

HUBLINE BERHAD (23568-H)

Quarterly Report on Consolidated Results

For The Third Financial Quarter Ended 30 June 2009

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter	Quarter	Year to	Year to
	Ended	Ended	Date Ended	Date Ended
	30.06.09	30.06.08	30.06.09	30.06.08
	RM '000	RM '000	RM '000	RM '000
Revenue	140,682	203,441	425,280	574,090
Operating Expenses	(131,057)	(178,938)	(383,364)	(487,976)
	<hr/>	<hr/>	<hr/>	<hr/>
	9,625	24,503	41,916	86,114
Other Operating Income	11,676	6,900	16,808	17,421
Administrative expenses	(9,224)	(4,298)	(27,738)	(25,127)
Finance Cost	(5,370)	(5,538)	(18,113)	(16,911)
Share of results of Associates	(430)	(7,450)	(19,804)	(10,298)
Profit before taxation	<hr/>	<hr/>	<hr/>	<hr/>
	6,277	14,117	(6,931)	51,199
Taxation	(133)	(1,563)	(681)	(3,563)
Profit for the period	<hr/>	<hr/>	<hr/>	<hr/>
	6,144	12,554	(7,612)	47,636
Attributable to:				
Equity holders of the parent	6,144	12,554	(7,612)	34,559
Minority Interest	0	0	0	13,077
	<hr/>	<hr/>	<hr/>	<hr/>
	6,144	12,554	(7,612)	47,636
Basic earnings per share attributable to equity holders of the parent (sen)	0.49	1.03	(0.61)	3.06

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 September 2008)

HUBLINE BERHAD (23568-H)
Quarterly Report on Consolidated Results
For The Third Financial Quarter Ended 30 June 2009

CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 30.06.2009	AS AT PRECEDING FINANCIAL YEAR ENDED 30.09.2008
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	491,602	490,942
Goodwill on Consolidation	84,617	84,617
Intangible assets	164	494
Investment in Associated Companies	16,089	32,297
Other receivables	5,172	5,053
Deferred tax assets	100	63
	<u>597,744</u>	<u>613,466</u>
Current Assets		
Inventories	34,269	40,029
Trade receivables	100,781	101,642
Other receivables	68,616	49,449
Tax recoverable	4,088	2,503
Cash and bank balances	143,319	148,808
	<u>351,073</u>	<u>342,431</u>
TOTAL ASSETS	<u>948,817</u>	<u>955,897</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	249,489	249,489
Treasury Shares	(2,512)	(2,512)
Reserve	221,892	229,036
Total equity	<u>468,869</u>	<u>476,013</u>
Non-current liabilities		
Long term borrowings	330,521	302,185
Deferred tax liabilities	15,089	15,664
	<u>345,610</u>	<u>317,849</u>
Current Liabilities		
Short term borrowings	82,043	102,417
Trade payables	27,346	39,952
Other payables	24,332	17,423
Taxation	617	2,243
	<u>134,338</u>	<u>162,035</u>
Total liabilities	<u>479,948</u>	<u>479,884</u>
TOTAL EQUITY AND LIABILITIES	<u>948,817</u>	<u>955,897</u>
Net assets per share (RM)	0.38	0.38

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 September 2008)

HUBLINE BERHAD (23568-H)

Quarterly Report on Consolidated Results

For The Third Financial Quarter Ended 30 June 2009**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	YEAR TO DATE ENDED 30.06.2009 RM'000	YEAR TO DATE ENDED 30.06.2008 RM'000
(Loss)/Profit before taxation	(6,931)	51,199
Adjustments for :-		
Non-operating items	33,734	19,008
Interest expenses	18,113	16,911
Interest income	(2,350)	(2,488)
Operating profit before working capital changes	42,566	84,630
Net change in current assets	(12,664)	(11,585)
Net change in current liabilities	(5,697)	5,594
Tax paid	(4,483)	(1,826)
Interest paid	(18,113)	(16,911)
Net cash generated from operating activities	1,609	59,902
Investing activities		
Purchase of property, plant and equipment	(60,922)	(92,707)
Proceeds from sales of property, plant and equipment	43,512	61,279
Interest received	2,350	2,488
Net cash used in investing activities	(15,060)	(28,940)
Financing activities		
Bank borrowings	5,599	5,812
Disposal of treasury shares	0	(781)
Dividend paid	0	(3,730)
Net cash generated from financing activities	5,599	(1,301)
Net changes in cash and cash equivalents	(7,852)	29,661
Cash and cash equivalents at beginning of financial year	147,237	84,965
Cash and cash equivalents at end of the financial period	139,385	114,626

