaysia Securities Berhad Listing Requirements – Part B	15-20

NCB HOLDINGS BHD

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NCB HOLDINGS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	Current Quarter		3 Months Cumulative YTD	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Revenue	242,241	214,566	242,241	214,566
Expenditure	(190,179)	(186,080)	(190,179)	(186,080)
Other Income	6,535	8,144	6,535	8,144
Profit from Operations	58,597	36,630	58,597	36,630
Share of Profit of an Associate	190	41	190	41
Profit Before Taxation	58,787	36,671	58,787	36,671
Income Tax Expense	(9,279)	16	(9,279)	16
Profit Net of Tax, Representing Total Comprehensive Income	49,508	36,687	49,508	36,687
Attributable to:				
Owners of the Company	49,508	36,732	49,508	36,732
Non-controlling Interest	-	(45)	-	(45)
	<u>49,508</u>	<u>36,687</u>	<u>49,508</u>	<u>36,687</u>
Basic Earnings per Share (Sen)	<u>10.5</u>	<u>7.8</u>	<u>10.5</u>	<u>7.8</u>
Diluted Earnings per Share (Sen)	<u>10.5</u>	<u>7.8</u>	<u>10.5</u>	<u>7.8</u>

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

	As at 31 March 2012 RM'000	As at 31 December 2011 RM'000	As at 1 January 2011 RM'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	791,807	782,648	767,887
Prepaid Land Lease Payments	5,917	5,992	6,292
Investment Properties	2,151	2,166	2,230
Intangible Assets	231,278	212,874	246,743
Investments in Associates	7,546	7,355	6,885
Other Investments	1,534	1,534	1,534
Long Term Receivables	489	526	528
Deferred Tax Assets	21,628	13,412	13,729
	<u>1,062,350</u>	<u>1,026,507</u>	<u>1,045,828</u>
Current Assets			
Inventories	9,895	9,094	7,384
Trade and Other Receivables	241,260	235,264	212,755
Tax Recoverable	14,145	11,972	15,652
Deposits with Financial Institutions	673,720	654,016	874,761
	<u>939,020</u>	<u>910,346</u>	<u>1,110,552</u>
TOTAL ASSETS	<u>2,001,370</u>	<u>1,936,853</u>	<u>2,156,380</u>
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and Other Payables	208,197	196,161	196,817
Provision for Concession Liability	38,384	38,384	38,384
Current Tax Payable	-	85	419
Hire Purchase Liabilities	1,289	1,289	-
	<u>247,870</u>	<u>235,919</u>	<u>235,620</u>
Non-Current Liabilities			
Deferred Tax Liabilities	47,649	36,490	46,540
Provision for Concession Liability	19,280	26,957	54,435
Hire Purchase Liabilities	5,350	5,774	-
	<u>72,279</u>	<u>69,221</u>	<u>100,975</u>
TOTAL LIABILITIES	<u>320,149</u>	<u>305,140</u>	<u>336,595</u>
Equity Attributable to Equity Holders of the Company			
Share Capital	470,253	470,253	470,253
Reserves	1,210,968	1,161,460	1,346,603
Non-controlling Interest	-	-	2,929
Total Equity	<u>1,681,221</u>	<u>1,631,713</u>	<u>1,819,785</u>
TOTAL LIABILITIES AND EQUITY	<u>2,001,370</u>	<u>1,936,853</u>	<u>2,156,380</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	← Attributable to Equity Holders of the Company →					Non- controlling Interest	Total Equity	
	← Non-Distributable →			← Distributable →				
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Merger Reserve RM'000	Retained Earnings RM'000			Total RM'000
<u>For The 3 Months Period Ended 31 March 2012</u>								
As at 1 January 2012	470,253	305	35,259	66,004	1,059,892	1,631,713	-	1,631,713
Profit net of tax, representing total comprehensive income	-	-	-	-	49,508	49,508	-	49,508
As at 31 March 2012	470,253	305	35,259	66,004	1,109,400	1,681,221	-	1,681,221
<u>For The 3 Months Period Ended 31 March 2011</u>								
As at 1 January 2011	470,253	305	35,259	66,004	1,245,035	1,816,856	2,929	1,819,785
Profit net of tax, representing total comprehensive income	-	-	-	-	36,732	36,732	(45)	36,687
As at 31 March 2011	470,253	305	35,259	66,004	1,281,767	1,853,588	2,884	1,856,472

