

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial year ended 30 September 2016

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.09.2016 RM '000	Preceding Year Quarter Ended 30.09.2015 RM '000	Current Year To Date 30.09.2016 RM '000	Preceding Year To Date 30.09.2015 RM '000
<b>Revenue</b>	22,959	23,274	97,905	103,900
Operating Expenses	(20,033)	(19,197)	(80,954)	(91,358)
	<u>2,926</u>	<u>4,077</u>	<u>16,951</u>	<u>12,542</u>
Other Operating Income	437	11,964	2,310	26,928
Administrative Expenses	(3,522)	(3,826)	(10,264)	(9,142)
Other Expenses	(52,872)	(2,804)	(83,660)	(380,724)
Finance Cost	(2,966)	(3,450)	(9,390)	(12,608)
<b>Profit/ (Loss) before taxation</b>	<u>(55,997)</u>	<u>5,961</u>	<u>(84,053)</u>	<u>(363,004)</u>
Taxation	612	296	532	(13,749)
<b>Profit/ (Loss) for the period</b>	<u>(55,385)</u>	<u>6,257</u>	<u>(83,521)</u>	<u>(376,753)</u>
Other comprehensive income:				
Currency translation differences	2,285	(8,553)	16,921	(19,959)
<b>Total Comprehensive income for the period</b>	<u>(53,100)</u>	<u>(2,296)</u>	<u>(66,600)</u>	<u>(396,712)</u>
Profit/ (Loss) attributable to: Equity holders of the parent	<u>(55,385)</u>	<u>6,257</u>	<u>(83,521)</u>	<u>(376,753)</u>
Total comprehensive income attributable to: Equity holders of the parent	<u>(53,100)</u>	<u>(2,296)</u>	<u>(66,600)</u>	<u>(396,712)</u>
<b>Earnings per share attributable to equity holders of the parent (sen)</b>				
<b>Basic</b>	-0.45	0.19	-0.89	-11.62
<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 2015)

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

**QUARTERLY REPORT**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016**

	<b>AS AT END OF CURRENT QUARTER 30.09.2016</b>	<b>AS AT PRECEEDING FINANCIAL YEAR ENDED 30.09.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	157,444	239,881
Intangible assets	15,207	15,207
Deferred tax assets	1,777	1,530
	<u>174,428</u>	<u>256,618</u>
<b>Current Assets</b>		
Inventories	5,057	5,265
Assets held for sale	8,380	-
Trade and Other receivables	63,525	70,356
Tax recoverable	947	733
Cash and cash equivalents	16,123	4,384
	<u>94,032</u>	<u>80,738</u>
<b>TOTAL ASSETS</b>	<u>268,460</u>	<u>337,356</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	126,540	579,276
Treasury shares	(4,192)	(4,192)
Reserves	(56,194)	(534,496)
<b>Total equity</b>	<u>66,154</u>	<u>40,588</u>
<b>Non-current liabilities</b>		
Long term borrowings	114,186	104,186
Deferred tax liabilities	11,386	12,447
	<u>125,572</u>	<u>116,633</u>
<b>Current Liabilities</b>		
Short term borrowings	35,893	74,878
Trade & Other payables	40,745	104,884
Taxation	96	373
	<u>76,734</u>	<u>180,135</u>
<b>Total liabilities</b>	<u>202,306</u>	<u>296,768</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>268,460</u>	<u>337,356</u>
Net assets per share (RM)	0.007	0.012

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 September 2015)

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial year ended 30 September 2016

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	<b>CURRENT YEAR TO DATE ENDED 30.09.2016 RM'000</b>	<b>PRECEDING YEAR TO DATE ENDED 30.09.2015 RM'000</b>
Profit/ (Loss) before taxation	(84,053)	(363,004)
Adjustments for :-		
Non-operating items	80,697	337,147
Interest expenses	9,390	12,608
Interest income	(561)	(14)
Operating profit before working capital changes	5,473	(13,263)
Net change in current assets	7,139	43,506
Net change in current liabilities	(64,195)	54,541
Tax (paid)/ refunded	(1,365)	(278)
Interest paid	(9,390)	(12,608)
<b>Net cash generated from/ (used in) operating activities</b>	<b>(62,338)</b>	<b>71,898</b>
Investing activities		
Purchase of property, plant and equipment	(15,593)	(14,297)
Proceeds from sales of investment, property, plant and equipment	13,624	9,842
Interest received	561	14
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,408)</b>	<b>(4,441)</b>
Financing activities		
Repayment of bank borrowings	(26,227)	(12,262)
Proceeds from borrowings	-	5,676
Proceeds from rights issue & private placement	93,993	-
Expenses relating to capital raising	(1,828)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>65,938</b>	<b>(6,586)</b>
Net changes in cash and cash equivalents	2,192	60,871
Cash and cash equivalents at beginning of financial period	1,680	4,124
Effects of Exchange Rate Changes	12,251	(63,583)
<b>Cash and cash equivalents at end of the financial period</b>	<b>16,123</b>	<b>1,412</b>

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

Cash and bank balances	16,123	4,384
Bank overdraft	-	(2,972)
<b>Cash and cash equivalents</b>	<b>16,123</b>	<b>1,412</b>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2015)**

