

HUBLINE BERHAD (23568-H)
 Quarterly Report on Consolidated Results
 For The Third Financial Quarter Ended 30 June 2010

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.06.10	Quarter Ended 30.06.09	Year to Date Ended 30.06.10	Year to Date Ended 30.06.09
	RM '000	RM '000	RM '000	RM '000
Revenue	166,418	140,682	452,993	425,280
Operating Expenses	(150,747)	(131,057)	(410,491)	(383,364)
	<u>15,671</u>	<u>9,625</u>	<u>42,502</u>	<u>41,916</u>
Other Operating Income	3,322	11,676	6,977	16,808
Administrative expenses	(11,029)	(9,224)	(27,548)	(27,738)
Finance Cost	(4,586)	(5,370)	(14,098)	(18,113)
Share of results of Associates	(783)	(430)	(1,885)	(19,804)
Profit/(loss) before taxation	<u>2,595</u>	<u>6,277</u>	<u>5,948</u>	<u>(6,931)</u>
Taxation	(528)	(133)	(1,323)	(681)
Profit/(loss) for the period	<u><u>2,067</u></u>	<u><u>6,144</u></u>	<u><u>4,625</u></u>	<u><u>(7,612)</u></u>
Attributable to:				
Equity holders of the parent	2,067	6,144	4,625	(7,612)
Minority Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>2,067</u></u>	<u><u>6,144</u></u>	<u><u>4,625</u></u>	<u><u>(7,612)</u></u>
Earnings per share attributable to equity holders of the parent (sen)				
Basic (sen)	0.11	0.49	0.26	(0.61)
Diluted (sen)	N/A	N/A	N/A	N/A

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

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For The Third Financial Quarter Ended 30 June 2010

CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 30.06.2010	AS AT PRECEDING FINANCIAL YEAR ENDED 30.09.2009
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	596,770	468,958
Goodwill on Consolidation	84,617	84,617
Intangible assets	58	57
Investment in Associated Companies	13,477	15,707
Other receivables	4,758	5,088
Deferred tax assets	496	381
	700,176	574,808
Current Assets		
Inventories	36,312	35,628
Trade receivables	107,412	98,983
Other receivables	81,659	72,230
Short term investment	28,333	-
Tax recoverable	6,035	4,626
Cash and bank balances	174,497	168,877
	434,248	380,344
TOTAL ASSETS	1,134,424	955,152
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	373,824	249,489
Treasury Shares	(3,253)	(2,512)
Reserve	223,820	230,105
Total equity	594,391	477,081
Non-current liabilities		
Long term borrowings	276,509	293,483
Long term payables	80,569	0
Deferred tax liabilities	13,298	13,679
	370,376	307,162
Current Liabilities		
Short term borrowings	116,500	120,462
Trade payables	29,925	27,695
Other payables	22,668	22,700
Taxation	564	52
	169,657	170,909
Total liabilities	540,033	478,071
TOTAL EQUITY AND LIABILITIES	1,134,424	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
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	YEAR TO DATE ENDED 30.06.2010 RM'000	YEAR TO DATE ENDED 30.06.2009 RM'000
Profit before taxation	5,948	(6,931)
Adjustments for :-		
Non-operating items	28,266	33,734
Interest expenses	14,098	18,113
Interest income	(1,471)	(2,350)
Operating profit before working capital changes	46,841	42,566
Net change in receivables	(17,313)	(12,664)
Net change in payables	82,767	(5,697)
Tax paid	(2,716)	(4,483)
Interest paid	(14,098)	(18,113)
Net cash generated from operating activities	95,481	1,609
Investing activities		
Purchase of property, plant and equipment	(166,523)	(60,922)
Proceeds from sales of property, plant and equipment	4,597	43,512
Short term investment	(28,333)	0
Interest received	1,471	2,350
Net cash used in investing activities	(188,788)	(15,060)
Financing activities		
Bank borrowings	(19,685)	5,599
Purchase of treasury shares	(741)	0
Dividend paid	(3,730)	0
Proceeds from rights issue	124,335	0
Net cash generated from financing activities	100,179	5,599
Net changes in cash and cash equivalents	6,872	(7,852)
Cash and cash equivalents at beginning of financial year	165,433	147,237
Cash and cash equivalents at end of the financial period	172,305	139,385

Cash and cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	174,497	143,319
Bank overdraft	(2,192)	(3,934)
Cash and cash equivalents	172,305	139,385

