

QUARTERLY REPORT

This is a quarterly report on consolidated results for the financial quarter ended 31 March 2015

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2015**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 31.03.2015 RM '000	Preceding Year Quarter Ended 31.03.2014 RM '000	Current Year To Date 31.03.2015 RM '000	Preceding Year To Date 31.03.2014 RM '000
Revenue	44,996	91,781	108,873	184,447
Operating Expenses	(38,472)	(80,974)	(98,808)	(163,001)
	<u>6,524</u>	<u>10,807</u>	<u>10,065</u>	<u>21,446</u>
Other Operating Income	2,064	1,197	2,591	2,468
Administrative Expenses	(7,709)	(6,083)	(15,168)	(11,954)
Other Expenses	(353,721)	-	(353,721)	-
Finance Cost	(3,741)	(3,670)	(6,254)	(6,500)
Profit/ (Loss) before taxation	<u>(356,583)</u>	<u>2,251</u>	<u>(362,487)</u>	<u>5,460</u>
Taxation	(12,748)	(239)	(12,706)	(459)
Profit/ (Loss) for the period	<u>(369,331)</u>	<u>2,012</u>	<u>(375,193)</u>	<u>5,001</u>
Other comprehensive income:				
Currency translation differences	1,375	205	(1,025)	(173)
Net (Loss)/Gain on available for sale financial assets	-	-	-	-
Total Comprehensive income for the period	<u>(367,956)</u>	<u>2,217</u>	<u>(376,218)</u>	<u>4,828</u>
Profit/ (Loss) attributable to: Equity holders of the parent	<u>(369,331)</u>	<u>2,012</u>	<u>(375,193)</u>	<u>5,001</u>
Total comprehensive income attributable to: Equity holders of the parent	<u>(367,956)</u>	<u>2,217</u>	<u>(376,218)</u>	<u>4,828</u>
Earnings per share attributable to equity holders of the parent (sen)				
Basic	-11.40	0.06	-11.58	0.15
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 2014)

HUBLINE BERHAD
(Company No:23568-H)

QUARTERLY REPORT

This is a quarterly report on consolidated results for the financial quarter ended 31 March 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	AS AT END OF CURRENT QUARTER 31.03.2015	AS AT PRECEEDING FINANCIAL YEAR ENDED 30.09.2014
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	245,470	459,733
Intangible assets	15,207	85,353
Deferred tax assets	1,363	16,145
	<u>262,040</u>	<u>561,231</u>
Current Assets		
Inventories	4,876	12,396
Trade and Other receivables	103,442	141,419
Tax recoverable	1,604	-
Cash and cash equivalents	12,297	12,477
	<u>122,219</u>	<u>166,292</u>
TOTAL ASSETS	<u>384,259</u>	<u>727,523</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	579,276	579,276
Treasury shares	(4,192)	(4,192)
Reserves	(514,001)	(137,783)
Total equity	<u>61,083</u>	<u>437,301</u>
Non-current liabilities		
Long term borrowings	122,733	97,314
Deferred tax liabilities	11,552	14,485
	<u>134,285</u>	<u>111,799</u>
Current Liabilities		
Short term borrowings	110,843	127,433
Trade & Other payables	77,480	50,574
Taxation	568	416
	<u>188,891</u>	<u>178,423</u>
Total liabilities	<u>323,176</u>	<u>290,222</u>
TOTAL EQUITY AND LIABILITIES	<u>384,259</u>	<u>727,523</u>
Net assets per share (RM)	0.02	0.13

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 September 2014)

QUARTERLY REPORT

This is a quarterly report on consolidated results for the financial quarter ended 31 March 2015

