

QUARTERLY REPORT

This is a quarterly report on consolidated results for the financial year ended 30 September 2012

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.09.12 RM '000	Preceding Year Quarter Ended 30.09.11 RM '000	Current Year To Date 30.09.12 RM '000	Preceding Year To Date 30.09.11 RM '000
Revenue	121,162	121,829	480,365	569,928
Operating Expenses	(104,045)	(116,028)	(415,806)	(508,055)
	<u>17,117</u>	<u>5,801</u>	<u>64,559</u>	<u>61,873</u>
Other Operating Income	3,328	5,550	7,052	15,953
Administrative Expenses	(10,489)	(24,043)	(34,743)	(55,846)
Other Expenses	(8,512)	(69,259)	(8,512)	(87,106)
Finance Cost	(6,371)	(6,291)	(24,492)	(24,775)
Profit/ (Loss) before taxation	<u>(4,927)</u>	<u>(88,242)</u>	<u>3,864</u>	<u>(89,901)</u>
Taxation	(628)	(754)	(1,321)	18,268
Profit/ (Loss) for the period	<u><u>(5,555)</u></u>	<u><u>(88,996)</u></u>	<u><u>2,543</u></u>	<u><u>(71,633)</u></u>
Other comprehensive income:				
Currency translation differences	(1,980)	4,914	420	2,326
Net (Loss)/Gain on available for sale financial assets	<u>1,114</u>	<u>(713)</u>	<u>5,437</u>	<u>(1,291)</u>
Total Comprehensive income for the period	<u><u>(6,421)</u></u>	<u><u>(84,795)</u></u>	<u><u>8,400</u></u>	<u><u>(70,598)</u></u>
Profit attributable to: Equity holders of the parent	<u><u>(5,555)</u></u>	<u><u>(88,996)</u></u>	<u><u>2,543</u></u>	<u><u>(71,633)</u></u>
Total comprehensive income attributable to: Equity holders of the parent	<u><u>(6,421)</u></u>	<u><u>(84,795)</u></u>	<u><u>8,400</u></u>	<u><u>(70,598)</u></u>
Earnings per share attributable to equity holders of the parent (sen)				
Basic	-0.26	-4.80	0.13	-3.86
Diluted	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 year ended 30 September 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	AS AT END OF CURRENT QUARTER 30.09.2012 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30.09.2011 RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	576,388	583,154
Prepaid Land Lease Payments	10,600	10,709
Intangible assets	86,582	87,243
Available for Sale Investments	9,224	4,004
Deferred tax assets	19,142	19,871
	<u>701,936</u>	<u>704,981</u>
Current Assets		
Inventories	26,619	31,420
Trade receivables	145,931	131,322
Other receivables	70,313	63,181
Tax recoverable	3,252	7,719
Cash and bank balances	29,262	124,418
	<u>275,377</u>	<u>358,060</u>
TOTAL ASSETS	<u>977,313</u>	<u>1,063,041</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	375,265	334,747
Treasury shares	(4,192)	(4,192)
Reserves	182,458	153,896
Total equity	<u>553,531</u>	<u>484,451</u>
Non-current liabilities		
Long term borrowings	142,825	296,018
Deferred tax liabilities	12,448	12,329
	<u>155,273</u>	<u>308,347</u>
Current Liabilities		
Short term borrowings	226,767	221,687
Trade payables	20,224	23,549
Other payables	21,330	24,654
Taxation	188	353
	<u>268,509</u>	<u>270,243</u>
Total liabilities	<u>423,782</u>	<u>578,590</u>
TOTAL EQUITY AND LIABILITIES	<u>977,313</u>	<u>1,063,041</u>
Net assets per share (RM)	0.27	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 year ended 30 June 2012

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	CURRENT YEAR TO DATE ENDED 30.09.2012 RM'000	PRECEDING YEAR TO DATE ENDED 30.09.2011 RM'000
Profit/ (Loss) before taxation	3,864	(89,901)
Adjustments for :-		
Interest expenses	24,492	24,775
Interest income	(947)	(1,400)
Other Non-operating items	53,057	141,750
Operating profit before working capital changes	80,466	75,224
Net change in current assets	(17,341)	(22,329)
Net change in current liabilities	(6,644)	996
Tax (paid)/ refunded	3,916	(1,572)
Interest paid	(24,492)	(24,775)
Net cash generated from/ (used in) operating activities	35,905	27,544
Investing activities		
Purchase of property, plant and equipment	(81,288)	(124,132)
Proceeds from sales of property, plant and equipment	36,236	28,941
Interest received	947	1,400
Net cash (used in)/generated from investing activities	(44,105)	(93,791)
Financing activities		
Proceeds from Private Placement	61,047	0
Private Placement expenses	(366)	0
Repayment of borrowings	(172,817)	(186,379)
Proceeds from borrowings	24,871	214,452
Net cash (used in)/generated from financing activities	(87,265)	28,073
Net changes in cash and cash equivalents	(95,465)	(38,174)
Cash and cash equivalents at beginning of financial period	120,530	161,083
Effects of Exchange Rate Changes	476	(2,379)
Cash and cash equivalents at end of the financial period	25,541	120,530

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

Cash and bank balances	29,262	124,418
Bank overdraft	(3,721)	(3,888)
Cash and cash equivalents	25,541	120,530

(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 year ended 30 September 2012

