

QUARTERLY REPORT

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2021**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.06.2021 RM '000	Preceding Year Quarter Ended 30.06.2020 RM '000	Current Year To Date 30.06.2021 RM '000	Preceding Year To Date 30.06.2020 RM '000
Revenue	40,462	29,827	110,350	102,156
Operating Expenses	(34,326)	(28,869)	(94,347)	(92,476)
	<u>6,136</u>	<u>958</u>	<u>16,003</u>	<u>9,680</u>
Other Operating Income	1,283	48	18,286	1,642
Administrative Expenses	(4,826)	(3,503)	(13,860)	(12,814)
Other Expenses	-	(5,140)	-	(5,290)
Finance Cost	(1,121)	(969)	(3,381)	(3,093)
Profit / (Loss) before taxation	<u>1,472</u>	<u>(8,606)</u>	<u>17,048</u>	<u>(9,875)</u>
Taxation	(937)	(2,241)	(3,023)	(3,737)
Profit / (Loss) for the period	<u>535</u>	<u>(10,847)</u>	<u>14,025</u>	<u>(13,612)</u>
Other comprehensive income:				
Currency translation differences	115	(792)	(10)	1,468
Total Comprehensive income for the period	<u>650</u>	<u>(11,639)</u>	<u>14,015</u>	<u>(12,144)</u>
Profit / (Loss) attributable to:				
Shareholders of the parent	(205)	(11,370)	12,743	(13,872)
Non-controlling interests	740	523	1,282	260
Profit / (Loss) for the period	<u>535</u>	<u>(10,847)</u>	<u>14,025</u>	<u>(13,612)</u>
Total comprehensive income / (expenses) attributable to:				
Shareholders of the parent	(90)	(12,162)	12,733	(12,404)
Non-controlling interests	740	523	1,282	260
Total Comprehensive income / (expenses) for the period	<u>650</u>	<u>(11,639)</u>	<u>14,015</u>	<u>(12,144)</u>
Earnings per share attributable to equity holders of the parent (sen)				
Basic	-0.01	-0.30	0.32	-0.36
Diluted	N/A	N/A	N/A	-0.34

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited consolidated results of the Group for the financial year ended 30 September 2020)

QUARTERLY REPORT

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	UNAUDITED AS AT 30.06.2021	AUDITED AS AT 30.09.2020
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	219,341	224,320
Right-of-use assets	5,174	8,204
Intangible assets	19,856	19,856
Deferred tax assets	6,940	8,290
	<u>251,311</u>	<u>260,670</u>
Current Assets		
Inventories	9,666	8,791
Trade and other receivables	30,933	28,498
Tax recoverable	873	881
Cash and cash equivalents	16,570	18,566
	<u>58,042</u>	<u>56,736</u>
TOTAL ASSETS	<u>309,353</u>	<u>317,406</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	233,567	222,588
Treasury shares	(4,192)	(4,192)
Reserves	(78,633)	(91,366)
Total equity attributable to shareholders of the parent	<u>150,742</u>	<u>127,030</u>
Non-controlling interests	10,418	9,136
Total equity	<u>161,160</u>	<u>136,166</u>
Non-current liabilities		
Long term borrowings	36,500	39,678
Other payables	5,157	4,631
Deferred tax liabilities	17,414	17,900
	<u>59,071</u>	<u>62,209</u>
Current Liabilities		
Short term borrowings	41,590	42,430
Trade & other payables	43,196	63,621
Taxation	4,336	12,980
	<u>89,122</u>	<u>119,031</u>
Total liabilities	<u>148,193</u>	<u>181,240</u>
TOTAL EQUITY AND LIABILITIES	<u>309,353</u>	<u>317,406</u>
Net assets per share (RM)	0.04	0.035

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited consolidated results of the Group for the financial year ended 30 September 2020)

