

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 31 March 2024

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2024**

|  | INDIVIDUAL QUARTER                                     |  | CUMULATIVE                                       |  |
|--|--|--|--|--|
|  | Current Year<br>Quarter Ended<br>31.03.2024<br>RM '000 | Preceding Year<br>Quarter Ended<br>31.03.2023<br>RM '000 | Current Year<br>To Date<br>31.03.2024<br>RM '000 | Preceding Year<br>To Date<br>31.03.2023<br>RM '000 |
| <b>Revenue</b>   | 51,668   | 46,902   | 104,759  | 122,537  |
| Operating Expenses   | (43,497)   | (38,091)   | (91,993)   | (97,400)   |
|  | <u>8,171</u>   | <u>8,811</u>   | <u>12,766</u>                                    | <u>25,137</u>                                      |
| Other Operating Income   | 1,237  | 859  | 3,223  | 1,833  |
| Administrative Expenses  | (6,351)  | (5,275)  | (13,306)   | (15,111)   |
| Finance Cost   | (1,907)  | (1,502)  | (3,511)  | (2,761)  |
| <b>(Loss)/Profit before taxation</b>   | <u>1,150</u>   | <u>2,893</u>   | <u>(828)</u>                                     | <u>9,098</u>                                       |
| Taxation   | (1,119)  | (1,653)  | (1,658)  | (4,225)  |
| <b>(Loss)/Profit for the period</b>  | <u>31</u>  | <u>1,240</u>   | <u>(2,486)</u>                                   | <u>4,873</u>                                       |
| Other comprehensive income:  |  |  |  |  |
| Currency translation differences   | 1,681  | 987  | 333  | (1,504)  |
| <b>Total Comprehensive (loss)/income<br/>for the period</b>                  | <u>1,712</u>   | <u>2,227</u>   | <u>(2,153)</u>                                   | <u>3,369</u>                                       |
| <b>(Loss)/Profit attributable to:</b>  |  |  |  |  |
| Shareholders of the parent   | 836  | 970  | (124)  | 3,654  |
| Non-controlling interests  | (805)  | 270  | (2,362)  | 1,219  |
| <b>(Loss)/Profit for the period</b>  | <u>31</u>  | <u>1,240</u>   | <u>(2,486)</u>                                   | <u>4,873</u>                                       |
| <b>Total comprehensive (loss)/income<br/>attributable to:</b>                |  |  |  |  |
| Shareholders of the parent   | 2,517  | 1,957  | 209  | 2,150  |
| Non-controlling interests  | (805)  | 270  | (2,362)  | 1,219  |
| <b>Total Comprehensive (Loss)/Income<br/>for the period</b>                  | <u>1,712</u>   | <u>2,227</u>   | <u>(2,153)</u>                                   | <u>3,369</u>                                       |
| <b>Earnings per share attributable to equity holders of the parent (sen)</b> |  |  |  |  |
| <b>Basic</b>   | 0.02   | 0.02   | -0.01  | 0.09   |
| <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 2023)**

