

NCB HOLDINGS BHD

(Company No. 475221-K)
Incorporated in Malaysia



Date : 29 OCTOBER 2012

**Subject : QUARTERLY FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

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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 THIRD QUARTER ENDED 30 SEPTEMBER 2012

| | Current Quarter | | 9 Months Cumulative YTD | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 30 September 2012 RM'000 | 30 September 2011 RM'000 | 30 September 2012 RM'000 | 30 September 2011 RM'000 |
| Revenue | 252,948 | 242,961 | 756,592 | 695,282 |
| Expenditure | (204,024) | (188,743) | (598,624) | (575,326) |
| Other Income | 3,131 | 6,720 | 15,769 | 23,977 |
| Profit from Operations | 52,055 | 60,938 | 173,737 | 143,933 |
| Finance Costs | (385) | - | (797) | - |
| Share of Profit of an Associate | 168 | 8 | 719 | 45 |
| Profit Before Taxation | 51,838 | 60,946 | 173,659 | 143,978 |
| Income Tax Expense | (6,671) | (15,057) | (40,396) | (32,559) |
| Profit Net of Tax, Representing Total Comprehensive Income | 45,167 | 45,889 | 133,263 | 111,419 |
| Attributable to: | | | | |
| Owners of the Company | 45,167 | 45,987 | 133,263 | 111,465 |
| Non-controlling Interest | - | (98) | - | (46) |
| | <u>45,167</u> | <u>45,889</u> | <u>133,263</u> | <u>111,419</u> |
| Basic Earnings per Share (Sen) | <u>9.6</u> | <u>9.8</u> | <u>28.3</u> | <u>23.7</u> |
| Diluted Earnings per Share (Sen) | <u>9.6</u> | <u>9.8</u> | <u>28.3</u> | <u>23.7</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.)

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(Company No. 475221-K)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012**

| | As at 30 September 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 | 853,611 | 782,648 | 767,887 |
| Prepaid Land Lease Payments | 5,766 | 5,992 | 6,292 |
| Investment Properties | 2,121 | 2,166 | 2,230 |
| Intangible Assets | 281,495 | 212,874 | 246,743 |
| Investments in Associates | 8,075 | 7,355 | 6,885 |
| Other Investments | 1,534 | 1,534 | 1,534 |
| Long Term Receivables | 526 | 526 | 528 |
| Deferred Tax Assets | 23,618 | 13,412 | 13,729 |
| | <u>1,176,746</u> | <u>1,026,507</u> | <u>1,045,828</u> |
| Current Assets | | | |
| Inventories | 9,330 | 9,094 | 7,384 |
| Trade and Other Receivables | 269,153 | 235,264 | 212,755 |
| Tax Recoverable | 3,801 | 11,972 | 15,652 |
| Deposits with Financial Institutions | 353,643 | 654,016 | 874,761 |
| | <u>635,927</u> | <u>910,346</u> | <u>1,110,552</u> |
| TOTAL ASSETS | <u>1,812,673</u> | <u>1,936,853</u> | <u>2,156,380</u> |
| LIABILITIES AND EQUITY | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 227,045 | 196,161 | 196,817 |
| Provision for Concession Liability | 38,384 | 38,384 | 38,384 |
| Current Tax Payable | 468 | 85 | 419 |
| Borrowings | 13,166 | 1,289 | - |
| | <u>279,063</u> | <u>235,919</u> | <u>235,620</u> |
| Non-Current Liabilities | | | |
| Deferred Tax Liabilities | 49,450 | 36,490 | 46,540 |
| Provision for Concession Liability | 3,927 | 26,957 | 54,435 |
| Borrowings | 25,623 | 5,774 | - |
| | <u>79,000</u> | <u>69,221</u> | <u>100,975</u> |
| TOTAL LIABILITIES | <u>358,063</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 | 984,357 | 1,161,460 | 1,346,603 |
| Non-controlling Interest | - | - | 2,929 |
| Total Equity | <u>1,454,610</u> | <u>1,631,713</u> | <u>1,819,785</u> |
| TOTAL LIABILITIES AND EQUITY | <u>1,812,673</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.)