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	3 Months Ended	
	31 March 2012 RM'000	31 March 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,787	36,671
Adjustments for:		
Share of profit of an associate	(190)	(41)
Depreciation and amortisation	28,208	38,387
Reversal for impairment losses on receivables	(73)	-
Unwinding of discount from provision for concession liability	(7,677)	(6,870)
Interest income	(4,305)	(6,728)
Gain on disposal of property, plant and equipment	(157)	-
Operating profit before working capital changes	74,593	61,419
Net change in Current Assets	(6,529)	11,490
Net change in Current Liabilities	(8,301)	(3,556)
Cash generated from operations	59,763	69,353
Net taxes paid	(8,594)	(6,485)
Net cash generated from operating activities	51,169	62,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(10,067)	(34,190)
Additions to intangible assets	(25,278)	(13,923)
Proceeds from sales of property, plant and equipment	157	-
Interest received	4,147	6,542
Net cash used in investing activities	(31,041)	(41,571)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(424)	-
Net cash used in financing activities	(424)	-
CASH AND CASH EQUIVALENTS		
Net change in cash and cash equivalents	19,704	21,297
Cash and cash equivalents at the beginning of period	654,016	874,761
Cash and cash equivalents at the end of period	673,720	896,058
Cash and cash equivalents comprise:		
Cash and bank balances	69,010	12,447
Short term deposits	604,710	883,611
	673,720	896,058

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

PART A. NOTES TO THE QUARTERLY FINANCIAL REPORT

A1. BASIS OF PREPARATION

The Group has adopted the Malaysian Financial Reporting Standards (MFRS) framework beginning on 1 January 2012, and has determined its date of transition to MFRS to be 1 January 2011. The Group has applied MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* for its transition to the MFRS framework.

The Interim Financial Statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (MASB) in Malaysia and IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB), and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Group has early adopted the amendments to MFRS 101, *Presentation of Financial Statements* which is originally effective for annual periods beginning on or after 1 July 2012. The early adoption of the amendments to MFRS 101 has no impact on the financial statements other than the presentation format of the statement of profit or loss and other comprehensive income.

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. These 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 2011.

The adoption of MFRS framework did not have any material impact on the financial statements of the Group other than as disclosed in Note A12. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2011.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A2. SIGNIFICANT EVENTS AND TRANSACTIONS

There were no material events and transactions that would have had a material impact on the financial position and performance of the Group as at 31 March 2012.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no material unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2012.

A5. CHANGES IN ESTIMATES

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

A6. ISSUES, REPURCHASES AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There have been no issues, repurchases, and repayments of debt and equity securities for the current quarter ended 31 March 2012.

A7. DIVIDENDS PAID

No dividend was paid during the current quarter ended 31 March 2012.

A8. 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 two segments namely the Port Operations and Logistics Operations.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A8. SEGMENTAL INFORMATION (continued)

The analysis of results for the 3 months period ended 31 March 2012 is as follows:-

	3 months ended 31.03.2012			Consolidated RM'000
	Port Operations RM'000	Logistics Operations RM'000	Others and Eliminations RM'000	
Revenue				
External	161,610	80,631	-	242,241
Inter – Segment	997	3,820	(4,817)	-
Total revenue	<u>162,607</u>	<u>84,451</u>	<u>(4,817)</u>	<u>242,241</u>
Segment Results				
Profit before taxation	<u>53,753</u>	<u>4,303</u>	<u>731</u>	<u>58,787</u>
Included in segment results are:				
Interest income	3,191	101	1,013	4,305
Depreciation and amortisation	24,281	3,901	26	28,208
Share of profit of an associate	-	190	-	190
Segment Assets	1,977,731	478,993	(455,354)	2,001,370
Segment Liabilities	<u>633,014</u>	<u>91,579</u>	<u>(404,444)</u>	<u>320,149</u>

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	162,994	51,572	-	214,566
Inter – Segment	997	3,077	(4,074)	-
Total revenue	<u>163,991</u>	<u>54,649</u>	<u>(4,074)</u>	<u>214,566</u>
Segment Results				
Profit before taxation	<u>36,377</u>	<u>(3,223)</u>	<u>3,517</u>	<u>36,671</u>
Included in segment results are:				
Interest income	2,875	323	3,530	6,728
Depreciation and amortisation	34,698	3,659	30	38,387
Share of profit of an associate	-	41	-	41
Segment Assets	1,980,437	456,515	(262,202)	2,174,750
Segment Liabilities	<u>763,995</u>	<u>76,031</u>	<u>(521,748)</u>	<u>318,278</u>

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A9. SUBSEQUENT EVENTS AFTER THE INTERIM PERIOD

There were no material events subsequent to the end of the interim reporting period that have not been reflected in this Interim Financial Statements.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the interim financial period ended 31 March 2012.

