

**HUBLINE BERHAD (23568-H)**

Quarterly Report on Consolidated Results

For The Fourth Financial Quarter Ended 30 September 2009

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Quarter</b>	<b>Quarter</b>	<b>Year to</b>	<b>Year to</b>
	<b>Ended</b>	<b>Ended</b>	<b>Date Ended</b>	<b>Date Ended</b>
	<b>30.09.09</b>	<b>30.09.08</b>	<b>30.09.09</b>	<b>30.09.08</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Revenue</b>	146,816	226,468	572,096	800,558
Operating Expenses	(135,779)	(233,496)	(519,143)	(721,472)
	<u>11,037</u>	<u>(7,028)</u>	<u>52,953</u>	<u>79,086</u>
Other Operating Income	15,382	47,102	32,190	64,523
Administrative expenses	(11,779)	(43,925)	(39,517)	(69,052)
Finance Cost	(6,355)	(5,524)	(24,468)	(22,435)
Share of results of Associates	0	(1,557)	(19,804)	(11,855)
<b>Profit/(loss) before taxation</b>	<u>8,285</u>	<u>(10,932)</u>	<u>1,354</u>	<u>40,267</u>
Taxation	251	(1,770)	(430)	(5,332)
<b>Profit/(loss) for the period</b>	<u><u>8,536</u></u>	<u><u>(12,702)</u></u>	<u><u>924</u></u>	<u><u>34,935</u></u>
Attributable to:				
Equity holders of the parent	8,536	(12,702)	924	21,857
Minority Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,078</u>
	<u><u>8,536</u></u>	<u><u>(12,702)</u></u>	<u><u>924</u></u>	<u><u>34,935</u></u>
<b>Basic earnings per share</b> <b>attributable to equity holders of</b> <b>the parent (sen)</b>	0.69	(1.02)	0.07	1.89

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

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For The Fourth Financial Quarter Ended 30 September 2009

**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>AS AT END OF CURRENT QUARTER 30.09.2009</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 30.09.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	464,240	490,942
Goodwill on Consolidation	84,617	84,617
Intangible assets	57	494
Investment in Associated Companies	16,963	32,297
Other receivables	5,122	5,053
Deferred tax assets	278	63
	<u>571,277</u>	<u>613,466</u>
<b>Current Assets</b>		
Inventories	35,725	40,029
Trade receivables	103,884	101,642
Other receivables	87,664	49,449
Tax recoverable	4,948	2,503
Cash and bank balances	169,712	148,808
	<u>401,933</u>	<u>342,431</u>
<b>TOTAL ASSETS</b>	<u><b>973,210</b></u>	<u><b>955,897</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	249,489	249,489
Treasury Shares	(2,512)	(2,512)
Reserve	230,163	229,036
<b>Total equity</b>	<u><b>477,140</b></u>	<u><b>476,013</b></u>
<b>Non-current liabilities</b>		
Long term borrowings	329,848	302,185
Deferred tax liabilities	13,922	15,664
	<u>343,770</u>	<u>317,849</u>
<b>Current Liabilities</b>		
Short term borrowings	85,465	102,417
Trade payables	25,390	39,952
Other payables	41,433	17,423
Taxation	12	2,243
	<u>152,300</u>	<u>162,035</u>
<b>Total liabilities</b>	<u><b>496,070</b></u>	<u><b>479,884</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>973,210</b></u>	<u><b>955,897</b></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 Fourth Financial Quarter Ended 30 September 2009**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>YEAR TO DATE ENDED 30.09.2009 RM'000</b>	<b>YEAR TO DATE ENDED 30.09.2008 RM'000</b>
Profit before taxation	1,354	40,267
Adjustments for :-		
Non-operating items	32,853	5,983
Interest expenses	24,468	22,435
Interest income	(2,478)	(3,345)
Operating profit before working capital changes	56,197	65,340
Net change in current assets	(36,639)	(7,088)
Net change in current liabilities	9,447	22,313
Tax paid	(7,011)	(4,243)
Interest paid	(24,468)	(22,435)
<b>Net cash generated from operating activities</b>	<b>(2,474)</b>	<b>53,887</b>
Investing activities		
Purchase of property, plant and equipment	(64,644)	(79,132)
Proceeds from sales of property, plant and equipment	74,833	73,592
Interest received	2,478	3,345
<b>Net cash used in investing activities</b>	<b>12,667</b>	<b>(2,195)</b>
Financing activities		
Bank borrowings	8,829	15,091
Disposal of treasury shares	0	(781)
Dividend paid	0	(3,730)
<b>Net cash generated from financing activities</b>	<b>8,829</b>	<b>10,580</b>
Net changes in cash and cash equivalents	19,022	62,272
Cash and cash equivalents at beginning of financial year	147,237	84,965
<b>Cash and cash equivalents at end of the financial period</b>	<b>166,259</b>	<b>147,237</b>