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(Company No. 475221-K)

Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 9 Months Period Ended 30 September 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 | - | - | - | - | 133,263 | 133,263 | - | 133,263 |
| Transactions with owners | | | | | | | | |
| Dividend 2011 | - | - | - | - | (47,025) | (47,025) | - | (47,025) |
| Dividend 2012 | - | - | - | - | (263,341) | (263,341) | - | (263,341) |
| As at 30 September 2012 | 470,253 | 305 | 35,259 | 66,004 | 882,789 | 1,454,610 | - | 1,454,610 |
| <u>For The 9 Months Period Ended 30 September 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 | - | - | - | - | 111,465 | 111,465 | (46) | 111,419 |
| Transactions with owners | | | | | | | | |
| Dividend 2010 | - | - | - | - | (105,807) | (105,807) | - | (105,807) |
| Dividend 2011 | - | - | - | - | (208,087) | (208,087) | - | (208,087) |
| As at 30 September 2011 | 470,253 | 305 | 35,259 | 66,004 | 1,042,606 | 1,614,427 | 2,883 | 1,617,310 |

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2012

| | 9 Months Ended | |
|--|----------------------|----------------------|
| | 30 September 2012 | 30 September 2011 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 173,659 | 143,978 |
| Adjustments for: | | |
| Share of profit of an associate | (719) | (45) |
| Depreciation and amortisation | 84,412 | 118,475 |
| Impairment losses on receivables | 2,858 | 3,111 |
| Unwinding of discount from provision for concession liability | 5,758 | 8,180 |
| Interest income | (11,021) | (18,150) |
| Finance cost | 797 | - |
| Gain on disposal of property, plant and equipment | (1,197) | (1,074) |
| Operating profit before working capital changes | 254,547 | 254,475 |
| Net change in Current Assets | (37,371) | (34,673) |
| Net change in Current Liabilities | (24,089) | (33,816) |
| Cash generated from operations | 193,087 | 185,986 |
| Net taxes paid | (25,953) | (20,937) |
| Net cash generated from operating activities | 167,134 | 165,049 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment | (121,275) | (61,406) |
| Additions to intangible assets | (86,480) | (32,430) |
| Proceeds from sales of property, plant and equipment | 1,483 | 1,450 |
| Interest received | 11,408 | 19,496 |
| Net cash used in investing activities | (194,864) | (72,890) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (310,366) | (313,894) |
| Proceeds from borrowings | 39,700 | - |
| Repayment of borrowings | (1,977) | - |
| Net cash used in financing activities | (272,643) | (313,894) |
| CASH AND CASH EQUIVALENTS | | |
| Net change in cash and cash equivalents | (300,373) | (221,735) |
| Cash and cash equivalents at the beginning of period | 654,016 | 874,761 |
| Cash and cash equivalents at the end of period | 353,643 | 653,026 |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 59,193 | 25,809 |
| Short term deposits | 294,450 | 627,217 |
| | 353,643 | 653,026 |

(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.)

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QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 concession asset of the port operating subsidiary has now been classified as intangible assets upon the adoption of IC Interpretation 12 are amortised in the profit and loss on a straight line basis over the period of the concession rights which has now been renewed to 30 years for Northport and 21 years for Southpoint.

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As a result of the extended amortization the port operating subsidiary has a favourable reduction in its operating cost as reported under Note A 12.1.

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 September 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 30 September 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 September 2012.

A7. DIVIDENDS PAID

No dividend was paid during the current quarter ended 30 September 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.

