

# NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia



**Date : 28 AUGUST 2012**

**Subject : QUARTERLY FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

	<b>PAGE</b>
<b>CONTENTS</b>	
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	5-15
Information required by the Bursa Malaysia Securities Berhad Listing Requirements – Part B	16-22

# NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia



**NCB HOLDINGS**

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2012

	Current Quarter		6 Months Cumulative YTD	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Revenue	261,403	237,755	503,644	452,321
Expenditure	(204,421)	(200,503)	(394,600)	(386,583)
Other Income	6,103	9,113	12,638	17,257
<b>Profit from Operations</b>	<b>63,085</b>	<b>46,365</b>	<b>121,682</b>	<b>82,995</b>
Finance Costs	(298)	-	(412)	-
Share of Profit of an Associate	361	(4)	551	37
<b>Profit Before Taxation</b>	<b>63,148</b>	<b>46,361</b>	<b>121,821</b>	<b>83,032</b>
Income Tax Expense	(18,486)	(17,518)	(33,725)	(17,502)
<b>Profit Net of Tax, Representing Total Comprehensive Income</b>	<b>44,662</b>	<b>28,843</b>	<b>88,096</b>	<b>65,530</b>
Attributable to:				
Owners of the Company	44,662	28,746	88,096	65,478
Non-controlling Interest	-	97	-	52
	<u>44,662</u>	<u>28,843</u>	<u>88,096</u>	<u>65,530</u>
Basic Earnings per Share (Sen)	<u>9.5</u>	<u>6.1</u>	<u>18.7</u>	<u>13.9</u>
Diluted Earnings per Share (Sen)	<u>9.5</u>	<u>6.1</u>	<u>18.7</u>	<u>13.9</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 30 JUNE 2012**

	As at 30 June 2012 RM'000	As at 31 December 2011 RM'000	As at 1 January 2011 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	842,466	782,648	767,887
Prepaid Land Lease Payments	5,841	5,992	6,292
Investment Properties	2,136	2,166	2,230
Intangible Assets	258,508	212,874	246,743
Investments in Associates	7,907	7,355	6,885
Other Investments	1,534	1,534	1,534
Long Term Receivables	526	526	528
Deferred Tax Assets	21,196	13,412	13,729
	<u>1,140,114</u>	<u>1,026,507</u>	<u>1,045,828</u>
<b>Current Assets</b>			
Inventories	9,049	9,094	7,384
Trade and Other Receivables	254,343	235,264	212,755
Tax Recoverable	4,642	11,972	15,652
Deposits with Financial Institutions	345,462	654,016	874,761
	<u>613,496</u>	<u>910,346</u>	<u>1,110,552</u>
<b>TOTAL ASSETS</b>	<b><u>1,753,610</u></b>	<b><u>1,936,853</u></b>	<b><u>2,156,380</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	222,542	196,161	196,817
Provision for Concession Liability	38,384	38,384	38,384
Current Tax Payable	164	85	419
Borrowings	6,766	1,289	-
	<u>267,856</u>	<u>235,919</u>	<u>235,620</u>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	52,260	36,490	46,540
Provision for Concession Liability	11,604	26,957	54,435
Borrowings	12,447	5,774	-
	<u>76,311</u>	<u>69,221</u>	<u>100,975</u>
<b>TOTAL LIABILITIES</b>	<b><u>344,167</u></b>	<b><u>305,140</u></b>	<b><u>336,595</u></b>
<b>Equity Attributable to Equity Holders of the Company</b>			
Share Capital	470,253	470,253	470,253
Reserves	939,190	1,161,460	1,346,603
Non-controlling Interest	-	-	2,929
Total Equity	<u>1,409,443</u>	<u>1,631,713</u>	<u>1,819,785</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>1,753,610</u></b>	<b><u>1,936,853</u></b>	<b><u>2,156,380</u></b>