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 31 March 2024

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024**

|  | <b>UNAUDITED</b>  | <b>AUDITED</b>    |
|--|-------------------|-------------------|
|  | <b>AS AT</b>      | <b>AS AT</b>      |
|  | <b>31.03.2024</b> | <b>30.09.2023</b> |
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>ASSETS</b>  |                   |                   |
| <b>Non Current Assets</b>                                  |                   |                   |
| Property, plant and equipment                              | 219,076           | 215,852           |
| Right-of-use assets  | 32,675            | 32,800            |
| Goodwill   | 19,856            | 19,856            |
| Deferred tax assets  | 7,163             | 7,063             |
|  | <u>278,770</u>    | <u>275,571</u>    |
| <b>Current Assets</b>                                      |                   |                   |
| Inventories  | 13,976            | 17,000            |
| Trade and other receivables                                | 27,785            | 38,604            |
| Tax recoverable  | 10,021            | 7,428             |
| Assets held for sale                                       | -                 | 7,947             |
| Short term investments                                     | 25,258            | 19,332            |
| Cash and cash equivalents                                  | 19,432            | 24,850            |
|  | <u>96,472</u>     | <u>115,161</u>    |
| <b>TOTAL ASSETS</b>  | <u>375,242</u>    | <u>390,732</u>    |
| <b>EQUITY AND LIABILITIES</b>                              |                   |                   |
| <b>Equity attributable to equity holders of the parent</b> |                   |                   |
| Share capital  | 238,295           | 238,293           |
| Treasury shares  | (4,192)           | (4,192)           |
| Reserves   | (55,197)          | (55,396)          |
| Total equity attributable to shareholders of the parent    | <u>178,906</u>    | <u>178,705</u>    |
| Non-controlling interests                                  | 13,085            | 15,447            |
| <b>Total equity</b>  | <u>191,991</u>    | <u>194,152</u>    |
| <b>Non-current liabilities</b>                             |                   |                   |
| Long term borrowings                                       | 26,888            | 28,761            |
| Other payables   | 5,674             | 3,194             |
| Deferred tax liabilities                                   | 15,300            | 15,046            |
|  | <u>47,862</u>     | <u>47,001</u>     |
| <b>Current Liabilities</b>                                 |                   |                   |
| Short term borrowings                                      | 62,613            | 70,565            |
| Trade & other payables                                     | 71,823            | 78,987            |
| Taxation   | 953               | 27                |
|  | <u>135,389</u>    | <u>149,579</u>    |
| <b>Total liabilities</b>                                   | <u>183,251</u>    | <u>196,580</u>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <u>375,242</u>    | <u>390,732</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 2023)**

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the financial quarter ended 31 March 2024

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2024**

|   | <b>6 MONTHS<br/>ENDED</b> | <b>6 MONTHS<br/>ENDED</b> |
|---|---------------------------|---------------------------|
|   | <b>31.03.2024</b>         | <b>31.03.2023</b>         |
|   | <b>RM'000</b>             | <b>RM'000</b>             |
| Profit before taxation  | (828)                     | 9,098                     |
| Adjustments for:-   |                           |                           |
| Non-operating items   | 11,101                    | 15,129                    |
| Interest expenses   | 3,863                     | 2,761                     |
| Interest income   | (251)                     | (140)                     |
| Cash from operating activities before working capital changes   | 13,885                    | 26,848                    |
| Net change in current assets                                    | 11,250                    | (4,246)                   |
| Net change in current liabilities                               | (9,277)                   | 8,526                     |
| Tax paid  | (1,538)                   | (2,901)                   |
| Interest paid   | (3,863)                   | (2,761)                   |
| <b>Net cash generated from operating activities</b>             | <b>10,457</b>             | <b>25,466</b>             |
| Investing activities  |                           |                           |
| Additional investments in existing subsidiaries                 | -                         | (4,734)                   |
| Purchase of property, plant and equipment                       | (16,378)                  | (22,930)                  |
| Purchase of short term investments                              | (5,926)                   | (6,136)                   |
| Proceeds from disposal of property, plant and equipment         | 10,326                    | -                         |
| Interest received   | 251                       | 140                       |
| <b>Net cash used in investing activities</b>                    | <b>(11,727)</b>           | <b>(33,660)</b>           |
| Financing activities  |                           |                           |
| Proceeds from bank borrowings                                   | 5,556                     | 15,340                    |
| Repayment of bank borrowings                                    | (12,581)                  | (10,320)                  |
| Proceeds from exercising of Warrant C                           | 3                         | -                         |
| <b>Net cash generated from financing activities</b>             | <b>(7,022)</b>            | <b>5,020</b>              |
| Net changes in cash and cash equivalents                        | (8,292)                   | (3,174)                   |
| Cash and cash equivalents at beginning of financial period      | 19,312                    | 12,015                    |
| Effects of Exchange Rate Changes                                | 121                       | 2,487                     |
| <b>Cash and cash equivalents at end of the financial period</b> | <b>11,141</b>             | <b>11,328</b>             |

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

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Cash and bank balances           | 19,432        | 17,112        |
| Bank overdraft                   | (8,291)       | (5,784)       |
| <b>Cash and cash equivalents</b> | <b>11,141</b> | <b>11,328</b> |