A11. RELATED PARTY TRANSACTIONS

The NCB Group is a Government linked company. Its major shareholder is Permodalan Nasional Bhd and the funds under its controls. Significant transactions with Government related entities in addition to other related party transactions are as follows:

	Current Quarter 31.03.2012 RM'000	Cumulative to date 31.03.2012 RM'000
<u>Permodalan Nasional Berhad Group of Companies</u>		
- provision of container haulage, warehouse, depot and freight forwarding services	(2,500)	(2,500)
- repairs and purchase of spare parts and supplies	207	207
<u>PETRONAS Group of Companies</u>		
- provision of container haulage, warehouse, depot and freight forwarding services	(374)	(374)
- provision of port services to MISC Berhad	(11,769)	(11,769)
- provision of port services and transportation services to Petronas Dagangan Bhd	(13,796)	(13,796)
- purchase of fuel to Petronas Dagangan Bhd	18,115	18,115
<u>Government Agencies</u>		
- Revenue from Government related agencies	(7,815)	(7,815)
- Payment of lease rental for land to Lembaga Pelabuhan Klang	10,584	10,584

All terms and conditions for the above transactions are based on normal commercial terms.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A12. FIRST-TIME ADOPTION OF MFRSs

As stated in Note A1, this is the Group's first Interim Financial Statements prepared in accordance with MFRSs.

In preparing its opening MFRS statement of financial position, the Group has adjusted, where applicable, amounts reported previously in financial statements prepared in accordance with the previous Financial Reporting Standards (FRSs) adopted by the Group. An explanation on how the transition from the previous FRSs to the new MFRSs has affected the Group's financial position and financial performance is set out in the following reconciliations and the notes that accompany these reconciliations.

There are no material differences between the statement of cash flows presented under MFRS and the statement of cash flows presented under FRS.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A12. FIRST-TIME ADOPTION OF MFRSs (continued)

A12.1 Reconciliation of Statement of Financial Position at 1 January 2011

	Notes	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		767,887	-	767,887
Prepaid Land Lease Payments		6,292	-	6,292
Investment Properties		2,230	-	2,230
Intangible Assets		246,743	-	246,743
Investments in Associates		6,885	-	6,885
Other Investments		1,534	-	1,534
Long Term Receivables		528	-	528
Deferred Tax Assets		13,729	-	13,729
		1,045,828	-	1,045,828
Current Assets				
Inventories		7,384	-	7,384
Trade and Other Receivables		212,755	-	212,755
Tax Recoverable		15,652	-	15,652
Deposits with Financial Institutions		874,761	-	874,761
		1,110,552	-	1,110,552
TOTAL ASSETS		2,156,380	-	2,156,380
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and Other Payables		196,817	-	196,817
Provision for Concession Liability		38,384	-	38,384
Current Tax Payable		419	-	419
		235,620	-	235,620
Non-Current Liabilities				
Deferred Tax Liabilities		46,540	-	46,540
Provision for Concession Liability		54,435	-	54,435
		100,975	-	100,975
TOTAL LIABILITIES		336,595	-	336,595
Equity Attributable to Equity Holders of the Company				
Share Capital		470,253	-	470,253
Other Reserves	A12.2(a)	201,720	(100,152)	101,568
Retained Earnings	A12.2(a)	1,144,883	100,152	1,245,035
		1,816,856	-	1,816,856
Non-Controlling Interest		2,929	-	2,929
TOTAL EQUITY		1,819,785	-	1,819,785
TOTAL LIABILITIES AND EQUITY		2,156,380	-	2,156,380

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A12. FIRST-TIME ADOPTION OF MFRSs (continued)

