

NCB HOLDINGS BHD

(Company No. 475221-K)
Incorporated in Malaysia



Date : 28 FEBRUARY 2013

**Subject : QUARTERLY FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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	5-13
Information required by the Bursa Malaysia Securities Berhad Listing Requirements – Part B	14-19

NCB HOLDINGS BHD

(Company No. 475221-K)

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NCB HOLDINGS

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

	Current Quarter		12 Months Cumulative YTD	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Revenue	236,215	238,494	992,807	928,016
Expenditure	(214,926)	(196,840)	(813,549)	(772,166)
Other Income	8,836	9,220	24,605	33,833
Profit from Operations	30,125	50,874	203,863	189,683
Finance Costs	(596)	-	(1,393)	-
Share of Profit of an Associate	154	425	873	470
Profit Before Taxation	29,683	51,299	203,343	190,153
Income Tax Expense	(6,205)	(6,587)	(35,041)	(31,164)
Profit Net of Tax, Representing Total Comprehensive Income	23,478	44,712	168,302	158,989
Attributable to:				
Owners of the Company	23,478	44,604	168,302	158,927
Non-controlling Interest	-	108	-	62
	<u>23,478</u>	<u>44,712</u>	<u>168,302</u>	<u>158,989</u>
Basic Earnings per Share (Sen)	<u>5.0</u>	<u>9.5</u>	<u>35.8</u>	<u>33.8</u>
Diluted Earnings per Share (Sen)	<u>5.0</u>	<u>9.5</u>	<u>35.8</u>	<u>33.8</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 DECEMBER 2012**

	As at 31 December 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	856,775	782,648	767,887
Prepaid Land Lease Payments	5,691	5,992	6,292
Investment Properties	2,106	2,166	2,230
Intangible Assets	311,804	212,874	246,743
Investments in Associates	8,229	7,355	6,885
Other Investments	1,534	1,534	1,534
Long Term Receivables	520	526	528
Deferred Tax Assets	14,925	13,412	13,729
	<u>1,201,584</u>	<u>1,026,507</u>	<u>1,045,828</u>
Current Assets			
Inventories	8,947	9,094	7,384
Trade and Other Receivables	282,541	235,264	212,755
Tax Recoverable	19,699	11,972	15,652
Deposits with Financial Institutions	295,533	654,016	874,761
	<u>606,720</u>	<u>910,346</u>	<u>1,110,552</u>
TOTAL ASSETS	<u>1,808,304</u>	<u>1,936,853</u>	<u>2,156,380</u>
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and Other Payables	224,676	196,161	196,817
Provision for Concession Liability	34,635	38,384	38,384
Current Tax Payable	1,243	85	419
Borrowings	19,369	1,289	-
	<u>279,923</u>	<u>235,919</u>	<u>235,620</u>
Non-Current Liabilities			
Deferred Tax Liabilities	37,368	36,490	46,540
Provision for Concession Liability	-	26,957	54,435
Borrowings	34,281	5,774	-
	<u>71,649</u>	<u>69,221</u>	<u>100,975</u>
TOTAL LIABILITIES	<u>351,572</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	986,479	1,161,460	1,346,603
Non-controlling Interest	-	-	2,929
Total Equity	<u>1,456,732</u>	<u>1,631,713</u>	<u>1,819,785</u>
TOTAL LIABILITIES AND EQUITY	<u>1,808,304</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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Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

