

QUARTERLY REPORT

This is a quarterly report on consolidated results for the financial quarter ended 30 June 2024

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2024**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.06.2024 RM '000	Preceding Year Quarter Ended 30.06.2023 RM '000	Current Year To Date 30.06.2024 RM '000	Preceding Year To Date 30.06.2023 RM '000
Revenue	51,199	53,776	155,958	176,313
Operating Expenses	(43,867)	(43,894)	(135,860)	(141,294)
	<u>7,332</u>	<u>9,882</u>	<u>20,098</u>	<u>35,019</u>
Other Operating Income	2,191	649	5,415	2,482
Administrative Expenses	(7,631)	(7,692)	(20,937)	(22,803)
Finance Cost	(1,411)	(1,353)	(4,923)	(4,114)
(Loss)/Profit before taxation	<u>481</u>	<u>1,486</u>	<u>(347)</u>	<u>10,584</u>
Taxation	(1,611)	(1,176)	(3,269)	(5,401)
(Loss)/Profit for the period	<u>(1,130)</u>	<u>310</u>	<u>(3,616)</u>	<u>5,183</u>
Other comprehensive income:				
Currency translation differences	38	2,801	295	1,297
Total Comprehensive (loss)/income for the period	<u>(1,092)</u>	<u>3,111</u>	<u>(3,321)</u>	<u>6,480</u>
(Loss)/Profit attributable to:				
Shareholders of the parent	(336)	382	(460)	4,037
Non-controlling interests	(794)	(72)	(3,156)	1,146
(Loss)/Profit for the period	<u>(1,130)</u>	<u>310</u>	<u>(3,616)</u>	<u>5,183</u>
Total comprehensive (loss)/income attributable to:				
Shareholders of the parent	(298)	3,183	(165)	5,334
Non-controlling interests	(794)	(72)	(3,156)	1,146
Total Comprehensive (Loss)/Income for the period	<u>(1,092)</u>	<u>3,111</u>	<u>(3,321)</u>	<u>6,480</u>
Earnings per share attributable to equity holders of the parent (sen)				
Basic	-0.01	0.01	-0.01	0.09
Diluted	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 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.06.2024	30.09.2023
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	217,329	215,852
Right-of-use assets	31,418	32,800
Goodwill	19,856	19,856
Deferred tax assets	7,165	7,063
	<u>275,768</u>	<u>275,571</u>
Current Assets		
Inventories	14,636	17,000
Trade and other receivables	22,931	38,604
Tax recoverable	10,531	7,428
Assets held for sale	-	7,947
Short term investments	25,528	19,332
Cash and cash equivalents	20,888	24,850
	<u>94,514</u>	<u>115,161</u>
TOTAL ASSETS	<u>370,282</u>	<u>390,732</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	238,295	238,293
Treasury shares	(4,192)	(4,192)
Reserves	(55,581)	(55,396)
Total equity attributable to shareholders of the parent	<u>178,522</u>	<u>178,705</u>
Non-controlling interests	12,291	15,447
Total equity	<u>190,813</u>	<u>194,152</u>
Non-current liabilities		
Long term borrowings	24,272	28,761
Other payables	4,536	3,194
Deferred tax liabilities	16,975	15,046
	<u>45,783</u>	<u>47,001</u>
Current Liabilities		
Short term borrowings	64,567	70,565
Trade & other payables	68,607	78,987
Taxation	512	27
	<u>133,686</u>	<u>149,579</u>
Total liabilities	<u>179,469</u>	<u>196,580</u>
TOTAL EQUITY AND LIABILITIES	<u>370,282</u>	<u>390,732</u>
Net assets per share (RM)	0.044	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 30 June 2024