**(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 2023)**

**HUBLINE BERHAD**  
**Registration No. 197501001462 (23568-H)**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024**

|  | < ----- Attributable to Shareholders of the Parent ----- > |                    |                    |                         |                     |                    |                              |              |
|--|--|--------------------|--------------------|-------------------------|---------------------|--------------------|------------------------------|--------------|
|  | Share<br>capital   | Warrant<br>reserve | Treasury<br>shares | Translation<br>reserves | Capital<br>reserves | Retained<br>Profit | Non-Controlling<br>interests | Total Equity |
|  | RM'000   | RM'000             | RM'000             | RM'000                  | RM'000              | RM'000             | RM'000                       | RM'000       |
| <b>6 MONTHS ENDED 31 MAR 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          |
| Non Controlling Interests on acquisition/ incorporation            |  |                    |                    |                         |                     |                    | (5,224)                      | (5,224)      |
| Total comprehensive income for the period                          |  |                    |                    | (1,504)                 |                     | 3,654              | 1,219                        | 3,369        |
| <b>At 31 March 2023</b>  | 238,293  | 27,400             | (4,192)            | (13,349)                | 4,668               | (81,614)           | 19,174                       | 190,380      |
| <b>6 MONTHS ENDED 31 MAR 2024</b>                                  |  |                    |                    |                         |                     |                    |                              |              |
| <b>At 1 October 2023</b>   | 238,293  | 27,400             | (4,192)            | (10,569)                | 4,668               | (76,895)           | 15,447                       | 194,152      |
| Conversion of warrant C  | 2  |                    |                    |                         |                     |                    |                              | 2            |
| Expiry of Warrants C   |  | (27,400)           |                    |                         | 27,400              |                    |                              | -            |
| Dividend by subsidiary to Non-Controlling Interest                 |  |                    |                    |                         |                     | (10)               |                              | (10)         |
| Total comprehensive income for the period                          |  |                    |                    | 333                     |                     | (124)              | (2,362)                      | (2,153)      |
| <b>At 31 March 2024</b>  | 238,295  | -                  | (4,192)            | (10,236)                | 32,068              | (77,029)           | 13,085                       | 191,991      |

**(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 2023)**

**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 2023.

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 2023.

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

The auditors' report on the Group's financial statements for the year ended 30 September 2023 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 6 months ended 31 March 2024**

|  | Shipping &<br>Related<br>Activities<br>RM'000 | Aviation &<br>Related<br>Activities<br>RM'000 | HQ & Other<br>Activities<br>RM'000 | Group<br>RM'000 |
|--|---|---|------------------------------------|-----------------|
| <b>Revenue</b>                           |   |   |                                    |                 |
| External sales                           | 69,903  | 34,856  | -                                  | 104,759         |
| Total revenue                            | 69,903  | 34,856  | -                                  | 104,759         |
| <b>Results</b>                           |   |   |                                    |                 |
| Gross profit                             | 13,178  | (412)   | -                                  | 12,766          |
| Interest & other income                  | 1,940   | 1,181   | 102                                | 3,575           |
| Administrative costs                     | (5,281)                                       | (3,806)                                       | (4,219)                            | (13,306)        |
| Finance cost                             | (1,494)                                       | (943)   | (1,074)                            | (3,863)         |
| Segment profit/(loss) before<br>taxation | 8,343   | (3,980)                                       | (5,191)                            | (828)           |

**Segmental information for the 6 months ended 31 March 2023**

|  | Shipping &<br>Related<br>Activities<br>RM'000 | Aviation &<br>Related<br>Activities<br>RM'000 | HQ & Other<br>Activities<br>RM'000 | Group<br>RM'000 |
|--|---|---|------------------------------------|-----------------|
| <b>Revenue</b>                           |   |   |                                    |                 |
| External sales                           | 72,373  | 50,164  | -                                  | 122,537         |
| Total revenue                            | 72,373  | 50,164  | -                                  | 122,537         |
| <b>Results</b>                           |   |   |                                    |                 |
| Gross profit                             | 13,041  | 12,096  | -                                  | 25,137          |
| Interest & other income                  | 959   | 606   | 268                                | 1,833           |
| Administrative costs                     | (4,728)                                       | (6,362)                                       | (4,021)                            | (15,111)        |
| Finance cost                             | (906)   | (721)   | (1,134)                            | (2,761)         |
| Segment profit/(loss) before<br>taxation | 8,366   | 5,619   | (4,887)                            | 9,098           |

