

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial year ended 30 September 2014

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.09.2014 RM '000	Preceding Year Quarter Ended 30.09.2013 RM '000	Current Year To Date 30.09.2014 RM '000	Preceding Year To Date 30.09.2013 RM '000
<b>Revenue</b>	79,282	100,001	355,887	388,623
Operating Expenses	(75,705)	(101,637)	(319,791)	(368,464)
	<u>3,577</u>	<u>(1,636)</u>	<u>36,096</u>	<u>20,159</u>
Other Operating Income	7,143	21,309	10,027	24,064
Administrative Expenses	(6,516)	(24,197)	(24,692)	(49,217)
Other Expenses	-	(2,990)	-	(183,344)
Finance Cost	(3,727)	(4,228)	(13,084)	(16,100)
<b>Profit/ (Loss) before taxation</b>	<u>477</u>	<u>(11,742)</u>	<u>8,347</u>	<u>(204,438)</u>
Taxation	(4,411)	(2,982)	(5,258)	(3,234)
<b>Profit/ (Loss) for the period</b>	<u>(3,934)</u>	<u>(14,724)</u>	<u>3,089</u>	<u>(207,672)</u>
Other comprehensive income:				
Currency translation differences	(195)	(5,161)	(2,096)	18,146
Net (Loss)/Gain on available for sale financial assets	-	-	-	(4,145)
<b>Total Comprehensive income for the period</b>	<u>(4,129)</u>	<u>(19,885)</u>	<u>993</u>	<u>(193,671)</u>
Profit/ (Loss) attributable to: Equity holders of the parent	<u>(3,934)</u>	<u>(14,724)</u>	<u>3,089</u>	<u>(207,672)</u>
Total comprehensive income attributable to: Equity holders of the parent	<u>(4,129)</u>	<u>(19,885)</u>	<u>993</u>	<u>(193,671)</u>
<b>Earnings per share attributable to equity holders of the parent (sen)</b>				
<b>Basic</b>	-0.12	-0.45	0.10	-6.53
<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 2013)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014**

	<b>AS AT END OF CURRENT QUARTER 30.09.2014</b>	<b>AS AT PRECEEDING FINANCIAL YEAR ENDED 30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	460,400	486,932
Prepaid Land Lease Payments	-	10,490
Intangible assets	85,353	85,969
Investments in Securities	-	1
Deferred tax assets	12,308	18,138
	<u>558,061</u>	<u>601,530</u>
<b>Current Assets</b>		
Inventories	12,360	13,129
Trade receivables	132,812	132,492
Other receivables	19,499	8,341
Tax recoverable	1,457	1,496
Cash and cash equivalents	12,437	14,742
	<u>178,565</u>	<u>170,200</u>
<b>TOTAL ASSETS</b>	<u><u>736,626</u></u>	<u><u>771,730</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	579,276	579,276
Treasury shares	(4,192)	(4,192)
Reserves	(140,879)	(141,872)
<b>Total equity</b>	<u>434,205</u>	<u>433,212</u>
<b>Non-current liabilities</b>		
Long term borrowings	115,869	145,089
Deferred tax liabilities	12,816	14,241
	<u>128,685</u>	<u>159,330</u>
<b>Current Liabilities</b>		
Short term borrowings	108,584	102,747
Trade payables	23,505	36,290
Other payables	41,240	40,051
Taxation	407	100
	<u>173,736</u>	<u>179,188</u>
<b>Total liabilities</b>	<u>302,421</u>	<u>338,518</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>736,626</u></u>	<u><u>771,730</u></u>
Net assets per share (RM)	0.13	0.14

