

# NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia



**Date : 27 FEBRUARY 2015**

**Subject : QUARTERLY FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

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# NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia



**NCB HOLDINGS**

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

	Current Quarter		12 Months Cumulative YTD	
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
Revenue	228,681	225,440	839,588	919,376
Expenditure	(223,265)	(224,254)	(827,752)	(837,927)
Other Income	6,261	3,788	17,166	19,917
<b>Profit from Operations</b>	<b>11,677</b>	<b>4,974</b>	<b>29,002</b>	<b>101,366</b>
Finance Costs	(2,985)	(2,506)	(7,983)	(8,850)
Share of Profit of an Associate	217	207	811	721
<b>Profit Before Taxation</b>	<b>8,909</b>	<b>2,675</b>	<b>21,830</b>	<b>93,237</b>
Income Tax Expense	189	(5,414)	7,471	(41,555)
<b>Profit/(Loss) Net of Tax, Representing Total Comprehensive Income</b>	<b>9,098</b>	<b>(2,739)</b>	<b>29,301</b>	<b>51,682</b>
Attributable to: Owners of the Company	9,098	(2,739)	29,301	51,682
Basic Earnings/(Loss) per Share (Sen)	1.9	(0.6)	6.2	11.0
Diluted Earnings/(Loss) per Share (Sen)	1.9	(0.6)	6.2	11.0

(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 2013 and the accompanying explanatory notes attached to the interim financial statements.)

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	1,073,586	1,082,353
Prepaid Land Lease Payments	5,089	5,390
Investment Properties	1,315	1,383
Intangible Assets	545,823	480,571
Investments in Associates	8,962	8,151
Other Investments	76	76
Long Term Receivables	1,017	1,089
Deferred Tax Assets	1,178	19,923
	<u>1,637,046</u>	<u>1,598,936</u>
<b>Current Assets</b>		
Inventories	6,026	5,602
Trade and Other Receivables	176,623	199,394
Tax Recoverable	25,073	17,796
Cash and Bank Balances	455,565	156,315
	<u>663,287</u>	<u>379,107</u>
<b>TOTAL ASSETS</b>	<b><u>2,300,333</u></b>	<b><u>1,978,043</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and Other Payables	295,876	306,821
Current Tax Payable	810	9,328
Borrowings	196,851	163,605
	<u>493,537</u>	<u>479,754</u>
Net current assets/(liabilities)	<u>169,750</u>	<u>(100,647)</u>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	20,365	46,013
Borrowings	380,379	44,959
	<u>400,744</u>	<u>90,972</u>
<b>TOTAL LIABILITIES</b>	<b><u>894,281</u></b>	<b><u>570,726</u></b>
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	470,253	470,253
Reserves	935,799	937,064
Total Equity	<u>1,406,052</u>	<u>1,407,317</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>2,300,333</u></b>	<b><u>1,978,043</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 2013 and the accompanying explanatory notes attached to the interim financial statements.)

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

Note	Attributable to Equity Holders of the Company					
	Non-Distributable			Distributable		
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Merger Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
<u>For The 12 Months</u>						
<u>Period Ended 31</u>						
<u>December 2014</u>						
<b>As at 1 January 2014</b>	470,253	305	35,259	66,004	835,496	1,407,317
Profit net of tax, representing total comprehensive income	-	-	-	-	29,301	29,301
<b>Transaction with owners</b>						
Dividend 2013	-	-	-	-	(21,161)	(21,161)
Dividend 2014	-	-	-	-	(9,405)	(9,405)
<b>As at 31 December 2014</b>	<b>470,253</b>	<b>305</b>	<b>35,259</b>	<b>66,004</b>	<b>834,231</b>	<b>1,406,052</b>
<u>For The 12 Months</u>						
<u>Period Ended 31</u>						
<u>December 2013</u>						
<b>As at 1 January 2013</b>	470,253	305	35,259	66,004	812,029	1,383,850
Profit net of tax, representing total comprehensive income	-	-	-	-	51,682	51,682
<b>Transaction with owners</b>						
Dividend 2012	-	-	-	-	(11,756)	(11,756)
Dividend 2013	-	-	-	-	(16,459)	(16,459)
<b>As at 31 December 2013</b>	<b>470,253</b>	<b>305</b>	<b>35,259</b>	<b>66,004</b>	<b>835,496</b>	<b>1,407,317</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