**A9. Profit before tax**

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

|                                       | INDIVIDUAL QUARTER                                     |  | CUMULATIVE                                       |  |
|---------------------------------------|--|--|--|--|
|                                       | Current Year<br>Quarter Ended<br>31.03.2024<br>RM '000 | Preceding Year<br>Quarter Ended<br>31.03.2023<br>RM '000 | Current Year<br>To Date<br>31.03.2024<br>RM '000 | Preceding Year<br>To Date<br>31.03.2023<br>RM '000 |
| Interest income                       | 136  | 61   | 251  | 140  |
| Other income                          | 1,504  | 797  | 3,157  | 1,693  |
| Foreign exchange gains/(losses) (net) | (51)   | (914)  | 167  | (1,133)  |
| Depreciation and amortisation         | (5,998)  | (6,073)  | (12,173)   | (11,875)   |

**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 | 75,501        |
|   | <u>75,501</u> |

**A14. Capital commitments**

|                               |              |
|-------------------------------|--------------|
|                               | RM'000       |
| Amount approved and committed | 7,144        |
|                               | <u>7,144</u> |

**A15. Related Party Transactions**

|  | 3 Months Ended<br>31.03.2024<br>RM'000 | 3 Months Ended<br>31.03.2023<br>RM'000 | Year to Date Ended<br>31.03.2024<br>RM'000 | Year to Date Ended<br>31.03.2023<br>RM'000 |
|--|--|--|--|--|
|--|--|--|--|--|

A Company in which a director is also a director and substantial shareholder:

|                                      |          |          |          |          |
|--------------------------------------|----------|----------|----------|----------|
| Operations support and rental income | 2        | 4        | 2        | 4        |
|                                      | <u>2</u> | <u>4</u> | <u>2</u> | <u>4</u> |

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

|                    |              |              |              |              |
|--------------------|--------------|--------------|--------------|--------------|
| Rental of premises | (129)        | (129)        | (258)        | (258)        |
|                    | <u>(129)</u> | <u>(129)</u> | <u>(258)</u> | <u>(258)</u> |

Person connected to a director of a subsidiary:

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| Operation support income                      | -            | -            | 17           | -            |
| Helicopter and motor vehicle charter expenses | (6)          | -            | (64)         | -            |
| Rental of premises                            | (24)         | (27)         | (75)         | (54)         |
| Student food catering                         | (268)        | (244)        | (580)        | (495)        |
|   | <u>(298)</u> | <u>(271)</u> | <u>(698)</u> | <u>(549)</u> |

Shareholder of a subsidiary:

|                             |                |                |                |                |
|-----------------------------|----------------|----------------|----------------|----------------|
| Operations support income   | 99             | 179            | 246            | 280            |
| Rental of premises income   | 15             | 15             | 30             | 30             |
| Helicopter charter expenses | (2,585)        | (2,865)        | (5,469)        | (6,344)        |
| Purchase of drum fuels      | (26)           | -              | (97)           | -              |
|                             | <u>(2,507)</u> | <u>(2,671)</u> | <u>(5,310)</u> | <u>(6,034)</u> |

