HUBLine

annual report 2004

Hubline Berhad

(formerly known as EOX Group Berhad)

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-ninth Annual General Meeting of the Company will be held at Dewan Muhibbah, 2nd Floor, Merdeka Palace Hotel & Suites, Jalan Tun Abang Haji Openg 93000 Kuching, Sarawak, on Thursday, 31st March 2005 at 11:00 a.m. for the following purposes :-

ORDINARY BUSINESS

1 To receive and adopt the Report of the Directors and the Audited Statement of Accounts for the year ended 30 September, 2004 and the Report of the Auditors thereon. **Ordinary Resolution 1**

2 To re-elect the following director, who is retiring in accordance with Article 70 of the Articles of Association of the Company and is offering himself for re-election :-

(i) Haji Awang Mohidin Bin Awang Saman **Ordinary Resolution 2**

3 To re-elect the following directors, who are retiring in accordance with Article 71 of the Articles of Association of the Company and are offering themselves for re-election :-

(i) Ibrahim Bin Baki **Ordinary Resolution 3**
(ii) Katrina Ling Shiek Ngee **Ordinary Resolution 4**

4 To appoint Datuk Amar Wee Hood Teck, a director who retires under Section 129(2) of the Companies Act, 1965 and to hold office until the next Annual General Meeting. **Ordinary Resolution 5**

5 To approve Directors' fees for the financial year ended 30 September, 2004. **Ordinary Resolution 6**

6 To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

AS SPECIAL BUSINESS

7 To consider and if thought fit, to pass the following Ordinary Resolution:

"That pursuant to Section 132D of the Companies Act, 1965 approval be and is hereby given to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten (10) per cent of the issued share capital of the Company for the time being, subject always to the approval of the relevant regulatory authorities being obtained for such allotment and issue." **Ordinary Resolution 8**

By order of the Board,

Yeo Puay Huang
Secretary

Dated : 9 March 2005

Notice of Annual General Meeting

Explanatory Notes to Special Business

In line with the Company's plan for expansion/diversification, the Company is actively looking into prospective areas so as to broaden the operating base and earning potential of the Company. As the expansion/diversification may involve the issue of new shares, the Directors, under present circumstances, would have to call for a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued capital. In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now empowered to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her place. A proxy need not be a member of the Company. Where a holder appoints two or more proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

2. A corporation which is a member may by resolution of its directors authorise such person as it thinks fit to act as its representative at the meeting pursuant to Section 147 of the Companies Act, 1965.

3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney, and the person so appointed may attend and vote at the meeting at which the appointer is entitled to vote.

4. The instrument appointing a proxy or representative must be deposited at the registered office, Sama Jaya Free Industrial Zone, Plot 9, Block 12, Off Jalan Setia Raja, P. O. Box A893, 93818 Kuching, Sarawak, not less than forty-eight (48) hours before the time for holding the meeting.

Statement Accompanying Notice of Annual General Meeting

1. Name of individuals who are standing for re-election

a)	Haji Awang Mohidin Bin Awang Saman	-	Article 70
b)	Encik Ibrahim Bin Baki	-	Article 71
c)	Ms Katrina Ling Shiek Ngee	-	Article 71
d)	Datuk Amar Wee Hood Teck	-	Section 129(2) of the Companies Act, 1965

The details of the four Directors seeking re-election are set out in their respective profiles which appear on pages 9 and 10.

2. Board Meetings held during the financial year ended 30 September 2004

The Board sat 4 times on 28 November 2003, 24 February 2004, 21 May 2004 and 27 August 2004 at the Board Room of Hubline Berhad, Sama Jaya Free Industrial Zone, Off Jalan Setia Raja, 93350 Kuching during the financial year to control and monitor the development of the Group. The details of the attendance of each member of the Board are tabulated below:

	Director	Period of Directorship	No. of Meetings Attended
1	Datuk Amar Wee Hood Teck	01/10/2003 – 30/09/2004	4 / 4
2	Richard Wee Liang Huat @ Richard Wee Liang Chiat	01/10/2003 – 30/09/2004	4 / 4
3	Dennis Ling Li Kuang	01/10/2003 – 30/09/2004	4 / 4
4	Ibrahim Bin Baki	01/10/2003 – 30/09/2004	4 / 4
5	Ernest Ho Keng Seng	01/10/2003 – 30/09/2004	4 / 4
6	Katrina Ling Shiek Ngee	01/10/2003 – 30/09/2004	4 / 4
7	Haji Awang Mohidin Bin Awang Saman *(appointed 14/06/2004)*	14/06/2004 – 30/09/2004	1 / 4
8	Bobby Lim Chye Huat *(resigned on 14/06/2004)*	01/10/2003 – 14/06/2004	3 / 4

3. The place, date and hour of the Annual General Meeting:

Dewan Muhibbah, 2nd Floor, Merdeka Palace Hotel & Suites, Jalan Abang Haji Openg, 93000 Kuching, Sarawak on Thursday, 31 March, 2005 at 11:00 a.m.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report of Hubline Berhad ("Hubline") for the financial year ended 30 September 2004.

During the year under review, there was a corporate name change to "HUBLINE BERHAD" from "EOX Group Berhad" to better reflect the Group's focus on the core business of shipping following the disposal of the Group's equity interest in its gas subsidiary, Eastern Oxygen Industries Sdn. Bhd.

On this note, I am pleased to report to our valued shareholders that Hubline has delivered another year of profitability and growth.

FINANCIAL PERFORMANCE

For the year under review, the Group registered a total revenue of RM 383 million compared to RM 342 million for the previous financial year. Pre-tax profit jumps to RM 29 million, an increase of about RM 9.5 million or 48% from 2003. Net profit after tax rose by 83% to RM 27.5 million from RM 15 million.

The significant increase in profit was attributed mainly to better performance in the shipping operations arising from higher shipping volume boosted by strong demand along key routes coupled with improved freight rates.

OPERATIONS OVERVIEW

Year 2004 had been a good year for the shipping industry, both domestically and internationally which experienced a strong growth fuelled mainly by strong demand for shipping services following improved world economic conditions generally coupled with robust growth of the China economy.

The Group continued to turn in satisfactory results due mainly to the management's ability to efficiently schedule its trade routes to achieve optimal capacity utilisation and to keep costs under control. The Group remained focus on its business strategy by continuing to operate in the intra-Asian region where it has its niche. The Group will continue to capitalise on its competitive edge in its niche market in providing shipping services for essential goods which are less susceptible to global economic conditions. Additionally, the Group's business strategy also include identifying opportunities which can generate a good return. This strategy has certainly borne results by the Group's investment in a port and shipping related business in Thailand, namely Bangpakong Terminal Public Company Limited (BTC) and Platinum Container Lines Co. Ltd.(PCL).

CORPORATE DEVELOPMENT

During the year, the Group disposed off its 51 % equity interest in its subsidiary, Eastern Oxygen Industries Sdn. Bhd. comprising 13.9 million shares of RM 1 each to BNDM Incorporated Holdings Sdn. Bhd. for a cash consideration of RM 18 million. With the disposal of its industrial gas division, Hubline is now focus on shipping as its core business in providing sustainable returns.

The Group has also successfully raised RM 31.8 million through a private placement of up to ten percent(10%) of the issued and paid-up capital of the Group, amounting to 14,140,600 new ordinary shares of RM 1.00 each. The proceeds for the private placement are being utilized for repayment of bank borrowings and working capital. The completion of the private placement on 31 January 2005 resulted in the increase of the issued and paid-up capital of the Group from 141,406,110 ordinary shares of RM 1.00 each to 155,546,710 ordinary shares of RM 1.00 each.

DIVIDENDS

The Board has declared that no dividend will be paid during the year under review.

PROSPECTS

The outlook for shipping industry remains positive as the industry continued to benefit from higher freight rates and charter-hire rates. The demand for shipping services is expected to remain on the uptrend supported by China's insatiable demand to fuel its booming economy alongside better world economic outlook.

We will continue to adopt a prudent approach in our expansion plans and will expand our fleet size only there is assurance of demand in the targeted trade routes. With its present fleet size and capacity and a strong customer base, Hubline is well poised to ride on the strong demand growth in the intra-Asian trades. The Group expects continued sizable contribution of profit from its investment in Thailand, one from BTC which is a port operator listed in the Stock Exchange of Thailand and the other from PCL which is involved in shipping business.

Baring any unforeseen circumstances, the Board is confident the Group will deliver a sustained performance in 2005.

Chairman's Statement

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to extend my deepest appreciation to the management and all employees of Hubline, both on-shore and on board our vessels for their dedication and commitment in their work. My thanks also go to our valued customers, our shareholders, Government agencies, bankers and business associates for their cooperation and continuing support.

On behalf of the Board, I would like to place on record our appreciation to Mr. Bobby Lim Chye Huat who resigned from the Board on 14 June 2004. I would also like to welcome Haji Awang Mohidin Bin Awang Saman to the Board.

Lastly, I wish to extend sincere appreciation to my fellow Board members for their guidance and contribution to Hubline.