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

**QUARTERLY REPORT**

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

	< ----- Attributable to Equity Holders of the Parent ----- >						Total Equity
	< ----- 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	RM'000
<b>YEAR ENDED 30 SEP 2015</b>							
<b>At 1 October 2014</b>	579,276	71,670	(4,192)	2,357	(10,392)	(201,419)	437,300
Total comprehensive income for the period					(19,959)	(376,753)	(396,712)
<b>At 30 September 2015</b>	<u>579,276</u>	<u>71,670</u>	<u>(4,192)</u>	<u>2,357</u>	<u>(30,351)</u>	<u>(578,172)</u>	<u>40,588</u>
<b>YEAR ENDED 30 SEP 2016</b>							
<b>At 1 October 2015</b>	579,276	71,670	(4,192)	2,357	(30,351)	(578,172)	40,588
Capital reduction	(546,729)				(47,761)	586,331	(8,159)
Rights issue & Private Placement	93,993	15,395			(7,235)		102,153
Capital raising expenses				(1,828)			(1,828)
Total comprehensive income for the period					16,921	(83,521)	(66,600)
<b>At 30 September 2016</b>	<u>126,540</u>	<u>87,065</u>	<u>(4,192)</u>	<u>529</u>	<u>(68,426)</u>	<u>(75,362)</u>	<u>66,154</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2015)

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

**A1. Basis of preparation**

The Interim Financial Report of the Group are unaudited and have 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 2015.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the financial statements for the year ended 30 September 2015.

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

The auditors' report on the Group's financial statements for the year ended 30 September 2015 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.

**A8. Segmental Information**

	Shipping & Related Activities RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>			
External sales	97,905	-	97,905
Inter-segment sales			
Total revenue	97,905	-	97,905
<b>Results</b>			
Interest income	561		561
Finance cost	(9,390)		(9,390)
Segment loss before taxation	(84,053)		(84,053)

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

**A9. Profit before tax**

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.09.2016 RM '000	Preceding Year Quarter Ended 30.09.2015 RM '000	Current Year To Date 30.09.2016 RM '000	Preceding Year To Date 30.09.2015 RM '000
Interest income	86	8	561	14
Other income	35	540	493	2,119
Foreign exchange gains/(losses) (net)	(3,544)	10,035	1,256	11,307
Depreciation and amortisation	(2,668)	(2,435)	(9,498)	(18,361)
Container division exit provisions & expenses	(52,872)	(2,804)	(83,660)	(380,724)
Foreign exchange translation differences transferred from Translation Reserve	-	-	(17,531)	-

**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 statements for the current period.

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

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

**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	18,780

**A14. Capital Commitment**

	RM
Amount approved and committed	12.06 million
Amount approved and not committed	<u>NIL</u>
Total	<u>12.06 million</u>

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

**B1. Review of performance**

Group revenue for the quarter ended 30 September 2016 was RM 22.96 million as compared to RM 23.27 million in the corresponding period of the previous year.

The Group made a current quarter loss of RM 55.4 million compared to a profit of RM 6.3 million in the same quarter last year. The losses were mainly due to loss on disposal of container shipping assets of RM 24.4 million, impairment on container shipping assets and expenses of RM 24.6 million and unrealised foreign exchange losses of RM 3.8 million.

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

The Group revenue in the current quarter was RM 22.96 million which is RM 2.63 million improvement from the previous quarter of RM 20.33 million.

**B3. Commentary on Prospects**

The Group's dry bulk shipping division sees some improvement. The management is cautiously optimistic about the prospect in the coming year.

The Group is on track to completely exit the container shipping division by the end of this calendar year. Thus, the results in 2017 are expected to improve.

**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 2016 RM'000	Year to date 30 September 2016 RM'000
Income tax charge		
- current period	(101)	(775)
Deferred taxation	713	1,307
	<u>612</u>	<u>532</u>

Domestic current income tax is calculated at the statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Certain subsidiaries of the Group enjoy tax exemptions from the relevant authorities on their business income for current and future periods. The computation of deferred tax as at the current period has reflected the effects of such exemptions.

**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**

On 18 July 2016, the Company announced a proposed capital restructuring exercise which comprises:

- The proposed reduction of issued and paid up share capital of the Company, involving the cancellation of RM 0.005 of the par value of each existing ordinary RM0.01 share;
- The proposed share consolidation of each ordinary share upon the completion of the proposed par value reduction on the basis of 20 ordinary shares of RM 0.005 each into one ordinary share of RM0.10 each;
- The proposed amendments to the terms of the deed polls of Warrants A and Warrants B as a result of the proposed par value reduction and proposed share consolidation;
- The proposed issuance of redeemable convertible notes with an aggregate principal amount of up to RM 200.0 million.

On 18 November 2016, the Company entered into a Supplemental Agreement with the Subscriber on the following:

- To revise the aggregate principal amount of the Notes from RM 200.0 million to RM 80.0 million; and
- The minimum conversion price in relation to the conversion shares to be set at RM 0.05 upon the implementation of the Companies Act 2016.

As at the date of this announcement, the Company is still awaiting on Bursa Malaysia's approval.

**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	35,393
- unsecured	500
Total	<u>35,893</u>
Long term borrowings :	
- secured	113,436
- unsecured	750
Total	<u>114,186</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 30.09.2016	Quarter Ended 30.09.2015	Year to Date ended 30.09.2016	Year to Date ended 30.09.2015
Net profit / (loss) attributable to equity holders of the parent (RM'000)	(55,385)	6,257	(83,521)	(376,753)
Weighted average no. of ordinary shares ('000)	12,284,128	3,241,134	9,330,540	3,241,134
Basic earnings per share attributable to equity holders of the parent (sen)	-0.45	0.19	-0.89	-11.62

**(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 30.09.2016 RM'000	Preceding Quarter 30.06.2016 RM'000
Total retained profits/(losses) of the Company and its subsidiaries		
- Realised	(343,779)	(335,724)
- Unrealised	(7,243)	(4,096)
	<u>(351,022)</u>	<u>(339,820)</u>
Adjust for: Consolidation adjustments	275,660	319,842
Retained profits as per financial statements	<u>(75,362)</u>	<u>(19,978)</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 2016.