(The Condensed Consolidated Cash Flow statements should be read in conjunction with the Annual Financial Report for the year ended 30 September 2008)

HUBLINE BERHAD (23568-H)

Quarterly Report on Consolidated Results

For The Third Financial Quarter Ended 30 June 2009

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	< ----- Non-distributable ----- >				Distributable	Total	Minority Interest	Total Equity
	Share capital	Treasury shares	Share premium	Foreign Exchange reserve	Retained profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 01.10.2008	249,489	(2,512)	35,008	(2,973)	197,001	476,013	-	476,013
Foreign exchange differences	-	-	-	468	-	468	-	468
Net (loss)/ profit for the period	-	-	-	-	(7,612)	(7,612)	-	(7,612)
At 30.06.2009	249,489	(2,512)	35,008	(2,505)	189,389	468,869	-	468,869
At 01.10.2007	217,765	(1,731)	5,365	9	178,873	400,281	80,334	480,615
Issue of shares	31,723	-	-	-	-	31,723	-	31,723
Minority interest	-	-	-	-	-	-	(80,334)	(80,334)
Acquisition of subsidiary	-	-	30,137	-	-	30,137	-	30,137
Purchase of Treasury shares	-	(781)	-	-	-	(781)	-	(781)
Foreign exchange differences	-	-	-	(1,155)	-	(1,155)	-	(1,155)
Dividends	-	-	-	-	(3,730)	(3,730)	-	(3,730)
Net profit for the period	-	-	-	-	34,559	34,559	-	34,559
At 30.06.2008	249,488	(2,512)	35,502	(1,146)	209,702	491,034	0	491,034

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2008

NOTES TO THE INTERIM FINANCIAL REPORT – FRS 134

A1. Accounting policies

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statement of the Group for the year ended 30 September, 2008.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 30 September, 2008.

A2. Auditors' report on preceding Annual Financial Statements

The auditors' report on the Group's financial statements for the year ended 30 September 2008 was not qualified.

A3. Seasonality or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A4. Nature and amount of unusual items

There were no unusual items in the quarterly financial statement under review.

A5. Changes in estimates

There was no changes in the estimates of amounts which give a material effect in the current interim period .

A6. Debts and equity securities

There were no cancellations, repurchases, resale and repayment of debts and equity securities during the financial period under review.

A7. Dividend

No dividend has been paid during the financial period.

A8. Segmental Information

	Shipping & Related Activities RM'000	Non- Shipping RM'000	Management Services RM'000	Group RM'000
REVENUE AND RESULT				
Total revenue	371,775	53,505	0	425,280
Segment results	32,980	(816)	(1,178)	30,986
Finance costs				(18,113)
Share of results of associates				(19,804)
Taxation				(681)
Loss for the period				(7,612)

A9. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements

A10. Material events subsequent to the end of the period

There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statement for the current period.

A11. Changes in composition of the Company

There was no change in the composition of the Group during the current quarter under review.

A12. Changes in contingent liabilities or contingent assets

The contingent liabilities of the Company are as follows :

	RM'000
Corporate Guarantees given to financial institutions and third parties for credit facilities provided to subsidiaries	82,771
Share of contingent liabilities of associates	12,232
	95,003

B **EXPLANATORY NOTES OF BURSA MALAYSIA LISTING REQUIREMENTS**

B1. Review of performance

Group revenue for the cumulative nine months ended 30 June 2009 at RM 425 million is about RM 149 million lower than previous year corresponding period of RM 574 million. The drop in revenue was mainly due to lower cargo volume and declining freight rates and also drop in trading turnover as a result of slowdown in global economy. For the nine months ended 30 June 2009, the Group incurred a loss before tax of RM 6.9 million compared to profit before tax of RM 51million recorded in the previous year corresponding period. The loss was mainly due to share of losses in associated companies in Thailand.

B2. Comparison with preceding quarter's results

The Group recorded a pre-tax profit of RM 6.3 million in the third quarter compared to the pre-tax loss of RM 14 million in the preceding quarter. The return to profit in the current quarter was mainly due to lower losses of RM 0.4 million incurred by associated companies in Thailand in the current quarter compare to a loss of RM 14.4 million in the preceding quarter.