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A8. SEGMENTAL INFORMATION (continued)

The analysis of results for the 9 months period ended 30 September 2012 is as follows:-

| | 9 months ended 30.09.2012 | | | Consolidated RM'000 |
|---|------------------------------|-----------------------------------|--------------------------------------|------------------------|
| | Port Operations RM'000 | Logistics Operations RM'000 | Others and Eliminations RM'000 | |
| Revenue | | | | |
| External | 506,368 | 250,224 | - | 756,592 |
| Inter – Segment | 2,991 | 11,540 | (14,531) | - |
| Total revenue | <u>509,359</u> | <u>261,764</u> | <u>(14,531)</u> | <u>756,592</u> |
| Segment Results | | | | |
| Profit before taxation | <u>163,971</u> | <u>7,932</u> | <u>1,756</u> | <u>173,659</u> |
| Included in segment results are: | | | | |
| Interest income | 8,521 | 163 | 2,337 | 11,021 |
| Finance costs | - | 797 | - | 797 |
| Depreciation and amortisation | 70,592 | 13,743 | 77 | 84,412 |
| Share of profit of an associate | - | 719 | - | 719 |
| Segment Assets | 1,675,446 | 532,909 | (395,682) | 1,812,673 |
| Segment Liabilities | <u>635,645</u> | <u>140,218</u> | <u>(417,800)</u> | <u>358,063</u> |

The analysis of results for the 9 months period ended 30 September 2011 is as follows:-

| | 9 months ended 30.09.2011 | | | Consolidated RM'000 |
|---|------------------------------|-----------------------------------|--------------------------------------|------------------------|
| | Port Operations RM'000 | Logistics Operations RM'000 | Others and Eliminations RM'000 | |
| Revenue | | | | |
| External | 523,488 | 171,794 | - | 695,282 |
| Inter – Segment | 2,991 | 9,418 | (12,409) | - |
| Total revenue | <u>526,479</u> | <u>181,212</u> | <u>(12,409)</u> | <u>695,282</u> |
| Segment Results | | | | |
| Profit before taxation | <u>134,619</u> | <u>1,231</u> | <u>8,128</u> | <u>143,978</u> |
| Included in segment results are: | | | | |
| Interest income | 8,920 | 692 | 8,538 | 18,150 |
| Finance costs | - | - | - | - |
| Depreciation and amortisation | 107,862 | 10,526 | 87 | 118,475 |
| Share of profit of an associate | - | 45 | - | 45 |
| Segment Assets | 1,858,845 | 461,812 | (389,421) | 1,931,236 |
| Segment Liabilities | <u>750,611</u> | <u>78,153</u> | <u>(514,838)</u> | <u>313,926</u> |

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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 September 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 30.09.2012 RM'000 | Cumulative to date 30.09.2012 RM'000 |
|--|--|---|
| <u>Permodalan Nasional Berhad Group of Companies</u> | | |
| - provision of container haulage, warehouse, depot and freight forwarding services | (2,443) | (9,252) |
| - repairs and purchase of spare parts and supplies | 392 | 833 |
| - interest on hire purchase | 93 | 156 |
| <u>PETRONAS Group of Companies</u> | | |
| - provision of container haulage, warehouse, depot and freight forwarding services | (574) | (1,410) |
| - provision of port services to MISC Berhad | (2,245) | (18,462) |
| - provision of port services and transportation services to Petronas Dagangan Bhd | (14,813) | (43,429) |
| - purchase of fuel to Petronas Dagangan Bhd | 17,474 | 55,351 |
| <u>Government Agencies</u> | | |
| - Revenue from Government related agencies | (3,303) | (16,981) |
| - Payment of lease rental for land to Lembaga Pelabuhan Klang | 9,965 | 32,008 |

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

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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.

