

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 31 December 2012

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS PERIOD ENDED 31 DECEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 31.12.12 RM '000	Preceding Year Quarter Ended 31.12.11 RM '000	Current Year To Date 31.12.12 RM '000	Preceding Year To Date 31.12.11 RM '000
<b>Revenue</b>	107,690	115,098	107,690	115,098
Operating Expenses	(94,744 )	(100,827 )	(94,744 )	(100,827 )
	<u>12,946</u>	<u>14,271</u>	<u>12,946</u>	<u>14,271</u>
Other Operating Income	1,024	4,520	1,024	4,520
Administrative Expenses	(8,765)	(9,405)	(8,765)	(9,405)
Other Expenses	-	-	-	-
Finance Cost	(4,288)	(6,688)	(4,288)	(6,688)
<b>Profit/ (Loss) before taxation</b>	<u>917</u>	<u>2,698</u>	<u>917</u>	<u>2,698</u>
Taxation	364	(322)	364	(322)
<b>Profit/ (Loss) for the period</b>	<u>1,281</u>	<u>2,376</u>	<u>1,281</u>	<u>2,376</u>
Other comprehensive income:				
Currency translation differences	2,067	245	2,067	245
Net (Loss)/Gain on available for sale financial assets	(2,394)	(49)	(2,394)	(49)
<b>Total Comprehensive income for the period</b>	<u>954</u>	<u>2,572</u>	<u>954</u>	<u>2,572</u>
Profit attributable to: Equity holders of the parent	<u>1,281</u>	<u>2,376</u>	<u>1,281</u>	<u>2,376</u>
Total comprehensive income attributable to: Equity holders of the parent	<u>954</u>	<u>2,572</u>	<u>954</u>	<u>2,572</u>
<b>Earnings per share attributable to equity holders of the parent (sen)</b>				
<b>Basic</b>	0.04	0.13	0.04	0.13
<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 accompanying explanatory notes attached to these interim financial statements)

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

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 31 December 2012

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012**

	UNAUDITED AS AT 31.12.2012	UNAUDITED AS AT 30.09.2012	UNAUDITED AS AT 1.10.2011
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	572,892	578,501	583,154
Prepaid Land Lease Payments	10,572	10,600	10,709
Intangible assets	86,431	86,585	87,243
Available for Sale Investments	3,872	9,224	4,003
Investments in Associates	1	1	1
Deferred tax assets	19,224	19,223	19,871
	<u>692,992</u>	<u>704,134</u>	<u>704,981</u>
<b>Current Assets</b>			
Inventories	26,293	26,248	31,420
Trade receivables	141,153	139,917	131,322
Other receivables	78,360	77,797	63,181
Tax recoverable	3,872	3,454	7,719
Cash and cash equivalents	19,169	31,315	124,418
	<u>268,847</u>	<u>278,731</u>	<u>358,060</u>
<b>TOTAL ASSETS</b>	<u>961,839</u>	<u>982,865</u>	<u>1,063,041</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	579,276	376,165	334,747
Treasury shares	(4,192)	(4,192)	(4,192)
Reserves	52,810	180,131	153,896
<b>Total equity</b>	<u>627,894</u>	<u>552,104</u>	<u>484,451</u>
<b>Non-current liabilities</b>			
Long term borrowings	139,406	142,680	296,018
Deferred tax liabilities	12,282	12,790	12,329
	<u>151,688</u>	<u>155,470</u>	<u>308,347</u>
<b>Current Liabilities</b>			
Short term borrowings	142,483	230,687	221,687
Trade payables	21,173	23,599	23,549
Other payables	18,560	20,973	24,654
Taxation	41	32	353
	<u>182,257</u>	<u>275,291</u>	<u>270,243</u>
<b>Total liabilities</b>	<u>333,945</u>	<u>430,761</u>	<u>578,590</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>961,839</u>	<u>982,865</u>	<u>1,063,041</u>
Net assets per share (RM)	0.20	0.27	0.26

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 31 December 2012

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS PERIOD ENDED 31 DECEMBER 2012**