B3. Prospects

The general outlook for both the container shipping business and dry-bulk markets for the remaining financial year is expected to be challenging in view of the uncertainty in the global economy. The Board and the management have taken steps to contain cost and to rationalize the services to minimize the impact of the global economic slowdown.

B4. Variance of actual profit from forecast profit and shortfall in profit guarantee

Not applicable as the Group did not issue any profit forecast and /or profit guarantee for the quarter.

B5. Taxation

	October 2008- June 2009 RM'000
Income tax charge	
- current period	(1,356)
Deferred taxation	675
	<hr/>
	681
	<hr/>

The income of the Group that is derived from the operations of sea-going Malaysian registered ships is tax exempt under Section 54A of the Income Tax Act, 1967. The taxation charge for the Group is attributable to tax in respect non-tax exempt activities of the Group.

B6. Sales of unquoted investment and/or properties

There are no sales of unquoted investment and/or properties during the current quarter and financial year to date.

B7. Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities during the current quarter.

Particulars of investments in quoted securities as at 30 June 2009 are as follows:-

	RM'000
<u>Quoted Shares</u>	
At cost	<u>30,018</u>
At book value	<u>16,089</u>
At market value	<u>4,480</u>

B8. Status of corporate proposals

On 24 July 2009, the Group announced that the Group proposed to undertake a renounceable rights issue of up to 623,721,421 new ordinary shares of RM 0.20 each in Hubline (“Rights Shares”) together with up to 623,721,421 free detachable warrants (“Warrants”) on the basis of one(1) Rights Share together with one (1) Warrant for every two (2) existing ordinary shares of RM 0.20 each in Hubline on an entitlement date to be determined later.

The proposed Rights Issue is subject to approvals by shareholders and relevant authorities.

B9. Group borrowings and debt securities

Details of the Group’s borrowings at the end of the reporting period :

	RM’000
Short term borrowings:	
- secured	4,522
- unsecured	77,521
Total	82,043
Long term borrowings :	
- secured	330,521

B10. Off balance sheet financial instruments

There are no financial instruments with off balance sheet risk at the date of this quarterly report.

B11. Material litigation

Save as disclosed below, Hubline and its subsidiaries, are not engaged in any litigation, claims or arbitration, either as plaintiff or defendant and do not know of any proceedings pending or threatened or of any fact which may materially affect their income from, title to or possession of any of their assets and /or businesses.

There is a potential claim by the owners of “MV Antwerpen” against Highline Pacific Sdn Bhd (“**Highline Pacific**”), subsidiary of Highline Shipping, for the amount of USD1.2 million for loss of hire and USD65,000.00 for hull damage arising from the collision of barge “Everline 7” towed by tug “Everline 3” on 7 September 2007 with “MV Antwerpen” which was allegedly anchored at location 01 44.35N/ 104 28 19 E. “Everline 7” is currently insured for hull and machinery for RM4.4 million and lawyers have been engaged by the underwriters of the insurance policy for Highline Pacific and the underwriters. A limitation action has been filed by the said lawyers in the Malaysian courts pursuant to the 1957 International Convention relating to the Limitation of the Liability of Owners of Sea-Going Ships and Protocol of Signature which would allow Highline Pacific to limit their liability to approximately RM54,794,50.

The Board is of the opinion that the claim does not have any material financial impact on the Highline Shipping Group as it is sufficiently insured.

B12. Dividend declared

The Directors do not recommend any dividend for the quarter under review.

B13. Earnings per share**(a) Basic**

Basic earnings per share is calculated by dividing the net profit for the quarter/year by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.06.2009	Quarter Ended 30.06.2008	Year to Date ended 30.06.2009	Year to Date ended 30.06.2008
Net (loss) / profit attributable to equity holders of the parent (RM'000)	6,144	12,554	(7,612)	34,559
Weighted average no. of ordinary shares ('000)	1,243,353	1,220,693	1,243,353	1,130,363
Basic earnings per share attributable to equity holders of the parent (sen)	0.49	1.03	(0.61)	3.06

(b) Diluted

The Group has no potential ordinary shares in issue for the quarter under review, and therefore there is no diluted earnings per share.

B14. Commitments

Commitments as at 30 June 2009, in foreign currency and its equivalent in RM is as follows:

Bareboat charter commitments

	USD '000	RM '000
Less than 1 year	6,139	21,600
1 to 5 years	15,497	54,526
Over 5 years	11,697	41,156
Total	33,333	117,156

B15 Authority for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 August 2009.