	← Attributable to Equity Holders of the Company →						Non- controlling Interest	Total Equity		
	Share Capital RM'000	← Non-Distributable →			← Distributable →				RM'000	RM'000
		Share Premium RM'000	Capital Reserve RM'000	Merger Reserve RM'000	Retained Earnings RM'000	Total RM'000				
<u>For The 12 Months Period Ended 31 December 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	-	-	-	-	168,302	168,302	-	168,302		
Transactions with owners										
Dividend 2011	-	-	-	-	(47,025)	(47,025)	-	(47,025)		
Special Interim Dividend 2012	-	-	-	-	(263,341)	(263,341)	-	(263,341)		
Interim Dividend 2012	-	-	-	-	(32,917)	(32,917)	-	(32,917)		
As at 31 December 2012	470,253	305	35,259	66,004	884,911	1,456,732	-	1,456,732		
<u>For The 12 Months Period Ended 31 December 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	-	-	-	-	158,927	158,927	62	158,989		
Transactions with owners										
Acquisition of non controlling interest	-	-	-	-	2,741	2,741	(2,991)	(250)		
Dividend 2010	-	-	-	-	(105,807)	(105,807)	-	(105,807)		
Special Interim Dividend 2011	-	-	-	-	(208,087)	(208,087)	-	(208,087)		
Interim Dividend 2011	-	-	-	-	(32,917)	(32,917)	-	(32,917)		
As at 31 December 2011	470,253	305	35,259	66,004	1,059,892	1,631,713	-	1,631,713		

(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 FOURTH QUARTER ENDED 31 DECEMBER 2012

	12 Months Ended	
	31 December 2012	31 December 2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	203,343	190,153
Adjustments for:		
Share of profit of an associate	(873)	(470)
Depreciation and amortisation	111,921	167,205
Impairment losses on receivables	(1,079)	7,221
Unwinding of discount from provision for concession liability	7,678	10,906
Provision for claims	-	(1,523)
Interest income	(13,582)	(22,694)
Finance cost	1,393	-
Gain on disposal of property, plant and equipment	(5,222)	(3,918)
Operating profit before working capital changes	303,579	346,880
Net change in Current Assets	(46,046)	(24,590)
Net change in Current Liabilities	16,536	(42,169)
Cash generated from operations	274,069	280,121
Net taxes paid	(39,110)	(37,523)
Net cash generated from operating activities	234,959	242,598
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(155,190)	(105,262)
Additions to intangible assets	(128,045)	(43,750)
Proceeds from sales of property, plant and equipment	5,777	5,197
Interest received	13,582	20,470
Acquisition of non controlling interest	-	(250)
Net cash used in investing activities	(263,876)	(123,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(343,283)	(346,811)
Proceeds from borrowings	16,990	7,063
Repayment of borrowings	(3,273)	-
Net cash used in financing activities	(329,566)	(339,748)
CASH AND CASH EQUIVALENTS		
Net change in cash and cash equivalents	(358,483)	(220,745)
Cash and cash equivalents at the beginning of period	654,016	874,761
Cash and cash equivalents at the end of period	295,533	654,016
Cash and cash equivalents comprise:		
Cash and bank balances	46,771	14,607
Short term deposits	248,762	639,409
	295,533	654,016

(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 FOURTH QUARTER ENDED 31 DECEMBER 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.

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.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

A2. SIGNIFICANT EVENTS AND TRANSACTIONS (continued)

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 31 December 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 December 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 December 2012.

A7. DIVIDENDS PAID

Total dividend paid during the quarter ended 31 December 2012 amounted to RM32,917,689. This is in respect of a single tier interim dividend for financial year ended 31 December 2012 of 7.0 sen per ordinary share which was paid on 29 November 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 12 months period ended 31 December 2012 is as follows:-

	12 months ended 31.12.2012			Consolidated RM'000
	Port Operations RM'000	Logistics Operations RM'000	Others and Eliminations RM'000	
Revenue				
External	663,133	329,674	-	992,807
Inter – Segment	3,988	15,266	(19,254)	-
Total revenue	<u>667,121</u>	<u>344,940</u>	<u>(19,254)</u>	<u>992,807</u>
Segment Results				
Profit before taxation	<u>197,364</u>	<u>3,923</u>	<u>2,056</u>	<u>203,343</u>
Included in segment results are:				
Interest income	10,798	214	2,570	13,582
Finance costs	-	1,393	-	1,393
Depreciation and amortisation	94,505	17,313	103	111,921
Share of profit of an associate	-	873	-	873
Segment Assets	1,806,786	549,351	(547,833)	1,808,304
Segment Liabilities	<u>727,129</u>	<u>152,669</u>	<u>(528,226)</u>	<u>351,572</u>

