

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2023

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2023**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.06.2023 RM '000	Preceding Year Quarter Ended 30.06.2022 RM '000	Current Year To Date 30.06.2023 RM '000	Preceding Year To Date 30.06.2022 RM '000
<b>Revenue</b>	53,776	59,663	176,313	174,759
Operating Expenses	(43,894)	(48,669)	(141,294)	(138,715)
	<u>9,882</u>	<u>10,994</u>	<u>35,019</u>	<u>36,044</u>
Other Operating Income	649	2,886	2,482	5,966
Administrative Expenses	(7,692)	(7,452)	(22,803)	(18,647)
Finance Cost	(1,353)	(933)	(4,114)	(2,787)
<b>Profit before taxation</b>	<u>1,486</u>	<u>5,495</u>	<u>10,584</u>	<u>20,576</u>
Taxation	(1,176)	(2,875)	(5,401)	(8,270)
<b>Profit for the period</b>	<u><u>310</u></u>	<u><u>2,620</u></u>	<u><u>5,183</u></u>	<u><u>12,306</u></u>
Other comprehensive income:				
Currency translation differences	2,801	2,189	1,297	2,548
<b>Total Comprehensive income for the period</b>	<u><u>3,111</u></u>	<u><u>4,809</u></u>	<u><u>6,480</u></u>	<u><u>14,854</u></u>
<b>Profit attributable to:</b>				
Shareholders of the parent	382	3,013	4,037	9,372
Non-controlling interests	(72)	(393)	1,146	2,934
<b>Profit for the period</b>	<u><u>310</u></u>	<u><u>2,620</u></u>	<u><u>5,183</u></u>	<u><u>12,306</u></u>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent	3,183	5,202	5,334	11,920
Non-controlling interests	(72)	(393)	1,146	2,934
<b>Total Comprehensive Income for the period</b>	<u><u>3,111</u></u>	<u><u>4,809</u></u>	<u><u>6,480</u></u>	<u><u>14,854</u></u>
<b>Earnings per share attributable to equity holders of the parent (sen)</b>				
<b>Basic</b>	0.01	0.07	0.09	0.22
<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 audited consolidated results of the Group for the financial year ended 30 September 2022)**

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2023

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30.06.2023</b>	<b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	219,120	217,579
Right-of-use assets	40,650	33,136
Goodwill	19,856	19,856
Deferred tax assets	5,213	5,389
	<u>284,839</u>	<u>275,960</u>
<b>Current Assets</b>		
Inventories	15,756	16,592
Trade and other receivables	31,810	24,586
Tax recoverable	5,563	4,766
Short term investments	13,223	2,785
Cash and cash equivalents	19,632	17,825
	<u>85,984</u>	<u>66,554</u>
<b>TOTAL ASSETS</b>	<u>370,823</u>	<u>342,514</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	238,293	238,293
Treasury shares	(4,192)	(4,192)
Reserves	(59,719)	(65,045)
Total equity attributable to shareholders of the parent	<u>174,382</u>	<u>169,056</u>
Non-controlling interests	19,106	22,689
<b>Total equity</b>	<u>193,488</u>	<u>191,745</u>
<b>Non-current liabilities</b>		
Long term borrowings	17,195	17,935
Other payables	5,622	3,551
Deferred tax liabilities	11,084	11,714
	<u>33,901</u>	<u>33,200</u>
<b>Current Liabilities</b>		
Short term borrowings	66,208	63,314
Trade & other payables	75,518	53,562
Taxation	1,708	693
	<u>143,434</u>	<u>117,569</u>
<b>Total liabilities</b>	<u>177,335</u>	<u>150,769</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>370,823</u>	<u>342,514</u>
Net assets per share (RM)	0.045	0.045

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated results of the Group for the financial year ended 30 September 2022)**