	<b>CURRENT YEAR TO DATE ENDED 31.12.2012 RM'000</b>	<b>PRECEDING YEAR TO DATE ENDED 31.12.2011 RM'000</b>
Profit/ (Loss) before taxation	917	2,698
Adjustments for :-		
Non-operating items	11,503	10,385
Interest expenses	4,288	6,688
Interest income	(281)	(546)
Operating profit before working capital changes	<u>16,427</u>	<u>19,225</u>
Net change in current assets	(2,459)	(2,310)
Net change in current liabilities	(4,838)	(2,239)
Tax (paid)/ refunded	(253)	(322)
Interest paid	(4,288)	(6,688)
<b>Net cash generated from/ (used in) operating activities</b>	<u>4,589</u>	<u>7,666</u>
Investing activities		
Purchase of property, plant and equipment	(15,156)	(11,528)
Proceeds from sales of investment, property, plant and equipment	12,678	15,572
Interest received	281	546
<b>Net cash (used in)/generated from investing activities</b>	<u>(2,197)</u>	<u>4,590</u>
Financing activities		
Proceeds from Rights Issue	75,627	0
Rights Issue expenses	(790)	0
Repayment of bank borrowings	(91,607)	(82,692)
Proceeds from borrowings	35	0
<b>Net cash (used in)/generated from financing activities</b>	<u>(16,735)</u>	<u>(82,692)</u>
Net changes in cash and cash equivalents	(14,343)	(70,436)
Cash and cash equivalents at beginning of financial period	27,594	120,530
Effects of Exchange Rate Changes	2,102	(356)
<b>Cash and cash equivalents at end of the financial period</b>	<u>15,353</u>	<u>49,738</u>

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

Cash and bank balances	19,169	52,464
Bank overdraft	(3,816)	(2,726)
<b>Cash and cash equivalents</b>	<u>15,353</u>	<u>49,738</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

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

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 31 December 2012

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 DECEMBER 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>3 MONTHS ENDED 31 DEC 2011</b>										
At 1 OCTOBER 2011	334,747	39,077	(4,192)	33,371	(29,609)	111,057	484,451	-	-	484,451
Effects of transition to MFRS					-	-	-	-	-	-
At 1 October 2011	334,747	39,077	(4,192)	33,371	(29,609)	111,057	484,451	-	-	484,451
Total comprehensive income for the period					196	2,376	2,572	-	-	2,572
At 31 DECEMBER 2011	334,747	39,077	(4,192)	33,371	(29,413)	113,433	487,023	-	-	487,023
<b>3 MONTHS ENDED 31 DEC 2012</b>										
At 1 OCTOBER 2012	376,165	58,705	(4,192)	33,204	(25,220)	113,442	552,104	-	-	552,104
Effects of transition to MFRS					-	-	-	-	-	-
At 1 October 2012	376,165	58,705	(4,192)	33,204	(25,220)	113,442	552,104	-	-	552,104
Rights issue	203,111	12,965		(30,790)		(110,450)	74,836	-	-	74,836
Total comprehensive income for the period					(327)	1,281	954	-	-	954
At 31 DECEMBER 2012	579,276	71,670	(4,192)	2,414	(25,547)	4,273	627,894	-	-	627,894

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements).

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

**A1. Basis of preparation**

The Interim Financial Report of the Group has been prepared in accordance with MFRS 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For periods up to and including the year ended 30 September 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRS).

These condensed consolidated interim financial statements are the Group's first MFRS compliant Condensed reports and hence MFRS 1 – First time adoption of Malaysian Financial Reporting Standards has been applied.

In preparing its opening MFRS Statement of Financial Position as at 1 October 2012 (which is also the date of transition), the Group has not adjusted amounts previously reported in financial statements prepared in accordance with FRS. The transition from FRS to MFRS has not had a material impact on the statement of comprehensive income and the statement of cash flows.

**A2. Summary of significant accounting policies and application of MFRS 1**

The audited financial statements of the Group for the year ended 30 September 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this condensed report are consistent with those of the audited financial statements for the year ended 30 September 2012.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

		Effective for annual periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 12	Disclosures of Interest in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)	1 January 2013
MFRS 128	Investment in Associates and Joint Ventures (as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

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

The auditors' report on the Group's financial statements for the year ended 30 September 2012 was not qualified.

**A4. Seasonality or cyclical factors**

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

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

**A5. Exceptional items**

There were no exceptional items in the quarterly financial statement 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.