Datuk Amar Wee Hood Teck
Chairman

Corporate Information

BOARD OF DIRECTORS

Datuk Amar Wee Hood Teck DA, PNBS
Group Chairman
(Non-Independent Non-Executive)

Richard Wee Liang Huat @ Richard Wee Liang Chiat
Group Managing Director

Ibrahim Bin Baki
Independent Non-Executive Director

Ernest Ho Keng Seng
Non-Independent Non-Executive Director

Dennis Ling Li Kuang
Non-Independent Non-Executive Director

Katrina Ling Shiek Ngee
Non-Independent Non-Executive Director

Haji Awang Mohidin Bin Awang Saman
Independent Non-Executive Director
Appointed on 14 June 2004

Bobby Lim Chye Huat
Independent Non-Executive Director
Resigned on 14 June 2004

COMPANY SECRETARY

Yeo Puay Huang
(LS 000577)

AUDIT COMMITTEE

Ibrahim Bin Baki
Chairman
Independent Non-Executive Director

Haji Awang Mohidin Bin Awang Saman
Member
Independent Non-Executive Director
Appointed on 14 June 2004

Dennis Ling Li Kuang
Member
Non-Independent Non-Executive Director
Member of MIA

AUDITORS

Ernst & Young

REGISTERED OFFICE

Sama Jaya Free Industrial Zone
Plot 9, Block 12
Off Jalan Setia Raja
P O Box A893
93818 Kuching, Sarawak
Tel : 6082-363999 Fax : 6082-363819

REGISTRAR AND TRANSFER OFFICE

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 03-20849000 Fax : 03-20949940

SOLICITORS

Chew Jugah Wan Ullok & Co
2nd Floor, OCBC Building
Khoo Hun Yeang Street
93000 Kuching

Sim and Yee Advocates
113, Jalan Haji Taha
(2nd & 3rd Floors)
93400 Kuching

Tang & Tang, Wahap & Ngumbang
No. 3, 1st Floor, Jalan Court
P O Box 272,
97007 Bintulu, Sarawak

LISTING

Main Board of Bursa Malaysia Securities Berhad

PRINCIPAL BANKERS

Bumiputra-Commerce Bank Berhad

RHB Bank Berhad

EON Bank Berhad

Bank Industri & Teknologi Malaysia Berhad

AmMerchant Bank Berhad

Bank Muamalat Malaysia Berhad

Corporate Structure
As at 9 March 2005

HUBLINE BERHAD

- 100% ..... EM Line Sdn Bhd
- 100% ..... EM Carriers Sdn Bhd
- 100% ..... EM Shipping Sdn Bhd
- 100% ..... EM Container Line Sdn Bhd
- 100% ..... Premier Spectrum Sdn Bhd
- 100% ..... Wonder Link Sdn Bhd
  - 100% ..... Hub Shipping Sdn Bhd
  - 100% ..... Hub Explorer Sdn Bhd
  - 100% ..... Hub Warrior Sdn Bhd
  - 100% ..... Hub Continental Shipping Sdn Bhd
  - 100% ..... Hub Fleet Sdn Bhd
  - 100% ..... Patimico Sdn Bhd
  - 100% ..... Chatlink Sdn Bhd
  - 100% ..... Ozlink Sdn Bhd
  - 100% ..... Hub Marine Pte Ltd
- 100% ..... Whittler Company Ltd
  - 20.57% ..... Bangpakong Terminal Public Company Ltd
    - 45.9% ..... Platinum Container Lines Company Ltd
  - 44.1% ..... Platinum Container Lines Company Ltd

Directors' Profile

Y. Bhg. Datuk Amar Wee Hood Teck

Non-Independent Non-Executive Group Chairman

Datuk Amar Bintang Kenyalang, Panglima Negara Bintang Sarawak, Malaysian, aged 73, was appointed to the Board on 12 May 1975. He is a founder member and Chairman of the Company since its inception. From 1966 to 1976 he was the Chairman of the Kuching Chinese General Chamber of Commerce. He was also the Chairman of the Sarawak Community Charitable Trust up to 1984 and was a Board member of Kuching Port Authority up to 1985. He also sits on the Board of Governors of the STEC Kidney Foundation and the boards of several private companies.

Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat

Group Managing Director

Malaysian, aged 46, has been appointed as the Managing Director of Hubline Berhad since 1986. He obtained a Diploma in Management Development from Asian Institute of Management, Manila, Philippines in 1981 and is a member of the Malaysian Institute of Management since 1985. Since joining the Company in 1981 as Acting General Manager, he has been actively involved in the Group's affairs which include the overall sales, operations, finance and administration. He is also the director of Foreswood Group Berhad ("FGB") and Tai Sin Electric Cable Manufacturer Ltd., which are listed on the Bursa Malaysia Securities Berhad and the Stock Exchange of Singapore Dealing and Automated Quotation System respectively.

Mr Richard Wee is the son of Datuk Amar Wee Hood Teck.

Mr Ernest Ho Keng Seng

Non-Independent Non-Executive Director

Malaysian, aged 55, was the founding member of Hubline Berhad since its formation in 1975. He was appointed to the Board as non-executive director on 30 November 1976. Over the twenty-eight years with the Group, he has gained all-round experience in the business.

Mr Ernest Ho is the son-in-law of Datuk Amar Wee Hood Teck.

Encik Ibrahim Bin Baki

Independent Non-Executive Director

Malaysian, aged 45, was appointed to the Board as non-executive director on 2 December 1996. He holds an Honour Degree in Law. He is a Barrister-At-Law having been called to the English Bar, and he is a member of Lincoln's Inn. His business activities include hotel development and management, property development, manufacturing involving woodbase, steel and plastic products, warehousing, civil, electrical and telecommunication contractor and the franchising and services sectors. Presently, he sits on the Investment Board for Dewan Usahawan Bumiputera Sarawak. He is the Chairman of the Audit Committee and member of the Nomination and Remuneration Committees.

Directors' Profile

Mr Dennis Ling Li Kuang

Non-Independent Non-Executive Director

Malaysian, aged 52, a Chartered Accountant, was appointed as non-executive director on 13 February 2001. He is also the Managing Director of Foreswood Group Berhad ("FGB"), which is listed on the Bursa Malaysia Securities Berhad. Prior to his appointment in FGB, he was a partner of Arthur Andersen Worldwide from 1984 to 1997. He is an associate member of the Institute of Chartered Accountants in Australia and graduated with a Bachelor of Commerce degree from University of Wollongong, New South Wales Australia in 1976. Over the past twenty years, he has gained extensive experience and exposure in the financial and commercial sectors from which he draws to manage the Wonder Link Group ("WL Group"), which is a wholly-owned subsidiary of Hubline Berhad. The principal activity of WL Group is the provision of marine cargo handling and shipping services, shipping agents and ship owner. Wonder Link Group operates under the trade name of "HUBLine". He is a member of the Audit Committee.

Mr Dennis Ling is the father of Miss Katrina Ling

Ms Katrina Ling Shiek Ngee

Non-Independent Non-Executive Director

Malaysian, aged 26, a Chartered Accountant, was appointed to Board as non-executive director on 13 February, 2001. She graduated with a Bachelor of Commerce (Accounting and Finance) from Monash University Melbourne, Australia in 1999 and is an associate member of the Institute of Chartered Accountants in Australia. She currently works in a public accountant firm and she also sits on the Board of several private companies. She is a member of the Nomination and Remuneration Committees.

Ms Katrina Ling is the daughter of Mr Dennis Ling Li Kuang.

Haji Awang Mohidin Bin Awang Saman

Independent Non-Executive Director

Malaysian, aged 62, was appointed to the Board on 14 June 2004. He obtained a Diploma in Public and Social Administration from the Victoria University of Manchester, United Kingdom and Diploma in Port Development and Administration from the University of New Orleans, United States of America and also a member of the British Institute of Management. He was an independent and non-executive director in Foreswood Group Berhad from 1 September 1996 to 14 April 2004. He was in Government service for many years and prior to his retirement, he was General Manager of Rajang Port Authority.

Note:

a) None of the Directors has any conflict of interest with the Company and none of the Directors has any convictions for offences within the past 10 years other than traffic offences.
b) None of the Directors has any shares in the subsidiaries of Hubline Berhad.
c) Please refer to page 63 for shareholdings of the directors in Hubline.

Statement on Corporate Governance & Other Disclosures

The Board of Directors of Hubline Berhad fully subscribes to the recommendations of the Malaysian Code on Corporate Governance ('Code') and strive to achieve the Principles and Best Practices recommended in the Code.

The Board is committed to ensuring that good corporate governance practices are applied throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and financial performance.

Set out below is a statement on how the Company has applied the principles and complied with the best practices set out in Part1 and 2 of the Code.

A. THE BOARD OF DIRECTORS

(i) Duties

The Board of Directors of Hubline Berhad takes full responsibility for the performance of the Group. The Board guides the Company on its short and long term goals, providing advice and directions on management and business development issues while providing balance to the management of the Company.

The Board is responsible for the following:-

- Reviewing and adopting a strategic plan for the Group.
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed.
- Identify principal risk and ensure the implementation of appropriate systems to manage these risks
- Developing and implementing an investor relations programme or shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

(ii) Composition

For the financial year ended 30 September 2004, the Board has 7 members comprising:

- 1 non-executive non-independent Chairman
- 1 Managing Director
- 3 non-independent non-executive Directors
- 2 independent non-executive Directors

The composition of the Board reflects a balance of Executive, Non- executive and independent Directors with a good mix of professionals in the fields of political science, management, administration, finance and accounting and together they bring a balance of skills and a wealth of experience to effectively lead and control the Company. The presence of the two Independent Non-Executive Directors fulfill a pivotal role in corporate accountability as they provide unbiased and independent judgement, advice and views. In view of this, the Board is of the opinion that there is no necessity to nominate a Senior Independent Non-Executive Director. The profile of all the directors is set out on pages 9 and 10 of this annual report.

(iii) Supply of Information

The Board members were presented with comprehensive information concerning the performance and financial status of the Company at the Board Meetings. Each Director was provided with the agenda and a full set of the Board papers prior to each Board Meeting with the aim of enabling the Directors to make fully informed decision at the Board Meetings.

The Board members have access to the advice and services of the Company Secretary and all information in relation to the Group whether as a full Board or in their individual capacity to assist them in carrying out their duties. Where necessary, the Directors may engage independent professionals at the Group's expense on specialised issues to enable the Board to discharge their duties with adequate knowledge on the matters being deliberated.

The proceedings and resolutions reached at each Board Meeting are recorded in the minutes of the meetings, which are kept in the Minutes Book at the registered office. The Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.

Statement on Corporate Governance & Other Disclosures

Besides Board meetings, the Board also exercises control on matters that require Board's approval through circulation of Directors Resolutions.

(iv) Appointments to the Board

The Nomination Committee, which was set up on 29 September 2001,is responsible for recommending board appointments and assessment of directors on an on-going basis. The members of the Nomination Committee are set out on page 13.

(v) Re-election of Directors

The Articles of Association of the Company provide that at least one third of the Board members are required to retire at every Annual General Meeting and be subject to re-election by shareholders and this means that that all Directors shall stand for re-election at least once every three (3) years. Newly appointed directors shall hold office until the next following annual general meeting and shall then be eligible for re-election by shareholders.

(vi) Directors Training

Pursuant to the Listing Requirement of the Bursa Malaysia Securities Berhad, all existing members have completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysis Malaysia.