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2023

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2023**

	<b>9 MONTHS ENDED</b>	<b>9 MONTHS ENDED</b>
	<b>30.06.2023</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	10,584	20,576
Adjustments for:-		
Non-operating items	21,358	14,121
Interest expenses	4,114	2,787
Interest income	(196)	(329)
Cash from operating activities before working capital changes	<u>35,860</u>	<u>37,155</u>
Net change in current assets	(6,111)	4,955
Net change in current liabilities	21,101	5,326
Tax paid	(5,553)	(3,009)
Interest paid	<u>(4,114)</u>	<u>(2,787)</u>
<b>Net cash generated from operating activities</b>	<u>41,183</u>	<u>41,640</u>
Investing activities		
Additional investments in existing subsidiaries	(4,739)	-
Purchase of property, plant and equipment	(35,198)	(49,144)
Purchase of short term investments	(10,438)	-
Proceeds from disposal of property, plant and equipment	30	20,273
Interest received	<u>196</u>	<u>329</u>
<b>Net cash used in investing activities</b>	<u>(50,149)</u>	<u>(28,542)</u>
Financing activities		
Proceeds from bank borrowings	16,729	-
Repayment of bank borrowings	<u>(12,119)</u>	<u>(8,116)</u>
<b>Net cash generated from financing activities</b>	<u>4,610</u>	<u>(8,116)</u>
Net changes in cash and cash equivalents	(4,356)	4,982
Cash and cash equivalents at beginning of financial period	12,015	13,677
Effects of Exchange Rate Changes	6,146	5,310
<b>Cash and cash equivalents at end of the financial period</b>	<u>13,805</u>	<u>23,969</u>

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

Cash and bank balances	19,632	26,649
Bank overdraft	<u>(5,827)</u>	<u>(2,680)</u>
<b>Cash and cash equivalents</b>	<u>13,805</u>	<u>23,969</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 2022)**

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023**

	< ----- Attributable to Shareholders of the Parent ----- >							
	Share capital	Warrant reserve	Treasury shares	Translation reserves	Capital reserves	Retained Profit	Non-Controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9 MONTHS ENDED 30 JUN 2022</b>								
<b>At 1 October 2021</b>	238,293	27,400	(4,192)	(13,954)	4,668	(92,442)	11,859	171,632
Issuance of Redeemable Convertible Preference Shares in subsidiary							490	490
Non Controlling Interests on acquisition							4,828	4,828
Total comprehensive income for the period				2,548		9,372	2,934	14,854
<b>At 31 June 2022</b>	238,293	27,400	(4,192)	(11,406)	4,668	(83,070)	20,111	191,804
<b>9 MONTHS ENDED 30 JUN 2023</b>								
<b>At 1 October 2022</b>	238,293	27,400	(4,192)	(11,845)	4,668	(85,268)	22,689	191,745
Issuance of Redeemable Convertible Preference Shares in subsidiary							490	490
Acquisition of Non Controlling Interests in subsidiary							(5,227)	(5,227)
Total comprehensive income for the period				1,297		4,037	1,146	6,480
<b>At 30 June 2023</b>	238,293	27,400	(4,192)	(10,548)	4,668	(81,231)	19,098	193,488

**(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 2022)**

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

**A1. Basis of preparation**

The Interim Financial Report of the Group is unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board, and Paragraph 9.22 and Appendix 9B 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 2022.

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 2022.

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

The auditors' report on the Group's financial statements for the year ended 30 September 2022 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**

**Segmental information for the 9 months ended 30 June 2023**

	Shipping & Related Activities RM'000	Aviation & Related Activities RM'000	HQ & Related Activities RM'000	Group RM'000
<b>Revenue</b>				
External sales	107,000	69,313	-	176,313
Total revenue	107,000	69,313	-	176,313
<b>Results</b>				
Gross profit	19,419	15,600	-	35,019
Interest & other income	1,072	1,075	335	2,482
Administrative costs	(7,706)	(8,928)	(6,169)	(22,803)
Finance cost	(1,282)	(1,121)	(1,711)	(4,114)
Segment profit/(loss) before taxation	11,503	6,626	(7,545)	10,584