(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 SECOND QUARTER ENDED 30 JUNE 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 6 Months Period Ended 30 June 2012</u>								
<b>As at 1 January 2012</b>	470,253	305	35,259	66,004	1,059,892	1,631,713	-	1,631,713
Profit net of tax, representing total comprehensive income	-	-	-	-	88,096	88,096	-	88,096
<b>Transactions with owners</b>								
Dividend 2011	-	-	-	-	(47,025)	(47,025)	-	(47,025)
Dividend 2012	-	-	-	-	(263,341)	(263,341)	-	(263,341)
<b>As at 30 June 2012</b>	470,253	305	35,259	66,004	837,622	1,409,443	-	1,409,443
<u>For The 6 Months Period Ended 30 June 2011</u>								
<b>As at 1 January 2011</b>	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	-	-	-	-	65,478	65,478	52	65,530
<b>Transactions with owners</b>								
Dividend 2010					(105,806)	(105,806)	-	(105,806)
<b>As at 30 June 2011</b>	470,253	305	35,259	66,004	1,204,707	1,776,528	2,981	1,779,509

(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 SECOND QUARTER ENDED 30 JUNE 2012

	6 Months Ended	
	30 June 2012	30 June 2011
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	121,821	83,032
Adjustments for:		
Share of profit of an associate	(551)	(37)
Depreciation and amortisation	56,032	78,227
Reversal for impairment losses on receivables	602	1,743
Unwinding of discount from provision for concession liability	3,839	5,453
Interest income	(8,874)	(12,974)
Finance cost	412	-
Gain on disposal of property, plant and equipment	(137)	(1,074)
Operating profit before working capital changes	173,144	154,370
Net change in Current Assets	(20,030)	(11,414)
Net change in Current Liabilities	(14,688)	(21,180)
Cash generated from operations	138,426	121,776
Net taxes paid	(18,330)	(13,359)
Net cash generated from operating activities	120,096	108,417
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(86,947)	(48,052)
Additions to intangible assets	(59,530)	(27,503)
Proceeds from sales of property, plant and equipment	394	1,451
Interest received	9,268	13,445
Net cash used in investing activities	(136,815)	(60,659)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(310,366)	(105,806)
Proceeds from borrowings	19,213	-
Repayment of borrowings	(682)	-
Net cash used in financing activities	(291,835)	(105,806)
<b>CASH AND CASH EQUIVALENTS</b>		
Net change in cash and cash equivalents	(308,554)	(58,048)
Cash and cash equivalents at the beginning of period	654,016	874,761
Cash and cash equivalents at the end of period	345,462	816,713
Cash and cash equivalents comprise:		
Cash and bank balances	64,012	23,550
Short term deposits	281,450	793,163
	345,462	816,713

(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 SECOND QUARTER ENDED 30 JUNE 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.

#### A2. SIGNIFICANT EVENTS AND TRANSACTIONS

The Company declared and paid a special single tier interim dividend of 56.0 sen per share during the quarter as reported under Note A7.

Apart from the above, 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 30 June 2012.

## **NCB HOLDINGS BHD**

(Company No. 475221-K)

Incorporated in Malaysia

### **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 30 June 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 30 June 2012.

### **A7. DIVIDENDS PAID**

Total dividends paid during the quarter ended 30 June 2012 amounted to RM310,366,787. This is in respect of a single tier final dividend for financial year ended 31 December 2011 of 10.0 sen per ordinary share which was paid on 8 May 2012 and a special single tier interim dividend for financial year ended 31 December 2012 of 56.0 sen per ordinary share which was paid on 5 June 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 6 months period ended 30 June 2012 is as follows:-

	6 months ended 30.06.2012			Consolidated RM'000
	Port Operations RM'000	Logistics Operations RM'000	Others and Eliminations RM'000	
<b>Revenue</b>				
External	339,325	164,319	-	503,644
Inter – Segment	1,994	7,707	(9,701)	-
Total revenue	<u>341,319</u>	<u>172,026</u>	<u>(9,701)</u>	<u>503,644</u>
<b>Segment Results</b>				
Profit before taxation	<u>112,197</u>	<u>7,627</u>	<u>1,997</u>	<u>121,821</u>
<b>Included in segment results are:</b>				
Interest income	6,460	141	2,273	8,874
Finance costs	-	412	-	412
Depreciation and amortisation	47,150	8,831	51	56,032
Share of profit of an associate	-	551	-	551
Segment Assets	<u>1,692,049</u>	<u>496,999</u>	<u>(435,438)</u>	<u>1,753,610</u>
Segment Liabilities	<u>663,308</u>	<u>103,442</u>	<u>(422,583)</u>	<u>344,167</u>