(vii) Directors Remuneration

For the financial year ended 30th September 2004, the Board was directly responsible for setting the policy framework and for making recommendations on remuneration packages and benefits extended to the Chairman and all the Directors.

The Audited Account in this Annual Report contains the breakdown of the Director's remuneration for the financial year ended 30th September 2004.

B. BOARD COMMITTEES

The Board had established:

(i) The Audit Committee

Terms and reference and further information on the Audit Committee are set out on pages 17 and 18 of this annual report.

(ii) The Remuneration Committee

The Remuneration Committee was established by the Board on 29 September 2001 to assist the Board with the following objectives:

- To provide assistance to the Board in determining the remuneration of Executive Directors and the Managing Director. To achieve this objective, the Committee is to ensure that the Executive Director and the Managing Director are fairly rewarded for their individual contributions to overall performance and that the compensation is reasonable in light of the Company's objectives, compensation for a similar function in other companies, and other relevant factors with due regards given to the interests of the Shareholders and to the financial and commercial needs of the Company;
- To establish the Managing Director's goals and objectives; and
- Review the Managing Director's performance against the goals and objectives set.

Statement on Corporate Governance & Other Disclosures

The members of the Remuneration Committee are:

(1) Haji Awang Mohidin Bin Awang Saman - Chairman
(Independent Non-executive)

(2) Ms Katrina Ling Shiek Ngee - Member
(Non-independent Non-executive)

(3) En. Ibrahim Bin Baki - Member
(Independent Non-executive)

The Remuneration Committee met once during the financial year ended 30 September 2004.

(iii) The Nomination Committee

The Nomination Committee was established by the Board to assist the Board with the following objectives:

- To identify and recommend to the Board, candidates for directorships of the Company;
- To recommend to the Board, directors to fill the seats on Board Committees;
- To evaluate the effectiveness of the Board and Board Committees (including its size and composition) and contributions of each individual director; and
- To ensure the existence of an appropriate framework and succession plan for Board Members and the Managing Director for the Company.

The members of the Nomination Committee are:

(1) Haji Awang Mohidin Bin Awang Saman - Chairman
(Independent Non-executive)

(2) Ms Katrina Ling Shiek Ngee - Member
(Non-independent Non-executive)

(3) En. Ibrahim Bin Baki - Member
(Independent Non-executive)

The Nomination Committee met once during the financial year ended 30th September 2004.

C. RELATIONSHIP WITH SHAREHOLDERS

The annual report, announcements through Bursa Malaysia Securities Berhad and circulars are the substantial means of communicating with all the shareholders.

The Annual General Meeting and Extraordinary General Meetings are major opportunities to meet individual shareholders, to encourage shareholders to participate through questions on the progress and performance of the Group and to talk to them informally before and after the meetings.

Shareholders and members of the public are invited to access the Bursa Malaysia website at *announcements.bursamalaysia.com.* to obtain the latest information of the Group.

D. ACCOUNTABILITY AND AUDIT

(i) Internal Control

The Statement of Internal Control provides an overview of the state of internal controls within the Group.

(ii) Financial Reporting

In presenting the annual financial statements and quarterly announcements of its results, the Board of Directors has ensured that the financial statements present a balanced and understandable assessment of the Company and Group's position and prospects.

Statement on Corporate Governance & Other Disclosures

(iii) Relationship with Auditors

The Company maintains a transparent relationship with the auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

The external auditors meet with the Audit Committee to:-

- Present the scope of the financial audit before the commencement of audit; and
- Review the results of the said audit after the conclusion of the audit.

Directors' Responsibility Statement

In relation to the Annual Financial Statement, the Company and Group's financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and Companies Act, 1965. The Board of Directors is responsible to ensure that the financial statements of the Company and Group give a true and fair view of the state of affairs of the Company and Group.

In order to ensure that the financial statements are properly drawn up, the Board has taken the following measures:

- Adopt applicable accounting standards and legal requirements
- Consistent application of accounting policies
- Where applicable, judgments and estimates are made on a reasonable and prudent basis.
- Upon due enquiry into the state of affairs of the Company, there are no material matters that may affect the ability of the Company to continue in business on a going concern basis.

The Board has also ensured the Quarterly and Annual financial statements of the Company and Group are released to the Bursa Malaysia Securities Berhad in a timely manner in order to keep our investing public informed of the Group's latest development.

Other Disclosures

Share Buybacks

During the financial year, the Group did not enter into any share buyback transactions.

Options, Warrants or Convertible Securities

During the financial year, the balance of 17,977,400 units of Irredeemable Convertible Unsecured Loans Stocks (ICULS) were converted into 11,235,856 fully paid new ordinary shares of RM 1.00 each at the conversion price of RM 1.60 per share in accordance with the terms of the Trust Deed dated 9 November 2000.

American Depository Receipt(ADR) or Global Depository Receipt(GDR) Programme

During the financial year, the Group did not sponsor any ADR or GDR programme.

Imposition of Sanctions and Penalties

There were no sanctions or penalties imposed on the Group and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

Material Contracts

The Board has ensured that as at end of the financial year 30th September 2004 there are no existing material contracts of the Company and subsidiaries involving directors and substantial shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Utilisation of Proceeds

During the financial year, there was no utilisation of proceeds raised from any exercise.

Statement on Corporate Governance & Other Disclosures

Non-Audit Fee

The total amount of non-audit fee paid for the year ended 30th September 2004 amounted to RM80,750.00

Profit Estimates, Forecast or Projection

There were no variances of 10% or more between the audited results for the financial year and the unaudited results previously announced.

Profit Guarantees

During the financial year, there were no profit guarantees given by the Group.

Statement on Internal Control

INTRODUCTION

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following Statement on Internal Control which outlines the nature and scope of internal control of the Group during the year pursuant to Section 15.27(b) of the Bursa Malaysia Securities Berhad Listing Requirements.

RESPONSIBILITY

The Board acknowledges its responsibility for the Group's system of internal control and for reviewing its adequacy and integrity. However, due to the limitations that are inherent in any system of internal control, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. As such, the system can only provide reasonable and not absolute assurance against material misstatement or loss. The Board's responsibility for internal control does not cover those of the associated companies which are separately managed.

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group's internal control system are as follows :

- Clearly defined organisational structure with clear lines of delegation of responsibility to Committees of the Board, management and operating units.
- Regular operations and management meetings are held to discuss on the Group's operational matters.
- Timely financial and operations reports provided to Management.
- Performance and results are regularly monitored against results of the corresponding period of prior year; major variances are investigated and appropriate action taken or plan put in place. Financial results are tabled to the Board on a regular basis.
- Regular visits to operating units by Executive Director and senior management. Executive Director meets with senior management regularly to discuss and resolve key operational, financial, personnel and related management issues.
- The Group's vessels are subject to stringent regulatory and commercial requirements; the vessels are fully International Safety Management (ISM) compliant and are fully certified by class surveyors.
- The Audit Committee, entrusted with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control, reviews the quarterly and annual financial statements and results announcements and recommend to the Board for approval and also any related party transaction and conflict of interest situation.

The Board is satisfied that, during the year under review, there is an ongoing process of identifying, evaluating and managing significant risks faced by the Group. The process is regularly reviewed by the Board and is in accordance with the guidance as contained in the Statement on Internal Control – Guidance for Directors of Public Listed Companies. The Board is of the view that the existing system of internal controls is sound and adequate to safeguard the Group's assets at the existing level of operations of the Group. In striving for continuous improvement, the Board will put in place appropriate action plans, as and when necessary, to further enhance the Group's system of internal control.

This statement is made in accordance with a resolution of the Board of Directors dated 2 March 2005.

Audit Committee

Ibrahim Bin Baki Chairman	-	*Independent Non-Executive Director*
Haji Awang Mohidin Bin Awang Saman Member	-	*Independent Non-Executive Director*
Dennis Ling Li Kuang Member	-	*Non-Independent Non-Executive Director* *(Member of MIA)*

TERMS OF REFERENCE

Responsibilities and functions of the Audit Committee

Members agreed on the following Terms of Reference for the Board Audit Committee.
The Board Audit Committee shall be governed by the following terms of reference:

1. OBJECTIVES

The principal objectives of the Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to the accounting and reporting practices of the company. In addition, the Committee shall:-

- evaluate the quality of the audits conducted by the internal and external auditors.
- provide assurance that the financial information presented by the management is relevant, reliable and timely.
- oversee compliance with laws and regulations and observance of a proper code of conduct, and
- determine the adequacy of the Company's control environment.

2. SIZE AND COMPOSITION

The Board Audit Committee should comprise at least three directors, the majority of whom be non-executive and independent senior management and free from any relationship which might in the opinion of the Board of Directors be construed as a conflict of interest. The Committee shall elect a chairperson from among its members who is a non-executive director.

3. ATTENDANCE AT MEETINGS

The finance manager, the internal auditor and a representative of the external auditors may be invited to attend meetings. The Committee may invite any person to be in attendance to assist in its deliberations. However, at least once a year the Committee shall meet with the external auditors without any executive board member present.

The Company Secretary shall be the Secretary of the Committee and shall be responsible for drawing up the agenda with the concurrence of the chairperson and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of the meetings of the Committee, circulating them to Committee members and to other members of the Board of Directors and for following up outstanding matters.

A quorum shall consist of two members. The majority of members present must be independent directors.

4. FREQUENCY OF MEETINGS

Meetings shall be held not less than four times a year. In addition, the chairperson shall call a meeting of the Committee if requested to do so by any Committee member, the management or the internal or external auditors.

A resolution in writing signed or approved by letter or telegram or telex or telefax by all the Committee members who may at the time present in Malaysia or the Republic of Singapore being not less than are sufficient to form a quoram, shall be valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. All such resolutions shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him.

Audit Committee

5. AUTHORITY

The Committee shall have unlimited access to all information and documents, to the internal and external auditors and to senior management of the Company. The Committee is authorised by the Board of Directors to investigate any activity within its term of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board of Directors to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

6. REPORTING

The Committee shall report to the Board of Directors either formally in writing or verbally, as it considers appropriate on the matters within its terms of reference at least four times a year, but more frequently if it so wishes. The Committee shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

7. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:-

- review the audit plan with the external auditors.
- review the accounting controls with the external auditors.
- review the Audit report.
- review the assistance given by the Company's officers to the external auditors.
- review the scope and results of internal audit procedures.
- review the balance sheet and income statement.
- review any related party transactions that may arise within the Company.
- nominate a person or persons as auditors.
- undertake such other responsibilities as may be agreed to by the Committee and the Board of Directors.
- report to the Board of Directors its activities, significant results and findings.