**(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 Fourth Financial Quarter Ended 30 September 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
<b>At 01.10.2008</b>	249,489	(2,512)	35,008	(2,973)	197,001	476,013	-	476,013
Foreign exchange differences	-	-	-	203	-	203	-	203
Net (loss)/ profit for the period	-	-	-	-	924	924	-	924
<b>At 30.09.2009</b>	<b>249,489</b>	<b>(2,512)</b>	<b>35,008</b>	<b>(2,770)</b>	<b>197,925</b>	<b>477,140</b>	<b>-</b>	<b>477,140</b>
<b>At 01.10.2007</b>	217,765	(1,731)	5,365	8	178,874	400,281	80,334	480,615
Issue of shares	31,724	-	29,643	-	-	61,367	(93,412)	(32,045)
Purchase of Treasury shares	-	(781)	-	-	-	(781)	-	(781)
Foreign exchange differences	-	-	-	(2,981)	-	(2,981)	-	(2,981)
Dividends	-	-	-	-	(3,730)	(3,730)	-	(3,730)
Net profit for the period	-	-	-	-	21,857	21,857	13,078	34,935
<b>At 30.09.2008</b>	<b>249,489</b>	<b>(2,512)</b>	<b>35,008</b>	<b>(2,973)</b>	<b>197,001</b>	<b>476,013</b>	<b>0</b>	<b>476,013</b>

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

**HUBLINE BERHAD (23568-H)**

Quarterly Report on Consolidated Results

For The Fourth Financial Quarter Ended 30 September 2009

**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.

The following Financial Reporting Standards (“FRS”), amendments to FRSs and IC Interpretations have been issued by the Malaysian Accounting Standard Board (“MASB”) but are not yet effective:

FRS 4	Insurance contracts
FRS 7	Financial Instruments: Disclosures
FRS 123	Borrowing costs
FRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidation and Separate Financial Statements : Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Share-based Payment – Vesting Conditions and Cancellations

All the new FRSs, amendments and IC Interpretations above are effective from 1 January 2010.

**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 issuances, 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	508,475	63,621	0	572,096
Segment results	48,150	(947)	(1,577)	45,626
Finance costs				(24,468)
Share of results of associates				(19,804)
Taxation				(430)
Profit for the period				924

**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	87,083
Share of contingent liabilities of associates	12,014
	99,097

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

**B1. Review of performance**

Group revenue for the for the financial year ended 30 September 2009 at RM 572 million is about RM 229 million lower than previous year corresponding period of RM 801 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. Profit before tax (PBT) for the financial year ended 30 September 2009 was RM 1.4 million compared to RM 40.3 million recorded in the previous year corresponding period. The decrease in PBT was mainly due to lower revenue and share of loss in associated companies.

**B2. Comparison with preceding quarter's results**

The Group recorded a pre-tax profit of RM 8.3 million in the final quarter compared to the pre-tax profit of RM 6.3 million in the preceding quarter. The increase in profit in the current quarter was mainly due to higher revenue.

**B3. Prospects**

The general outlook for both the container shipping business and dry-bulk markets is expected to be challenging in view of the uncertain global economic conditions. The Board and the management will continue to take 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- September 2009 RM'000
Income tax charge	
- current period	(2,449)
Deferred taxation	2,019
	<u>430</u>

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 September 2009 are as follows:-

	RM'000
<u>Quoted Shares</u>	
At cost	<u>27,751</u>
At book value	<u>16,963</u>
At market value	<u>4,960</u>

**B8. Status of corporate proposals**

The Group's 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 was successfully completed on 11 November 2009 when the Rights Shares and Warrants was listed on Bursa Malaysia Securities Berhad .

The Group's issued and paid-up capital increased from 1,247,442,842 ordinary shares of RM 0.20 each to 1,869,119,263 ordinary shares of RM 0.20 each upon completion of the Rights Issue exercise.

**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	4,731
- unsecured	80,734
Total	85,465
Long term borrowings :	
- secured	329,848

**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 Antwerpem" 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 30.09.2009	Quarter Ended 30.09.2008	Year to Date ended 30.09.2009	Year to Date ended 30.09.2008
Net (loss) / profit attributable to equity holders of the parent (RM'000)	8,536	(12,702)	924	21,857
Weighted average no. of ordinary shares ('000)	1,243,353	1,243,353	1,243,353	1,155,108
Basic earnings per share attributable to equity holders of the parent (sen)	0.69	(1.02)	0.07	1.89

**(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 September 2009, in foreign currency and its equivalent in RM is as follows:

Bareboat charter commitments

	USD '000	RM '000
Less than 1 year	5,529	19,267
1 to 5 years	15,338	53,446
Over 5 years	10,475	36,499
Total	31,342	109,212

**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 26 November 2009.