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2015**

	CURRENT YEAR TO DATE ENDED 31.03.2015 RM'000	PRECEDING YEAR TO DATE ENDED 31.03.2014 RM'000
Profit/ (Loss) before taxation	(362,487)	5,460
Adjustments for :-		
Non-operating items	311,831	18,017
Interest expenses	6,254	6,500
Interest income	(21)	(20)
Operating profit before working capital changes	(44,423)	29,957
Net change in current assets	43,691	2,151
Net change in current liabilities	27,058	(1,193)
Tax (paid)/ refunded	(656)	(419)
Interest paid	(6,254)	(6,500)
Net cash generated from/ (used in) operating activities	19,416	23,996
Investing activities		
Purchase of property, plant and equipment	(27,715)	(9,425)
Proceeds from sales of investment, property, plant and equipment	1,878	857
Interest received	21	20
Net cash (used in)/generated from investing activities	(25,816)	(8,548)
Financing activities		
Proceeds from Rights Issue	-	-
Corporate exercise expenses	-	-
Repayment of bank borrowings	(13,902)	(17,841)
Proceeds from borrowings	15,000	-
Net cash (used in)/generated from financing activities	1,098	(17,841)
Net changes in cash and cash equivalents	(5,302)	(2,393)
Cash and cash equivalents at beginning of financial period	10,068	12,354
Effects of Exchange Rate Changes	4,967	(230)
Cash and cash equivalents at end of the financial period	9,733	9,731

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

Cash and bank balances	12,297	12,075
Bank overdraft	(2,564)	(2,344)
Cash and cash equivalents	9,733	9,731

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2014)

HUBLINE BERHAD
(Company No:23568-H)

QUARTERLY REPORT

This is a quarterly report on consolidated results for the financial quarter ended 31 March 2015

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2015

	< ----- 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			
6 MONTHS ENDED 31 MAR 2014									
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					(173)	5,001	4,828	-	4,828
At 31 March 2014	579,276	71,670	(4,192)	2,357	(11,392)	(199,679)	438,040	-	438,040
6 MONTHS ENDED 31 MAR 2015									
At 1 October 2014	579,276	71,670	(4,192)	2,357	(10,392)	(201,418)	437,301	-	437,301
Total comprehensive income for the period					(1,025)	(375,193)	(376,218)	-	(376,218)
At 31 March 2015	579,276	71,670	(4,192)	2,357	(11,417)	(576,611)	61,083	-	61,083

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2014.)

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 2014.

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 2014 except for the adoption of the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board for the financial year commencing 1 October 2014:

- MFRS 10: Consolidated Financial Statements
- MFRS 11: Joint Arrangements
- MFRS 12: Disclosure of Interests in Other Entities
- Amendments to MFRS 119 Defined Benefits Plans: Employee Contribution
- Amendments to MFRSs Annual Improvements to MFRSs 2010 -2012 cycle

A2. Auditors' report on preceding Annual Financial Statements

The auditors' report on the Group's financial statements for the year ended 30 September 2014 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.

A7. Dividend

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

HUBLINE BERHAD
(Company No:23568-H)

A8. Segmental Information

	Shipping & Related Activities RM'000	Elimination RM'000	Group RM'000
Revenue			
External sales	108,873	-	108,873
Inter-segment sales			
Total revenue	108,873	-	108,873
Results			
Interest income	21		21
Finance cost	(6,254)		(6,254)
Segment (loss)/profit before taxation	(362,487)		(362,487)

A9. Profit before tax

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 31.03.2015 RM '000	Preceding Year Quarter Ended 31.03.2014 RM '000	Current Year To Date 31.03.2015 RM '000	Preceding Year To Date 31.03.2014 RM '000
Interest income	9	12	21	20
Other income	1,450	974	1,520	1,715
Foreign exchange gains/(losses) (net)	3	(1,140)	(5)	434
Gain/(Loss) on disposal of property, plant and equipment and investments	-	212	214	299
Depreciation and amortisation	(3,939)	(9,566)	(13,745)	(19,215)
Container division exit provisions and expenses	(353,721)	-	(353,721)	-

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

Our Group is still in the midst of exiting from the container shipping operations which involve, among other things, the termination of related service and operation contracts and the disposal of container shipping assets.