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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 |

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A12. FIRST-TIME ADOPTION OF MFRSs (continued)

A12.1 Reconciliation of Statement of Financial Position at 30 September 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 | | 769,531 | - | - | 769,531 |
| Prepaid Land Lease Payments | | 6,066 | - | - | 6,066 |
| Investment Properties | | 2,185 | - | - | 2,185 |
| Intangible Assets | | 207,192 | 14,130 | - | 221,322 |
| Investments in Associates | | 6,929 | - | - | 6,929 |
| Other Investments | | 1,534 | - | - | 1,534 |
| Long Term Receivables | | 528 | - | - | 528 |
| Deferred Tax Assets | | 11,465 | - | - | 11,465 |
| | | <u>1,005,430</u> | <u>14,130</u> | <u>-</u> | <u>1,019,560</u> |
| Current Assets | | | | | |
| Inventories | | 8,535 | - | - | 8,535 |
| Trade and Other Receivables | | 233,552 | - | - | 233,552 |
| Tax Recoverable | | 16,563 | - | - | 16,563 |
| Deposits with Financial Institutions | | 653,026 | - | - | 653,026 |
| | | <u>911,676</u> | <u>-</u> | <u>-</u> | <u>911,676</u> |
| TOTAL ASSETS | | <u>1,917,106</u> | <u>14,130</u> | <u>-</u> | <u>1,931,236</u> |
| LIABILITIES AND EQUITY | | | | | |
| Current Liabilities | | | | | |
| Trade and Other Payables | | 191,788 | - | - | 191,788 |
| Provision for Concession Liability | | - | 38,384 | - | 38,384 |
| Current Tax Payable | | 113 | - | - | 113 |
| | | <u>191,901</u> | <u>38,384</u> | <u>-</u> | <u>230,285</u> |
| Non-Current Liabilities | | | | | |
| Deferred Tax Liabilities | | 49,815 | - | - | 49,815 |
| Provision for Concession Liability | | - | 33,826 | - | 33,826 |
| | | <u>49,815</u> | <u>33,826</u> | <u>-</u> | <u>83,641</u> |
| TOTAL LIABILITIES | | <u>241,716</u> | <u>72,210</u> | <u>-</u> | <u>313,926</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) | 1,000,534 | (58,080) | 100,152 | 1,042,606 |
| | | <u>1,672,507</u> | <u>(58,080)</u> | <u>-</u> | <u>1,614,427</u> |
| Non-Controlling Interest | | 2,883 | - | - | 2,883 |
| TOTAL EQUITY | | <u>1,675,390</u> | <u>(58,080)</u> | <u>-</u> | <u>1,617,310</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>1,917,106</u> | <u>14,130</u> | <u>-</u> | <u>1,931,236</u> |

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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 |
| TOTAL EQUITY | | 1,631,713 | - | 1,631,713 |
| TOTAL LIABILITIES AND EQUITY | | 1,936,853 | - | 1,936,853 |

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A12. FIRST-TIME ADOPTION OF MFRSs (continued)

A12.1 Reconciliation of Statement of Profit or Loss and Other Comprehensive Income for the Third Quarter Ended 30 September 2011

| | Notes | FRSs RM'000 | Effect of transition to MFRSs RM'000 | Other adjustments (Note A13) RM'000 | MFRSs RM'000 |
|---|--------|----------------|---|--|-----------------|
| Revenue | A13(a) | 240,373 | - | 2,588 | 242,961 |
| Expenditure | A13(b) | (194,045) | - | 5,302 | (188,743) |
| Other Income | A13(a) | 9,308 | - | (2,588) | 6,720 |
| Profit from Operations | | 55,636 | - | 5,302 | 60,938 |
| Share of Profit of an Associate | | 8 | - | - | 8 |
| Profit Before Taxation | | 55,644 | - | 5,302 | 60,946 |
| Income Tax Expense | | (15,057) | - | - | (15,057) |
| Profit Net of Tax, Representing Total Comprehensive Income | | 40,587 | - | 5,302 | 45,889 |
| Attributable to: | | | | | |
| Owners of the Company | | 40,685 | - | 5,302 | 45,987 |
| Non-controlling Interest | | (98) | - | - | (98) |
| | | 40,587 | - | 5,302 | 45,889 |
| Basic earnings per share (sen) | | 8.7 | | | 9.8 |
| Diluted earnings per share (sen) | | 8.7 | | | 9.8 |