The analysis of results for the 6 months period ended 30 June 2011 is as follows:-

	6 months ended 30.06.2011			Consolidated RM'000
	Port Operations RM'000	Logistics Operations RM'000	Others and Eliminations RM'000	
<b>Revenue</b>				
External	339,236	113,085	-	452,321
Inter – Segment	1,994	6,135	(8,129)	-
Total revenue	<u>341,230</u>	<u>119,220</u>	<u>(8,129)</u>	<u>452,321</u>
<b>Segment Results</b>				
Profit before taxation	<u>77,682</u>	<u>(1,113)</u>	<u>6,463</u>	<u>83,032</u>
<b>Included in segment results are:</b>				
Interest income	5,751	522	6,701	12,974
Finance costs	-	-	-	-
Depreciation and amortisation	71,092	7,077	58	78,227
Share of profit of an associate	-	37	-	37
Segment Assets	<u>1,832,987</u>	<u>461,254</u>	<u>(184,020)</u>	<u>2,110,221</u>
Segment Liabilities	<u>769,723</u>	<u>79,470</u>	<u>(518,481)</u>	<u>330,712</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 30 June 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:

	<b>Current Quarter 30.06.2012 RM'000</b>	<b>Cumulative to date 30.06.2012 RM'000</b>
<b><u>Permodalan Nasional Berhad Group of Companies</u></b>		
- provision of container haulage, warehouse, depot and freight forwarding services	(4,309)	(6,809)
- repairs and purchase of spare parts and supplies	262	441
- interest on hire purchase	63	63
<b><u>PETRONAS Group of Companies</u></b>		
- provision of container haulage, warehouse, depot and freight forwarding services	(462)	(836)
- provision of port services to MISC Berhad	(4,448)	(16,217)
- provision of port services and transportation services to Petronas Dagangan Bhd	(14,820)	(28,616)
- purchase of fuel to Petronas Dagangan Bhd	19,762	37,877
<b><u>Government Agencies</u></b>		
- Revenue from Government related agencies	(5,863)	(13,678)
- Payment of lease rental for land to Lembaga Pelabuhan Klang	11,459	22,043

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 second 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
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
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
<b>Current Assets</b>				
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
<b>TOTAL ASSETS</b>		<b>2,156,380</b>	-	<b>2,156,380</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
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
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities		46,540	-	46,540
Provision for Concession Liability		54,435	-	54,435
		100,975	-	100,975
<b>TOTAL LIABILITIES</b>		<b>336,595</b>	-	<b>336,595</b>
<b>Equity Attributable to Equity Holders of the Company</b>				
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
<b>Non-Controlling Interest</b>		2,929	-	2,929
<b>TOTAL EQUITY</b>		<b>1,819,785</b>	-	<b>1,819,785</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,156,380</b>	-	<b>2,156,380</b>