8. AUDIT COMMITTEE MEETING

There were 4 Audit Committee meetings held during the financial year ended 30th September 2004. The attendance of each member is as follows:-

Name	Total No. of Meetings	Meetings Attended
1 Ibrahim Bin Baki	4	4
2 Bobby Lim Chye Huat (resigned 14/6/2004)	4	3
3 Dennis Ling Li Kuang	4	4
4 Haji Awang Mohidin Bin Awang Saman (appointed 14/6/2004)	4	1

9. SUMMARY OF ACTIVITIES

The activities of the Audit Committee during the financial year were summarised as below:-

(i) Reviewed the unaudited financial results
(ii) Reviewed and discussed on related party transaction
(iii) Reviewed external auditors' audit plan and reports on the financial statements.

10. INTERNAL AUDIT FUNCTION

The internal audit department covers reviews of internal control system, accounting and management information systems. The Head of the Internal Audit Department shall have unrestricted access to the Committee Members and reports to the Committee whose scope of responsibility includes overseeing the development and establishment of the internal audit functions.

In respect of routine administrative matters, the Head of the Internal Audit Department reports to the management.

Financial Statements

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2004.

Principal Activities

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are investment holding, shipping services, shipping and forwarding agent, ship owner and charterer and provision of marine cargo handling. During the financial year, the Company disposed of its entire equity interest in Eastern Oxygen Industries Sdn. Bhd., a subsidiary involved in the manufacture and sale of industrial commercial gases and trading of welding and medical equipment.

There have been no significant changes in the nature of the principal activities during the financial year, other than as mentioned above.

Results

	Group RM	Company RM
Profit after taxation	29,235,835	371,244
Minority interests	(1,769,434)	-
Net profit for the year	27,466,401	371,244

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the disposal of a subsidiary resulting in a gain of RM467,310 and RM4,504,366 to the Group and to the Company respectively as disclosed in Note 11 to the financial statements.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Datuk Amar Wee Hood Teck
Richard Wee Liang Huat @ Richard Wee Liang Chiat
Ling Li Kuang
Ernest Ho Keng Seng
Ibrahim Bin Baki
Katrina Ling Shiek Ngee
Awang Mohidin Bin Awang Saman (appointed on 14 June 2004)
Lim Chye Huat @ Bobby Lim Chye Huat (resigned on 14 June 2004)

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 6 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' Report (contd.)

Directors' Interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1.10.2003	**Acquired**	**Sold**	**30.9.2004**
The Company				
Richard Wee Liang Huat @ Richard Wee Liang Chiat				
- direct interest	7,747,431	-	3,158,000	4,589,431
- indirect interest	2,793,818	-	-	2,793,818

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Issue of Shares

During the financial year, the Company increased its issued and paid-up share capital from RM130,170,254 to RM141,406,110 by way of the conversion of 17,977,400 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") into 11,235,856 new ordinary shares at the rate of RM1.60 nominal value of the ICULS for one fully paid ordinary share of RM1.00 each at a premium of 60 sen per share.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company, except that these shares are not entitled to any dividend or other distributions, of which the entitlement date is prior to the date of allotment of these shares.

Other Statutory Information

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Directors' Report (contd.)

Other Statutory Information (contd.)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Other Significant Event

On 7 April 2004, the Company completed the disposal of its 51% equity interest in its subsidiary, Eastern Oxygen Industries Sdn. Bhd. comprising 13,886,282 ordinary shares of RM1.00 each to BNDM Incorporated Holdings Sdn. Bhd. for a cash consideration of RM18,390,648.

Subsequent Events

(a) The Company through its wholly-owned subsidiary company, Whittler Company Limited ("WCL") had on 18 November 2004 exercised 18 million rights warrants known as BTC-W1 and 18 million rights warrants known as BTC-W2 in its associated company in Thailand, Bangpakong Terminal Public Company Limited ("BTC"). The total payment for the exercise was Baht 55,800,000 (approximately RM5.3 million). Following the exercise, WCL's equity interest in BTC increased from 82.5 million ordinary shares or 19% to 122.1 million shares or 21%. The exercise consideration was funded by internally generated funds.

(b) On 9 December 2004, the Company proposed a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company, amounting to a maximum of 14,140,600 new ordinary shares of RM1.00 each. The proposal has been approved by the relevant authorities. On 7 January 2005, the Company has fixed the issue price of these shares at RM2.25 each.

Change of Name

On 1 April 2004, the Company changed its name from EOX Group Berhad to Hubline Berhad.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors

Richard Wee Liang Huat@ Richard Wee Liang Chiat

Ling Li Kuang

Kuching, Malaysia
Date: 14 January 2005

HUBLine

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, **Richard Wee Liang Huat @ Richard Wee Liang Chiat** and **Ling Li Kuang**, being two of the directors of **Hubline Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 25 to 62 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2004 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors

Richard Wee Liang Huat@
Richard Wee Liang Chiat

Ling Li Kuang

Kuching, Malaysia
14 January 2005

Statutory Declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, **Ling Li Kuang**, being the Director primarily responsible for the financial management of **Hubline Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 25 to 62 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **Ling Li Kuang**
at Kuching in the State of Sarawak
on 14 January 2005

Ling Li Kuang

Before me,

LO FONG MENG
ADVOCATE
Commissioner for Oaths
No 9 & 10.1st Floor)
Hock Kui Commercial Centre,
Jln. Tun Ahmad Zaidi Adruce,
Kuching, Sarawak

Report of the Auditors to the Members of Hubline Berhad

(Formerly known as EOX Group Berhad) (Incorporated in Malaysia)

We have audited the accompanying financial statements set out on pages 25 to 62. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:

- (i) the financial position of the Group and of the Company as at 30 September 2004 and of the results and the cash flows of the Group and of the Company for the year then ended; and

- (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' report thereon of the subsidiary of which we have not acted as auditors, as indicated in Note 11 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young

ERNST & YOUNG
AF: 0039
Chartered Accountants

CHIN MUI KHIONG PETER
No. 1881/03/06 (J)
Partner

Kuching, Malaysia
14 January 2005

Consolidated Income Statement
For the Year Ended 30 September 2004

	Note	2004 RM	2003 RM
Revenue	3	383,301,099	341,916,372
Cost of sales		(319,828,716)	(286,931,464)
Gross profit		63,472,383	54,984,908
Other operating income		568,856	213,089
Administrative expenses		(25,203,578)	(23,656,710)
Selling and distribution expenses		(1,077,119)	(2,739,462)
Profit from operations	4	37,760,542	28,801,825
Finance costs, net	7	(8,638,357)	(9,631,905)
Share of results of associates		66,009	560,609
Profit before taxation		29,188,194	19,730,529
Taxation	8	47,641	(2,114,010)
Profit after taxation		29,235,835	17,616,519
Minority interests		(1,769,434)	(2,595,562)
Net profit for the year		27,466,401	15,020,957
Earnings per share (sen):			
Basic	9(a)	20.3	11.6
Diluted	9(b)	20.3	10.6

The accompanying notes form an integral part of the financial statements.

Consolidated Balance Sheet
As at 30 September 2004

	Note	2004 RM	2003 RM
Non-Current Assets			
Property, plant and equipment	10	243,328,211	296,397,663
Investments in associates	12	42,635,192	28,290,064
Goodwill on consolidation	13	69,410,532	69,410,532
Intangible assets	14	2,031,592	1,548,570
Deferred tax assets	28	100,897	-
		357,506,424	395,646,829
Current Assets			
Inventories	16	16,513,881	14,708,479
Trade receivables	17	74,371,341	61,095,135
Other receivables	18	2,759,273	8,628,117
Tax recoverable		479,496	386,444
Cash and bank balances	19	28,415,472	12,595,453
		122,539,463	97,413,628
Current Liabilities			
Borrowings	20	30,921,015	37,964,337
Trade payables	22	22,898,978	24,998,896
Other payables	23	21,957,355	25,161,679
Tax payable		80,622	865,187
		75,857,970	88,990,099
Net Current Assets		46,681,493	8,423,529
		404,187,917	404,070,358
Financed by:			
Share capital	24	141,406,110	130,170,254
Share premium		49,612,899	43,621,355
Irredeemable convertible unsecured loan stocks	25	-	17,977,400
Other reserves	26	124,359	545,055
Retained profits	27	78,388,232	50,426,267
Shareholders' equity		269,531,600	242,740,331
Minority interests		-	15,892,391
		269,531,600	258,632,722
Borrowings	20	134,656,317	142,573,751
Deferred tax liabilities	28	-	2,863,885
Non-current liabilities		134,656,317	145,437,636
		404,187,917	404,070,358

The accompanying notes form an integral part of the financial statements.

HUBLine

Consolidated Statement of Changes in Equity
For the Year Ended 30 September 2004

	Share Capital RM	ICULS RM	<—— Non-Distributable Share Premium RM	Revaluation Reserve RM	Foreign Exchange Reserve RM ——>	Distributable Retained Profits RM	Total RM
At 1 October 2002	128,920,254	-	42,871,355	495,564	(36,077)	36,124,406	208,375,502
Issue of share capital - Conversion of ICULS at RM1.60 per share	1,250,000	-	750,000	-	-	-	2,000,000
Foreign exchange differences, representing net gains not recognised in the income statement	-	-	-	-	85,568	-	85,568
Net profit for the year	-	-	-	-	-	15,020,957	15,020,957
Reclassification of ICULS	-	17,977,400	-	-	-	-	17,977,400
Distribution to holders of ICULS	-	-	-	-	-	(719,096)	(719,096)
At 30 September 2003	130,170,254	17,977,400	43,621,355	495,564	49,491	50,426,267	242,740,331
At 1 October 2003	130,170,254	17,977,400	43,621,355	495,564	49,491	50,426,267	242,740,331
Issue of share capital - Conversion of ICULS at RM1.60 per share	11,235,856	(17,977,400)	6,741,544	-	-	-	-
Share issue costs under-taken-up in prior years	-	-	(750,000)	-	-	-	(750,000)
Foreign exchange differences	-	-	-	-	74,868	-	74,868
Revaluation reserve: Disposal of subsidiary	-	-	-	(495,564)	-	495,564	-
Net gains not recognised in income statement	-	-	(750,000)	(495,564)	74,868	495,564	(675,132)
Net profit for the year	-	-	-	-	-	27,466,401	27,466,401
At 30 September 2004	141,406,110	-	49,612,899	-	124,359	78,388,232	269,531,600

The accompanying notes form an integral part of the financial statements.