# NCB HOLDINGS BHD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

	12 Months Ended	
	31 Dec 2014	31 Dec 2013
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	21,830	93,237
Adjustments for:		
Share of profit of an associate	(811)	(721)
Depreciation and amortisation	106,722	102,283
Allowance for impairment on receivables	7,265	12,583
Unwinding of discount from provision for concession liability	-	4,752
Interest income	(5,653)	(5,338)
Interest expenses	6,383	4,098
Impairment loss on goodwill	-	1,286
Impairment loss on intangible assets	-	47
Stock obsolescence	444	-
Intangible assets written off	-	190
Reversal of provision for legal claims	(2,405)	(426)
Gain on foreign exchange - realised	-	(192)
Gain on disposal of property, plant and equipment	(1,197)	(6,931)
Operating cash flows before changes in working capital	132,578	204,868
Trade and other receivables	17,370	19,103
Inventories	(868)	2,565
Trade and other payables	(13,771)	55,115
Provision for concession liability	-	(39,386)
Cash flows from operating activities	135,309	242,265
Interest paid	(3,690)	(4,098)
Income taxes paid, net	(15,227)	(23,760)
Cash flows from operating activities	116,392	214,407
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(70,855)	(265,237)
Purchase of intangible assets	(81,361)	(197,563)
Proceeds from sale of property, plant and equipment	4,407	11,104
Interest received	3,861	5,338
Net cash flows used in investing activities	(143,948)	(446,358)
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(30,566)	(28,215)
Sukuk drawdown	350,000	-
Drawdown of revolving credit, net	24,050	131,067
Repayment of obligations under finance lease, net	(16,678)	(11,282)
Net cash flows from financing activities	326,806	91,570
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase/(decrease) in cash and cash equivalents	299,250	(140,381)
Cash and cash equivalents at the beginning of period	156,315	296,696
Cash and cash equivalents at the end of period	455,565	156,315
Cash and cash equivalents comprise:		
Cash on hand and at banks	34,026	25,426
Deposits with licensed banks	421,539	130,889
	455,565	156,315

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

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## **QUARTERLY FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

### **PART A. NOTES TO THE QUARTERLY FINANCIAL REPORT**

#### **A1. BASIS OF PREPARATION**

The Interim Financial Statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013.

#### **Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013 except for the adoption of the following new/revised Malaysian Financial Reporting Standards (“MFRS”):

Effective for annual periods beginning on or after 1 January 2014.

- Amendments to MFRS 10: Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12: Disclosure of Interest in Other Entities: Investment Entities
- Amendments to MFRS 127: Separate Financial Statements : Investment Entities
- Amendments to MFRS 132: Offsetting financial assets and financial liabilities
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

Effective for annual periods beginning on or after 1 July 2014.

- Amendments to MFRS 119: Defined Benefit Plans: Employees Contributions
- Annual Improvements to MFRSs 2010-2012 Cycle
- Annual Improvements to MFRSs 2011-2013 Cycle
- Annual Improvements to MFRSs 2012-2014 Cycle

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

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### **A2. SIGNIFICANT EVENTS AND TRANSACTIONS**

There was no significant event and transaction that would have had a material impact on the financial position and performance of the Group as at 31 December 2014.

### **A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The businesses of the Group were not materially affected by the various festive seasons or cyclical fluctuations during the period.

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

There was no material unusual item affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2014.

### **A5. CHANGES IN ESTIMATES**

There was no change in estimate that had a material effect in the current quarter results and preceding quarter.

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

Northport (Malaysia) Bhd, a wholly owned subsidiary of NCB, had put in place a proposed issuance of Islamic Commercial Papers (ICP's) under an ICP Programme of up to RM500 million in nominal value and Islamic Medium Term Notes (IMTN's) under an IMTN Programme of up to RM1.5 billion in nominal value under the Shariah Principle of Musharakah (collectively known as "Sukuk Musharakah Programme"), subject to a joint limit of RM1.5 billion in nominal value.