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024**

	9 MONTHS ENDED	9 MONTHS ENDED
	30.06.2024	30.06.2023
	RM'000	RM'000
Profit before taxation	(347)	10,584
Adjustments for:-		
Non-operating items	14,389	21,358
Interest expenses	4,923	4,114
Interest income	(487)	(196)
Cash from operating activities before working capital changes	18,478	35,860
Net change in current assets	14,934	(6,111)
Net change in current liabilities	(11,767)	21,101
Tax paid	(4,063)	(5,553)
Interest paid	(4,923)	(4,114)
Net cash generated from operating activities	12,659	41,183
Investing activities		
Additional investments in existing subsidiaries	-	(4,739)
Purchase of property, plant and equipment	(20,069)	(35,198)
Purchase of short term investments	(6,196)	(10,438)
Proceeds from disposal of property, plant and equipment	13,834	30
Interest received	487	196
Net cash used in investing activities	(11,944)	(50,149)
Financing activities		
Proceeds from bank borrowings	6,757	16,729
Repayment of bank borrowings	(14,374)	(12,119)
Proceeds from exercising of Warrant C	3	-
Net cash generated from financing activities	(7,614)	4,610
Net changes in cash and cash equivalents	(6,899)	(4,356)
Cash and cash equivalents at beginning of financial period	19,312	12,015
Effects of Exchange Rate Changes	(27)	6,146
Cash and cash equivalents at end of the financial period	12,386	13,805

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

Cash and bank balances	20,888	19,632
Bank overdraft	(8,502)	(5,827)
Cash and cash equivalents	12,386	13,805

(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 30 JUNE 2024

	< ----- Attributable to Shareholders of the Parent ----- >							
	Share capital RM'000	Warrant reserve RM'000	Treasury shares RM'000	Translation reserves RM'000	Capital reserves RM'000	Retained Profit RM'000	Non-Controlling interests RM'000	Total Equity RM'000
9 MONTHS ENDED 30 JUN 2023								
At 1 October 2022	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							(5,227)	(5,227)
Total comprehensive income for the period				1,297		4,037	1,146	6,480
At 30 June 2023	238,293	27,400	(4,192)	(10,548)	4,668	(81,231)	19,098	193,488
9 MONTHS ENDED 30 JUN 2024								
At 1 October 2023	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						(20)		(20)
Total comprehensive income for the period				295		(460)	(3,156)	(3,321)
At 30 June 2024	238,295	-	(4,192)	(10,274)	32,068	(77,375)	12,291	190,813

(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 9 months ended 30 June 2024

	Shipping & Related Activities RM'000	Aviation & Related Activities RM'000	HQ & Other Activities RM'000	Group RM'000
Revenue				
External sales	103,914	52,044	-	155,958
Total revenue	103,914	52,044	-	155,958
Results				
Gross profit	19,314	784	-	20,098
Interest & other income	3,334	1,985	96	5,415
Administrative costs	(8,461)	(5,935)	(6,541)	(20,937)
Finance cost	(1,789)	(1,626)	(1,508)	(4,923)
Segment profit/(loss) before taxation	12,398	(4,792)	(7,953)	(347)

Segmental information for the 9 months ended 30 June 2023

	Shipping & Related Activities RM'000	Aviation & Related Activities RM'000	HQ & Other Activities RM'000	Group RM'000
Revenue				
External sales	107,000	69,313	-	176,313
Total revenue	107,000	69,313	-	176,313
Results				
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

A9. Profit before tax

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Current Year Quarter Ended 30.06.2024 RM '000	Preceding Year Quarter Ended 30.06.2023 RM '000	Current Year To Date 30.06.2024 RM '000	Preceding Year To Date 30.06.2023 RM '000
Interest income	236	56	487	196
Other income	2,359	593	5,165	2,286
Foreign exchange gains/(losses) (net)	(404)	(104)	(237)	(1,030)
Depreciation and amortisation	(5,806)	(6,281)	(17,980)	(18,156)

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	76,299
	<u>76,299</u>

A14. Capital commitments

	RM'000
Amount approved and committed	18,204
	<u>18,204</u>

A15. Related Party Transactions

	3 Months Ended 30.06.2024 RM'000	3 Months Ended 30.06.2023 RM'000	Year to Date Ended 30.06.2024 RM'000	Year to Date Ended 30.06.2023 RM'000
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A Company in which a director is also a director and substantial shareholder:

Operations support and rental income	1	2	2	11
	<u>1</u>	<u>2</u>	<u>2</u>	<u>11</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:

Operation support income	-	-	17	17
Helicopter and motor vehicle charter expenses	(6)	(6)	(70)	-
Rental of premises	(8)	(24)	(83)	(81)
Student food catering	(175)	(268)	(755)	(702)
	<u>(189)</u>	<u>(308)</u>	<u>(891)</u>	<u>(866)</u>