Consolidated Cash Flow Statement
For the Year Ended 30 September 2004

	2004 RM	2003 RM
Cash Flows from Operating Activities		
Profit before taxation	29,188,194	19,730,529
Adjustment for:		
Amortisation of discount on bond	258,360	258,359
Bad debts written off	444	-
Provision for doubtful debts, net of recoveries	786,085	492,533
Depreciation	29,970,762	30,358,409
Property, plant and equipment written off	1,308	5,358
Unrealised foreign exchange gains	(10,306)	-
Gain on disposal of subsidiary	(467,310)	-
Gain on disposal of property, plant and equipment	(69,536)	(103,595)
Impairment losses	-	27,567
Interest expense	8,317,054	9,410,538
Interest income	(176,291)	(315,782)
Share of results in associates	(66,009)	(560,609)
Operating profit before working capital changes	67,732,755	59,303,307
Increase in inventories	(3,684,290)	(4,858,078)
Increase in receivables	(15,804,442)	(1,139,383)
Increase in payables	1,748,550	7,377,062
Cash generated from operations	49,992,571	60,682,908
Interest paid	(8,317,054)	(9,410,538)
Taxes paid	(881,676)	(4,696,979)
Net cash generated from operating activities	40,793,841	46,575,391
Cash Flows from Investing Activities		
Purchase of shares in associates	(14,279,119)	(27,729,455)
Additions in intangible assets	(483,022)	(683,397)
Purchase of property, plant and equipment	(12,682,981)	(14,893,254)
Proceeds from disposal of property, plant and equipment	3,291,168	369,766
Proceeds from disposal of subsidiary (Note 11)	14,378,089	-
Interest received	176,291	315,782
Net cash used in investing activities	(9,599,574)	(42,620,558)
Cash Flows from Financing Activities		
Repayment of short term borrowings	(1,500,000)	(4,000,000)
Distribution to holders of ICULS	-	(719,096)
Drawdown of short term borrowings	2,510,949	559,412
Repayment of term loans	(16,842,849)	(15,312,482)
Repayment of hire purchase and lease financing	(226,342)	(893,992)
Proceeds from issuance of bonds, net of discounts	-	4,948,363
Dividend paid to minority shareholders of a subsidiary	-	(3,888,640)
Net cash used in financing activities	(16,058,242)	(19,306,435)
Net Increase/(Decrease) in Cash and Cash Equivalents	15,136,025	(15,351,602)
Cash and Cash Equivalents at Beginning of Year	8,830,729	24,096,763
Effects of Exchange Rate Changes	74,868	85,568
Cash and Cash Equivalents at End of Year (Note 19)	24,041,622	8,830,729

The accompanying notes form an integral part of the financial statements.

Company Income Statement
For the Year Ended 30 September 2004

	Note	2004 RM	2003 RM
Revenue	3	(79,228)	4,740,000
Other operating income		4,504,366	-
Administrative expenses		(4,051,087)	(1,411,537)
Profit from operations	4	374,051	3,328,463
Finance costs, net	7	(2,807)	(3,859)
Profit before taxation		371,244	3,324,604
Taxation	8	-	(548,777)
Net profit for the year		371,244	2,775,827

The accompanying notes form an integral part of the financial statements.

Company Balance Sheet
As at 30 September 2004

	Note	2004 RM	2003 RM
Non-Current Assets			
Property, plant and equipment	10	12,535	22,325
Investments in subsidiaries	11	145,100,007	159,986,288
Due from subsidiaries	15	171,904,434	157,923,602
		317,016,976	317,932,215
Current Assets			
Other receivables	18	376,496	10,525
Tax recoverable		3,537	3,744
Cash and bank balances	19	2,448,632	2,381,567
		2,828,665	2,395,836
Current Liabilities			
Borrowings	20	1,184,424	758,190
Other payables	23	454,799	1,279,147
		1,639,223	2,037,337
Net Current Assets		1,189,442	358,499
		318,206,418	318,290,714
Financed by:			
Share capital	24	141,406,110	130,170,254
Share premium		49,612,899	43,621,355
Irredeemable convertible unsecured loan stocks	25	-	17,977,400
Retained profits	27	8,305,810	7,934,566
Shareholders' equity		199,324,819	199,703,575
Borrowings	20	118,881,599	118,587,139
		318,206,418	318,290,714

The accompanying notes form an integral part of the financial statements.

HUBLine

Company Statement of Changes in Equity
For the Year Ended 30 September 2004

	Share Capital RM	ICULS RM	Non-Distributable Share Premium RM	Distributable Retained Profits RM	Total RM
At 1 October 2002	128,920,254	-	42,871,355	5,877,835	177,669,444
Reclassification of ICULS	-	17,977,400	-	-	17,977,400
Issue of share capital					
- Conversion of ICULS at RM1.60 per share	1,250,000	-	750,000	-	2,000,000
Net profit for the year	-	-	-	2,775,827	2,775,827
Distribution to holders of ICULS	-	-	-	(719,096)	(719,096)
At 1 October 2003	130,170,254	17,977,400	43,621,355	7,934,566	199,703,575
Issue of share capital					
- Conversion of ICULS at RM1.60 per share	11,235,856	(17,977,400)	6,741,544	-	-
Share issue costs undertaken-up in prior years, representing net gains not recognised in income statement	-	-	(750,000)	-	(750,000)
Net profit for the year	-	-	-	371,244	371,244
At 30 September 2004	141,406,110	-	49,612,899	8,305,810	199,324,819

The accompanying notes form an integral part of the financial statements.

Company Cash Flow Statement
For the Year Ended 30 September 2004

	2004 RM	2003 RM
Cash Flows from Operating Activities		
Profit before taxation	371,244	3,324,604
Adjustment for:		
Amortisation of discount on bond	258,360	258,359
Depreciation	10,290	8,765
Interest expense	5,021,196	4,826,392
Interest income	(5,021,196)	(4,826,392)
Impairment of investments in subsidiaries	999,999	-
Provision of doubtful debts	1,979,612	-
Gross dividends	-	(4,590,000)
Gain on disposal of subsidiary	(4,504,366)	-
Operating loss before working capital changes	(884,861)	(998,272)
Increase in receivables	(1,115,971)	(5,125)
Decrease in payables	(788,248)	(2,620,557)
Cash absorbed by operations	(2,789,080)	(3,623,954)
Interest paid	(5,021,196)	(4,826,392)
Taxes refunded/(paid)	207	(8,835)
Net cash used in operating activities	(7,810,069)	(8,459,181)
Cash Flows from Investing Activities		
Advances to subsidiaries	(15,960,444)	(18,365,990)
Acquisition of subsidiary	-	(4)
Purchase of property, plant and equipment	(500)	(8,558)
Proceeds from disposal of subsidiary (Note 11)	18,390,648	-
Interest received	5,021,196	4,826,392
Net dividend received	-	4,047,360
Net cash generated from/(used in) investing activities	7,450,900	(9,500,800)
Cash Flows from Financing Activities		
Distributions to holders of ICULS	-	(719,096)
Proceeds from issuance of bonds, net of discounts	-	4,948,363
Net cash generated from financing activities	-	4,229,267
Net Decrease in Cash and Cash Equivalents	(359,169)	(13,730,714)
Cash and Cash Equivalents at Beginning of Year	1,623,377	15,354,091
Cash and Cash Equivalents at End of Year (Note 19)	1,264,208	1,623,377

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
30 September 2004

1. **Corporate Information**

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 11. During the financial year, the Company disposed of its entire equity interest in Eastern Oxygen Industries Sdn. Bhd., a subsidiary involved in the manufacture and sale of industrial commercial gases and trading of welding and medical equipment. There have been no significant changes in the nature of the principal activities during the financial year, other than as mentioned above.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Lot 142, 1st Floor, Bangunan WSK, Jalan Abell, 93100 Kuching, Sarawak.

The number of employees in the Group and in the Company at the end of the financial year were 652 (2003: 654) and 1 (2003: 2) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 January 2005.

2. **Significant Accounting Policies**

(a) **Basis of Preparation**

The financial statements of the Group and of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

During the financial year ended 30 September 2004, the Group and the Company adopted MASB 29: Employee Benefits for the first time. The adoption of MASB 29 has not given rise to any adjustment to the opening balances of retained profits of the prior and current year or to changes in comparatives.

(b) **Basis of Consolidation**

(i) **Subsidiaries**

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of the subsidiaries are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair values of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.

(ii) **Associates**

Associates are those entities in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the entities.

Notes to the Financial Statements (contd.)
30 September 2004

2. Significant Accounting Policies (contd.)

(b) Basis of Consolidation (contd.)

(ii) Associates (contd.)
Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

(c) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m). Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet while goodwill arising on the acquisition of associates and jointly controlled entities is included within the respective carrying amounts of these investments. Goodwill is not amortised.

(d) Investments in Subsidiaries and Associates

The Company's investments in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

On the disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

(e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

Leasehold land and buildings are stated at valuation less impairment losses. Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation decrease is first offset against an increase on unutilised earlier valuations in respect of the same asset and is thereafter recognised as an expense. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

Plant under construction is not depreciated. Leasehold land is depreciated over the period of the lease which ranges from 15 years to 60 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost or valuation of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	18 years to 60 years
Plant, machinery & gas cylinders	10 years to 15 years
Furniture, fittings & motor vehicles	2 years to 10 years
Vessels and vessel equipment	5 years to 19 years
Containers and port equipment	10 years

Notes to the Financial Statements (contd.)
30 September 2004

2. Significant Accounting Policies (contd.)

(e) Property, Plant and Equipment and Depreciation (contd.)