QUARTERLY REPORT

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2021

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021**

	9 MONTHS ENDED	9 MONTHS ENDED
	30.06.2021	30.06.2020
	RM'000	RM'000
(Loss)/ Profit before taxation	17,048	(9,875)
Adjustments for :-		
Non-operating items	17,895	15,856
Interest expenses	3,381	3,093
Interest income	(22)	(22)
Cash from operating activities before working capital changes	<u>38,302</u>	<u>9,052</u>
Net change in current assets	(3,310)	4,515
Net change in current liabilities	(28,308)	15,039
Tax (paid)/ refunded	(1,904)	(597)
Interest paid	(3,381)	(3,093)
Net cash generated from operating activities	<u>1,399</u>	<u>24,916</u>
Investing activities		
Purchase of property, plant and equipment	(5,432)	(39,008)
Proceeds from sales of property, plant and equipment	255	-
Interest received	22	22
Net cash used in investing activities	<u>(5,155)</u>	<u>(38,986)</u>
Financing activities		
Proceeds from bank borrowings	9,243	7,982
Repayment of bank borrowings	(12,689)	(6,530)
Proceeds from capital raising exercises	10,979	2,000
Expenses relating to capital raising	(211)	(200)
Net cash generated from financing activities	<u>7,322</u>	<u>3,252</u>
Net changes in cash and cash equivalents	3,566	(10,818)
Cash and cash equivalents at beginning of financial period	13,430	23,063
Effects of Exchange Rate Changes	(4,624)	2,137
Cash and cash equivalents at end of the financial period	<u>12,372</u>	<u>14,382</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	16,570	14,382
Bank overdraft	(4,198)	-
Cash and cash equivalents	<u>12,372</u>	<u>14,382</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated results of the Group for the financial year ended 30 September 2020)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

< ----- Attributable to Shareholders of the Parent ----- >

	Share capital	Warrant reserve	Treasury shares	Translation reserves	Capital reserves	RCN reserves	Retained Profit	Non-Controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 MONTHS ENDED 31 JUN 2020									
At 1 October 2019	218,538	118,094	(4,192)	(14,583)	(86,027)	358	(44,442)	5,304	193,050
Conversion of RCN	1,800					(358)			1,442
Expiry of Warrants A		(75,298)			75,298				-
Total comprehensive income for the period				1,468			(13,872)	260	(12,144)
At 30 June 2020	<u>220,338</u>	<u>42,796</u>	<u>(4,192)</u>	<u>(13,115)</u>	<u>(10,729)</u>	<u>-</u>	<u>(58,314)</u>	<u>5,564</u>	<u>182,348</u>
9 MONTHS ENDED 30 JUN 2021									
At 1 October 2020	222,588	42,796	(4,192)	(14,289)	(10,728)	-	(109,145)	9,136	136,166
Expiry of Warrants B		(15,396)			15,396				-
Private Placement	10,979								10,979
Total comprehensive income for the period				(10)			12,743	1,282	14,015
At 30 June 2021	<u>233,567</u>	<u>27,400</u>	<u>(4,192)</u>	<u>(14,299)</u>	<u>4,668</u>	<u>-</u>	<u>(96,402)</u>	<u>10,418</u>	<u>161,160</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated results of the Group for the financial year ended 30 September 2020)

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 unaudited 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 2020.

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 2020.

A2. Auditors' report on preceding Annual Financial Statements

The auditors' report on the Group's financial statements for the year ended 30 September 2020 was not qualified but contained a paragraph on material uncertainty related to going concern as follows:

“We draw attention to Note 4 to the financial statements, which indicates that the Group incurred a net loss of RM60,869,933 during the financial year ended 30 September 2020 and, as of that date, the Group's current liabilities exceeded its current assets by RM62,294,772. These events indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

In assessing the appropriateness of the use of the going concern assumption, management have considered the Group's cash flow forecast for the financial year ending 30 September 2021 as well as other factors enumerated in Note 4 to the financial statements.

In view of the above, barring any unforeseen circumstances, management has a reasonable expectation that the Group have adequate resources to continue as a going concern for the foreseeable future. Accordingly, the financial statements of the Group have been prepared on the going concern basis.

Our opinion is not modified in respect of this matter.”

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

Segmental information for the 9 months ended 30 June 2021

	Shipping & Related Activities RM'000	Aviation & Related Activities RM'000	HQ & Related Overheads RM'000	Group RM'000
Revenue				
External sales	70,891	39,459	-	110,350
Total revenue	70,891	39,959	-	110,350
Results				
Gross profit	6,172	9,831	-	16,003
Interest & other income	2,280	-	16,006	18,286
Administrative costs	(3,720)	(6,582)	(3,558)	(13,860)
Finance cost	(968)	(816)	(1,597)	(3,381)
Segment (loss)/profit before taxation	3,764	2,433	10,851	17,048