Save as disclosed below, there were no material events subsequent to the end of the current quarter that has not been reflected in the financial statements for the current period:

- On 2 April 2015, a Restraining Order was granted by the High Court of Sabah and Sarawak, in Kuching to restrain any and all proceedings and/or actions and/or further proceedings in any suits and/or proceedings and/or actions against Hubline Bhd. The Restraining Order was to enable the Group to focus on the winding down of the container shipping division and to prevent potential litigations or proceedings which may adversely affect the restructuring currently undertaken by the Group.
- On 15 May 2015, Hub Shipping Sdn Bhd, a wholly owned subsidiary of the Company was granted an extension of its Restraining Order by the High Court of Sabah and Sarawak, in Kuching, for a further 90 days from 19 May 2015, expiring on 17 August 2015.

HUBLINE BERHAD
(Company No:23568-H)

A12. Changes in composition of the Company

There was no change in the composition of the Group during the current quarter under review except on 10 March 2015, Hub Shipping (S) Pte Ltd, a wholly owned subsidiary incorporated in Singapore was resolved to be voluntarily struck-off. This voluntary strike-off will not have a material effect on the earnings or net assets of the Group.

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>88,128</u>

B EXPLANATORY NOTES OF BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

Group revenue for the quarter ended 31 March 2015 was RM 45.0 million as compared to RM 92.0 million in the corresponding period of the previous year. The decrease was mainly attributable to drastic drop in container division sales following our announcement to exit this division.

The Group suffered RM 356.6 million loss for the quarter due to recognition of provisions totaling RM 353.7 million as part of the Group's planned exit from the container shipping division. The provisions include impairment of assets, withdrawal from trade alliances and termination of related services and operational contracts.

B2. Comparison with preceding quarter's results

The Group revenue in the current quarter of RM 45 million was a 30% decrease from the preceding quarter which recorded revenue of RM 63.9 million. This decrease was due to substantially lower revenue recognised in the container shipping division.

B3. Commentary on Prospects

The Group's dry bulk shipping division has met our expectations for the current quarter and year to date, and we expect this sector to continue to perform reasonably well going forward.

With the winding down of the container shipping division, the anticipated costs to the income statement will result in the Group incurring losses for the current financial year ending 30 September 2015.

The Group's decision to exit the loss making shipping division is expected to benefit the Group in the medium to long term.

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 March 2015 RM'000	Year to date 31 March 2015 RM'000
Income tax charge		
- current period	(670)	(858)
Deferred taxation	(12,078)	(11,848)
	<u>(12,748)</u>	<u>(12,706)</u>

Deferred tax assets of RM 12.95 million were written off during the quarter as a result of the decision to exit from the container shipping division.

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 except for the proposal announced today.

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	52,006
- unsecured	58,837
Total	<u>110,843</u>
Long term borrowings :	
- secured	77,904
- unsecured	44,829
Total	<u>122,733</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.

HUBLINE BERHAD
(Company No:23568-H)

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 31.03.2015	Quarter Ended 31.03.2014	Year to Date ended 31.03.2015	Year to Date ended 31.03.2014
Net profit / (loss) attributable to equity holders of the parent (RM'000)	(369,331)	2,012	(375,193)	5,001
Weighted average no. of ordinary shares ('000)	3,241,134	3,241,134	3,241,134	3,241,134
Basic earnings per share attributable to equity holders of the parent (sen)	-11.40	0.06	-11.58	0.15

(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 31.03.2015 RM'000	Preceding Quarter 31.12.2014 RM'000
Total retained profits/(losses) of the Company and its subsidiaries		
- Realised	(863,014)	(572,521)
- Unrealised	(4,785)	2,121
	<u>(867,799)</u>	<u>(570,400)</u>
Adjust for: Consolidation adjustments	291,188	363,121
Retained profits as per financial statements	<u>(576,611)</u>	<u>(207,279)</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 29 May 2015.