The analysis of results for the 12 months period ended 31 December 2011 is as follows:-

	12 months ended 31.12.2011			Consolidated RM'000
	Port Operations RM'000	Logistics Operations RM'000	Others and Eliminations RM'000	
Revenue				
External	693,772	234,244	-	928,016
Inter – Segment	6,034	16,510	(22,544)	-
Total revenue	<u>699,806</u>	<u>250,754</u>	<u>(22,544)</u>	<u>928,016</u>
Segment Results				
Profit before taxation	<u>172,748</u>	<u>8,187</u>	<u>9,218</u>	<u>190,153</u>
Included in segment results are:				
Interest income	12,248	860	9,586	22,694
Finance costs	-	-	-	-
Depreciation and amortisation	153,173	13,917	115	167,205
Share of profit of an associate	-	470	-	470
Segment Assets	2,002,708	497,533	(563,388)	1,936,853
Segment Liabilities	<u>676,320</u>	<u>104,375</u>	<u>(475,555)</u>	<u>305,140</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 December 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 31.12.2012 RM'000	Cumulative to date 31.12.2012 RM'000
<u>Permodalan Nasional Berhad Group of Companies</u>		
- provision of container haulage, warehouse, depot and freight forwarding services	(3,007)	(12,919)
- provision of port services	(500)	(1,965)
- repairs and purchase of spare parts and supplies	59	1,342
- interest on hire purchase	44	174
<u>PETRONAS Group of Companies</u>		
- provision of container haulage, warehouse, depot and freight forwarding services	(2,222)	(6,959)
- provision of port services to MISC Berhad	(1,885)	(20,346)
- provision of port services and transportation services to Petronas Dagangan Bhd	(15,293)	(59,193)
- purchase of fuel from Petronas Dagangan Bhd	18,338	73,689
<u>Government Agencies</u>		
- Revenue from Government related agencies	(1,838)	(18,819)
- Payment of lease rental for land to Lembaga Pelabuhan Klang	10,378	42,386

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 fourth 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 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

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 Fourth Quarter Ended 31 December 2011

	Notes	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
Revenue		238,494	-	238,494
Expenditure		(196,840)	-	(196,840)
Other Income		9,220	-	9,220
Profit from Operations		50,874	-	50,874
Share of Profit of an Associate		425	-	425
Profit Before Taxation		51,299	-	51,299
Income Tax Expense		(6,587)	-	(6,587)
Profit Net of Tax, Representing Total Comprehensive Income		44,712	-	44,712
Attributable to:				
Owners of the Company		44,604	-	44,604
Non-controlling Interest		108	-	108
		44,712	-	44,712
Basic earnings per share (sen)		9.5		9.5
Diluted earnings per share (sen)		9.5		9.5

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
		158,989	-	158,989
Basic earnings per share (sen)		33.8		33.8
Diluted earnings per share (sen)		33.8		33.8

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

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

For the fourth quarter of 2012, the port operations registered a revenue of RM156.7 million, a decrease of 10.9% against the fourth quarter figure of previous year. The drop in revenue was a result of lower container throughput handled by Northport for the quarter.

The operating expenditure for the fourth quarter also registered a decrease of 6.7% 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 for Northport has registered a decrease of 22.8% mainly due to lower revenue from container operations for the quarter.

Analysis of 12 months Performance

For the financial year-to-date 31 December 2012, the port operations registered a revenue including other income of RM679.4 million, a decrease of 4.7% compared to same period previous year.

The operating expenditure for the financial year-to-date 31 December 2012 also registered a decrease of 10.8% to RM481.9 million as a result of the lower amortisation charges resulting from the extension in the lease terms which the Government has approved in principle.

For the financial year-to-date 31 December 2012, the lower operating expenditure has contributed to an increase in the profit before taxation of 14.2% at RM197.3 million.