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2012

	< ----- Attributable to Equity Holders of the Parent ----- >						Total Equity RM'000	Minority Interest RM'000	Total Equity RM'000
	Share capital RM'000	Warrant reserve RM'000	Treasury shares RM'000	Share premium RM'000	Other reserves RM'000	Retained profit RM'000			
YEAR ENDED 30 SEPTEMBER 2011									
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						(20,463)	(20,463)		(20,463)
Restated balance	334,747	39,077	(4,192)	33,371	(30,644)	182,690	555,049		555,049
Total comprehensive income for the year					1,035	(71,633)	(70,598)	-	(70,598)
At 30 SEPTEMBER 2011	334,747	39,077	(4,192)	33,371	(29,609)	111,057	484,451	-	484,451
YEAR ENDED 30 SEPTEMBER 2012									
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				(366)			(366)		(366)
Total comprehensive income for the year					5,857	2,543	8,400	-	8,400
At 30 SEPTEMBER 2012	375,265	59,605	(4,192)	33,005	(23,752)	113,600	553,531	-	553,531

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
REVENUE AND RESULTS				
Revenue				
External sales	828	479,537		480,365
Inter-segment sales	3,019		(3,019)	
Total revenue	<u>3,847</u>	<u>479,537</u>	<u>(3,019)</u>	<u>480,365</u>
Results				
Interest income	1	946		947
Finance cost	(1)	(24,491)		(24,492)
Segment (loss)/profit before taxation	<u>(12)</u>	<u>3,876</u>		<u>3,864</u>

A10. Profit before Tax

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.09.12 RM '000	Preceding Year Quarter Ended 30.09.11 RM '000	Current Year To Date 30.09.12 RM '000	Preceding Year To Date 30.09.11 RM '000
Interest income	142	510	947	1,400
Other income	-	5,040	1,550	11,217
Foreign exchange gains/(losses) (net)	(607)	(4,447)	236	(3,969)
Gain/(Loss) on disposal of property, plant and equipment	(4,973)	(10,279)	(5,210)	(20,126)
Depreciation and amortisation	(12,781)	(11,127)	(47,318)	(47,723)
Provision for impairment on trade and non trade receivables	(1,245)	508	(1,557)	30
Impairment loss on investments/ associates	-	-	-	(8,000)
Impairment loss on property, plant and equipment	-	(58,980)	-	(58,980)

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>105,941</u>

B EXPLANATORY NOTES OF BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

Group revenue for the final quarter ended 30 September 2012 was RM 121.1 million compared to RM 121.8 million in the same quarter of last year.

Group revenue for the year ended 30 September 2012 was RM 480.4 million. This amount was approximately RM 89.5 million lower when compared with the previous year corresponding period of RM 569.9 million. The large variance in Group revenue was recorded in the first six months due to the reduction in trading revenue.

B2. Comparison with preceding quarter's results

The Group recorded a pre-tax loss of RM 4.9 million for this quarter compared to a pre-tax gain of RM 3 million in the preceding quarter mainly due to the scrapping of two vessels resulting in a loss of RM 8.5 million. This loss was reflected in the Group's Consolidated Statement of Comprehensive Income for this quarter under the category of Other Expenses.

As such, excluding the loss of RM 8.5 million, the Group would have made a pre-tax profit of RM 3.6 million for the quarter ended 30 September 2012.

B3. Commentary on Prospects

The Group expects containerised and dry-bulk businesses to remain flat in line with challenging general economic conditions. Industry port container volumes are expected to be soft over the short-term, and top-line sales growth is not expected to be strong in bulky goods transportation sector.

The Group shall continue to review various trade routes with an objective of increasing vessel utilisation rates and profitability. Moreover, the Group shall continue to retain longer-term customers and winning key contracts to support longer-term earnings growth.

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 2012 RM'000	Year to date 30 September 2012 RM'000
Income tax charge		
- current period	(320)	(487)
Deferred taxation	(308)	(834)
	<u>(628)</u>	<u>(1,321)</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 2012 are as follows:-

<u>Quoted Shares</u>	RM '000
At cost	24,573
At book value	9,224
At market value	9,224

B8. Status of corporate proposals

Hubline's Rights Issue which was announced on 11 June 2012 was successfully completed on 8 October 2012 and was oversubscribed by 0.09%. A total of 1,080,378,031 Rights Shares and 432,151,212 additional Warrants were subsequently issued and listed on the Main Market of Bursa Malaysia Securities Berhad on Monday 22 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	142,663
- unsecured	84,104
Total	<u>226,767</u>
Long term borrowings :	
- secured	89,486
- unsecured	53,339
Total	<u>142,825</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 30.09.2012	Quarter Ended 30.09.2011	Year to Date ended 30.09.2012	Year to Date ended 30.09.2011
Net profit attributable to equity holders of the parent (RM'000)	(5,555)	(88,996)	2,543	(71,633)
Weighted average no. of ordinary shares ('000)	2,160,756	1,855,523	2,019,686	1,855,523
Basic earnings per share attributable to equity holders of the parent (sen)	-0.26	-4.80	0.13	-3.86

(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 30.09.2012 RM'000	Preceding Quarter 30.06.2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	25,109	31,680
- Unrealised	8,139	11,057
	<u>33,248</u>	<u>42,737</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	110,539	106,605
Retained profits as per financial statements	<u>113,600</u>	<u>119,155</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 2012.