A12.1 Reconciliation of Statement of Financial Position at 31 March 2011

	Notes	FRSs RM'000	Effect of IC 12 RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment		960,818	(159,463)	-	801,355
Prepaid Land Lease Payments		6,216	-	-	6,216
Investment Properties		2,214	-	-	2,214
Intangible Assets		48,041	176,732	-	224,773
Investments in Associates		6,926	-	-	6,926
Other Investments		1,534	-	-	1,534
Long Term Receivables		528	-	-	528
Deferred Tax Assets		11,822	-	-	11,822
		<u>1,038,099</u>	<u>17,269</u>	<u>-</u>	<u>1,055,368</u>
Current Assets					
Inventories		8,130	-	-	8,130
Trade and Other Receivables		200,708	-	-	200,708
Tax Recoverable		14,486	-	-	14,486
Deposits with Financial Institutions		896,058	-	-	896,058
		<u>1,119,382</u>	<u>-</u>	<u>-</u>	<u>1,119,382</u>
TOTAL ASSETS		<u>2,157,481</u>	<u>17,269</u>	<u>-</u>	<u>2,174,750</u>
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and Other Payables		194,969	-	-	194,969
Provision for Concession Liability		-	38,384	-	38,384
Current Tax Payable		464	-	-	464
		<u>195,433</u>	<u>38,384</u>	<u>-</u>	<u>233,817</u>
Non-Current Liabilities					
Deferred Tax Liabilities		36,896	-	-	36,896
Provision for Concession Liability		-	47,565	-	47,565
		<u>36,896</u>	<u>47,565</u>	<u>-</u>	<u>84,461</u>
TOTAL LIABILITIES		<u>232,329</u>	<u>85,949</u>	<u>-</u>	<u>318,278</u>
Equity Attributable to Equity Holders of the Company					
Share Capital		470,253	-	-	470,253
Other Reserves	A12.2(a)	201,720	-	(100,152)	101,568
Retained Earnings	A12.2(a)	1,250,295	(68,680)	100,152	1,281,767
		<u>1,922,268</u>	<u>(68,680)</u>	<u>-</u>	<u>1,853,588</u>
Non-Controlling Interest		<u>2,884</u>	<u>-</u>	<u>-</u>	<u>2,884</u>
TOTAL EQUITY		<u>1,925,152</u>	<u>(68,680)</u>	<u>-</u>	<u>1,856,472</u>
TOTAL LIABILITIES AND EQUITY		<u>2,157,481</u>	<u>17,269</u>	<u>-</u>	<u>2,174,750</u>

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A12. FIRST-TIME ADOPTION OF MFRSs (continued)

A12.1 Reconciliation of Statement of Financial Position at 31 December 2011

	Notes	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		782,648	-	782,648
Prepaid Land Lease Payments		5,992	-	5,992
Investment Properties		2,166	-	2,166
Intangible Assets		212,874	-	212,874
Investments in Associates		7,355	-	7,355
Other Investments		1,534	-	1,534
Long Term Receivables		526	-	526
Deferred Tax Assets		13,412	-	13,412
		1,026,507	-	1,026,507
Current Assets				
Inventories		9,094	-	9,094
Trade and Other Receivables		235,264	-	235,264
Tax Recoverable		11,972	-	11,972
Deposits with Financial Institutions		654,016	-	654,016
		910,346	-	910,346
TOTAL ASSETS		1,936,853	-	1,936,853
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and Other Payables		196,161	-	196,161
Provision for Concession Liability		38,384	-	38,384
Current Tax Payable		85	-	85
Hire Purchases Liabilities		1,289	-	1,289
		235,919	-	235,919
Non-Current Liabilities				
Deferred Tax Liabilities		36,490	-	36,490
Provision for Concession Liability		26,957	-	26,957
Hire Purchases Liabilities		5,774	-	5,774
		69,221	-	69,221
TOTAL LIABILITIES		305,140	-	305,140
Equity Attributable to Equity Holders of the Company				
Share Capital		470,253	-	470,253
Other Reserves	A12.2(a)	201,720	(100,152)	101,568
Retained Earnings	A12.2(a)	959,740	100,152	1,059,892
		1,631,713	-	1,631,713
Non-Controlling Interest		2,929	-	2,929
TOTAL EQUITY		1,819,785	-	1,819,785
TOTAL LIABILITIES AND EQUITY		1,936,853	-	1,936,853

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A12. FIRST-TIME ADOPTION OF MFRSs (continued)

A12.1 Reconciliation of Statement of Profit or Loss and Other Comprehensive Income for the 3 Months Period ended 31 March 2011