Certain leasehold land and buildings of the Group have not been revalued since they were first revalued in 1996. The directors have not adopted a policy of regular revaluation of such assets. In accordance with the transitional provisions of International Accounting Standard No. 16 (Revised): Property, Plant & Equipment, these assets have been stated at their 1996 valuation less accumulated depreciation and impairment losses.

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

(f) Inventories

Inventories comprise bunker, lubricant stocks, ship stores and spare parts held for own consumption. Inventories are stated at the lower of cost and net realisable value. Cost is arrived at on the weighted average basis and comprises the purchase price and other direct charges.

(g) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(h) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

(i) Finance leases
Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(e).

(ii) Operating leases
Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

(i) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Notes to the Financial Statements (contd.)
30 September 2004

2. Significant Accounting Policies (contd.)

(i) Income Tax (contd.)

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

The income of the Company's subsidiaries derived from the operations and letting of sea-going Malaysian registered ships are tax-exempt under Section 54A of the Income Tax Act, 1967. Accordingly, no deferred tax is recognised on any temporary differences in this respect.

(j) Employee Benefits

(i) **Short term benefits**
Salaries, bonuses, allowances and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company.

(ii) **Defined contribution plans**
As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(k) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) **Sale of goods**
Revenue relating to sales of goods is recognised net of discounts upon the transfer of risks and rewards.

(ii) **Revenue from ocean freight**
Ocean freight revenue for cargoes loaded onto vessels up to the balance sheet date is accrued for in the financial statements.

(iii) **Revenue from vessels**
Revenue from vessels employed under time or voyage charter and other related revenue are recognised on an accrual basis.

(iv) **Revenue from services**
Revenue from providing shipping agency services is recognised net of discount as and when the services are performed.

(v) **Dividend income**
Dividend income is recognised when the right to receive payment is established.

(vi) **Interest income**
Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

Notes to the Financial Statements (contd.)
30 September 2004

2. Significant Accounting Policies (contd.)

(l) Foreign Currencies

(i) Foreign currency transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These exchange differences are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement.

(ii) Foreign entities

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are recognised in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction.

The principal exchange rates used for every unit of foreign currency ruling at the balance sheet date are as follows:

	2004 RM	2003 RM
Singapore Dollars	2.25	2.19
United States Dollars	3.80	3.80
Euro	4.68	4.40
Thai Baht	0.09	0.09

(m) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

(n) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Trade receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

Notes to the Financial Statements (contd.)
30 September 2004

2. Significant Accounting Policies (contd.)

(n) Financial Instruments (contd.)

(ii) Trade payables
Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iii) Interest-bearing borrowings
Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(iv) Equity instruments
Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including any attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statement on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(v) Irredeemable Convertible Unsecured Loan Stocks
As permitted under the transitional provisions of MASB 24: Financial Instruments: Disclosure and Presentation, the Irredeemable Convertible Unsecured Loan Stocks ("ICULS"), which were issued before the effective date of MASB 24, are classified in accordance to the predominant nature of the ICULS of either equity or liability.

(vi) Bonds
Bonds issued by the Company are initially recognised based on the proceeds received, net of issuance expenses incurred and adjusted in subsequent financial years for accretion of discount to maturity. The discount accreted is recognised in the income statement over the period of the bonds.

(o) Intangible Assets

Intangible assets represent the cost incurred for computer software and other related expenses of the Group and are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over five years from the date when the asset is available for use. The carrying amount of intangible assets is reviewed annually and adjusted for permanent impairment where it is considered necessary.

3. Revenue

	Group		Company	
	2004 RM	**2003 RM**	**2004 RM**	**2003 RM**
Shipping & related activities	367,068,141	312,250,369	-	-
Sale of industrial gases & related equipment	16,232,958	29,666,003	-	-
Management services				
- current year	-	-	75,000	150,000
- overtaken-up in prior year	-	-	(154,228)	-
Dividend income	-	-	-	4,590,000
	383,301,099	341,916,372	(79,228)	4,740,000

HUBLine

Notes to the Financial Statements (contd.)
30 September 2004

4. Profit from Operations

Profit from operations is stated after charging/(crediting):

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Staff costs (Note 5)	31,476,374	34,269,675	164,946	127,248
Non-executive directors' remuneration (Note 6)	133,706	202,144	31,500	42,500
Auditors' remuneration:				
Statutory audits				
- current year's provision	140,830	157,144	12,000	10,020
- under/(over)provision in prior year	6,550	(8,000)	1,980	-
Other services	80,750	80,800	8,400	4,400
Amortisation of discount on bond	258,360	258,359	258,360	258,359
Charter hire of vessels	671,345	4,001,035	-	-
Depreciation (Note 10)	29,970,762	30,358,409	10,290	8,765
Impairment of assets				
- property, plant and equipment	-	27,567	-	-
- investments in subsidiaries (Note 11)	-	-	999,999	-
Property, plant and equipment written off	1,308	5,358	-	-
Bad debts written off	444	-	-	-
Provision for doubtful debts, net of recoveries	786,085	492,533	1,979,612	-
Gain on disposal of property, plant and equipment	(69,536)	(103,595)	-	-
Gain on disposal of subsidiary	(467,310)	-	(4,504,366)	-
Loss/(gain) on foreign exchange:				
- realised	39,758	1,162,609	-	-
- unrealised	(10,306)	(9,753)	-	-
Rental of premises	1,108,635	1,081,106	-	-

5. Staff Costs

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Wages and salaries	12,405,908	12,809,115	96,221	93,722
Pension costs - defined contribution plans	1,166,109	1,273,047	10,861	10,406
Social security costs	114,727	76,089	142	176
Crew salaries	15,723,066	17,744,309	-	-
Crew expenses	1,788,713	2,035,180	-	-
Other staff related expenses	277,851	331,935	57,722	22,944
	31,476,374	34,269,675	164,946	127,248

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM800,768 (2003: RM954,004) and RM5,000 (2003: RM5,000) respectively as further disclosed in Note 6.

Notes to the Financial Statements (contd.)
30 September 2004

6. Directors' Remuneration

	Group		Company	
	2004	**2003**	**2004**	**2003**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
Executive:				
Salaries and other emoluments	562,168	727,700	-	-
Fees	14,000	24,000	5,000	5,000
Bonus	-	51,704	-	-
	576,168	803,404	5,000	5,000
Non-Executive:				
Fees	108,603	158,144	31,500	42,500
	684,771	961,548	36,500	47,500
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	201,600	135,600	-	-
Fees	5,000	5,000	-	-
Bonus	18,000	10,000	-	-
	224,600	150,600	-	-
Non-Executive:				
Fees	25,103	44,000	-	-
	249,703	194,600	-	-
Total	934,474	1,156,148	36,500	47,500
Analysis:				
Total executive directors' remuneration (Note 5)	800,768	954,004	5,000	5,000
Total non-executive directors' remuneration (Note 4)	133,706	202,144	31,500	42,500
Total directors' remuneration	934,474	1,156,148	36,500	47,500

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2004	**2003**
Executive directors:		
RM200,001 - RM250,000	1	-
RM450,001 - RM500,000	-	1
Non-executive directors:		
Below RM50,000	5	7
RM350,001 - RM400,000	1	1

HUBLine

Notes to the Financial Statements (contd.)
30 September 2004

7. Finance Costs, Net

	Group 2004 RM	Group 2003 RM	Company 2004 RM	Company 2003 RM
Interest expense	8,317,054	9,410,538	5,021,196	4,826,392
Bank charges	497,594	537,149	2,807	3,859
Interest income	(176,291)	(315,782)	(5,021,196)	(4,826,392)
	8,638,357	9,631,905	2,807	3,859

8. Taxation

	Group 2004 RM	Group 2003 RM	Company 2004 RM	Company 2003 RM
Income tax:				
Malaysian income tax	330,873	2,298,693	-	542,640
Foreign tax	50,408	56,271	-	-
	381,281	2,354,964	-	542,640
(Over)/underprovided in prior years:				
Malaysian income tax	(4,140)	176,666	-	6,137
Foreign tax	-	(10,129)	-	-
	377,141	2,521,501	-	548,777
Deferred tax (Note 28):				
Related to origination and reversal of temporary differences	(419,757)	43,002	-	-
Overprovided in prior years	(5,025)	(450,493)	-	-
	(424,782)	(407,491)	-	-
	(47,641)	2,114,010	-	548,777

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2003: 28%) of the estimated assessable profit for the year. Tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2004 RM	2003 RM
Group		
Profit before taxation	29,188,194	19,730,529
Taxation at Malaysian statutory tax rate of 28% (2003: 28%)	8,172,694	5,524,548
Effect of different tax rates in other countries	(19,379)	(11,032)
Effect of income not subject to tax	(24,164,628)	(13,045,036)
Effect of expenses not deductible for tax purposes	14,557,345	12,294,724
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	-	(2,366,201)
Deferred tax assets not recognised in respect of current year's tax losses	1,415,492	963
Overprovision of deferred tax in prior years	(5,025)	(450,493)
(Over)/underprovision of tax expense in prior years	(4,140)	166,537
Tax expense for the year	(47,641)	2,114,010

Notes to the Financial Statements (contd.)
30 September 2004

8. Taxation (contd.)

	2004 RM	2003 RM
Company		
Profit before taxation	371,244	3,324,604
Taxation at Malaysian statutory tax rate of 28% (2003: 28%)	103,948	930,889
Effect of income not subject to tax	(1,275,808)	(742,560)
Effect of expenses not deductible for tax purposes	1,057,147	354,311
Deferred tax assets not recognised in respect of current year's tax losses	114,713	-
Underprovision of tax expense in prior years	-	6,137
Tax expense for the year	-	548,777

Tax savings during the year arising from:

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Utilisation of current year tax losses	-	2,392	-	-

9. Earnings Per Share

(a) Basic:

Basic earnings per share is calculated by dividing the Group's net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2004	2003
Net profit for the year (RM)	27,466,401	15,020,957
Weighted average number of ordinary shares in issue	135,381,614	130,037,000
Basic earnings per share (sen)	20.3	11.6

(b) Diluted:

For the purpose of calculating diluted earnings per share for the prior year, the weighted average number of ordinary shares in issue during that financial year had been adjusted for the dilutive effects of all potential ordinary shares, i.e. Irredeemable Convertible Unsecured Loan Stocks ("ICULS").

