

HUBLINE BERHAD (23568-H)

Quarterly Report on Consolidated Results

For The Second Financial Quarter Ended 31 March 2010

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31.03.10 RM '000	Quarter Ended 31.03.09 RM '000	Year to Date Ended 31.03.10 RM '000	Year to Date Ended 31.03.09 RM '000
Revenue	148,843	133,353	286,575	284,599
Operating Expenses	(134,778)	(117,308)	(259,744)	(252,307)
	<u>14,065</u>	<u>16,045</u>	<u>26,831</u>	<u>32,292</u>
Other Operating Income	397	899	3,655	5,132
Administrative expenses	(7,694)	(9,337)	(16,519)	(18,514)
Finance Cost	(4,730)	(6,937)	(9,512)	(12,743)
Share of results of Associates	(303)	(15,046)	(1,102)	(19,374)
Profit/(loss) before taxation	<u>1,735</u>	<u>(14,376)</u>	<u>3,353</u>	<u>(13,207)</u>
Taxation	(576)	(200)	(795)	(549)
Profit/(loss) for the period	<u><u>1,159</u></u>	<u><u>(14,576)</u></u>	<u><u>2,558</u></u>	<u><u>(13,756)</u></u>
Attributable to:				
Equity holders of the parent	1,159	(14,576)	2,558	(13,756)
Minority Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>1,159</u></u>	<u><u>(14,576)</u></u>	<u><u>2,558</u></u>	<u><u>(13,756)</u></u>
Earnings per share attributable to equity holders of the parent (sen)				
Basic (sen)	0.06	(1.17)	0.15	(1.11)
Diluted (sen)	0.05	-	0.11	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 September 2009)

HUBLINE BERHAD (23568-H)

Quarterly Report on Consolidated Results

For The Second Financial Quarter Ended 31 March 2010

CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 31.03.2010	AS AT PRECEDING FINANCIAL YEAR ENDED 30.09.2009
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	589,116	468,958
Goodwill on Consolidation	84,617	84,617
Intangible assets	58	57
Investment in Associated Companies	14,300	15,707
Other receivables	4,796	5,088
Deferred tax assets	426	381
	693,313	574,808
Current Assets		
Inventories	38,038	35,628
Trade receivables	118,312	98,983
Other receivables	78,503	72,230
Short term investment	30,000	-
Tax recoverable	5,869	4,626
Cash and bank balances	173,976	168,877
	444,698	380,344
TOTAL ASSETS	1,138,011	955,152
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	373,824	249,489
Treasury Shares	(2,512)	(2,512)
Reserve	235,291	230,104
Total equity	606,603	477,081
Non-current liabilities		
Long term borrowings	369,612	293,483
Deferred tax liabilities	13,478	13,679
	383,090	307,162
Current Liabilities		
Short term borrowings	101,155	120,462
Trade payables	26,135	27,695
Other payables	20,022	22,700
Taxation	1,006	52
	148,318	170,909
Total liabilities	531,408	478,071
TOTAL EQUITY AND LIABILITIES	1,138,011	955,152
Net assets per share (RM)	0.32	0.38

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 September 2009)

HUBLINE BERHAD (23568-H)

Quarterly Report on Consolidated Results

For The Second Financial Quarter Ended 31 March 2010**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	YEAR TO DATE ENDED 31.03.2010 RM'000	YEAR TO DATE ENDED 31.03.2009 RM'000
Profit before taxation	3,353	(13,207)
Adjustments for :-		
Non-operating items	25,624	33,546
Interest expenses	9,512	12,743
Interest income	(845)	(937)
Operating profit before working capital changes	37,644	32,145
Net change in current assets	(27,720)	(1,522)
Net change in current liabilities	(4,238)	(8,637)
Tax paid	(1,332)	(585)
Interest paid	(9,512)	(12,743)
Net cash generated from operating activities	(5,158)	8,658
Investing activities		
Purchase of property, plant and equipment	(144,210)	(39,708)
Proceeds from sales of property, plant and equipment	2,466	16,794
Short term investment	(30,000)	0
Interest received	845	937
Net cash used in investing activities	(170,899)	(21,977)
Financing activities		
Bank borrowings	57,960	12,613
Proceeds from rights issue	124,335	0
Net cash generated from financing activities	182,295	12,613
Net changes in cash and cash equivalents	6,238	(706)
Cash and cash equivalents at beginning of financial year	165,433	147,237
Cash and cash equivalents at end of the financial period	171,671	146,531

(The Condensed Consolidated Cash Flow statements should be read in conjunction with the Annual Financial Report for the year ended 30 September 2009)

HUBLINE BERHAD (23568-H)