Shareholder of a subsidiary:

Operations support income	97	100	350	451
Rental of premises income	15	15	45	45
Helicopter charter expenses	(1,954)	(2,585)	(7,422)	(9,054)
Purchase of drum fuels	(11)	(27)	(109)	-
Transportation charges	-	-	-	(28)
	<u>(1,853)</u>	<u>(2,507)</u>	<u>(7,136)</u>	<u>(8,586)</u>

B EXPLANATORY NOTES OF BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

	INDIVIDUAL QUARTER			CUMULATIVE		
	Current Year Quarter 30.06.2024 RM '000	Preceding Year Quarter 30.06.2023 RM '000	Changes RM '000	Current Year To Date 30.06.2024 RM '000	Preceding Year To Date 30.06.2023 RM '000	Changes RM '000
Revenue	51,199	53,776	(2,577)	155,958	176,313	(20,355)
Operating Profit	7,332	9,882	(2,550)	20,098	35,019	(14,921)
Earnings before Interest, Tax, Depreciation, and Amortisation (EBITDA)	7,699	9,121	(1,422)	22,555	32,812	(10,257)
Profit/(Loss) Before Tax	481	1,486	(1,005)	(347)	10,584	(10,931)
Profit/(Loss) After Tax	(1,130)	310	(1,440)	(3,616)	5,183	(8,799)

- Group revenue for the quarter ended 30 June 2024 was RM 51.20 million compared to RM 53.78 million in the same quarter of the preceding year. The change of RM 2.58 million were contributed as follows:

(RM'000)	Current year quarter 30.06.2024	Preceding year quarter 30.06.2023	Changes
Shipping segment	34,011	34,627	(616)
Aviation segment	17,188	19,149	(1,961)
Total	51,199	53,776	(2,577)

- The shipping segment contributed RM 34.01 million in revenue during the current quarter. This is a decrease of RM 0.62 million when compared to the same quarter last year due to more vessel sets undergoing docking and hence a lesser number of shipments performed.
 - The aviation segment contributed RM 17.19 million in revenue during the current quarter which is RM 1.96 million lower when compared to the same quarter last year. This is mainly due to the completion of several aircraft charter contracts at the general aviation segment since the last quarter. The drop in revenue is partially cushioned by increased course fee revenue at the flying academy as we carried out more training for our cadets during the current quarter as compared to the training conducted during the preceding year quarter.
- Operating profit and EBITDA by segment are as follows:

Operating profit: (RM'000)	Current year quarter 30.06.2024	Preceding year quarter 30.06.2023	Changes
Shipping segment	6,136	6,379	(243)
Aviation segment	1,196	3,503	(2,307)
Total	7,332	9,882	(2,550)

EBITDA: (RM'000)	Current year quarter 30.06.2024	Preceding year quarter 30.06.2023	Changes
Shipping segment	8,151	7,892	259
Aviation segment	1,575	3,008	(1,433)
HQ	(2,027)	(1,779)	(248)
Total	7,699	9,121	(1,422)

- Operating profit for the current year quarter fell RM 2.55 million from RM 9.88 million in the corresponding period of the previous year to RM 7.33 million in the current year quarter. Similarly, EBITDA for the current year quarter fell RM 1.42 million from RM 9.12 million in the corresponding period of the previous year to RM 7.70 million in the current year quarter.
- The shipping segment's operating profits fell marginally in line with the fall in revenue. However, EBITDA for this segment in the current quarter had improved with the help of additional other operating income through insurance reimbursements received during the quarter.
- The aviation segment reported a lower operating profit of RM 1.20 million in the current year quarter compared to operating profit of RM 3.50 million in the preceding year quarter. Lower revenue coupled with higher training expenses, aircraft maintenance and charter expenses had resulted in lower operating profit and EBITDA for the current year quarter.