# 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 30 June 2011

	Notes	FRSs RM'000	Effect of IC 12 RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment		957,662	(176,707)	-	780,955
Prepaid Land Lease Payments		6,141	-	-	6,141
Investment Properties		2,200	-	-	2,200
Intangible Assets		43,658	192,406	-	236,064
Investments in Associates		6,922	-	-	6,922
Other Investments		1,534	-	-	1,534
Long Term Receivables		528	-	-	528
Deferred Tax Assets		12,297	-	-	12,297
		<u>1,030,942</u>	<u>15,699</u>	<u>-</u>	<u>1,046,641</u>
<b>Current Assets</b>					
Inventories		7,195	-	-	7,195
Trade and Other Receivables		222,144	-	-	222,144
Tax Recoverable		17,528	-	-	17,528
Deposits with Financial Institutions		816,713	-	-	816,713
		<u>1,063,580</u>	<u>-</u>	<u>-</u>	<u>1,063,580</u>
<b>TOTAL ASSETS</b>		<b><u>2,094,522</u></b>	<b><u>15,699</u></b>	<b><u>-</u></b>	<b><u>2,110,221</u></b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Trade and Other Payables		203,888	-	-	203,888
Provision for Concession Liability		-	38,384	-	38,384
Current Tax Payable		473	-	-	473
		<u>204,361</u>	<u>38,384</u>	<u>-</u>	<u>242,745</u>
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities		47,271	-	-	47,271
Provision for Concession Liability		-	40,696	-	40,696
		<u>47,271</u>	<u>40,696</u>	<u>-</u>	<u>87,967</u>
<b>TOTAL LIABILITIES</b>		<b><u>251,632</u></b>	<b><u>79,080</u></b>	<b><u>-</u></b>	<b><u>330,712</u></b>
<b>Equity Attributable to Equity Holders of the Company</b>					
Share Capital		470,253	-	-	470,253
Other Reserves	A12.2(a)	201,720	-	(100,152)	101,568
Retained Earnings	A12.2(a)	1,167,936	(63,381)	100,152	1,204,707
		<u>1,839,909</u>	<u>(63,381)</u>	<u>-</u>	<u>1,776,528</u>
<b>Non-Controlling Interest</b>		<b>2,981</b>	<b>-</b>	<b>-</b>	<b>2,981</b>
<b>TOTAL EQUITY</b>		<b><u>1,842,890</u></b>	<b><u>(63,381)</u></b>	<b><u>-</u></b>	<b><u>1,779,509</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>2,094,522</u></b>	<b><u>15,699</u></b>	<b><u>-</u></b>	<b><u>2,110,221</u></b>

# 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
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
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
<b>Current Assets</b>				
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
<b>TOTAL ASSETS</b>		<b>1,936,853</b>	-	<b>1,936,853</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
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
<b>Non-Current Liabilities</b>				
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
<b>TOTAL LIABILITIES</b>		<b>305,140</b>	-	<b>305,140</b>
<b>Equity Attributable to Equity Holders of the Company</b>				
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
<b>Non-Controlling Interest</b>		2,929	-	2,929
<b>TOTAL EQUITY</b>		<b>1,819,785</b>	-	<b>1,819,785</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,936,853</b>	-	<b>1,936,853</b>

# 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 Second Quarter Ended 30 June 2011

	Notes	FRSs RM'000	Effect of transition to MFRSs RM'000	Other adjustments (Note A13) RM'000	MFRSs RM'000
Revenue	A13(a)	236,260	-	1,495	237,755
Expenditure	A13(b)	(205,801)	-	5,298	(200,503)
Other Income	A13(a)	10,608	-	(1,495)	9,113
<b>Profit from Operations</b>		<b>41,067</b>	<b>-</b>	<b>5,298</b>	<b>46,365</b>
Share of Profit of an Associate		(4)	-	-	(4)
<b>Profit Before Taxation</b>		<b>41,063</b>	<b>-</b>	<b>5,298</b>	<b>46,361</b>
Income Tax Expense		(17,518)	-	-	(17,518)
<b>Profit Net of Tax, Representing Total Comprehensive Income</b>		<b>23,545</b>	<b>-</b>	<b>5,298</b>	<b>28,843</b>
Attributable to:					
Owners of the Company		23,448	-	5,298	28,746
Non-controlling Interest		97	-	-	97
		23,545	-	5,298	28,843
Basic earnings per share (sen)		5.0			6.1
Diluted earnings per share (sen)		5.0			6.1

### A12.1 Reconciliation of Statement of Profit or Loss and Other Comprehensive Income for the 6 Months Period ended 30 June 2011

	Notes	FRSs RM'000	Effect of transition to MFRSs RM'000	Other adjustments (Note A13) RM'000	MFRSs RM'000
Revenue	A13(a)	449,149	-	3,172	452,321
Expenditure	A13(b)	(397,181)	-	10,598	(386,583)
Other Income	A13(a)	20,429	-	(3,172)	17,257
<b>Profit from Operations</b>		<b>72,397</b>	<b>-</b>	<b>10,598</b>	<b>82,995</b>
Share of Profit of an Associate		37	-	-	37
<b>Profit Before Taxation</b>		<b>72,434</b>	<b>-</b>	<b>10,598</b>	<b>83,032</b>
Income Tax Expense		(17,502)	-	-	(17,502)
<b>Profit Net of Tax, Representing Total Comprehensive Income</b>		<b>54,932</b>	<b>-</b>	<b>10,598</b>	<b>65,530</b>
Attributable to:					
Owners of the Company		54,880	-	10,598	65,478
Non-controlling Interest		52	-	-	52
		54,932	-	10,598	65,530
Basic earnings per share (sen)		11.7			13.9
Diluted earnings per share (sen)		11.7			13.9

## NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

### A12. FIRST-TIME ADOPTION OF MFRSs (continued)

#### A12.2 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
<b>Profit from Operations</b>		<b>189,683</b>	<b>-</b>	<b>189,683</b>
Share of Profit of an Associate		470	-	470
<b>Profit Before Taxation</b>		<b>190,153</b>	<b>-</b>	<b>190,153</b>
Income Tax Expense		(31,164)	-	(31,164)
<b>Profit Net of Tax, Representing Total Comprehensive Income</b>		<b>158,989</b>	<b>-</b>	<b>158,989</b>
Attributable to:				
Owners of the Company		158,927	-	158,927
Non-controlling Interest		62	-	62
		158,989	-	158,989
Basic earnings per share (sen)		33.8		33.8
Diluted earnings per share (sen)		33.8		33.8

#### A12.2 Notes to reconciliation

##### (a) Retained earnings

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

	Notes	31 December 2011 RM'000	30 June 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
<b>Increase in retained earnings</b>		<b>100,152</b>	<b>100,152</b>	<b>100,152</b>

## **NCB HOLDINGS BHD**

(Company No. 475221-K)

Incorporated in Malaysia

### **A12. FIRST-TIME ADOPTION OF MFRSs (continued)**

- (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 Second Quarter Performance

For the second quarter of 2012, the port operations registered a revenue of RM177.7 million which was an increase of 0.8% over the second quarter figure of previous year.

The operating expenditure for the second quarter, however registered a decrease of 11.9% mainly due to lower amortization charges as a result of the extension in the lease terms which the Government has approved in principle.

Due to this lower operating cost, the profit before taxation for the quarter has registered an increase of 41.5% at RM58.4 million.

##### Analysis of 6 months Performance

For the first 6 months of this year, the port operations registered a revenue of RM339.3 million which was an increase of 0.02% compared to previous year.

The operating expenditure for the 6 months, however registered a decrease of 13.0% mainly due to the lower amortisation charges resulting from the extension in the lease terms which the Government has approved in principle.

This lower operating expenditure also contributed to an increase in the profit before taxation of 44.4% at RM112.1 million.

#### **Logistics Operations**

##### Analysis of Second Quarter Performance

For the second quarter of 2012, the logistics operations registered a revenue of RM83.6 million which was an increase of 36.0% over the second quarter previous year. The increase was mainly due to the expansion of business streams undertaken by the company in warehousing, trucking, freight forwarding and project logistics which has shown positive results. The revenue streams have been experiencing growth that had resulted in increase in revenue across the board.

## **NCB HOLDINGS BHD**

(Company No. 475221-K)

Incorporated in Malaysia

### **B1. PERFORMANCE REVIEW (continued)**

The operating expenditure for the second quarter has also registered an increase of 35.0% at RM80.4 million reflecting increased business costs from the expansion in the business streams.

The profit before taxation registered an increase of 61.9% at RM3.4 million over the same quarter previous year.

#### Analysis of 6 months Performance

For the first 6 months of the year, the logistics operation registered a revenue of RM164.3 million, an increase of 45.3% compared to the previous year. The increase in revenue is reflective of new streams of business as detailed under the second quarter's analysis.

The operating expenditure for the 6 months registered an increase of 37.8% at RM158.2 million, which was mainly due to increase in business activities undertaken over the 6 months and resulting increase in profit before taxation of more than 100% at RM7.6 million.

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 RM63.1 million, higher than the immediate preceding quarter's profit before tax of RM58.7 million, mainly due to the increase in revenue by 9.9% as a result of increase in business activities.

