

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial year ended 30 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.09.11 RM '000	Preceding Year Quarter Ended 30.09.10 RM '000	Current Year To Date 30.09.11 RM '000	Preceding Year To Date 30.09.10 RM '000
<b>Revenue</b>	112,251	150,364	560,350	634,443
Operating Expenses	(98,415)	(140,642)	(489,424)	(588,839)
	<u>13,836</u>	<u>9,722</u>	<u>70,926</u>	<u>45,604</u>
Other Operating Income	1,348	8,768	7,675	32,453
Administrative and Other Expenses	(89,916)	(8,261)	(135,855)	(40,880)
Finance Cost	(7,491)	(4,869)	(26,628)	(25,190)
Share of results of Associates	-	(1,202)	-	(3,133)
<b>(Loss)/ Profit before taxation</b>	<u>(82,223)</u>	<u>4,158</u>	<u>(83,882)</u>	<u>8,854</u>
Taxation	(1,684)	850	17,339	96
<b>(Loss)/ Profit for the period</b>	<u>(83,907)</u>	<u>5,008</u>	<u>(66,543)</u>	<u>8,950</u>
Other comprehensive income:				
Currency translation differences	5,071	(20,629)	2,443	(27,807)
Net (Loss)/Gain on available for sale financial assets	(713)	-	(1,291)	-
<b>Total Comprehensive income for the period</b>	<u>(79,549)</u>	<u>(15,621)</u>	<u>(65,391)</u>	<u>(18,857)</u>
Profit attributable to:				
Equity holders of the parent	(83,907)	5,008	(66,543)	8,950
Minority Interest	-	-	-	-
	<u>(83,907)</u>	<u>5,008</u>	<u>(66,543)</u>	<u>8,950</u>
Total comprehensive income attributable to:				
Equity holders of the parent	(79,549)	(15,621)	(65,391)	(18,857)
Minority Interest	-	-	-	-
	<u>(79,549)</u>	<u>(15,621)</u>	<u>(65,391)</u>	<u>(18,857)</u>
<b>Earnings per share attributable to equity holders of the parent (sen)</b>				
<b>Basic</b>	-4.52	0.27	-3.59	0.50
<b>Diluted</b>	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 September 2010)

**HUBLINE BERHAD**  
(Company No:23568-H)

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial year ended 30 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011**

	<b>AS AT END OF CURRENT QUARTER 30.09.2011 RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 30.09.2010 RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	571,000	608,356
Prepaid Land Lease Payments	10,709	10,343
Goodwill on Consolidation	84,617	84,617
Intangible assets	2,581	2,396
Available for Sale Investments	4,004	13,197
Other receivables	4,688	4,536
Deferred tax assets	19,706	2,178
	<u>697,305</u>	<u>725,623</u>
<b>Current Assets</b>		
Inventories	31,450	40,668
Trade receivables	115,502	112,078
Other receivables	86,079	76,117
Tax recoverable	6,882	5,985
Cash and bank balances	122,129	163,676
	<u>362,042</u>	<u>398,524</u>
<b>TOTAL ASSETS</b>	<u>1,059,347</u>	<u>1,124,147</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	334,747	334,747
Treasury Shares	(4,192)	(4,192)
Reserves	159,053	244,957
<b>Total equity</b>	<u>489,608</u>	<u>575,512</u>
<b>Non-current liabilities</b>		
Long term borrowings	269,179	313,272
Deferred tax liabilities	12,297	12,784
	<u>281,476</u>	<u>326,056</u>
<b>Current Liabilities</b>		
Short term borrowings	248,819	175,061
Trade payables	18,169	29,902
Other payables	21,012	17,304
Taxation	263	312
	<u>288,263</u>	<u>222,579</u>
<b>Total liabilities</b>	<u>569,739</u>	<u>548,635</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,059,347</u>	<u>1,124,147</u>
Net assets per share (RM)	0.26	0.31

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 September 2010)

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial year ended 30 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	<b>CURRENT YEAR TO DATE ENDED 30.09.2011 RM'000</b>	<b>PRECEDING YEAR TO DATE ENDED 30.09.2010 RM'000</b>
(Loss)/Profit before taxation	(83,882)	8,854
Adjustments for :-		
Non-operating items	133,031	38,741
Interest expenses	26,628	25,190
Interest income	(1,555)	(3,140)
Operating profit before working capital changes	74,222	69,645
Net change in current assets	(13,271)	(13,451)
Net change in current liabilities	(8,025)	(3,188)
Tax paid	(1,623)	(3,695)
Interest paid	(26,628)	(25,190)
<b>Net cash generated from/ (used in) operating activities</b>	<b>24,675</b>	<b>24,121</b>
Investing activities		
Purchase of property, plant and equipment	(129,148)	(105,607)
Proceeds from sales of property, plant and equipment	29,263	25,109
Prepayment of land lease	0	(10,343)
Interest received	1,555	3,140
<b>Net cash (used in)/generated from investing activities</b>	<b>(98,330)</b>	<b>(87,701)</b>
Financing activities		
Bank borrowings	28,368	(30,250)
Purchase of treasury shares	0	(1,680)
Dividend paid	0	(3,730)
Proceeds from issuance of rights	0	122,697
<b>Net cash (used in)/generated from financing activities</b>	<b>28,368</b>	<b>87,037</b>
Net changes in cash and cash equivalents	(45,287)	23,457
Cash and cash equivalents at beginning of financial period	161,083	165,433
Effects of Exchange Rate Changes	2,443	(27,807)
<b>Cash and cash equivalents at end of the financial period</b>	<b>118,239</b>	<b>161,083</b>