(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 Third Financial Quarter Ended 30 June 2010**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<u>< ----- Non-distributable ----- ></u>				<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	-	-	-	(7,179)	-	(7,179)
Proceeds from rights issue	124,335	-	-	-	-	124,335
Purchase of treasury shares	-	(741)	-	-	-	(741)
Dividend paid	-	-	-	-	(3,730)	(3,730)
Net profit for the period	-	-	-	-	4,625	4,625
At 30.06.2010	373,824	(3,253)	35,008	(10,016)	198,828	594,391
At 01.10.2008	249,489	(2,512)	35,008	(2,973)	197,001	476,013
Foreign exchange differences	-	-	-	468	-	468
Net loss for the period	-	-	-	-	(7,612)	(7,612)
At 30.06.2009	249,489	(2,512)	35,008	(2,505)	189,389	468,869

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

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.

A limited review on this Quarterly Report has been undertaken by the Company's external auditors.

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, except for the adoption of FRS 8: Operating Segments from financial period beginning on 1 October 2009. As this is a disclosure standard, there is no impact on the financial position or results of the Group. This new standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal report purposes.

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

During the quarter under review, the Company has purchased a total of 4,271,200 ordinary shares of its issued share capital from the open market at an average price of RM 0.17 per share. The total consideration paid for the purchase including transaction cost was RM 741,280 and was financed by internally generated funds. The shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965. As at 30 June 2010, the total number of ordinary shares purchased and held as treasury shares were 8,361,200 shares.

Other than the above, there were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the financial period under review.

A7. Dividend

Dividend paid during the financial period was RM 3,730,058.

A8. Segmental Information

	Shipping & Related Activities RM'000	Non- Shipping RM'000	Management Services RM'000	Group RM'000
REVENUE AND RESULT				
Total revenue	368,825	84,168	0	452,993
Segment results	21,538	422	(29)	21,931
Finance costs				(14,098)
Share of results of associates				(1,885)
Taxation				(1,323)
Profit for the period				4,625

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	83,302
Share of contingent liabilities of associates	10,902
	<u>94,204</u>

B EXPLANATORY NOTES OF BURSA MALAYSIA LISTING REQUIREMENTS**B1. Review of performance**

Group revenue for the cumulative nine months ended 30 June 2010 at RM 453 million is about RM 28 million higher than previous year corresponding period of RM 425 million. The increase in revenue was mainly due to higher turnover in trading activities. Profit before tax for the period ended 30 June 2010 was RM 5.9 million compared to a pre-tax loss RM 6.9 million recorded in the previous year corresponding period mainly due to increase in revenue and reduction in share of losses in associated companies from RM 19.8 million to 1.9 million.

B2. Comparison with preceding quarter's results

The Group recorded a pre-tax profit of RM 2.6 million in the third quarter compared to the pre-tax profit of RM 1.7million in the preceding quarter.

B3. Prospects

The general outlook for both the container shipping business and dry-bulk markets, albeit showing signs of improvement, 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.

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 30 June 2010 RM'000	Year to date 30 June 2010 RM'000
Income tax charge	(778)	(1,819)
Deferred taxation	250	496
	<u>(528)</u>	<u>(1,323)</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 June 2010 are as follows:-

	RM'000
<u>Quoted Shares</u>	
At cost	<u>25,776</u>
At book value	<u>13,477</u>
At market value	<u>4,378</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	70,062
- unsecured	46,438
Total	<u>116,500</u>
Long term borrowings :	
- secured	<u>276,509</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 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.”

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 did not recommend any dividend for the quarter under review.

B13. Earnings per share

	Individual quarter		Cumulative quarter	
	Quarter Ended	Quarter Ended	Year to Date ended	Year to Date ended
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
(a) Basic earnings per share				
Net profit attributable to equity holders of the parent (RM'000)	2,067	6,144	4,625	(7,612)
Issued ordinary shares at 1 April / 1 October ('000)	1,243,353	1,243,353	1,243,353	1,243,353
Effect of rights issue/shares buy-back ('000)	620,507	-	554,772	-
Weighted average number of ordinary shares at 30 June ('000)	1,863,860	1,243,353	1,798,125	1,243,353
Basic earnings per share (sen)	0.11	0.49	0.26	(0.61)
(b) Diluted earnings per share				

The diluted earnings per share are not shown, as the effect of the warrants on the basic earnings per share is anti-dilutive.

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 August 2010.