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

### **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 due to depressed freight rates and global economy continue to influence the container business. The company continues in its efforts in the provision of excellent services to satisfy the demands of customers. The company is also continuing its investments in the port to further enhance the capacity and ability to service the industry.

## NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

### B3. COMMENTARY ON PROSPECTS (continued)

#### Logistics Operations

The logistics subsidiary has performed positively in the 2<sup>nd</sup> quarter and is expected to maintain its growth over the remaining period of the financial year. Expansion of new business streams and continuous effective cost control are expected to contribute to healthy growth of the logistics operations.

- 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.

### B6. INCOME TAX EXPENSE

	<b>Current Quarter 30.06.2012 RM'000</b>	<b>Cumulative to date 30.06.2012 RM'000</b>
Current Tax Charge	13,517	25,739
Deferred Tax Charge	4,969	7,986
	<u>18,486</u>	<u>33,725</u>

The effective tax rate for taxation of the Group is higher than the statutory rate of taxation mainly due to certain expenses which are not deductible for tax purposes.

## NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

### B7. CORPORATE PROPOSALS

There were no corporate proposals which were announced but not completed as at 21 August 2012.

### B8. BORROWINGS

	<b>As at 30.06.2012 RM'000</b>
<b>Short term borrowings</b>	
Unsecured : Revolving Credit	4,000
Secured: Hire purchase liabilities	2,766
	<hr/> 6,766
<b>Long term borrowings</b>	
Secured: Hire purchase liabilities	12,447
	<hr/> 19,213

### B9. CHANGES IN MATERIAL LITIGATION

As at 21 August 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.

### B10. DIVIDEND PAYABLE

Dividend:

- a)
  - i) No interim dividend has been recommended or declared for the current quarter ended 30 June 2012;
  - ii) Not applicable;
  - iii) the previous corresponding period was single tier interim dividend of 7.0 sen;
  - iv) Not applicable; and
  - v) Not applicable; and
  
- b) The total dividend for the current financial year is a special single tier interim dividend of 56.0 sen which was paid on 5 June 2012.

## NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

### B11. EARNINGS PER SHARE

In respect of earnings per share:-

a) Basic/Diluted earnings per share

	<b>Current Quarter 30.06.2012 '000</b>	<b>Cumulative to date 30.06.2012 '000</b>
Profit Net of Tax For The Period Attributable to:		
Owners of the Company (RM)	44,662	88,096
Weighted average no. of ordinary shares in issue	470,253	470,253
Basic/Diluted earnings per share (Sen)	9.5	18.7

### 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.

### B13. PROFIT BEFORE TAX

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

	<b>Current Quarter 30.06.2012 RM'000</b>	<b>Cumulative to date 30.06.2012 RM'000</b>
<b>Other Information</b>		
Interest income	(4,569)	(8,874)
Other income		
including investment income	(6,103)	(12,638)
Finance cost	298	412
Depreciation and amortisation	27,824	56,032
Provision for and write off of receivables	675	602
Provision for and write off of inventories	-	-

## NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

### B13. PROFIT BEFORE TAX (continued)

	<b>Current Quarter 30.06.2012 RM'000</b>	<b>Cumulative to date 30.06.2012 RM'000</b>
<b>Other Information</b>		
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or loss	129	112
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 30 June 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 30 June 2012, into realized and unrealized profits, pursuant to directives, is as follows:

	<b>30.06.2012 RM'000</b>	<b>31.12.2011 RM'000</b>
Total retained earnings of NCB Holdings Bhd and its subsidiaries:		
- Realised	721,067	935,275
- Unrealised	69,088	72,846
	<u>790,155</u>	<u>1,008,121</u>
Total share of retained earnings from associates		
- Realised	5,407	4,855
- Unrealised	-	-
	<u>5,407</u>	<u>4,855</u>
	795,562	1,012,976
Add: Consolidation adjustments	42,060	46,916
	<u>837,622</u>	<u>1,059,892</u>

## **NCB HOLDINGS BHD**

(Company No. 475221-K)

Incorporated in Malaysia

### **B14. DISCLOSURE OF REALISED AND UNREALISED PROFITS (continued)**

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 28 August 2012.