The Security Commission had on 9<sup>th</sup> July approved and authorized the proposed issuance by Northport of the ICP's and IMTN's under the Sukuk Musharakah Programme. The proceeds of the Sukuk Musharakah Programme shall be utilized to Finance Northport's Capital Expenditure requirement, refinancing existing financing and general working capital.

Northport had received the proceed of RM350 million on 19 December 2014.

There were no other issue, repurchase, and repayment of debt and equity securities for the current quarter ended 31 December 2014.

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### A7. DIVIDENDS PAID

Total dividends paid during the quarter ended 31 December 2014 amounted to RM9,405,054. This is in respect of an interim single tier dividend for financial year ended 31 December 2014 of 2.0 sen per ordinary share which was announced on 25 August 2014 and was paid on 9 October 2014.

### 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.

The analysis of results for the 12 months period ended 31 December 2014 is as follows:-

	<b>12 months ended 31.12.2014</b>			
	<b>Port Operations RM'000</b>	<b>Logistics Operations RM'000</b>	<b>Others and Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>				
External	587,650	251,938	-	839,588
Inter – Segment	3,988	8,854	(12,842)	-
Total revenue	591,638	260,792	(12,842)	839,588
<b>Segment Results</b>				
Profit/(Loss) before taxation	74,029	(52,910)	711	21,830
<b>Included in segment results are:</b>				
Interest income	2,231	2,142	1,280	5,653
Finance costs	-	7,983	-	7,983
Depreciation and amortisation	87,258	19,293	171	106,722
Share of profit of an associate	-	811	-	811
Segment Assets	1,812,049	437,375	50,909	2,300,333
Segment Liabilities	652,564	239,787	1,930	894,281



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### A8. SEGMENTAL INFORMATION (Continued)

The analysis of results for the 12 months period ended 31 December 2013 is as follows:-

	12 months ended 31.12.2013			
	Port Operations RM'000	Logistics Operations RM'000	Others and Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>				
External	633,422	285,954	-	919,376
Inter – Segment	3,988	14,226	(18,214)	-
Total revenue	637,410	300,180	(18,214)	919,376
<b>Segment Results</b>				
Profit/(Loss) before taxation	165,675	(73,154)	716	93,237
<b>Included in segment results are:</b>				
Interest income	3,807	219	1,312	5,338
Finance costs	4,752	4,098	-	8,850
Depreciation and amortisation	84,705	17,426	152	102,283
Share of profit of an associate	-	721	-	721
Segment Assets	1,483,946	461,567	32,530	1,978,043
Segment Liabilities	353,177	215,826	1,723	570,726

### A9. SUBSEQUENT EVENTS AFTER THE INTERIM PERIOD

There was no material event subsequent to the end of the interim reporting period that has not been reflected in this Interim Financial Statements.

### A10. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the interim financial period ended 31 December 2014.

### A11. RELATED PARTY TRANSACTIONS

The NCB Group is a Government linked company. Its major shareholders are Permodalan Nasional Bhd and the funds under its controls and MISC Berhad until 27 November 2014. Subsequent to that date, MISC has ceased to be a shareholder of NCB. MMC Ventures Sdn Bhd, a subsidiary of MMC Corporation Berhad becomes the new major shareholder. Significant transactions with Government related entities in addition to other related parties transactions are as follows:

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	<b>Current Quarter 31.12.2014 RM'000</b>	<b>Cumulative to date 31.12.2014 RM'000</b>
<b><u>Permodalan Nasional Berhad Group of Companies</u></b>		
- provision of container haulage, warehouse, depot and freight forwarding services	(3,504)	(13,675)
- provision of port services	(509)	(2,097)
- repairs and purchase of spare parts and supplies	173	1,419
- purchase of software	-	1,475
- interest on hire purchase	1,374	6,273
<b><u>PETRONAS Group of Companies</u></b>		
- provision of container haulage, warehouse, depot and freight forwarding services	(756)	(9,069)
- provision of port services to MISC Berhad	(3)	(182)
- provision of port services and transportation services to Petronas Dagangan Bhd	(6,283)	(37,714)
- purchase of fuel from Petronas Dagangan Bhd	8,629	52,060
<b><u>MMC Corporation Berhad Group of Companies</u></b>		
- Provision of port charges and office rental	(8)	(66)
<b><u>Government Agencies</u></b>		
- Revenue from Government related agencies	(6,567)	(15,998)
- Payment of lease rental for land to Lembaga Pelabuhan Klang	11,337	46,148

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

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## **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 2014, the port operations registered revenue of RM169.1 million, an increase of 6.8% against the fourth quarter's figure of the previous year. Container business being the main contributor of revenue registered a decrease in containers handled to 685,754 teus from 703,546 teus for the same quarter in the previous year.