The ICULS were fully converted during the current financial year.

	Group	
	2004	2003
Net profit for the year (RM)	27,466,401	15,020,957
Weighted average number of ordinary shares in issue	135,381,614	130,037,000
Effect of dilution:		
ICULS	-	11,236,000
Adjusted weighted average number of ordinary shares in issue and issuable	135,381,614	141,273,000
Diluted earnings per share (sen)	20.3	10.6

Notes to the Financial Statements (contd.)
30 September 2004

10. Property, Plant and Equipment

Group	Land and Buildings * RM	Plant, Machinery & Gas Cylinders RM	Furniture, Fittings & Motor Vehicles RM	Vessels & Vessel Equipment RM	Containers & Port Equipment RM	Plant Under Construction RM	Total RM
Cost/Valuation							
At 1 October 2003	11,254,830	41,800,205	11,988,243	338,719,695	20,880,830	647,662	425,291,465
Additions	9,561	1,431,388	2,992,443	8,479,589	-	-	12,912,981
Disposals	-	(262,061)	(2,265,550)	(5,832,670)	-	-	(8,360,281)
Write off	-	-	(2,350)	-	-	-	(2,350)
Exchange differences	-	-	21,720	-	-	-	21,720
Disposal of subsidiary (Note 11)	(10,919,790)	(42,969,532)	(4,106,244)	-	-	(647,662)	(58,643,228)
At 30 September 2004, at cost	344,601	-	8,628,262	341,366,614	20,880,830	-	371,220,307
Accumulated Depreciation and Impairment Losses							
At 1 October 2003							
Accumulated depreciation	1,157,618	21,121,645	5,649,834	93,905,646	7,031,492	-	128,866,235
Accumulated impairment losses	-	-	27,567	-	-	-	27,567
	1,157,618	21,121,645	5,677,401	93,905,646	7,031,492	-	128,893,802
Depreciation charge for the year (Note 4)	76,662	1,447,899	1,846,821	24,517,359	2,082,021	-	29,970,762
Disposals	-	(113,052)	(947,160)	(4,078,437)	-	-	(5,138,649)
Write off	-	-	(1,042)	-	-	-	(1,042)
Exchange differences	-	-	12,525	-	-	-	12,525
Disposal of subsidiary (Note 11)	(1,180,867)	(22,456,492)	(2,207,943)	-	-	-	(25,845,302)
At 30 September 2004	53,413	-	4,380,602	114,344,568	9,113,513	-	127,892,096
Analysed as:							
Accumulated depreciation	53,413	-	4,353,035	114,344,568	9,113,513	-	127,864,529
Accumulated impairment losses	-	-	27,567	-	-	-	27,567
	53,413	-	4,380,602	114,344,568	9,113,513	-	127,892,096

Notes to the Financial Statements (contd.)
30 September 2004

10. Property, Plant and Equipment (contd.)

Group (contd.)	Land and Buildings * RM	Plant, Machinery & Gas Cylinders RM	Furniture, Fittings & Motor Vehicles RM	Vessels & Vessel Equipment RM	Containers & Port Equipment RM	Plant Under Construction RM	Total RM
Net Book Value							
At 30 September 2004, at cost	291,188	-	4,247,660	227,022,046	11,767,317	-	243,328,211
At 30 September 2003:							
At cost	7,625,749	20,678,560	6,310,842	244,814,049	13,849,338	647,662	293,926,200
At valuation	2,471,463	-	-	-	-	-	2,471,463
	10,097,212	20,678,560	6,310,842	244,814,049	13,849,338	647,662	296,397,663
Details at 1 October 2002							
Cost	8,073,144	40,991,881	12,379,948	330,224,858	20,153,408	-	411,823,239
Valuation	3,021,318	-	-	-	-	-	3,021,318
Accumulated depreciation	878,389	18,270,412	5,446,403	73,071,288	5,016,151	-	102,682,643
Depreciation charge for 2003 (Note 4)	279,229	2,924,238	1,943,807	23,195,794	2,015,341	-	30,358,409

Notes to the Financial Statements (contd.)
30 September 2004

10. Property, Plant and Equipment (contd.)

Group (contd.)

Land and Buildings of the Group:

	Long Term Leasehold Land RM	Short Term Leasehold Land RM	Buildings RM	Total RM
Cost/Valuation				
At 1 October 2003	2,432,356	4,499,152	4,323,322	11,254,830
Additions	9,561	-	-	9,561
Disposal of subsidiary	(2,441,917)	(4,499,152)	(3,978,721)	(10,919,790)
At 30 September 2004	-	-	344,601	344,601
Accumulated Depreciation				
At 1 October 2003	216,539	412,543	528,536	1,157,618
Depreciation charge for the year	15,909	18,142	42,611	76,662
Disposal of subsidiary	(232,448)	(430,685)	(517,734)	(1,180,867)
At 30 September 2004	-	-	53,413	53,413
Net Book Value				
At 30 September 2004, at cost	-	-	291,188	291,188
At 30 September 2003:				
At cost	2,369,956	2,950,168	2,913,388	7,625,749
At valuation	52,045	1,269,238	1,150,180	2,471,463
	2,215,817	4,086,609	3,794,786	10,097,212
Details at 1 October 2002				
Cost	2,345,424	2,847,344	2,880,376	8,073,144
Valuation	62,400	1,548,984	1,409,934	3,021,318
Accumulated depreciation	184,721	245,897	447,771	878,389
Depreciation charge for 2003	31,818	166,646	80,765	279,229

Notes to the Financial Statements (contd.)
30 September 2004

10. Property, Plant and Equipment (contd.)

Company	**Furniture & Fittings RM**
Cost	
At 1 October 2003	98,086
Additions	500
At 30 September 2004	98,586
Accumulated Depreciation	
At 1 October 2003	75,761
Depreciation charge for the year (Note 4)	10,290
At 30 September 2004	86,051
Net Book Value	
At 30 September 2004	12,535
At 30 September 2003	22,325
Details at 1 October 2002	
Cost	89,528
Accumulated depreciation	66,996
Depreciation charge for 2003 (Note 4)	8,765

(a) The net book values of property, plant and equipment held under hire purchase and finance lease arrangement are as follows:

	Group 2004 RM	**2003 RM**
Furniture, fittings & motor vehicles	425,124	594,269

(b) The net book values of property, plant and equipment pledged for borrowings as referred to in Note 20 are as follows:

	Group 2004 RM	**2003 RM**
Vessels and vessel equipment	215,875,614	241,974,610
Containers and port equipment	635,833	700,000
	216,511,447	242,674,610

Notes to the Financial Statements (contd.)
30 September 2004

11. Investments in Subsidiaries

	Company 2004 RM	Company 2003 RM
Unquoted shares at cost:		
- in Malaysia	146,100,002	159,986,284
- outside Malaysia	4	4
	146,100,006	159,986,288
Less: Accumulated impairment losses (Note 4)	(999,999)	-
	145,100,007	159,986,288

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%) 2004	Equity Interest Held (%) 2003	Principal Activities
Eastern Oxygen Industries Sdn. Bhd.	Malaysia	-	51	Manufacture and sale of industrial and commercial gases and trading of welding and medical equipment.
EM Container Line Sdn. Bhd.	Malaysia	100	100	) Ship owner and charterer
EM Line Sdn. Bhd.	Malaysia	100	100	) Ship owner and charterer
EM Shipping Sdn. Bhd.	Malaysia	100	100	Shipping agent
EM Carriers Sdn. Bhd.	Malaysia	100	100	) Dormant
Premier Spectrum Sdn. Bhd.	Malaysia	100	100	) Dormant
Wonder Link Sdn. Bhd.	Malaysia	100	100	Investment holding
Whittler Company Limited	British Virgin Islands	100	100	Provision of marine cargo handling and shipping services, and investment holding

Notes to the Financial Statements (contd.)
30 September 2004

11. Investments in Subsidiaries (contd.)

Subsidiaries of Wonder Link Sdn. Bhd.

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%) 2004	Equity Interest Held (%) 2003	Principal Activities
Hub Shipping Sdn. Bhd.	Malaysia	100	100	Provision of marine cargo handling and shipping services
Hub Marine Pte. Ltd. *	Singapore	100	100	Shipping and forwarding agent
Chatlink Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Hub Continental Shipping Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Hub Explorer Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Hub Fleet Sdn. Bhd. (formerly known as Hub Line (M) Sdn. Bhd.)	Malaysia	100	100	Ship owner and charterer
Hub Warrior Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Ozlink Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Patimico Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer

* Audited by a firm of auditors other than Ernst & Young.

Disposal of Subsidiary

The Group disposed of its 51% equity interest in Eastern Oxygen Industries Sdn. Bhd. on 7 April 2004 for a cash consideration of RM18,390,648.

The revenue, results and cash flows of the subsidiary were as follows:

	Financial period ended 7.4.2004 RM	Financial year ended 30.9.2003 RM
Revenue	16,232,958	29,666,003
Operating expenses	(12,417,265)	(22,202,797)
Profit from operations	3,815,693	7,463,206
Other income	99,613	142,468
Finance costs, net	24,957	94,899
Profit before taxation	3,940,263	7,700,573
Taxation	(329,173)	(2,403,507)
Net profit for the period/year	3,611,090	5,297,066
Cash flows from operating activities	4,170,349	8,523,592
Cash flows from investing activities	(1,922,782)	(2,055,475)
Cash flows from financing activities	-	(10,436,000)
Total cash flows	2,247,567	(3,967,883)

Notes to the Financial Statements (contd.)
30 September 2004

11. Investments in Subsidiaries (contd.)

Disposal of Subsidiary (contd.)