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

**B1. Review of performance**

|  | INDIVIDUAL QUARTER                               |  |                    | CUMULATIVE                                       |  |                    |
|--|--|--|--------------------|--|--|--------------------|
|  | Current Year<br>Quarter<br>31.03.2024<br>RM '000 | Preceding Year<br>Quarter<br>31.03.2023<br>RM '000 | Changes<br>RM '000 | Current Year<br>To Date<br>31.03.2024<br>RM '000 | Preceding Year<br>To Date<br>31.03.2023<br>RM '000 | Changes<br>RM '000 |
| Revenue  | 51,668   | 46,902   | 4,766              | 104,759  | 122,537  | (17,778)           |
| Operating Profit   | 8,171  | 8,811  | (640)              | 12,766   | 25,137   | (12,371)           |
| Earnings before Interest,<br>Tax, Depreciation, and<br>Amortisation (EBITDA) | 9,056  | 10,469   | (1,413)            | 14,856   | 23,734   | (8,878)            |
| Profit/(Loss) Before Tax   | 1,150  | 2,893  | (1,743)            | (828)  | 9,098  | (9,926)            |
| Profit/(Loss) After Tax  | 31   | 1,240  | (1,209)            | (2,486)  | 4,873  | (7,359)            |

- Group revenue for the quarter ended 31 March 2024 was RM 51.67 million compared to RM 46.90 million in the same quarter of the preceding year. The change of RM 4.77 million were contributed as follows:

| (RM'000)         | Current year quarter<br>31.03.2024 | Preceding year quarter<br>31.03.2023 | Changes |
|------------------|------------------------------------|--------------------------------------|---------|
| Shipping segment | 32,323                             | 33,965                               | (1,642) |
| Aviation segment | 19,345                             | 12,937                               | 6,408   |
| Total            | 51,668                             | 46,902                               | 4,766   |

- The shipping segment contributed RM 32.32 million in revenue during the current quarter. This is a decrease of RM 1.64 million when compared to the same quarter last year due to more vessel sets undergoing routine repairs and docking, hence a lesser number of shipments performed.
  - The aviation segment contributed RM 19.35 million in revenue during the current quarter. This is an improvement of RM 6.41 million when compared to the same quarter last year, mainly contributed by higher training fees recorded at our flying academy as it carried out few training contracts secured earlier.
- Operating profit and EBITDA by segment are as follows:

| <b>Operating profit:</b><br>(RM'000) | Current year<br>quarter<br>31.03.2024 | Preceding year<br>quarter<br>31.03.2023 | Changes |
|--------------------------------------|---------------------------------------|---|---------|
| Shipping segment                     | 7,071                                 | 5,257                                   | 1,814   |
| Aviation segment                     | 1,100                                 | 3,554                                   | (2,454) |
| Total                                | 8,171                                 | 8,811                                   | (640)   |

| <b>EBITDA:</b><br>(RM'000) | Current year<br>quarter<br>31.03.2024 | Preceding year<br>quarter<br>31.03.2023 | Changes |
|----------------------------|---------------------------------------|---|---------|
| Shipping segment           | 8,758                                 | 7,873                                   | 885     |
| Aviation segment           | 1,764                                 | 3,950                                   | (2,186) |
| HQ                         | (1,466)                               | (1,354)                                 | (112)   |
| Total                      | 9,056                                 | 10,469                                  | (1,413) |



**HUBLINE BERHAD**  
**Registration No. 197501001462 (23568-H)**

- Operating profit for the current year quarter fell RM 0.64 million from RM 8.81 million in the corresponding period of the previous year to RM 8.17 million in the current year quarter. Similarly, EBITDA for the current year quarter fell in line with the lower revenue and operating profits.
- The shipping segment's operating profits improved from RM 5.26 million to RM 7.07 million predominantly caused by lower bunker expenses during the current quarter compare to the same quarter of the preceding year.
- The aviation segment reported an operating profit of RM 1.10 million in the current year quarter from a profit of RM 3.55 million in the preceding year quarter. Higher training expenses, aircraft maintenance and charter expenses, as well as operating expenses had resulted in lower operating profit and EBITDA for the current year quarter.