Logistics Operations

Analysis of Fourth Quarter Performance

For the fourth quarter of 2012, the logistics operations registered a revenue of RM79.5 million which was an increase of 27.2% 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.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

B1. PERFORMANCE REVIEW (continued)

The operating expenditure of the logistics business for the fourth quarter had registered an increase of 45.7% caused mainly by the increased initial start-up business costs arising from the expansion in the business streams.

The profit before taxation for the quarter has registered a decrease of more than 100% due to the increase in operating costs as mentioned above.

Analysis of 12 months Performance

For the financial year-to-date 31 December 2012, the logistics operation registered a revenue including other income of RM336.2 million, an increase of 40.3% 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 financial year-to-date 31 December 2012 also registered an increase of 43.6% at RM332.3 million, mainly due to increase in business activities undertaken over the financial year-to-date 31 December 2012 and resulting decrease in profit before taxation of 52.4% to RM3.9 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 RM29.7 million, was lower than the immediate preceding quarter's profit before tax of RM51.8 million, mainly due to the decrease in revenue and increase in operating expenditure.

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 to face challenges in a competitive environment together with uncertainties in the regional container trade.

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. The new berth 8A (CT4) is expected to be operational in the 3rd quarter of 2013.

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

B3. COMMENTARY ON PROSPECTS (continued)

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 31.12.2012 RM'000	Cumulative to date 31.12.2012 RM'000
Current Tax Charge	6,437	35,455
Deferred Tax Charge	(232)	(414)
	<u>6,205</u>	<u>35,041</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.

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 February 2013.

B8. BORROWINGS

	As at 31.12.2012 RM'000
Short term borrowings	
Unsecured : Revolving Credit	16,990
Secured: Hire purchase liabilities	2,379
	<u>19,369</u>
Long term borrowings	
Secured: Hire purchase liabilities	34,281
	<u>53,650</u>

B9. CHANGES IN MATERIAL LITIGATION

As at 21 February 2013, 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 final dividend has been recommended for approval at the 14th Annual General Meeting, for the current quarter ended 31 December 2012;
 - ii) The amount of single tier final dividend is 2.5 sen per ordinary share;
 - iii) The previous corresponding was a single tier final dividend of 10.0 sen per ordinary share;
 - iv) The date payable is on 8 May 2013; and
 - v) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 19 April 2013; and
- b) The total dividend for the current financial year is a special single tier interim dividend of 56.0 sen per share, a single tier interim dividend of 7.0 sen per share and a single tier final dividend of 2.5 sen per ordinary share.

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

	Current Quarter 31.12.2012 '000	Cumulative to date 31.12.2012 '000
Profit Net of Tax For The Period Attributable to:		
Owners of the Company (RM)	23,478	168,302
Weighted average no. of ordinary shares in issue	470,253	470,253
Basic/Diluted earnings per share (Sen)	5.0	35.8

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 31.12.2012 RM'000	Cumulative to date 31.12.2012 RM'000
Other Information		
Interest income	(2,561)	(13,582)
Other income		
including investment income	(8,836)	(24,605)
Finance cost	596	1,393
Depreciation and amortisation	27,509	111,921
Provision for and write off of receivables	(3,937)	(1,079)
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	50	177
Gain or loss on derivatives	-	-
Exceptional items	-	-

NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

B14. DISCLOSURE OF REALISED AND UNREALISED PROFITS

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

	31.12.2012	31.12.2011
	RM'000	RM'000
Total retained earnings of NCB Holdings Bhd and its subsidiaries:		
- Realised	768,611	935,275
- Unrealised	77,709	72,846
	<u>846,320</u>	<u>1,008,121</u>
Total share of retained earnings from associates		
- Realised	5,729	4,855
- Unrealised	-	-
	<u>5,729</u>	<u>4,855</u>
	852,049	1,012,976
Add: Consolidation adjustments	32,862	46,916
	<u>884,911</u>	<u>1,059,892</u>

The disclosure of realized and unrealized 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 February 2013.