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

Cash and bank balances	122,129	163,676
Bank overdraft	(3,890)	(2,593)
<b>Cash and cash equivalents</b>	<b>118,239</b>	<b>161,083</b>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2010)**

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial year ended 30 September 2011

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	< ----- Attributable to Equity Holders of the Parent ----- >						Retained profit	Total Equity	Minority Interest	Total Equity
	Share capital	Warrant reserve	Treasury shares	Share premium	Fair value adjustment reserve	Foreign Exchange reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>YEAR ENDED 30 SEPTEMBER 2010</b>										
<b>At 1 OCTOBER 2009</b>	249,489	-	(2,512)	35,008	-	(2,837)	197,933	477,081	-	477,081
Proceeds from rights issue	85,258	39,077	-	-	-	-	-	124,335	-	124,335
Rights issue expenses	-	-	-	(1,637)	-	-	-	(1,637)	-	(1,637)
Purchase of treasury shares	-	-	(1,680)	-	-	-	-	(1,680)	-	(1,680)
Dividend paid	-	-	-	-	-	-	(3,730)	(3,730)	-	(3,730)
Total comprehensive income for the period	-	-	-	-	-	(27,807)	8,950	(18,857)	-	(18,857)
<b>At 30 SEPTEMBER 2010</b>	<b>334,747</b>	<b>39,077</b>	<b>(4,192)</b>	<b>33,371</b>	<b>-</b>	<b>(30,644)</b>	<b>203,153</b>	<b>575,512</b>	<b>-</b>	<b>575,512</b>
<b>YEAR ENDED 30 SEPTEMBER 2011</b>										
<b>At 1 OCTOBER 2010</b>	334,747	39,077	(4,192)	33,371	-	(30,644)	203,153	575,512	-	575,512
Effects of changes in accounting policies	-	-	-	-	-	-	(20,513)	(20,513)	-	(20,513)
<b>Restated balance</b>	<b>334,747</b>	<b>39,077</b>	<b>(4,192)</b>	<b>33,371</b>	<b>-</b>	<b>(30,644)</b>	<b>182,640</b>	<b>554,999</b>	<b>-</b>	<b>554,999</b>
Total comprehensive income for the period	-	-	-	-	(1,291)	2,443	(66,543)	(65,391)	-	(65,391)
<b>At 30 SEPTEMBER 2011</b>	<b>334,747</b>	<b>39,077</b>	<b>(4,192)</b>	<b>33,371</b>	<b>(1,291)</b>	<b>(28,201)</b>	<b>116,097</b>	<b>489,608</b>	<b>-</b>	<b>489,608</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 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 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2010 except for the adoption of Financial Reporting Standards (“FRSs”) effective for financial periods beginning 1 October 2010 as follows:

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSs ‘Improvements to FRSs (2009)’
- 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 Programs
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TR i - 3: Presentation of Financial Statements of Islamic Financial Institutions
- Amendments to FRS 132: Classification of Rights Issues
- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- FRS 127: Consolidated and Separate Financial Statements (amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners
- Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate

Other than the adoption of FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and interpretations did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

(a) FRS 101: Presentation of Financial Statements

Arising from adoption of revised FRS101 which separates owner and non-owner changes in equity, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Group has adopted the format of consolidated statement of comprehensive income by presenting all items of income and expense recognised in the income statement, together with all other items of recognized income and expense in one single statement. The adoption of this standard does not have any impact on the financial position and results of the Group.

(b) FRS 139: Financial Instruments: Recognition and Measurement

The Group adopted FRS139 on 1 October 2010 which has resulted in changes to accounting policies related to classification, recognition and measurement of its financial assets and liabilities as discussed below:

Financial assets - Loans and receivables:

Prior to adoption of FRS 139, loans and receivables were stated at cost less allowance for doubtful debts. Under FRS139, an impairment loss is recognised for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Gains and losses arising from the amortisation process, impairment, or derecognition of this financial assets are recognised in income statement.

In accordance with the provision of the standard, the changes are applied prospectively and the comparatives as at 30 September 2010 are not restated. Instead, the opening balances of the financial assets and financial liabilities at 1 October 2010 are restated in accordance with the transitional provisions for first-time adoption of FRS139 as follows:

Group	Before adjustment RM'000	FRS 139 adjustment RM'000	After adjustment RM'000
Trade and other receivables	192,731	(20,513)	172,218
Revenue reserve	(203,153)	20,513	(182,640)

In addition, these changes in accounting policies have the effect of increasing the profit before tax for the year by RM 4.0 million.

