

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2012

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS PERIOD ENDED 30 JUNE 2012**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.06.12 RM '000	Preceding Year Quarter Ended 30.06.11 RM '000	Current Year To Date 30.06.12 RM '000	Preceding Year To Date 30.06.11 RM '000
<b>Revenue</b>	122,404	131,343	359,202	448,099
Operating Expenses	(106,388)	(114,294)	(311,761)	(388,483)
	<u>16,016</u>	<u>17,049</u>	<u>47,441</u>	<u>59,616</u>
Other Operating Income	802	2,986	3,962	10,830
Administrative Expenses	(8,815)	(10,275)	(24,491)	(52,968)
Finance Cost	(4,962)	(6,700)	(18,121)	(19,137)
<b>Profit/ (Loss) before taxation</b>	<u>3,041</u>	<u>3,060</u>	<u>8,791</u>	<u>(1,659)</u>
Taxation	(70)	123	(693)	19,023
<b>Profit/ (Loss) for the period</b>	<u><u>2,971</u></u>	<u><u>3,183</u></u>	<u><u>8,098</u></u>	<u><u>17,364</u></u>
Other comprehensive income:				
Currency translation differences	1,360	417	2,400	(2,588)
Net (Loss)/Gain on available for sale financial assets	<u>3,749</u>	<u>(578)</u>	<u>4,323</u>	<u>(578)</u>
<b>Total Comprehensive income for the period</b>	<u><u>8,080</u></u>	<u><u>3,022</u></u>	<u><u>14,821</u></u>	<u><u>14,198</u></u>
Profit attributable to: Equity holders of the parent	<u>2,971</u>	<u>3,183</u>	<u>8,098</u>	<u>17,364</u>
Total comprehensive income attributable to: Equity holders of the parent	<u><u>8,080</u></u>	<u><u>3,022</u></u>	<u><u>14,821</u></u>	<u><u>14,198</u></u>
<b>Earnings per share attributable to equity holders of the parent (sen)</b>				
<b>Basic</b>	0.14	0.17	0.40	0.94
<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 2011)

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

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2012

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012**

	<b>AS AT END OF CURRENT QUARTER 30.06.2012 RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 30.09.2011 RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	576,309	583,154
Prepaid Land Lease Payments	10,627	10,709
Intangible assets	86,736	87,243
Available for Sale Investments	8,308	4,004
Deferred tax assets	19,762	19,871
	<u>701,742</u>	<u>704,981</u>
<b>Current Assets</b>		
Inventories	30,667	31,420
Trade receivables	146,235	131,322
Other receivables	71,486	63,181
Tax recoverable	4,438	7,719
Cash and bank balances	33,979	124,418
	<u>286,805</u>	<u>358,060</u>
<b>TOTAL ASSETS</b>	<u>988,547</u>	<u>1,063,041</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	375,265	334,747
Treasury shares	(4,192)	(4,192)
Reserves	189,113	153,896
<b>Total equity</b>	<u>560,186</u>	<u>484,451</u>
<b>Non-current liabilities</b>		
Long term borrowings	164,570	296,018
Deferred tax liabilities	12,366	12,329
	<u>176,936</u>	<u>308,347</u>
<b>Current Liabilities</b>		
Short term borrowings	219,851	221,687
Trade payables	18,507	23,549
Other payables	12,953	24,654
Taxation	114	353
	<u>251,425</u>	<u>270,243</u>
<b>Total liabilities</b>	<u>428,361</u>	<u>578,590</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>988,547</u>	<u>1,063,041</u>
Net assets per share (RM)	0.28	0.26

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 September 2011)

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

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2012

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS PERIOD ENDED 30 JUNE 2012**

	<b>CURRENT YEAR TO DATE ENDED 30.06.2012 RM'000</b>	<b>PRECEDING YEAR TO DATE ENDED 30.06.2011 RM'000</b>
Profit/ (Loss) before taxation	8,791	(1,659)
Adjustments for :-		
Interest expenses	18,121	19,137
Interest income	(805)	(1,045)
Other Non-operating items	35,149	45,375
Operating profit before working capital changes	61,256	61,808
Net change in current assets	(23,442)	(1,522)
Net change in current liabilities	(16,742)	(8,993)
Tax (paid)/ refunded	3,158	(1,624)
Interest paid	(18,121)	(19,137)
<b>Net cash generated from/ (used in) operating activities</b>	<b>6,109</b>	<b>30,532</b>
Investing activities		
Purchase of property, plant and equipment	(46,186)	(101,239)
Proceeds from sales of property, plant and equipment	19,184	15,962
Interest received	805	1,045
<b>Net cash (used in)/generated from investing activities</b>	<b>(26,197)</b>	<b>(84,232)</b>
Financing activities		
Proceeds from Private Placement	61,046	0
Private Placement expenses	(132)	0
Repayment of borrowings	(144,673)	(102,626)
Proceeds from borrowings	11,515	87,542
<b>Net cash (used in)/generated from financing activities</b>	<b>(72,244)</b>	<b>(15,084)</b>
Net changes in cash and cash equivalents	(92,332)	(68,784)
Cash and cash equivalents at beginning of financial period	120,530	161,083
Effects of Exchange Rate Changes	2,018	(2,588)
<b>Cash and cash equivalents at end of the financial period</b>	<b>30,216</b>	<b>89,711</b>