**Segmental information for the 9 months ended 30 June 2022**

	Shipping & Related Activities RM'000	Aviation & Related Activities RM'000	HQ & Related Activities RM'000	Group RM'000
<b>Revenue</b>				
External sales	103,110	71,649	-	174,759
Total revenue	103,110	71,649	-	174,759
<b>Results</b>				
Gross profit	15,375	20,669	-	36,044
Interest & other income	4,645	961	360	5,966
Administrative costs	(4,664)	(9,348)	(4,635)	(18,647)
Finance cost	(609)	(709)	(1,469)	(2,787)
Segment profit/(loss) before taxation	14,747	11,573	(5,744)	20,576

**A9. Profit before tax**

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.06.2023 RM '000	Preceding Year Quarter Ended 30.06.2022 RM '000	Current Year To Date 30.06.2023 RM '000	Preceding Year To Date 30.06.2022 RM '000
Interest income	56	28	196	329
Other income	593	2,858	2,286	5,966
Foreign exchange gains/(losses) (net)	(104)	(155)	(1,030)	(187)
Depreciation and amortisation	(6,281)	(5,980)	(18,156)	(17,255)

**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 Group**

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	49,507
	<u>49,507</u>

**A14. Capital commitments**

	RM'000
Amount approved and committed	14,382
	<u>14,382</u>

**A15. Related Party Transactions**

	3 Months Ended 30.06.2023 RM'000	3 Months Ended 30.06.2022 RM'000	Year to Date Ended 30.06.2023 RM'000	Year to Date Ended 30.06.2022 RM'000
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A Company in which a director is also a director and substantial shareholder:

Operations support and rental income	7	4	11	205
	<u>7</u>	<u>4</u>	<u>11</u>	<u>205</u>

A Company in which a director is also a key management personnel:

Rental of premises	(129)	(129)	(387)	(387)
	<u>(129)</u>	<u>(129)</u>	<u>(387)</u>	<u>(387)</u>

Person connected to a director of a subsidiary:

Rental of premises	(27)	(27)	(81)	(81)
Student food catering	(207)	(244)	(702)	(445)
	<u>(207)</u>	<u>(244)</u>	<u>(702)</u>	<u>(445)</u>

Shareholder of a subsidiary:

Operations support	173	202	475	308
Rental of premises	15	15	45	45
Helicopter charter fees	(2,709)	(2,865)	(9,054)	(8,899)
Transportation charges	(14)	(14)	(28)	(50)
	<u>(2,535)</u>	<u>(2,662)</u>	<u>(8,557)</u>	<u>(8,696)</u>

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

**B1. Review of performance**

	INDIVIDUAL QUARTER			CUMULATIVE		
	Current Year Quarter 30.06.2023 RM '000	Preceding Year Quarter 30.06.2022 RM '000	Changes RM '000	Current Year To Date 30.06.2023 RM '000	Preceding Year To Date 30.06.2022 RM '000	Changes RM '000
Revenue	53,776	59,663	(5,887)	176,313	174,759	1,554
Operating Profit	9,882	10,994	(1,112)	35,019	36,044	1,025
Earnings before Interest, Tax, Depreciation, and Amortisation (EBITDA)	9,121	12,407	(3,286)	32,812	40,617	(7,805)
Profit Before Tax (PBT)	1,486	5,495	(4,009)	10,584	20,576	(9,992)
Profit/(Loss) After Tax (PAT)	310	2,620	(2,310)	5,183	12,306	(7,123)

- Group revenue for the quarter ended 30 June 2023 was RM 53.78 million compared to RM 59.66 million in the same quarter of the preceding year. The change of RM 5.89 million were contributed as follows:

(RM'000)	Current year quarter 30.06.2023	Preceding year quarter 30.06.2022	Changes
Shipping segment	34,627	42,216	(7,589)
Aviation segment	19,149	17,447	1,702
Total	53,776	59,663	(5,887)