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

|   | <b>Current Year<br/>Quarter<br/>31.03.2024<br/>RM '000</b> | <b>Immediate Preceding<br/>Quarter<br/>31.12.2023<br/>RM '000</b> | <b>Changes<br/>Amount<br/>RM '000</b> |
|---|--|---|---------------------------------------|
| Revenue   | 51,668   | 53,092  | (1,424)                               |
| Operating Profit  | 8,171  | 4,596   | 3,575                                 |
| Earnings before Interest, Tax, Depreciation,<br>and Amortisation (EBITDA) | 9,056  | 5,800   | 3,256                                 |
| (Loss)/ profit Before Tax (PBT)   | 1,150  | (1,978)   | 3,128                                 |
| (Loss)/ profit After Tax (PAT)  | 31   | (2,517)   | 2,548                                 |

- Overall revenue had fallen by RM 1.42 million during the March 2024 quarter from RM 53.09 million to RM 51.67 million. The breakdown of revenue are as follows:

| (RM'000)         | Current quarter<br>31.03.2024 | Preceding quarter<br>31.12.2023 | Changes        |
|------------------|-------------------------------|---------------------------------|----------------|
| Shipping segment | 32,323                        | 37,581                          | (5,258)        |
| Aviation segment | 19,345                        | 15,511                          | 3,834          |
| <b>Total</b>     | <b>51,668</b>                 | <b>53,092</b>                   | <b>(1,424)</b> |

- Revenue contribution by the shipping segment was RM 32.32 million which was RM 5.26 million lower compared to the preceding quarter. The Group undertook more routine repairs and docking during the current quarter compared to the preceding quarter. Resultantly, there were less voyages completed in the current quarter compared to the preceding quarter.
- The aviation segment contributed RM 19.35 million in revenue during the current quarter. This is an improvement of RM 3.83 million when compared to the preceding quarter. This was mainly contributed by higher training fees recorded at our flying academy as it carried out few training contracts secured earlier.

| <b>Operating profit:</b><br>(RM'000) | Current quarter<br>31.03.2024 | Preceding quarter<br>31.12.2023 | Changes      |
|--------------------------------------|-------------------------------|---------------------------------|--------------|
| Shipping segment                     | 7,071                         | 6,108                           | 963          |
| Aviation segment                     | 1,100                         | (1,512)                         | 2,612        |
| <b>Total</b>                         | <b>8,171</b>                  | <b>4,596</b>                    | <b>3,575</b> |

| <b>EBITDA:</b><br>(RM'000) | Current quarter<br>31.03.2024 | Preceding quarter<br>31.12.2023 | Changes      |
|----------------------------|-------------------------------|---------------------------------|--------------|
| Shipping segment           | 8,758                         | 9,151                           | (393)        |
| Aviation segment           | 1,764                         | (1,303)                         | 3,067        |
| HQ                         | (1,466)                       | (2,048)                         | 582          |
| <b>Total</b>               | <b>9,056</b>                  | <b>5,800</b>                    | <b>3,256</b> |

- Operating profit improved by RM 3.58 million from RM 4.60 million to RM 8.17 million. The shipping segment managed to improve their operating profits for the quarter by RM 0.96 million, however, their EBITDA fell marginally by RM 0.39 million from RM 9.15 million last quarter compared to RM 8.76 million in the current quarter.
- The improved performance of our flying academy during the current year quarter with higher revenue and operating profit has helped the aviation segment to return to profitability with an operating profit of RM 1.10 million in the current quarter from a loss of RM 1.51 million in the preceding year quarter. Similarly, the aviation segment also returned to positive EBITDA.

**B3. Commentary on Prospects**

The Group's shipping segment has noticed improvements in shipping freight rates since the end of the current quarter. Whilst we do expect some increased maintenance costs due to the rising costs, we expect steady performance for the rest of the financial year. The Group continues to strive towards maintaining vessel utilisation and efficiencies throughout the financial year.

The aviation segment continues to face challenges in its general aviation and flying academy operations. Moving forward, the Group is focusing on streamlining its operations to improve cost efficiency, improve fleet utilisation and continue to bid for new aviation charter and training contracts to sustain its growth momentum.