Segmental information for the 9 months ended 30 June 2020

	Shipping & Related Activities RM'000	Aviation & Related Activities RM'000	HQ & Related Overheads RM'000	Discontinued Operations RM'000	Group RM'000
Revenue					
External sales	61,175	40,981	-	-	102,156
Total revenue	61,175	40,981	-	-	102,156
Results					
Gross profit	428	9,252	-	-	9,680
Interest & other income	1,635	-	7	-	1,642
Administrative costs	(3,227)	(5,321)	(3,451)	(815)	(12,814)
Finance cost	(720)	(359)	-	(2,014)	(3,093)
Other expenses	-	-	(90)	(5,200)	(5,290)
Segment (loss)/profit before taxation	(1,884)	3,572	(3,534)	(8,029)	(9,875)

A9. Profit before tax

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.06.2021 RM '000	Preceding Year Quarter Ended 30.06.2020 RM '000	Current Year To Date 30.06.2021 RM '000	Preceding Year To Date 30.06.2020 RM '000
Interest income	15	2	22	22
Other income	1,268	46	18,264	1,619
Foreign exchange gains/(losses) (net)	(530)	417	(471)	(291)
Depreciation and amortisation	(4,733)	(4,402)	(13,840)	(13,732)

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 up to the date of this report.

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	<u>39,691</u>

A14. Related Party Transactions

	3 Months ended 30.06.2021 RM'000	3 Months Ended 30.06.2020 RM'000	9 Months Ended 30.06.2021 RM'000	9 Months Ended 30.06.2020 RM'000
A Company in which a director is also the key management personnel				
Rental of premises	<u>103</u>	<u>129</u>	<u>309</u>	<u>387</u>

B EXPLANATORY NOTES OF BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

	INDIVIDUAL QUARTER			CUMULATIVE		
	Current Year Quarter 30.06.2021 RM '000	Preceding Year Quarter 30.06.2020 RM '000	Changes RM '000	Current Year To Date 30.06.2021 RM '000	Preceding Year To Date 30.06.2020 RM '000	Changes RM '000
Revenue	40,462	29,827	10,635	110,350	102,156	8,194
Operating Profit	6,136	958	5,178	16,003	9,680	6,323
(Loss)/Profit before Interest, Tax, Depreciation, and Amortisation (EBITDA)	7,325	1,765	5,560	34,269	11,949	22,320
Profit/(Loss) Before Tax	1,472	(8,606)	10,078	17,048	(9,875)	26,923
Profit/(Loss) After Tax	535	(10,847)	11,382	14,025	(13,612)	27,637

- Group revenue for the quarter ended 30 June 2021 was RM 40.46 million compared to RM 29.83 million in the corresponding period of the previous year. The improvement of RM 10.64 million were contributed as follows:
 - Our drybulk segment revenue increased by RM 11.98 million from RM 14.19 million to RM 26.17 million. This was due to the improved number of shipments performed as well as improved freight rates. While we experienced our lowest vessel utilization rate in the June 2020 quarter, in the current year, both vessel utilization and freight rates have improved which has resulted in the increase in dry bulk revenue.
 - Aircraft and helicopter charters remained consistent in this quarter when compared to the same quarter last year. However, student fee revenue fell this quarter when compared to the preceding year quarter which caused the RM 1.34 million drop revenue by this segment. The fall in student fee revenue was the result of continued social distancing and other inhibitions due to the Movement Control Order (“MCO”) as a result of COVID-19.
- Operating profit for both the quarter under review and the current cumulative year to date up to 30 June 2021 were higher when compared to the corresponding period of the previous year. The dry bulk segment has managed to improve utilization rates and efficiencies thereby improving their operating profit. This is despite bunker price increasing by approximately 52% during the period under review and unrealized foreign exchange losses of RM 0.45 million.
- The Group’s EBITDA for the current quarter was RM 7.33 million compared to RM 1.77 million in the same quarter. The improved EBITDA was due to the improved revenue and efficiencies as mentioned above.
- Administrative expenses for the current quarter increased from RM 3.50 million to RM 4.83 million. The increase was mainly due to unrealized foreign exchange losses of RM 0.45 million in the current quarter compared to an unrealized foreign exchange gain of RM 0.46 million in the same quarter of last year. Further, due to higher payroll as a result of an increased labour force, the increased administrative expenses from the aviation segment also contributed to the overall increase in administrative expenses.