- The shipping segment contributed RM 34.63 million in revenue during the current quarter. This is a decrease of RM 7.59 million when compared to the same quarter last year. The downward pressure on freight rates across all commodities carried, have resulted in lower revenue per voyage. Hence despite the higher number of shipments performed in the current year quarter, revenue was lower.
  - The aviation segment contributed RM 19.15 million in revenue during the current quarter. The increase of RM1.70 million was due to increased activities in our general aviation segment as well as new student intakes at our flying academy.
- Operating profit for the current year quarter was lower compared to the corresponding period of the previous year. Operating profit fell from RM 10.99 million in the corresponding period of the previous year to RM 9.88 million in the current year quarter. By segment, operating profit are as follows:

Operating profit: (RM'000)	Current year quarter 30.06.2023	Preceding year quarter 30.06.2022	Changes
Shipping segment	6,379	4,729	1,650
Aviation segment	3,503	6,265	(2,762)
Total	9,882	10,994	(1,112)



<b>EBITDA:</b> (RM'000)	Current year quarter 30.06.2023	Preceding year quarter 30.06.2022	Changes
Shipping segment	7,892	9,845	(1,953)
Aviation segment	3,008	3,721	(713)
HQ	(1,779)	(1,159)	(620)
<b>Total</b>	<b>9,121</b>	<b>12,407</b>	<b>(3,386)</b>

- Operating profit for the for the current year quarter fell from RM 10.994 million in the corresponding period of the previous year to RM 9.88 million in the current year quarter. Similarly, EBITDA for the current year quarter were lower in line with the lower revenue and operating profits.
- The shipping segment managed to improve their operating profits despite the fall in revenue mainly due to the reduction in bunker costs in the current quarter compare to the same quarter of the preceding year. However, EBITDA for this segment fell due to higher administration expenses during the quarter.
- Operating profits for the aviation segment reduced despite an increase in revenue due to higher aircraft charter expenses and cadet training expenses incurred during the quarter. EBITDA for the current year quarter were lower in line with the lower operating profits.

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

	<b>Current Year Quarter 30.06.2023 RM '000</b>	<b>Immediate Preceding Quarter 31.03.2023 RM '000</b>	<b>Changes Amount RM '000</b>
<b>Revenue</b>	53,776	46,902	6,874
Operating Profit	9,882	8,811	1,071
Earnings before Interest, Tax, Depreciation, and Amortisation (EBITDA)	9,121	10,469	(1,391)
Profit Before Tax (PBT)	1,486	2,893	(1,407)
Profit After Tax (PAT)	310	1,240	(930)

- Overall revenue had increased by RM 6.87 million during the June 2023 quarter from RM 46.90 million to RM 53.78 million. The breakdown of revenue are as follows:

(RM'000)	Current year quarter 30.06.2023	Preceding quarter 31.03.2023	Changes
Shipping segment	34,627	33,965	662
Aviation segment	19,149	12,937	6,212
<b>Total</b>	<b>53,776</b>	<b>46,902</b>	<b>6,874</b>

- Revenue contribution by the shipping segment was RM 34.63 million compared to RM 33.97 million in the preceding quarter, an increase of RM 0.66 million. Despite freight rates continuing to fall across all commodities resulting in lower revenue per voyage, the increased number of shipments performed has alleviated the situation resulting in overall revenue increasing
- Revenue contribution by the aviation segment was RM 19.15 million compared to RM 12.94 million in the preceding quarter. The improvement in revenue was the result of increased activities in our general aviation segment and new student intakes at our flying academy.

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- In line with the improved revenue, operating profit increased RM 1.07 million from RM 8.81 million to RM 9.88 million. The shipping segment saw its operating profits improve from RM 5.26 million in the March 2023 quarter to RM 6.38 million in the June 2023 quarter, an increase of RM 1.12 million. This increase is due to the higher shipping revenue. For the aviation segment, its operating profits fell slightly by RM 0.05 million from RM 3.55 million to RM 3.50 million due to higher aircraft charter expenses and cadet training expenses.

**B3. Commentary on Prospects**

The Group's shipping segment is expected to continue to face challenges with lower shipping rates for the rest of the financial year. The Group expects that performance will remain satisfactory with stable near term shipping orders outlook.