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

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 September 2013)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	<b>CURRENT YEAR TO DATE ENDED 30.09.2014 RM'000</b>	<b>PRECEDING YEAR TO DATE ENDED 30.09.2013 RM'000</b>
Profit/ (Loss) before taxation	8,347	(204,438)
Adjustments for :-		
Non-operating items	33,452	209,903
Interest expenses	13,084	16,100
Interest income	(40)	(344)
Operating profit before working capital changes	54,843	21,221
Net change in current assets	(10,691)	12,617
Net change in current liabilities	(11,594)	31,767
Tax (paid)/ refunded	(525)	1,331
Interest paid	(13,084)	(16,100)
<b>Net cash generated from/ (used in) operating activities</b>	<b>18,949</b>	<b>50,836</b>
Investing activities		
Purchase of property, plant and equipment	(22,462)	(29,139)
Proceeds from sales of investment, property, plant and equipment	26,173	35,681
Interest received	40	344
<b>Net cash (used in)/generated from investing activities</b>	<b>3,751</b>	<b>6,886</b>
Financing activities		
Proceeds from Rights Issue	-	75,626
Corporate exercise expenses	-	(846)
Repayment of bank borrowings	(38,405)	(129,942)
Proceeds from borrowings	15,000	12,210
<b>Net cash (used in)/generated from financing activities</b>	<b>(23,405)</b>	<b>(42,952)</b>
Net changes in cash and cash equivalents	(705)	14,770
Cash and cash equivalents at beginning of financial period	12,355	15,385
Effects of Exchange Rate Changes	(1,622)	(17,800)
<b>Cash and cash equivalents at end of the financial period</b>	<b>10,028</b>	<b>12,355</b>

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

Cash and bank balances	12,437	14,742
Bank overdraft	(2,409)	(2,387)
<b>Cash and cash equivalents</b>	<b>10,028</b>	<b>12,355</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2013)

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	< ----- Attributable to Equity Holders of the Parent ----- >						> Distributable	Minority Interest	Total Equity
	< ----- Non-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	Total Equity RM'000	RM'000	RM'000
<b>YEAR ENDED 30 SEP 2013</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	12,964		(30,847)		(110,449)	74,779		74,779
Total comprehensive income for the period					14,001	(207,672)	(193,671)	-	(193,671)
At 30 September 2013	579,276	71,669	(4,192)	2,357	(11,219)	(204,679)	433,212	-	433,212
<b>YEAR ENDED 30 SEP 2014</b>									
At 1 October 2013	579,276	71,670	(4,192)	2,357	(11,219)	(204,680)	433,212	-	433,212
Total comprehensive income for the period					(2,096)	3,089	993	-	993
At 30 September 2014	579,276	71,670	(4,192)	2,357	(13,315)	(201,591)	434,205	-	434,205

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2013.)

**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 issued by the Malaysian Accounting Standards Board, 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. These condensed consolidated interim financial statements should be read in conjunction with the annual audited financial statements of Hubline Berhad and its subsidiaries for the financial year ended 30 September 2013.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 September 2013 except for the adoption of the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board that are mandatory for the Group for the financial year commencing 1 October 2013:

- MFRS 3 Business Combination (IFRS 3 Business Combinations issued by IASB in March 2004)
- MFRS 10: Consolidated Financial Statements
- MFRS 11: Joint Arrangements
- MFRS 12: Disclosure of Interests in Other Entities
- MFRS 13: Fair Value Measurement
- Amendment to MFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendment to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009 – 2011 Cycle)
- Amendment to MFRS 132 Financial Instruments Presentation (Annual Improvements 2009 – 2011 Cycle)
- Amendment to MFRS 134 Interim Financial Reporting (Annual Improvements 2009 – 2011 Cycle)
- Amendment to MFRS 10 Consolidated Financial Statements: Transition Guide
- Amendment to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- MFRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)
- MFRS 127 Separate Financial Statements (IAS 27 as amended by IASB in May 2011)

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

The auditors' report on the Group's financial statements for the year ended 30 September 2013 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. Material and unusual items**

There were no exceptional 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.

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**A7. Dividend**

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

**A8. Segmental Information**

	Shipping & Related Activities RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>			
External sales	355,887	-	355,887
Inter-segment sales			
Total revenue	355,887	-	355,887
<b>Results</b>			
Interest income	40		40
Finance cost	(13,084)		(13,084)
Segment profit before taxation	8,347		8,347