The operating expenditure for the fourth quarter registered a marginal increase of 1.3% mainly due to high cost of operation incurred in the current quarter.

The profit before taxation for the current quarter registered an increase of 47.5% from RM23.6 million to RM34.8 million, compared to same quarter of previous year.

##### Analysis of Year-to-Date Performance

For the twelve months period, the port operations registered revenue of RM587.7 million, a decrease of 7.2% against the corresponding period. The drop in revenue was a result of lower container and conventional cargo throughput handled by the port. Container business being the main contributor of revenue registered a decrease in container handled to 2,574,026 teus from 2,880,140 teus for the same period previous year. The company is currently in various stages of upgrading its wharf facilities and the full capacity of the expansion is expected to gradually materialize over the short to medium term.

The operating expenditure for the twelve months period registered an increase of 11.2% mainly due to increase in depreciation charges relating to construction of Wharf 8A and related equipments and the charge for port lease rental. Port lease rental is the major contributor for the increase in expenditure due to the extended footprints under the new lease. Initiatives are in progress to extract better value from this extended footprint.

The profit before taxation for the twelve months period registered a decrease of 55.3% from RM165.6 million to RM74.0 million, compared to corresponding period previous year.

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

#### **Logistics Operations**

##### Analysis of Fourth Quarter

For the fourth quarter of 2014, the logistics operations registered revenue of RM59.6 million which was a decrease of 11.1% over the same quarter previous year. The main reason for the decline in revenue was due to the lower than targeted scale of business activities in Government and Oil and Gas business, as well as the decision that ceased the businesses that were unprofitable including cross border, trucking and distribution.

Kontena Nasional had spent this year putting the company's operations in order as it recovers from the loss situation in 2013. Its core focus has been on:-

- i) rationalizing its revenue stream by eliminating non-profitable streams of businesses;
- ii) reducing the cost of operations by reviewing its internal processes to increase efficiency and accountability;
- iii) right sizing its workforce to suit the current business size;
- iv) establish centralized vendor management system;
- v) improved financial core processes.

The initiatives have resulted in a reduction in the operating expenses registered for the fourth quarter which was lower by 4.5% compared to the same quarter last year.

Kontena Nasional registered a loss before tax of RM25.8 million for the current quarter, an increase by 16.7% compared to loss before tax of RM22.1 million in the same quarter previous year.

##### Analysis of Year-to-Date Performance

For the twelve months period, the logistics operations registered revenue of RM251.9 million which was a decrease of 11.9% against the corresponding period due to the similar reasons mentioned for the fourth quarter analysis above.

The Company has continued the process of carrying out the process and business improvements and this is expected to continue to strengthen the operations and business initiatives throughout the next year.

The initiatives carried out over the year at improving processes, reviewing and assessing long term contract and scrutinizing of significant cost have resulted in the operating expenditure for the twelve months registering a decrease by 17.2%.

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

This has resulted in a reduction in Kontena Nasional's loss before tax position from RM73.1 million as at 31 December last year to RM52.9 million this year, a reduction of 27.6%.

### **B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION**

The profit before taxation for the current quarter was RM8.9 million, compared against loss before taxation RM2.5 million registered in the preceding quarter. This was mainly due to the higher revenue registered for the fourth quarter together with lower operating expenditure, depreciation and amortization costs.

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

### **B3. COMMENTARY ON PROSPECTS**

#### a) Port Operations

The upgrading of Wharf 16 has been completed. The upgrading of Wharf 8 is expected to commence in the second quarter. Wharf 8 and together with Wharf 8A will cater for larger ships to realise its full potential by attracting larger shipping lines that require transshipment hub facility hence improving connectivity.