The aviation segment continues to perform satisfactorily in line with increased activities in the aviation industry and has secured new aviation charter and training contracts. Moving forward, the Group expects this segment to perform satisfactorily albeit with increased competition from other aviation companies.

**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 30.06.2023 RM'000	3 Months Ended 30.06.2022 RM'000	Year to Date Ended 30.06.2023 RM'000	Year to Date Ended 30.06.2022 RM'000
Income tax charge				
- current period	(335)	(2,470)	(2,911)	(6,724)
Deferred taxation	(841)	(405)	(2,490)	(1,546)
	<u>(1,176)</u>	<u>(2,875)</u>	<u>(5,401)</u>	<u>(8,270)</u>

Domestic current income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

The high effective tax rates as reported for the quarter ended 30 June 2023 were due to losses incurred by certain subsidiaries which cannot be set-off against taxable income from profitable subsidiaries.

**B6. Status of corporate proposals**

Save for the following, there were no other corporate proposals announced by the Company which were pending completion as at 23 August 2023, 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 23 August 2023, 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	Note A	Note A

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(iv)	Estimated expenses in relation to RCN	10,000	927	drawdown Within 1 month of drawdown	Note A	Note A
<b>TOTAL</b>		<b>200,000</b>	<b>6,000</b>			

Note A: The RCN program is a 5-years programme that covers up to the period ended 21 January 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.

**B7. Group borrowings and debt securities**

As at 3 <sup>rd</sup> quarter ended 30 June 2023						
Secured	Short term		Long term		Total borrowings	
	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		5,827				5,827
Invoice Financing	13,019	20,987			13,019	20,987
Revolving Credit		24,130				24,130
Term Loan		1,565		16,865		18,430
Credit Card		586				586
Hire Purchase		94		330		424
Total	13,019	53,189		17,195	13,019	70,384
<b>Grand Total</b>		<b>66,208</b>		<b>17,195</b>		<b>83,403</b>

^ Borrowing is denominated in USD. As at 30 June 2023, the total balance outstanding was USD 2.791 million. Exchange rate used to convert to RM was 4.6650.

As at 3 <sup>rd</sup> quarter ended 30 June 2022						
Secured	Short term		Long term		Total borrowings	
	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		2,680				2,680
Invoice Financing	14,518	8,943			14,518	8,943
Revolving Credit		30,000				30,000
Term Loan		2,305		17,808		20,113
Hire Purchase		216		466		682
Total	14,518	44,144		18,274	14,518	62,418
<b>Grand Total</b>		<b>58,662</b>		<b>18,274</b>		<b>76,936</b>

^ Borrowing is denominated in USD. As at 30 June 2022, the total balance outstanding was USD 3.294 million. Exchange rate used to convert to RM was 4.4080.

Borrowings increased by RM 7.47 million from RM 76.94 million on 30 June 2022 to RM 83.40 million this quarter. The increase was mainly due to additional working capital facilities utilized. The shipping segment increased their utilisation of their working capital facilities by RM 6.86 million while the aviation segment had

increased their utilisation of working capital facilities by RM 6.83 million. Meanwhile, revolving credit facilities had reduced by RM 5.87 million in accordance with the respective facility repayment.

The average weighted interest rate of borrowings for the Group is 5.39% 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 does earn revenue in the same currency. 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.

**B8. Derivatives**

There were no derivatives entered into by the Group as at the end of the quarter under review.

**B9. Gains/losses arising from fair value changes of financial liabilities**

There were no gains/losses arising from the fair value changes of financial liabilities.

**B10. 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.

**B11. Dividend declared**

The Directors do not recommend any dividend for the quarter under review.

**B12. 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 30.06.2023	Quarter Ended 30.06.2022	Year to Date Ended 30.06.2023	Year to Date Ended 30.06.2022
Net profit / (loss) attributable to equity holders of the parent (RM'000)	382	3,013	4,037	9,372
Weighted average no. of ordinary shares ('000)	4,289,285	4,289,285	4,289,285	4,289,285
Basic earnings per share attributable to equity holders of the parent (sen)	0.01	0.07	0.09	0.22

**(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.

**B13. 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 August 2023.