	Notes	FRSs RM'000	Effect of transition to MFRSs RM'000	Other adjustments (Note A13) RM'000	MFRSs RM'000
Revenue	A13(a)	212,889	-	1,677	214,566
Expenditure	A13(b)	(191,380)	-	5,300	(186,080)
Other Income	A13(a)	9,821	-	(1,677)	8,144
Profit from Operations		31,330	-	5,300	36,630
Share of Profit of an Associate		41	-	-	41
Profit Before Taxation		31,371	-	5,300	36,671
Income Tax Expense		16	-	-	16
Profit Net of Tax, Representing Total Comprehensive Income		31,387	-	5,300	36,687
Attributable to:					
Owners of the Company		31,432	-	5,300	36,732
Non-controlling Interest		(45)	-	-	(45)
		<u>31,387</u>	<u>-</u>	<u>5,300</u>	<u>36,687</u>
Basic earnings per share (sen)		<u>6.7</u>			<u>7.8</u>
Diluted earnings per share (sen)		<u>6.7</u>			<u>7.8</u>

A12.1 Reconciliation of Statement of Profit or Loss and Other Comprehensive Income for the 12 Months Period ended 31 December 2011

	Notes	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
Revenue		928,016	-	928,016
Expenditure		(772,166)	-	(772,166)
Other Income		33,833	-	33,833
Profit from Operations		189,683	-	189,683
Share of Profit of an Associate		470	-	470
Profit Before Taxation		190,153	-	190,153
Income Tax Expense		(31,164)	-	(31,164)
Profit Net of Tax, Representing Total Comprehensive Income		158,989	-	158,989
Attributable to:				
Owners of the Company		158,927	-	158,927
Non-controlling Interest		62	-	62
		<u>158,989</u>	<u>-</u>	<u>158,989</u>
Basic earnings per share (sen)		<u>33.8</u>		<u>33.8</u>
Diluted earnings per share (sen)		<u>33.8</u>		<u>33.8</u>

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A12. FIRST-TIME ADOPTION OF MFRSs (continued)

A12.2 Notes to reconciliation

(a) Retained earnings

The first-time adoption of MFRS by the Group has the following impacts on retained earnings:

	Notes	31 December 2011 RM'000	31 March 2011 RM'000	1 January 2011 RM'000
Reclassification of revaluation reserve to retained earnings	(i)	99,794	99,794	99,794
Reclassification of translation reserve to retained earnings	(ii)	358	358	358
Increase in retained earnings		100,152	100,152	100,152

- (i) Upon transition to MFRSs, the Group elected to apply the optional exemption to use the previous revaluation of properties as deemed cost. Consequently, the previous revaluation reserve under FRSs of RM99,794,000 at 1 January 2011 and 31 December 2011 has been reclassified to retained earnings.
- (ii) Upon transition to MFRSs, the Group elected to apply the optional exemption to deem its cumulative translation differences arising for its foreign operation to be zero at the date of transition. Consequently, the previous translation reserve under FRSs of RM358,000 at 1 January 2011 and 31 December 2011 has been reclassified to retained earnings.

A13. CHANGES IN PRIOR QUARTER PRESENTATION

- (a) Revenue and other income have been changed to conform with current period's presentation. The changes are due to reclassification of certain other operating income to revenue.
- (b) The effects of the adoption of IC Interpretation 12 in the previous year has been adjusted in the comparative quarter to accurately reflect its impact in each quarter.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

PART B. INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. PERFORMANCE REVIEW

Port Operations

Analysis of Current Quarter/Year-to-Date Performance

For the first quarter of 2012, the port operations registered a revenue of RM161.6 million, a decrease of 0.8%. However, the operating expenditure decreased by 14.3% to RM112.1 million compared to the same quarter of 2011. The profit before tax for the first quarter was RM53.7 million, an increase of 47.8% compared to the same quarter of 2011. The increase in profit was mainly due to lower amortization charges amounting to RM13.0 million as a result of the extension in the lease term which the Government has approved in principle.

Logistics Operations

Analysis of Current Quarter/Year-to-Date Performance

For the first quarter 2012, the logistics operations registered a revenue of RM80.6 million, an increase of 56.3% compared to the same quarter in 2011. The increase in revenue was in line with the expansion of business streams undertaken by the company in warehousing, trucking, freight forwarding and project logistics. In addition, the fleet replacement programme has also resulted in the increase in revenue of haulage unit. The operating cost for the quarter was RM77.7 million, an increase of 40.7% against the same quarter in 2011 reflecting the expansion in the business streams. The profit before tax for the first quarter 2012 was RM4.3 million as compared to the last quarter same period where a loss of RM3.2 million was registered.