The Port will continue to put in its efforts to improve its container business with continuous client engagement and retention programs. Revenue growth is expected from the improved wharf capacity productivity and is expected to materialize in the short to medium term.

#### Logistics Operations

Kontena Nasional Berhad is still in the process of rationalising its revenue stream and deployment of assets. Revenue from profitable streams are expected to increase while the revenue for non-profitable streams will cease according to the rationalisation and consolidation plan.

Management has put in place several enhanced processes and will continue to improve its standard operating procedures to increase efficiency, strengthen its financial management and reporting functions. All cost control measures are in place and is expected to reduce the cost of operations.

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### B3. COMMENTARY ON PROSPECTS (continued)

- 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 31.12.2014 RM'000</b>	<b>Cumulative to date 31.12.2014 RM'000</b>
Current Income Tax Charge	1,457	(880)
Deferred Tax Charge	(1,646)	(6,591)
	<u>(189)</u>	<u>(7,471)</u>

The effective tax rate for taxation of the Group is lower than the statutory rate of taxation mainly due to the deferred tax assets recognised relating to the current period.

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### B7. CORPORATE PROPOSALS

There was no corporate proposal which was announced but not completed as at 20 February 2015.

### B8. BORROWINGS

	<b>As at 31.12.2014 RM'000</b>
<b>Short term borrowings</b>	
Secured : Hire purchase liabilities	20,649
Secured : Revolving Credit	71,202
Unsecured : Revolving Credit	105,000
	<u>196,851</u>
<b>Long term borrowings</b>	
Unsecured : Sukuk Musharakah	350,000
Secured : Hire purchase liabilities	30,379
	<u>380,379</u>
	<u>577,230</u>

### B9. CHANGES IN MATERIAL LITIGATION

As at 20 February 2015, there was no change in material litigation, including the status of pending material litigation, since the last annual statement of financial position dated 31 December 2013.

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### B10. DIVIDEND PAYABLE

Dividend:

a)

- i) No dividend has been declared for the current quarter ended 31 December 2014;
- ii) Not applicable;
- iii) Not applicable;
- iv) Not applicable; and
- v) Not applicable; and

b) The total dividend for the current financial year is an interim tax exempt dividend of 2.0 sen per ordinary shares.

### B11. EARNINGS PER SHARE

In respect of earnings per share:-

a) Basic/Diluted earnings per share

	<b>Current Quarter 31.12.2014 '000</b>	<b>Cumulative to date 31.12.2014 '000</b>
Profit Net of Tax For The Period Attributable to: Owners of the Company (RM)	9,098	29,301
Weighted average no. of ordinary shares in issue	470,253	470,253
Basic/Diluted earnings per share (Sen)	1.9	6.2

### B12. AUDIT REPORT

The audit report of the previous annual financial statement for the year ended 31 December 2013 was not subject to any qualification.



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### B13. PROFIT/(LOSS) BEFORE TAX

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

	<b>Current Quarter 31.12.2014 RM'000</b>	<b>Cumulative to date 31.12.2014 RM'000</b>
<b>Other Information</b>		
Interest income	(2,022)	(5,653)
Other income including investment income	(6,261)	(17,166)
Finance cost	2,985	7,983
Depreciation and amortisation	27,032	109,722
Provision/(Reversal) for and write off of receivables	7,414	7,265
Provision/(Reversal) for and write off of inventories	444	444
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or loss	-	46
Gain or loss on derivatives	-	-
Exceptional items	-	-

### B14. DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained earnings of the Group as at 31 December 2014 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 2014, into realized and unrealized profits, pursuant to directives, is as follows:

## NCB HOLDINGS BHD

(Company No. 475221-K)

Incorporated in Malaysia

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

	31.12.2014	31.12.2013
	RM'000	RM'000
Total retained earnings of NCB Holdings Bhd and its subsidiaries.		
- Realised	671,043	697,171
- Unrealised	90,887	77,806
	<u>761,930</u>	<u>774,977</u>
Total share of retained earnings from associates		
- Realised	7,293	6,482
- Unrealised	-	-
	<u>7,293</u>	<u>6,482</u>
	769,223	781,459
Add: Consolidation adjustments	65,008	54,037
	<u>834,231</u>	<u>835,496</u>

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

### B15. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors on 27 February 2015.