**A9. Profit before tax**

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.09.2014 RM '000	Preceding Year Quarter Ended 30.09.2013 RM '000	Current Year To Date 30.09.2014 RM '000	Preceding Year To Date 30.09.2013 RM '000
Interest income	16	10	40	344
Other income	693	(311)	2,033	907
Foreign exchange gains/(losses) (net)	2,391	13,075	3,593	13,187
Gain/(Loss) on disposal of property, plant and equipment and investments	4,042	(13,031)	4,360	(54,077)
Depreciation and amortisation	(9,207)	(9,724)	(37,812)	(42,255)
Impairment loss on property, plant and equipment	-	(6,600)	-	(6,600)
Impairment on amount due from associates	-	(79,797)	-	(79,797)
Foreign exchange translation differences transferred from Translation Reserve	-	(28,701)	-	(28,701)
Provision for impairment on receivables	-	(14,170)	-	(14,170)

**A10. 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.

**A11. 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.

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**A12. Changes in composition of the Company**

There was no change in the composition of the Group during the current quarter under review. Subsequent to the end of the quarter, on 6 November 2014, a wholly owned subsidiary of the Company, Everline Shipping Co. Ltd incorporated a subsidiary under the Labuan jurisdiction, Everline Bulk Limited, with a paid up capital of USD 1. On 7 November 2014, Everline Shipping Co. Ltd further incorporated another subsidiary, Everline Carrier Limited under the Labuan jurisdiction with a paid up capital of USD 1.

**A13. 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>92,310</u>

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

**B1. Review of performance**

The Group recorded lower revenue for the final quarter ended 30 September 2014. Total revenue for the September 2014 quarter was RM 79.3 million as compared to RM 100.0 million in the corresponding period of the previous year.

For the year ended 30 September 2014, the Group recorded total revenue of RM 355.9 million, a slight decrease from RM 388.6 million recorded in the previous year corresponding period.

The Group managed to generate a fourth quarter 2014 net profit before tax of RM 0.48 million as compared to a loss of RM 11.7 million during the same period of 2013. For the full financial year, the Group generated a profit before tax of RM 8.3 million as compared to a loss of RM 204.4 million. This was mainly due to provisions for impairment which were taken in 2013. The profit improvements were also attributed to lower administrative costs and finance costs as Management focuses on managing costs and further improving our cost structure.

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

In comparing the current quarter's results, to the results of the previous quarter, the Group revenue decreased from RM 92.2 million to RM 79.3 million. The decrease was mainly due to lower volumes carried in the final quarter 2014. Despite this, the Group recorded a small profit before tax of RM 0.48 million during the current quarter against a RM 2.4 million profit before tax recorded in the previous quarter.

**B3. Commentary on Prospects**

The external business environment within the intra-Asian region will most likely remain uncertain going forward and weak business conditions will most likely continue to test all participants in the dry bulk and containerised businesses.

The Group shall continue to focus on productivity, cost efficiencies and prudent capital management while maintaining the Group's leverage to any improvement in the external business environment.

**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 2014 RM'000	Year to date 30 September 2014 RM'000
Income tax charge		
- current period	(330)	(852)
Deferred taxation	(4,081)	(4,406)
	<u>(4,411)</u>	<u>(5,258)</u>

The income of the Group that is derived from the operations of sea-going Malaysian registered ships is partially 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.



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**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.

**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	48,328
- unsecured	60,256
Total	<u>108,584</u>
Long term borrowings :	
- secured	77,307
- unsecured	38,562
Total	<u>115,869</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.

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**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 30.09.2014	Quarter Ended 30.09.2013	Year to Date ended 30.09.2014	Year to Date ended 30.09.2013
Net profit attributable to equity holders of the parent (RM'000)	(3,934)	(14,724)	3,089	(207,672)
Weighted average no. of ordinary shares ('000)	3,241,134	3,241,134	3,241,134	3,178,975
Basic earnings per share attributable to equity holders of the parent (sen)	-0.12	-0.45	0.10	-6.53

**(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 30.09.2014 RM'000	Preceding Quarter 30.06.2014 RM'000
Total retained profits/(losses) of the Company and its subsidiaries		
- Realised	(260,881)	(255,921)
- Unrealised	994	4,589
	<u>(259,887)</u>	<u>(251,332)</u>
Adjust for: Consolidation adjustments	58,296	53,676
Retained profits as per financial statements	<u>(201,591)</u>	<u>(197,656)</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 November 2014.