A12.1 Reconciliation of Statement of Profit or Loss and Other Comprehensive Income for the 9 Months Period ended 30 September 2011

| | Notes | FRSs RM'000 | Effect of transition to MFRSs RM'000 | Other adjustments (Note A13) RM'000 | MFRSs RM'000 |
|---|--------|----------------|---|--|-----------------|
| Revenue | A13(a) | 689,522 | - | 5,760 | 695,282 |
| Expenditure | A13(b) | (591,226) | - | 15,900 | (575,326) |
| Other Income | A13(a) | 29,737 | - | (5,760) | 23,977 |
| Profit from Operations | | 128,033 | - | 15,900 | 143,933 |
| Share of Profit of an Associate | | 45 | - | - | 45 |
| Profit Before Taxation | | 128,078 | - | 15,900 | 143,978 |
| Income Tax Expense | | (32,559) | - | - | (32,559) |
| Profit Net of Tax, Representing Total Comprehensive Income | | 95,519 | - | 15,900 | 111,419 |
| Attributable to: | | | | | |
| Owners of the Company | | 95,565 | - | 15,900 | 111,465 |
| Non-controlling Interest | | (46) | - | - | (46) |
| | | 95,519 | - | 15,900 | 111,419 |
| Basic earnings per share (sen) | | 20.3 | | | 23.7 |
| Diluted earnings per share (sen) | | 20.3 | | | 23.7 |

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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 |
| 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 |
| | | 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 September 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 |

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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.

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

B1. PERFORMANCE REVIEW

Port Operations

Analysis of Third Quarter Performance

For the third quarter of 2012, the port operations registered a revenue of RM167.0 million which was a decrease of 9.3% over the third quarter figure of previous year. The drop in revenue was a result of lower container throughput handled for the quarter.

The operating expenditure for the third quarter also registered a decrease of 10.4% mainly due to lower amortization charges as a result of the extension in the lease terms which the Government has approved in principle.

The profit before taxation for the quarter has registered a decrease of 9.0% at RM51.7 million mainly due to the drop in revenue for the quarter.

Analysis of 9 months Performance

For the first 9 months of this year, the port operations registered a revenue of RM506.3 million, a decrease of 3.3% compared to same period previous year.

The operating expenditure for the 9 months also registered a decrease of 12.2% as a result of the lower amortisation charges resulting from the extension in the lease terms which the Government has approved in principle.

On a year-to-date basis, the lower operating expenditure contributed to an increase in the profit before taxation of 21.8% at RM163.9 million.

Logistics Operations

Analysis of Third Quarter Performance

For the third quarter of 2012, the logistics operations registered a revenue of RM85.9 million which was an increase of 46.3% over the same 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.

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B1. PERFORMANCE REVIEW (continued)

The operating expenditure for the third quarter had registered an increase of 50.8% at RM85.4 million reflecting the increased business costs arising from the expansion in the business streams.

The profit before taxation however registered a decrease of 86.9% at RM0.3 million as against the same quarter previous year, due to several initial start-up cost outlay that was required for the new streams of businesses.

Analysis of 9 months Performance

For the first 9 months of the year, the logistics operation registered a revenue of RM250.2 million, an increase of 45.6% compared to the previous year. The increase in revenue is reflective of the new streams of business as detailed under the quarter's analysis.

The operating expenditure for the 9 months also registered an increase of 42.8% at RM243.6 million, mainly due to increase in business activities undertaken over the 9 months and resulting increase in profit before taxation of more than 100% at RM7.9 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 RM51.8 million, was lower than the immediate preceding quarter's profit before tax of RM63.1 million, mainly due to the decrease in revenue by 3.2% and other income.

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

B3. COMMENTARY ON PROSPECTS

a) Port Operations

The port operation is expected to continue facing challenges in a competitive environment together with uncertainties in the regional container trade. Depressed freight rates experienced by shipping companies will continue to further influence the container business.