B2. Comparison with preceding quarter's results

	Current Year Quarter 30.06.2021 RM '000	Immediate Preceding Quarter 31.03.2021 RM '000	Changes Amount RM '000
Revenue	40,462	35,510	4,952
Operating Profit	6,136	4,802	1,334
Profit/(Loss) before Interest, Tax, Depreciation, and Amortisation (EBITDA)	7,325	6,479	846
Profit / (Loss) Before Tax	1,472	602	870
Profit / (Loss) Profit After Tax	535	(304)	839

- Overall revenue has improved by RM 4.95 million during the June 2021 quarter increasing to RM 40.46 million this quarter from RM 35.5 million in the previous quarter.
 - The dry bulk segment contributed a total of RM 26.17 million in revenue during the quarter as compared to RM 23.23 million in the preceding quarter, an improvement of RM 2.94 million. Freight rates have continued to increase due to the shortage of vessels to carry such cargo within the South East Asian region.
 - Revenue contributed by the aviation segment increased by RM 2.01 million during the quarter. Their revenue increased from RM 12.28 million to RM 14.29 million this quarter. While student fee revenue has remained constant between the two quarters, the general aviation had increased their revenue for both fixed wing and helicopter charters.
- Operating profit had improved by RM 1.33 million from RM 4.80 million to RM 6.14 million. This improvement was mainly contributed by the dry bulk segment which was boosted by improved freight rates. This is despite operating profits by the dry bulk segment being suppressed due to increase in bunker prices during the June 2021 quarter and higher port charges both of which had increased by RM 2.4 million and RM 1.6 million respectively for the quarter under review.
- EBITDA in the current quarter was RM 7.33 million as compared to RM 6.45 million in the immediate preceding quarter. This was due to the improvement in revenue during the quarter.

B3. Commentary on Prospects

The Group's dry bulk business has continued to show improvement with the steady increase in utilization and freight rates. This is despite the increases in bunker prices by 52% year on year which has dampened the segment's results. The Group expects to continue its performance thereby contributing to an improved profitability.

As for the aviation segment, notwithstanding the current poor economic conditions and the reduction in student fee revenue, the Group has improved its fixed wing and helicopter charters. We are confident that this segment will be able to improve its results for our flying school once the continued Movement Control Order ("MCO") due to COVID-19 is lifted. Until that time, our Flying Academy will take smaller classes with only two intakes in the current year and continue to be impacted by the continued effects of the pandemic.

The Group continues to strive to achieve our desire to expand the Group in both operating segments that we are involved so as to help the Group achieve better profitability in the long run.

B4. Profit Forecast / Profit Guarantee

Not applicable as the Group did not issue any profit forecast and /or profit guarantee for the quarter.

B5. Taxation

	3 Months Ended 30.06.2021 RM'000	3 Months Ended 30.06.2020 RM'000	9 Months Ended 30.06.2021 RM'000	9 Months Ended 30.06.2020 RM'000
Income tax charge				
- current period	(877)	(1,175)	(2,159)	(2,441)
Deferred taxation	(60)	(1,066)	(864)	(1,296)
	<u>(937)</u>	<u>(2,241)</u>	<u>(3,023)</u>	<u>(3,737)</u>

Domestic current income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate for the quarter ended 30 June 2021 was higher than the statutory tax rate principally due to losses of certain subsidiaries which cannot be offset against taxable profits made by other subsidiaries, as well as the effect of expenses that are non-deductible for tax purposes.

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

Save for the following, there were no other corporate proposals announced by the Company which were pending completion as at 25 August 2021, being the latest practical date, which is not earlier than 7 days from the date of issue of this report.

(i) Redeemable Convertible Notes program ("RCN")

The RCN Program which was approved at the EGM held on 23 October 2018 had all conditions precedent to the Subscription Agreement satisfied by 14 January 2019.

As at 25 August 2021, the status of the utilisation of the gross proceeds received from the RCN is as follows:

Purpose	Approved Amount RM'000	Drawdown & Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation Amount %	Explanations (if deviation is 5% or more)
(i) Repayment of borrowings	70,000	4,449	Within 3 years of drawdown	Note A	Note A
(ii) Capital expenditure (acquisition of tugs, barges and vessels)	95,000	-	Within 5 years of drawdown	Note A	Note A
(iii) Working capital	25,000	624	Within 5 years of drawdown	Note A	Note A
(iv) Estimated expenses in relation to RCN	10,000	927	Within 1 month of drawdown	Note A	Note A
TOTAL	200,000	6,000			

HUBLINE BERHAD
Registration No. 197501001462 (23568-H)

Note A: The RCN program is a 5 year programme that covers up to the period ended 18 February 2024. While not all proceeds have been drawn down, the Group expects it to be utilised within the timeframe provided. Actual utilisation disclosed above is within the proposed utilisation range for the full RCN issued of RM 6.0 million and the Group does not expect any material deviation as at the date of this quarterly report.