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

Cash and bank balances	33,979	93,375
Bank overdraft	(3,763)	(3,664)
<b>Cash and cash equivalents</b>	<b>30,216</b>	<b>89,711</b>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2011)**

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

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2012

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2012**

	< ----- Attributable to Equity Holders of the Parent ----- >						< ----- Non-distributable ----- >	> Distributable		
	Share capital RM'000	Warrant reserve RM'000	Treasury shares RM'000	Share premium RM'000	Other reserves RM'000	Retained profit RM'000				
<b>9 MONTHS ENDED 30 JUN 2011</b>										
At 1 OCTOBER 2010	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>	334,747	39,077	(4,192)	33,371	(30,644)	182,640	554,999		554,999	
Total comprehensive income for the period					(3,166)	17,364	14,198	-	14,198	
<b>At 30 JUNE 2011</b>	334,747	39,077	(4,192)	33,371	(33,810)	200,004	569,197	-	569,197	
<b>9 MONTHS ENDED 30 JUN 2012</b>										
At 1 OCTOBER 2011	334,747	39,077	(4,192)	33,371	(29,609)	111,057	484,451	-	484,451	
Private placement proceeds	40,518	20,528					61,046		61,046	
Private placement expenses				(132)			(132)		(132)	
Total comprehensive income for the period					6,723	8,098	14,821	-	14,821	
<b>At 30 JUNE 2012</b>	375,265	59,605	(4,192)	33,239	(22,886)	119,155	560,186	-	560,186	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2011

**NOTES TO THE INTERIM FINANCIAL REPORT – FRS 134**

**A1. Basis of preparation**

The Interim Financial Report of the Group 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 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 September 2011.

**A2. Changes in accounting policies**

The significant accounting policies adopted in this Interim Financial Report are consistent with those of the audited financial statements for the year ended 30 September 2011 except for the adoption of Financial Reporting Standards (“FRSs”) effective for financial periods beginning 1 October 2011 as follows:

- Amendments to FRS 1: Limited Exemption from Comparatives FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1: Additional Exemptions for First-time Adopters
- Amendments to FRS 2: Group Cash-settled share-based Payment Transactions
- Amendments to FRS 3: Business Combinations (Revised)
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- Improvements to FRS issued in 2010
- IC Interpretation 4: Determining whether an Arrangement Contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- TR 3: Guidance on Disclosure of Transition to IFRSs
- TR i – 4: Shariah Compliant Sale Contracts
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

The application of the above Amendments to FRSs, Interpretations, and Amendments to interpretations did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

**A3. Auditors’ report on preceding Annual Financial Statements**

The auditors’ report on the Group’s financial statements for the year ended 30 September 2011 was not qualified.

**A4. Seasonality or cyclical factors**

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

**A5. Nature and amount of unusual items**

There were no items affecting assets, liabilities, equity, net income or cash flows of the Group that were unusual because of nature, size or incidence for the current period under review.

**A6. Changes in estimates**

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

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

**A7. Issuance or repayment of debts and equity securities**

There were no issuances, cancellations, repurchases, resale of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period under review.

**A8. Dividends paid**

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

**A9. 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	391	358,811		359,202
Inter-segment sales	1,899		(1,899)	
Total revenue	2,290	358,811	(1,899)	359,202
<b>Results</b>				
Interest income	1	804		805
Finance cost	(1)	(18,120)		(18,121)
Segment (loss)/profit before taxation	461	8,330		8,791

**A10. Profit before Tax**

The following items have been included in arriving at profit before tax:

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.06.12 RM '000	Preceding Year Quarter Ended 30.06.11 RM '000	Current Year To Date 30.06.12 RM '000	Preceding Year To Date 30.06.11 RM '000
Interest income	118	577	805	1,045
Other income	9	547	1,567	6,654
Foreign exchange gains/(losses) (net)	(64)	(364)	843	478
Gain/(Loss) on disposal of property, plant and equipment	(1,060)	(1,721)	237	(9,439)
Depreciation and amortisation	(12,594)	(12,405)	(34,537)	(35,875)
Provision for impairment on trade and non trade receivables	(188)	(39)	(312)	(478)
Impairment loss on investments/ associates	-	25	-	(6,850)

**A11. 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.

**A12. 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.

**A13. Changes in composition of the Company**

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

**A14. 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	<u>101,337</u>

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

**B1. Review of performance**

Group revenue for the third quarter ended 30 June 2012 was RM 122.4 million. This amount was approximately RM 9 million lower when compared with the previous year corresponding period of RM 131.3 million.

Despite the slight decline in revenue of around 6.8% when compared to the previous corresponding period, the gross profit margin is still maintained at 13%, which is attributed to the rationalization of trade routes to maximize returns on deployment of our vessels vis-à-vis the prevailing high fuel costs.

Group revenue for the nine months ended 30 June 2012 was RM 359 million. This amount was approximately RM 89 million lower compared with the previous year corresponding period of RM 448 million. This was mainly due to the reduction in trading revenue of RM 67 million.

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

The pre-tax profit recorded in the third quarter remained flat at RM 3 million compared to the preceding quarter.

**B3. Commentary on Prospects**

The Group does not expect external conditions for both containerised shipping and dry-bulk sectors to get any easier in the short to medium term against a macro backdrop of excessive supply of shipping services, uncertainty stemming from the Eurozone crisis and softness in macro-economic data regarding China's economy.

Looking forward, the Group expects the highly competitive operating environment to continue, putting pressure on both revenue and earnings. However, the Group shall continue to review its operations with the objective of containing costs and maximising exposure to higher yielding, higher volume trade routes.

**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 2012 RM'000	Year to date 30 June 2012 RM'000
Income tax charge		
- current period	374	(168)
Deferred taxation	(444)	(525)
	<u>(70)</u>	<u>(693)</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 2012 are as follows:-

<u>Quoted Shares</u>	RM '000
At cost	24,573
At book value	8,307
At market value	8,307

**B8. Status of corporate proposals**

On 11 June 2012, Hubline proposed a renounceable two call rights issue of 1,080,378,032 new ordinary shares of RM0.20 each in Hubline on the basis of one (1) rights share for every two (2) existing ordinary shares held in Hubline, together with 432,151,213 free detachable new warrants 2009/2019 on the basis of two (2) additional warrants for every five (5) rights shares subscribed on entitlement date.

On 5 July 2012, the listing application to Bursa Malaysia Securities Berhad and the application to the Controller of Foreign Exchange (via Bank Negara Malaysia) were submitted.

On 18 July 2012, the application to the Controller of Foreign Exchange (via Bank Negara Malaysia) was approved. This was followed by approval from Bursa Malaysia Securities Berhad for the listing application on 26 July 2012.

At the Company's EGM held on 16 August 2012, shareholders approved the proposal. The issue price for the Rights Shares is fixed at RM0.20 per share payable in two calls. The first call price is RM0.07 and shall be payable in cash, in full on application for the shares. The second call of RM0.13 per Rights Shares will be capitalized from the Company's share premium and retained earnings accounts. Therefore, all entitled shareholders who subscribe for the Rights Shares will not be required to make any further cash payments after the payment of RM0.07 for the first call.

It is expected that this exercise be completed before 31 October 2012.

**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	140,461
- unsecured	79,390
Total	<u>219,851</u>
Long term borrowings :	
- secured	106,123
- unsecured	58,447
Total	<u>164,570</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.

**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 30.06.2012	Quarter Ended 30.06.2011	Year to Date ended 30.06.2012	Year to Date ended 30.06.2011
Net profit attributable to equity holders of the parent (RM'000)	2,971	3,183	8,098	17,364
Weighted average no. of ordinary shares ('000)	2,122,747	1,855,523	2,019,686	1,855,523
Basic earnings per share attributable to equity holders of the parent (sen)	0.14	0.17	0.40	0.94

**(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 30.06.2012 RM'000	Preceding Quarter 31.03.2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	31,680	26,988
- Unrealised	11,057	9,795
	<u>42,737</u>	<u>36,783</u>
Total share of retained profits from associate		
- Realised	(30,187)	(30,187)
- Unrealised	-	-
	<u>(30,187)</u>	<u>(30,187)</u>
Less: Consolidation adjustments	106,605	109,588
Retained profits as per financial statements	<u>119,155</u>	<u>116,184</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 August 2012.