Quarterly Report on Consolidated Results

For The Second Financial Quarter Ended 31 March 2010**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	< ----- Non-distributable ----- >				<u>Distributable</u>	
	Share capital	Treasury shares	Share premium	Foreign Exchange reserve	Retained profit	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 01.10.2009	249,489	(2,512)	35,008	(2,837)	197,933	477,081
Foreign exchange differences	-	-	-	2,629	-	2,629
Proceeds from rights issue	124,335					124,335
Net profit for the period	-	-	-	-	2,558	2,558
At 31.03.2010	<u>373,824</u>	<u>(2,512)</u>	<u>35,008</u>	<u>(208)</u>	<u>200,491</u>	<u>606,603</u>
At 01.10.2008	249,489	(2,512)	35,008	(2,973)	197,001	476,013
Foreign exchange differences	-	-	-	2,282	-	2,282
Net profit for the period	-	-	-	-	(13,756)	(13,756)
At 31.03.2009	<u>249,489</u>	<u>(2,512)</u>	<u>35,008</u>	<u>(691)</u>	<u>183,245</u>	<u>464,539</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2009

HUBLINE BERHAD (23568-H)

Quarterly Report on Consolidated Results

For The Second Financial Quarter Ended 31 March 2010

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, 2009.

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 2009.

A2. Auditors' report on preceding Annual Financial Statements

The auditors' report on the Group's financial statements for the year ended 30 September 2009 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	247,342	39,233	0	286,575
Segment results	13,696	141	130	13,967
Finance costs				(9,512)
Share of results of associates				(1,102)
Taxation				(795)
Profit for the period				2,558

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 changes 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	83,842
Share of contingent liabilities of associates	11,020
	<u>94,862</u>

B EXPLANATORY NOTES OF BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

Group revenue for the cumulative six months ended 31 March 2010 at RM 287 million is about RM 2 million higher than previous year corresponding period of RM 285 million. The increase in revenue was mainly due to increase in shipping revenue . Profit before tax (PBT) for the first half ended 31 March 2010 was RM 3.4 million compared to a pre-tax loss RM 13.2 million recorded in the previous year corresponding period mainly due to reduction in share of losses in associated companies from RM 19.4 million to 1.1 million

B2. Comparison with preceding quarter's results

The Group recorded a pre-tax profit of RM 1.7 million in the second quarter compared to the pre-tax profit of RM 1.6 million in the preceding quarter.

B3. Prospects

The general outlook for both the container shipping business and dry-bulk markets is expected to be challenging as the uncertain global economic conditions continue to exert competitive pressures on the shipping industry. In recognizing these pressures, the Board and the Management will continue to take steps to contain costs and to improve our competitiveness and seize opportunities that may arise in the wake of the crisis.

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

	Quarter ended 31 March 2010 RM'000	Year to date 31 March 2010 RM'000
Income tax charge	(562)	(1,041)
Deferred taxation	(14)	246
	<u>(576)</u>	<u>(795)</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 31 March 2010 are as follows:-

	RM'000
<u>Quoted Shares</u>	
At cost	<u>27,751</u>
At book value	<u>14,300</u>
At market value	<u>4,589</u>

B8. Status of corporate proposals

There were no corporate proposals announced or not completed by the Group as at the date of this report.

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	7,563
- unsecured	<u>93,592</u>
Total	<u>101,155</u>
Long term borrowings :	
- secured	<u><u>369,612</u></u>

B10. Off balance sheet financial instruments

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

B11. Material litigation

The material litigation previously disclosed as below had been settled in April 2010 under insurance cover.

*“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.”*

Save as disclosed above, the Group 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.

B12. Dividend declared

The Board’s recommendation of a final tax-exempt of 0.2 sen per ordinary share was approved by the shareholders at the Annual General meeting held on 31 March 2010. The proposed dividend will be paid on 31 May 2010.

B13. Earnings per share

	Individual quarter		Cumulative quarter	
	Quarter Ended 31.03.2010	Quarter Ended 31.03.2009	Year to Date ended 31.03.2010	Year to Date ended 31.03.2009
Net profit attributable to equity holders of the parent (RM’000)	1,159	(14,576)	2,558	(13,756)
Weighted average no. of ordinary shares in issue (‘000)	1,865,029	1,243,353	1,724,981	1,243,353
Effect on dilution:				
Assume full exercise of warrants (‘000)	621,676	-	621,676	-
Adjusted weighted average number of ordinary shares in issue and issuable (‘000)	2,486,705	-	2,346,657	-
Basic earnings per share (sen)	0.06	(1.17)	0.15	(1.11)
Diluted earnings per share(sen)	0.05	-	0.11	-

B14 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 27 May 2010.