**A7. Debts and equity securities**

There were no issuances, cancellations, repurchases, resale of debts and equity securities during the financial period under review.

**A8. Dividend**

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

**A9. Segmental Information**

	Shipping & Related Activities RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>			
External sales	107,690	-	107,690
Inter-segment sales			
Total revenue	107,690	-	107,690
<b>Results</b>			
Interest income	281		281
Finance cost	(4,288)		(4,288)
Segment (loss)/profit before taxation	917		917

**A10. Profit before tax**

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 31.12.12 RM '000	Preceding Year Quarter Ended 30.12.11 RM '000	Current Year To Date 31.12.12 RM '000	Preceding Year To Date 31.12.11 RM '000
Interest income	281	546	281	546
Other income	744	1,413	744	1,413
Foreign exchange gains/(losses) (net)	(707)	873	(707)	873
Gain/(Loss) on disposal of property, plant and equipment and investments	(92)	294	(92)	294
Depreciation and amortisation	(11,324)	(10,608)	(11,324)	(10,608)

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

**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 except on 6 November 2012, a wholly owned subsidiary of the Company, Everline Shipping Co. Ltd incorporated a subsidiary under the Labuan jurisdiction, Everline Asia Limited, with a paid up capital of USD 1. On 20 November 2012, the Company incorporated another subsidiary, Hub Shipping (S) Pte Ltd, under Singapore jurisdiction with a paid up capital of SGD 2.

**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>103,688</u>

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

**B1. Review of performance**

Group revenue for the first quarter ended 31 December 2012 was RM 108 million. This amount was approximately RM 7 million lower compared with the previous year corresponding period of RM 115 million. The decrease in revenue was mainly due to decrease in shipping and shipping related revenue as flat economic conditions within the intra-Asian regions continued to prove very challenging. For the quarter ending 31 December 2012, volumes from customers have been subdued and freight rates have been competitive.

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

The Group recorded a pre-tax profit of RM 0.9 million this quarter compared to the pre-tax loss of RM 5.7 million in the previous quarter. The losses in the previous quarter were mainly due to the scrapping of two vessels.

**B3. Commentary on Prospects**

The Group expects the shipping industry, in general, to be challenged by subdued demand for shipping services, increased competition, rising fuel costs and stagnant freight rates.

The Group shall continue to review various niche trade routes with an objective of increasing vessel capacity utilisation rates and profitability.

**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 December 2012 RM'000	Year to date 31 December 2012 RM'000
Income tax charge		
- current period	(145)	(145)
Deferred taxation	509	509
	<u>364</u>	<u>364</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**

During the quarter, the Group disposed some of its investment in quoted securities. The details of the sale are as follows:

	RM '000
Consideration received	5,277
Realised loss on sale	(90)

Particulars of investments in quoted securities still held by the Group as at 31 December 2012 are as follows:-

	RM '000
At cost	10,264
At book value	3,822
At market value	3,822

**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	60,163
- unsecured	82,320
Total	<u>142,483</u>
Long term borrowings :	
- secured	88,908
- unsecured	50,498
Total	<u><u>139,406</u></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 31.12.2012	Quarter Ended 31.12.2011	Year to Date ended 31.12.2012	Year to Date ended 31.12.2011
Net profit attributable to equity holders of the parent (RM'000)	1,281	9,349	1,281	9,349
Weighted average no. of ordinary shares ('000)	2,994,526	1,855,523	3,178,975	1,855,523
Basic earnings per share attributable to equity holders of the parent (sen)	0.04	0.50	0.04	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 31.12.2012 RM'000	Preceding Quarter 30.09.2012 RM'000
Total retained profits/(losses) of the Company and its subsidiaries		
- Realised	(8,503)	127,818
- Unrealised	5,007	15,577
	<u>(3,496)</u>	<u>143,395</u>
Total share of retained profits/(losses) from associate		
- Realised	(24,729)	(24,729)
- Unrealised	(4,303)	(4,303)
	<u>(29,033)</u>	<u>(29,033)</u>
Less: Consolidation adjustments	36,802	(921)
Retained profits as per financial statements	<u>4,273</u>	<u>113,441</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 28 February 2012.