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B3. COMMENTARY ON PROSPECTS (continued)

The company however, is making every effort to meet customers demand in the provision of excellent service. This is evident in its commitment on the capital investments being carried out in enhancing the ports capacity and ability to serve the industry.

Logistics Operations

The logistics subsidiary has created new streams of business income by expanding its business into a total logistics player. These new businesses even though, they are in different stages of their business life-cycle are eventually expected to continue in their contribution to the bottom-line of the company for the remaining period of the year.

- 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

| | Current Quarter 30.09.2012 RM'000 | Cumulative to date 30.09.2012 RM'000 |
|---------------------|--|---|
| Current Tax Charge | 11,683 | 37,422 |
| Deferred Tax Charge | (5,012) | 2,974 |
| | <u>6,671</u> | <u>40,396</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.

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B7. CORPORATE PROPOSALS

There were no corporate proposals which were announced but not completed as at 22 October 2012.

B8. BORROWINGS

| | As at 30.09.2012 RM'000 |
|------------------------------------|--|
| Short term borrowings | |
| Unsecured : Revolving Credit | 11,500 |
| Secured: Hire purchase liabilities | 1,666 |
| | <u>13,166</u> |
| Long term borrowings | |
| Secured: Hire purchase liabilities | 25,623 |
| | <u>38,789</u> |

B9. CHANGES IN MATERIAL LITIGATION

As at 22 October 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) A single tier interim dividend has been recommended for the current quarter ended 30 September 2012;
 - ii) the amount per share is 7.0 sen;
 - iii) not applicable;
 - iv) the date payable is on 29 November 2012; and
 - v) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 12 November 2012; and
- b) The total dividend for the current financial year is a special single tier interim dividend of 56.0 sen per share and a single tier interim dividend of 7.0 sen per share.

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B11. EARNINGS PER SHARE

In respect of earnings per share:-

a) Basic/Diluted earnings per share

| | Current Quarter 30.09.2012 '000 | Cumulative to date 30.09.2012 '000 |
|--|--|---|
| Profit Net of Tax For The Period Attributable to: Owners of the Company (RM) | 45,167 | 133,263 |
| Weighted average no. of ordinary shares in issue | 470,253 | 470,253 |
| Basic/Diluted earnings per share (Sen) | 9.6 | 28.3 |

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) :-

| | Current Quarter 30.09.2012 RM'000 | Cumulative to date 30.09.2012 RM'000 |
|---|--|---|
| Other Information | | |
| Interest income | (2,147) | (11,021) |
| Other income including investment income | (3,131) | (15,769) |
| Finance cost | 385 | 797 |
| Depreciation and amortisation | 28,380 | 84,412 |
| Provision for and write off of receivables | 1,775 | 2,858 |
| Provision for and write off of inventories | - | - |
| Gain or loss on disposal of quoted or unquoted investments or properties | - | - |

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B13. PROFIT BEFORE TAX (continued)

| | Current Quarter 30.09.2012 RM'000 | Cumulative to date 30.09.2012 RM'000 |
|-------------------------------|--|---|
| Other Information | | |
| Impairment of assets | - | - |
| Foreign exchange gain or loss | 50 | 177 |
| 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 September 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 September 2012, into realized and unrealized profits, pursuant to directives, is as follows:

| | 30.09.2012 RM'000 | 31.12.2011 RM'000 |
|---|------------------------------|------------------------------|
| Total retained earnings of NCB Holdings Bhd and its subsidiaries: | | |
| - Realised | 760,828 | 935,275 |
| - Unrealised | 74,326 | 72,846 |
| | <u>835,154</u> | <u>1,008,121</u> |
| Total share of retained earnings from associates | | |
| - Realised | 5,575 | 4,855 |
| - Unrealised | - | - |
| | <u>5,575</u> | <u>4,855</u> |
| | 840,729 | 1,012,976 |
| Add: Consolidation adjustments | 42,060 | 46,916 |
| | <u>882,789</u> | <u>1,059,892</u> |

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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 29 October 2012.