B2. Comparison with preceding quarter's results

	Current Year Quarter 30.06.2024 RM '000	Immediate Preceding Quarter 31.03.2024 RM '000	Changes Amount RM '000
Revenue	51,199	51,668	(469)
Operating Profit	7,332	8,171	(839)
Earnings before Interest, Tax, Depreciation, and Amortisation (EBITDA)	7,699	9,056	(1,357)
(Loss)/ profit Before Tax (PBT)	481	1,150	(669)
(Loss)/ profit After Tax (PAT)	(1,130)	31	(1,161)

- Overall revenue had fallen by RM 0.50 million during the June 2024 quarter from RM 51.67 million to RM 51.20 million. The breakdown of revenue are as follows:

(RM'000)	Current quarter 30.06.2024	Preceding quarter 31.03.2024	Changes
Shipping segment	34,011	32,323	1,688
Aviation segment	17,188	19,345	(2,157)
Total	51,199	51,668	(469)

- Revenue contribution by the shipping segment improved by RM 1.69 million when compared to the preceding quarter. Despite the reduced number of shipments performed due to the higher number of vessels undergoing docking, the shipments we managed to complete were from those with higher freight rates.
- The aviation segment contributed RM 17.19 million in revenue during the current quarter which is RM 2.16 million lower when compared to the preceding quarter. This is mainly due to lower activities at the general aviation segment due to completion of several aviation charter contracts since the preceding quarter as well as lower course fee revenue recognised as a significant number of cadets have completed their courses in the preceding quarter.

Operating profit: (RM'000)	Current quarter 30.06.2024	Preceding quarter 31.03.2024	Changes
Shipping segment	6,136	7,071	(935)
Aviation segment	1,196	1,100	96
Total	7,332	8,171	(839)

EBITDA: (RM'000)	Current quarter 30.06.2024	Preceding quarter 31.03.2024	Changes
Shipping segment	8,151	8,758	(607)
Aviation segment	1,575	1,764	(189)
HQ	(2,027)	(1,466)	(561)
Total	7,699	9,056	(1,357)

- Operating profit fell by RM 0.84 million from RM 8.17 million to RM 7.33 million with the shipping segment contributing RM 0.94 million of this reduction. Similarly, overall EBITDA fell by RM 1.36 million to RM 7.70 million this quarter compared to RM 9.06 million in the preceding quarter.
- Improvement in our project margin help to lift operating profit slightly to RM 1.20 million. Nevertheless, higher staff relocation costs and write-off of fixed assets had contributed to lower EBITDA for the current quarter.

B3. Commentary on Prospects

The Group's shipping segment has performed well for the year to date and we expect that its performance to continue for the remainder of the financial year. Going forward, while we do expect some increased maintenance costs, we anticipate the performance for this segment to remain steady. 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. The Aviation segment's immediate focus is to streamline its operations and improve fleet utilisation to achieve greater cost efficiency, and continue to bid for new aviation charter and training contracts to expand its revenue base.

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 30.06.2024 RM'000	3 Months Ended 30.06.2023 RM'000	Year to Date Ended 30.06.2024 RM'000	Year to Date Ended 30.06.2023 RM'000
Income tax charge				
- current period	(268)	(335)	(1,007)	(2,911)
Deferred taxation	(1,343)	(841)	(2,262)	(2,490)
	(1,611)	(1,176)	(3,269)	(5,401)

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 30 June 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 3 rd quarter ended 30 June 2024						
	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		8,502				8,502
Invoice Financing		32,450				32,450
Revolving Credit		17,210				17,210
Term Loan	1,858	4,448	8,108	15,933	9,966	20,381
Hire Purchase		99		231		330
Total	1,858	62,709	8,108	16,164	9,966	78,873
Grand Total	64,567		24,272		88,839	

^ Borrowing is denominated in USD. As at 30 June 2024, the total balance outstanding was USD 2.112 million. Exchange rate used to convert to RM was 4.7195.

As at 3 rd quarter ended 30 June 2023						
	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		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
Grand Total	66,208		17,195		83,403	

^ 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.

Borrowings increased by RM 5.44 million from RM 83.40 million on 30 June 2023 to RM 88.84 million this quarter. The increase was mainly due to additional overdraft facilities utilized by the aviation segment and term loans utilized by the shipping segment for the acquisition of new vessels during the year under review. Meanwhile, revolving credit facilities had reduced by RM 6.92 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 30.06.2024	Quarter Ended 30.06.2023	Year to Date Ended 30.06.2024	Year to Date Ended 30.06.2023
Net profit / (loss) attributable to equity holders of the parent (RM'000)	(298)	382	(165)	4,037
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)	-0.01	0.01	-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 28 August 2024.