**A2. Auditors' report on preceding Annual Financial Statements**

The auditors' report on the Group's financial statements for the year ended 30 September 2010 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 were 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 of debts and equity securities during the financial period under review.

**A7. Dividend**

No dividends have been declared or paid for the current financial period to date.

**A8. Segmental Information**

	Trading	Shipping & Related Activities	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE AND RESULTS</b>				
<b>Revenue</b>				
External sales	66,816	493,534		560,350
Inter-segment sales	2,130	13,595	(15,725)	
Total revenue	<u>68,946</u>	<u>507,129</u>	<u>(15,725)</u>	<u>560,350</u>
<b>Results</b>				
Interest income	16	1,538		1,554
Finance cost	(6)	(26,622)		(26,628)
Segment (loss)/profit before taxation	<u>479</u>	<u>(84,361)</u>		<u>(83,882)</u>

**A9. Valuations of property, plant and equipment**

The valuations of property, plant and equipment have been brought forward, without amendment from the most recent annual audited financial statements.

**A10. Subsequent material events**

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:

Corporate Guarantees given to financial institutions and third parties for credit facilities provided to subsidiaries	RM'000
	<u>96,477</u>

**A13. Capital Commitment**

	<b>RM</b>
Amount approved and committed	3.6 million
Amount approved and not committed	<u>NIL</u>
Total	<u>3.6 million</u>

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

**B1. Review of performance**

Group revenue for the year ended 30 September 2011 was RM 560 million. This amount was about RM 74 million lower compared with the previous year corresponding period of RM 634 million. The decrease in revenue was mainly due to reduction in coal traded of RM 54 million.

The Group recorded a loss before tax of RM 83.9 million compared to a profit before tax of RM 8.85 million for the previous year. This was mainly due to the loss on sale of property, plant and equipment of RM 23.6 million and provision for impairment for investments, property, plant and equipment of RM 78.6 million. These losses on sale of property, plant and equipment and provisions for impairment are included in Administrative and Other Expenses.

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

The Group recorded a pre-tax loss of RM 82.2 million this quarter compared to the pre-tax profit of RM 3 million in the previous quarter. The variance was due mainly to the loss on sale of property, plant and equipment of RM 12.3 million and provision for impairment for property, plant and equipment of RM 70.5 million. These losses on sale of property, plant and equipment and provisions for impairment are included in Administrative and Other Expenses.

**B3. Commentary on Prospects**

The general outlook for both the container shipping business and dry-bulk markets is expected to continue to be challenging in view of the uncertainty in the global economy. The Board and the management shall 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**

	Quarter ended 30 September 2011 RM'000	Year to date 30 September 2011 RM'000
Income tax charge		
- current period	1,464	674
Deferred taxation	(3,148)	16,665
	<u>(1,684)</u>	<u>17,339</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.

During the financial year, the Group recognised deferred tax assets ("DTAs") of RM 17.4 million as it anticipates being able to utilise these DTAs in respect of its non-tax exempt shipping operations.

**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 2011 are as follows:-

	RM'000
<u>Quoted Shares</u>	
At cost	24,573
At book value	4,004
At market value	4,004

**B8. Status of corporate proposals**

Today, the Group announced a proposal to undertake a Private Placement of ordinary shares of RM0.20 each in Hubline representing up to 16.5% of the existing issued and paid up share capital in the Company together with free detachable warrants in Hubline on the basis of three (3) free warrants for every two (2) Placement Shares subscribed.

The proposed private placement 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	161,983
- unsecured	86,836
Total	<u>248,819</u>
Long term borrowings :	
- secured	196,765
- unsecured	72,414
Total	<u>269,179</u>

**B10. Off balance sheet financial instruments**

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

**B11. Derivatives**

There were no derivatives entered into by the Group as at the end of the quarter under review.

**B12. Gains/losses arising from fair value changes of financial liabilities**

There were no gains/losses arising from the fair value changes of financial liabilities.

**B13. Material litigation**

As at the date of this report, 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.

**HUBLINE BERHAD**  
(Company No:23568-H)

**B14. Dividend declared**

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

**B15. Earnings per share**

**(a) Basic**

Basic earnings per share are 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 30.09.2011	Quarter Ended 30.09.2010	Year to Date ended 30.09.2011	Year to Date ended 30.09.2010
Net profit attributable to equity holders of the parent (RM'000)	(83,907)	5,008	(66,543)	8,950
Weighted average no. of ordinary shares ('000)	1,855,523	1,856,589	1,855,523	1,812,730
Basic earnings per share attributable to equity holders of the parent (sen)	-4.52	0.27	-3.59	0.50

**(b) Diluted**

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

**B16. Realised and unrealised profits/losses**

	Current Quarter 30.09.2011 RM'000	Preceding Quarter 30.06.2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	134,331	218,033
- Unrealised	11,176	6,918
	<u>145,507</u>	<u>224,951</u>
Total share of retained profits from associate		
- Realised	(29,033)	(29,033)
- Unrealised	-	-
	<u>(29,033)</u>	<u>(29,033)</u>
Less: Consolidation adjustments	(377)	4,086
Retained profits as per financial statements	<u>116,097</u>	<u>200,004</u>

**B17. 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 30 November 2011.