**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<br>31.03.2024<br>RM'000 | 3 Months Ended<br>31.03.2023<br>RM'000 | Year to Date Ended<br>31.03.2024<br>RM'000 | Year to Date Ended<br>31.03.2023<br>RM'000 |
|-------------------|--|--|--|--|
| Income tax charge |  |  |  |  |
| - current period  | (139)                                  | (1,376)                                | (739)                                      | (2,576)                                    |
| Deferred taxation | (980)                                  | (277)                                  | (919)                                      | (1,649)                                    |
|                   | <u>(1,119)</u>                         | <u>(1,653)</u>                         | <u>(1,658)</u>                             | <u>(4,225)</u>                             |

Domestic current income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

The high effective tax rates as reported for the quarter ended 31 March 2024 were due to losses incurred by certain companies within the group which cannot be set-off against taxable income from profitable companies.

**B6. Status of corporate proposals**

There were no corporate proposals announced or not completed by the Group as at the date of this report.

**B7. Group borrowings and debt securities**

| As at 2 <sup>nd</sup> quarter ended 31 March 2024 |                                 |                           |                                 |                           |                                 |                           |
|---|---------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|---------------------------|
| 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   |                                 | 8,291                     |                                 |                           |                                 | 8,291                     |
| Invoice Financing                                 |                                 | 30,302                    |                                 |                           |                                 | 30,302                    |
| Revolving Credit                                  |                                 | 18,600                    |                                 |                           |                                 | 18,600                    |
| Term Loan   | 1,858                           | 3,418                     | 8,827                           | 17,805                    | 10,685                          | 21,223                    |
| Hire Purchase                                     |                                 | 144                       |                                 | 256                       |                                 | 400                       |
| <b>Total</b>                                      | <b>1,858</b>                    | <b>60,755</b>             | <b>8,827</b>                    | <b>18,061</b>             | <b>10,685</b>                   | <b>78,816</b>             |
| <b>Grand Total</b>                                | <b>62,613</b>                   |                           | <b>26,888</b>                   |                           | <b>89,501</b>                   |                           |

<sup>^</sup> Borrowing is denominated in USD. As at 31 March 2024, the total balance outstanding was USD 2.264 million. Exchange rate used to convert to RM was 4.7205.

| As at 2 <sup>nd</sup> quarter ended 31 March 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   |                                 | 5,784                     |                                 |                           |                                 | 5,784                     |
| Invoice Financing                                 | 13,250                          | 19,623                    |                                 |                           | 13,250                          | 19,623                    |
| Revolving Credit                                  |                                 | 25,896                    |                                 |                           |                                 | 25,896                    |
| Term Loan   |                                 | 1,605                     |                                 | 17,265                    |                                 | 18,870                    |
| Credit Card                                       |                                 | 524                       |                                 |                           |                                 | 524                       |
| Hire Purchase                                     |                                 | 125                       |                                 | 344                       |                                 | 469                       |
| <b>Total</b>                                      | <b>13,250</b>                   | <b>53,557</b>             |                                 | <b>17,609</b>             | <b>13,250</b>                   | <b>71,166</b>             |
| <b>Grand Total</b>                                | <b>66,807</b>                   |                           | <b>17,609</b>                   |                           | <b>84,416</b>                   |                           |

<sup>^</sup> Borrowing is denominated in USD. As at 31 March 2023, the total balance outstanding was USD 3.0 million. Exchange rate used to convert to RM was 4.4170.

Borrowings increased by RM 5.09 million from RM 84.42 million on 31 March 2023 to RM 89.50 million this quarter. The increase was mainly due to additional overdraft facilities utilized by the aviation segment and invoice financing term utilized by the shipping segment during the quarter. Meanwhile, revolving credit facilities had reduced by RM 7.30 million in accordance with the respective facility repayment schedule.

The average weighted interest rate of borrowings for the Group is 6.40% 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**

The 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<br>31.03.2024 | Quarter Ended<br>31.03.2023 | Year to Date Ended<br>31.03.2024 | Year to Date Ended<br>31.03.2023 |
| Net profit / (loss) attributable to equity holders of the parent (RM'000)   | 836                         | 970                         | (124)                            | 3,654                            |
| Weighted average no. of ordinary shares ('000)                              | 4,289,322                   | 4,289,285                   | 4,289,322                        | 4,289,285                        |
| Basic earnings per share attributable to equity holders of the parent (sen) | 0.02                        | 0.02                        | -0.01                            | 0.09                             |

**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 27 May 2024.