There were no other material factors affecting the earnings and/or revenue of the Group for the current quarter and financial year-to-date.

B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The profit before tax for the current quarter amounted to RM58.7 million, higher than the immediate preceding quarter's profit before tax of RM51.3 million, mainly due to the increase in revenue by 12.9% and increase in operating cost by 2.2%.

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

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

B3. COMMENTARY ON PROSPECTS

a) Port Operations

The performance of the port operating subsidiary continues to be challenging. The competition from local port operators and realignment of routes and services by shipping lines continue to influence the container business.

The company continues in its efforts in the provision of excellent services to satisfy the demand of the customers. The company is also continuing its investments in the port to further enhance the capacity and ability to service the industry.

Logistics Operations

The logistics subsidiary has performed well in the first quarter and is expected to maintain its growth over the remaining period of the financial year. Expansion of business streams are expected to be the growth catalyst for the year under review.

- b) The Company did not announce or disclose any profit estimates, forecast, projections or internal management targets in a public document.

B4. BOARD OF DIRECTORS STATEMENT ON INTERNAL TARGETS

The Board did not announce or disclose any profit estimates, forecast, projections or 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.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

B6. INCOME TAX EXPENSE

	Current Quarter 31.03.2012 RM'000	Cumulative to date 31.03.2012 RM'000
Current Tax Charge	12,222	12,222
Deferred Tax Reversal	(2,943)	(2,943)
	<u>9,279</u>	<u>9,279</u>

The effective tax rate for taxation of the Group is lower than the statutory rate of taxation mainly due to the utilization of investment allowance brought forward for the main subsidiaries in the Group.

B7. CORPORATE PROPOSALS

There were no corporate proposals which were announced but not completed as at 18 May 2012.

B8. BORROWINGS

	As at 31.03.2012 RM'000
Short term borrowings	
Secured: Hire purchase liabilities	1,289
Long term borrowings	
Secured: Hire purchase liabilities	<u>5,350</u>
	<u>6,639</u>

B9. CHANGES IN MATERIAL LITIGATION

As at 18 May 2012, 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 2011.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

B10. DIVIDEND PAYABLE

Dividend:

- a)
- i) A single tier interim dividend has been recommended;
 - ii) the amount per share is 56.0 sen;
 - iii) the previous corresponding period was nil;
 - iv) the date payable is on 5 June 2012; and
 - v) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 18 May 2012; and
- b) The total dividend for the current financial year is a special interim dividend of 56.0 sen.

B11. EARNINGS PER SHARE

In respect of earnings per share:-

- a) Basic/Diluted earnings per share

	Current Quarter 31.03.2012 '000	Cumulative to date 31.03.2012 '000
Profit Net of Tax For The Period Attributable to: Owners of the Company (RM)	49,508	49,508
Weighted average no. of ordinary shares in issue	470,253	470,253
Basic/Diluted earnings per share (Sen)	10.5	10.5

B12. AUDIT REPORT

The audit report of the previous annual financial statements for the year ended 31 December 2011 was not subject to any qualification.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

B13. PROFIT BEFORE TAX

Profit before tax is arrived at after charging / (crediting) :-

	Current Quarter 31.03.2012 RM'000	Cumulative to date 31.03.2012 RM'000
Other Information		
Interest income	(4,305)	(4,305)
Other income		
including investment income	(6,535)	(6,535)
Interest expense	114	-
Depreciation and amortisation	28,208	28,208
Provision for and write off of receivables	(73)	(73)
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or loss	(17)	(17)
Gain or loss on derivatives	-	-
Exceptional items	-	-

B14. DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained earnings of the Group as at 31 March 2012 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 earnings of the Group as at 31 March 2012, into realized and unrealized profits, pursuant to directives, is as follows:

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

B14. DISCLOSURE OF REALISED AND UNREALISED PROFITS (CONTINUED)

	31.03.2012	31.12.2011
	RM'000	RM'000
Total retained earnings of NCB Holdings Bhd and its subsidiaries:		
- Realised	988,163	935,275
- Unrealised	74,131	72,846
	<u>1,062,294</u>	<u>1,008,121</u>
Total share of retained earnings from associates		
- Realised	5,046	4,855
- Unrealised	-	-
	<u>5,046</u>	<u>4,855</u>
	1,067,340	1,012,976
Add: Consolidation adjustments	42,060	46,916
	<u>1,109,400</u>	<u>1,059,892</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.

B15. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors on 25 May 2012.