(ii) Private Placement

On 22 February 2021, the Company announced a proposed private placement of up to 390,003,014 new Hubline shares representing approximately 10% of the Company's total number of issued shares.

Submission of the listing application was made to Bursa Malaysia on 1 March 2021 and approval was received from Bursa Malaysia on 11 March 2021.

As at 25 August 2021, the Company had issued 261,400,000 placement shares at a placement price of RM 0.042 and 108,603,000 placement shares at a placement price of RM 0.037.

The amount received to date for the private placement was RM 14.997 million.

As at 25 August 2021, proceeds from the Private Placement have been utilised as follows:

Purpose	Expected Proceeds RM'000	Proceeds Received to Date RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation Amount %	Explanations (if deviation is 5% or more)
(i) Partial repayment of borrowings	9,000	8,242	8,242	Within 12 months from receipt of funds	Note B	Note B
(ii) Working capital	7,207	6,585	6,585	Within 12 months from receipt of funds	Note B	Note B
(iii) Estimated expenses in relation to Private Placement	170	170	170	Within 1 month from receipt of funds	Note B	Note B
TOTAL	16,377	14,997	14,997			

Note B: The Group expects funds to be utilised within the timeframe provided, however, not all proceeds have been drawn down. Actual utilisation disclosed above is within the proposed utilisation range for the amounts received and the Group does not expect any material deviation as at the date of this quarterly report.

B9. Group borrowings and debt securities

As at 3 rd quarter ended 30 June 2021						
	Short term		Long term		Total borrowings	
Secured	Foreign denomination (RM '000)^	RM denomination (RM '000)	Foreign denomination (RM '000)^	RM denomination (RM '000)	Foreign denomination (RM '000)^	RM denomination (RM '000)
Overdraft		4,198				4,198
Invoice Financing		23,941				23,941
Term Loan	4,210	8,947		36,005	4,210	44,952
Hire Purchase		294		495		789
Total	4,210	37,380		36,500	4,210	73,880
Grand Total		41,590		36,500		78,090

^ Loan is denominated in USD. As at 30 June 2021, the total balance outstanding was USD 1.014 million. Exchange rate used to convert to RM was 4.1520.

As at 3 rd quarter ended 30 June 2020						
	Short term		Long term		Total borrowings	
Secured	Foreign denomination (RM '000)^	RM denomination (RM '000)	Foreign denomination (RM '000)^	RM denomination (RM '000)	Foreign denomination (RM '000)^	RM denomination (RM '000)
Overdraft		4,100				4,100
Invoice Financing		18,337				18,337
Term Loan	8,686	6,323		36,399	8,686	42,722
Hire Purchase		436		479		915
RCN				2,250		2,250
Total	8,686	29,196		39,128	8,686	68,324
Grand Total		37,882		39,128		77,010

^ Loan is denominated in USD. As at 31 March 2020, the total balance outstanding was USD 2.03 million. Exchange rate used to convert to RM was 4.2825.

Borrowings increased by RM 1.08 million from RM 77.01 million on 30 June 2020 compared to RM 78.09 million this quarter. The increase was due to additional working capital financing provided.

The average weighted interest rate of borrowings for the Group is 5.5% per annum.

The Group's foreign currency debt is denominated in USD and is not hedged to RM. Our view is that while we are exposed to some foreign currency volatility in the short term, the impact is not significant in the long term, especially where our Group's freight income is mainly in USD. Furthermore, hedging is costly and can introduce unwanted leverage to the Group.

The exchange rate used to convert USD borrowings is based on the 5pm USD exchange rate on the last business day of the quarter as announced by Bank Negara Malaysia and the current quarter's exchange rate has been quoted above.

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 material 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 30.06.2021	Quarter Ended 30.06.2020	Year to Date ended 30.06.2021	Year to Date ended 30.06.2020
Net profit / (loss) attributable to equity holders of the parent (RM'000)	(205)	(11,370)	12,743	(13,872)
Weighted average no. of ordinary shares ('000)	4,160,750	3,834,790	4,039,719	3,831,088
Basic earnings per share attributable to equity holders of the parent (sen)	(0.01)	(0.30)	0.32	(0.36)

(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. 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 1 September 2021.