The net assets of the subsidiary were as follows:

	7.4.2004 RM	30.9.2003 RM
Property, plant and equipment (Note 10)	32,797,926	33,047,046
Inventories	1,878,888	1,320,337
Trade and other receivables	6,863,917	6,183,086
Cash and bank balances	4,012,559	1,766,514
Short term borrowings	-	(1,522)
Trade and other payables	(7,052,792)	(6,598,300)
Tax payable	(375,334)	(743,708)
Deferred taxation (Note 28)	(2,540,000)	(2,540,000)
Total net assets	35,585,164	32,433,453
Less: Minority interests	(17,661,826)	(15,892,392)
Net assets disposed	17,923,338	16,541,061
Total disposal proceeds – cash	(18,390,648)	
Gain on disposal to the Group	(467,310)	

	2004 RM
Cash inflow arising on disposal:	
Cash consideration, representing cash inflow of the Company	18,390,648
Cash and cash equivalents of the subsidiary disposed	(4,012,559)
Net cash inflow of the Group	14,378,089

The disposal of the subsidiary had the following effects on the financial results of the Company:

	2004 RM
Total disposal proceeds	18,390,648
Less: Cost of investment in subsidiary	(13,886,282)
Gain on disposal of subsidiary	4,504,366

Notes to the Financial Statements (contd.)
30 September 2004

12. Investments in Associates

	Group 2004 RM	Group 2003 RM
Outside Malaysia:		
Quoted shares, at cost	24,975,557	24,975,557
Share of post-acquisition reserves	626,618	560,609
	25,602,175	25,536,166
Unquoted shares, at cost	17,033,017	2,753,898
Total shares - Note (a)	42,635,192	28,290,064
Quoted warrants - Note (b)	-	-
	42,635,192	28,290,064
Market value:		
- quoted shares	30,392,406	45,288,750
- quoted warrants	22,337,250	-

The Group's interests in the associates is analysed as follows:

	2004 RM	2003 RM
Share of net assets	42,635,192	28,290,064
Share of capital commitments (Note 29)	595,000	-
Share of contingent liabilities (Note 30)	17,875,926	2,593,500

(a) Details of the associates are as follows:

Name of Associates	Country of Incorporation	Equity Interest Held (%) 2004	Equity Interest Held (%) 2003	Principal Activities
Bangpakong Terminal Public Company Limited *	Thailand	19	21	Domestic port and related services
Platinum Container Lines Co., Ltd.	Thailand	44	49	Shipping and marine cargo handling

* Bangpakong Terminal Public Company Limited ("BTC") is listed on the Stock Exchange of Thailand.

(b) On 16 March 2004, BTC issued warrants of 603,750,000 units divided into two series, i.e Series 1 ("BTC-W1") of 201,250,000 units and Series 2 ("BTC-W2") of 402,500,000 units offered free of charge in a ratio of 1 unit of BTC-W1 for every 2 existing BTC ordinary shares and 1 unit of BTC-W2 for every 1 existing BTC ordinary share. The Group, which held 75,000,000 shares in BTC then, received 37,500,000 units of BTC-W1 and 75,000,000 units of BTC-W2. The exercise ratio for these warrants are as follows:

BTC-W1 warrants : 1.1 BTC ordinary shares to 1 unit of warrant at the exercise price of Baht 1 per share.

The first exercise was on 18 November 2004, the second exercise date will be on 30 June 2005 and every quarter thereafter.

BTC-W2 warrants : 1.1 BTC ordinary shares to 1 unit of warrant at the exercise price of Baht 1.818 per share.

The first exercise was on 18 November 2004, the second exercise date will be on 30 June 2005 and every six months thereafter.

Notes to the Financial Statements (contd.)
30 September 2004

13. Goodwill on Consolidation

	Group	
	2004	**2003**
	RM	**RM**
At 1 October/30 September	69,410,532	69,410,532

14. Intangible Assets

	Group	
	2004	**2003**
	RM	**RM**
At 1 October	1,548,570	865,173
Additions	483,022	683,397
At 30 September	2,031,592	1,548,570

Intangible assets of the Group represent cost and other related expenses incurred for computer software developed.

15. Due from Subsidiaries

	Company	
	2004	**2003**
	RM	**RM**
Due from subsidiaries	173,884,046	157,923,602
Less: Provision for doubtful debts	(1,979,612)	-
	171,904,434	157,923,602

The amounts due from subsidiaries of the Company are unsecured, interest-free and have no fixed terms of repayment.

16. Inventories

	Group	
	2004	**2003**
	RM	**RM**
At cost:		
Consumables	16,513,881	3,383,631
Industrial equipment	-	790,061
Gases	-	372,700
	16,513,881	4,546,392
At net realisable value:		
Consumables	-	10,162,087
	16,513,881	14,708,479

17. Trade Receivables

	Group	
	2004	**2003**
	RM	**RM**
Trade receivables	77,308,173	64,902,235
Less: Provision for doubtful debts	(2,936,832)	(3,807,100)
	74,371,341	61,095,135

The Group's normal trade credit term ranges from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Notes to the Financial Statements (contd.)
30 September 2004

18. Other Receivables

	Group 2004 RM	Group 2003 RM	Company 2004 RM	Company 2003 RM
Deposits	1,427,598	6,203,079	9,900	9,900
Prepayments	1,034,456	904,974	317,500	-
Sundry receivables	297,219	1,520,064	49,096	625
	2,759,273	8,628,117	376,496	10,525

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

19. Cash and Cash Equivalents

	Group 2004 RM	Group 2003 RM	Company 2004 RM	Company 2003 RM
Cash on hand and at banks	11,693,173	7,768,012	31,287	35,643
Deposits with licensed banks	16,722,299	4,827,441	2,417,345	2,345,924
Cash and bank balances	28,415,472	12,595,453	2,448,632	2,381,567
Less: Bank overdrafts (Note 20)	(4,373,850)	(3,764,724)	(1,184,424)	(758,190)
Cash and cash equivalents	24,041,622	8,830,729	1,264,208	1,623,377

The deposits with licensed banks of the Group have been pledged to financial institutions for credit facilities granted to certain subsidiaries as referred to in Note 20.

The average effective interest rates of deposits at the balance sheet date were as follows:

	Group 2004 %	Group 2003 %	Company 2004 %	Company 2003 %
Licensed banks	2.2 - 2.9	2.4 - 3.1	2.7	2.6 - 3.5

The average maturities of deposits as at the end of the financial year were as follows:

	Group 2004 Days	Group 2003 Days	Company 2004 Days	Company 2003 Days
Licensed banks	1 - 30	7 - 33	30	30 - 33

HUBLine

Notes to the Financial Statements (contd.)
30 September 2004

20. Borrowings

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Short Term Borrowings				
Secured:				
Bank overdrafts	3,189,426	2,920,415	-	-
Islamic Credit Line	497,356	503,126	-	-
Revolving credits	7,000,000	8,500,000	-	-
Term loans	14,330,291	22,983,229	-	-
Hire purchase and finance lease payables (Note 21)	182,613	156,972	-	-
	25,199,686	35,063,742	-	-
Unsecured:				
Bank overdrafts	1,184,424	844,309	1,184,424	758,190
Revolving credits	2,000,000	2,000,000	-	-
Islamic Accepted Bills	2,536,905	56,286	-	-
	5,721,329	2,900,595	1,184,424	758,190
	30,921,015	37,964,337	1,184,424	758,190
Long Term Borrowings				
Secured:				
Term loans	15,655,513	23,845,424	-	-
Murabahah Commercial Paper	110,000,000	110,000,000	110,000,000	110,000,000
Murabahah Medium Term Notes	10,000,000	10,000,000	10,000,000	10,000,000
Discount on bonds	(1,118,401)	(1,412,861)	(1,118,401)	(1,412,861)
Hire purchase and finance lease payables (Note 21)	119,205	141,188	-	-
	134,656,317	142,573,751	118,881,599	118,587,139
Total Borrowings				
Bank overdrafts (Note 19)	4,373,850	3,764,724	1,184,424	758,190
Islamic Credit Line	497,356	503,126	-	-
Revolving credits	9,000,000	10,500,000	-	-
Term loans	29,985,804	46,828,653	-	-
Islamic Accepted Bills	2,536,905	56,286	-	-
Murabahah Commercial Paper	110,000,000	110,000,000	110,000,000	110,000,000
Murabahah Medium Term Notes	10,000,000	10,000,000	10,000,000	10,000,000
Discount on bonds	(1,118,401)	(1,412,861)	(1,118,401)	(1,412,861)
Hire purchase and finance lease payables (Note 21)	301,818	298,160	-	-
	165,577,332	180,538,088	120,066,023	119,345,329

Notes to the Financial Statements (contd.)
30 September 2004

20. Borrowings (contd.)

Maturity of borrowings (excluding hire purchase and finance lease):

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Within one year	30,738,402	37,807,365	1,184,424	758,190
More than 1 year and less than 2 years	66,501,271	8,258,446	60,000,000	-
More than 2 years and less than 5 years	68,767,795	133,899,145	60,000,000	120,000,000
5 years or more	386,447	1,687,833	-	-
	166,393,915	181,652,789	121,184,424	120,758,190

(a) The average effective interest rates at the balance sheet date for borrowings, excluding hire purchase and finance lease payables, were as follows:

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Bank overdrafts	6.3 - 8.2	6.0 - 8.4	6.5 - 8.0	6.9 - 8.4
Islamic Credit Line	8.0	8.0	-	-
Revolving credits	4.7 - 8.2	4.9 - 8.4	-	-
Term loans	2.9 - 8.4	3.2 - 7.8	-	-
Islamic Accepted Bills	2.8 - 3.5	3.5	-	-

(b) The secured borrowings of the Group are secured by the following:

(i) Vessels and vessel equipment and certain port equipment of the Group as disclosed in Note 10; and

(ii) Deposits with licensed banks of the Group as disclosed in Note 19.

(c) Murabahah Commercial Papers/Murabahah Medium Term Notes ("MCP/ MMTN")

On 18 March 2002, the Company entered into agreement with Malaysian International Merchant Bankers Berhad and various parties to raise RM120 million MCP/MMTN. RM110 million has been issued in the form of MCP and RM10 million in the form of MMTN, the proceeds of which were utilised to finance the settlement of vessels and for working capital.

The MCP/MMTN will expire five years from the date of first issue i.e. 18 April 2002. The tender rates for MCP ranged between 3.3% and 3.9% (2003: 3.2% and 3.9%) per annum while the profit rate for MMTN was fixed at 8.5% (2003: 8.5%) per annum.

The MCP/MMTN are secured by a third party charge over certain vessels owned by the Group as mentioned in Note 10.

The amount and settlement dates of the MCP/MMTN are as follows:

Settlement date	Amount to be settled RM
18 October 2005	15,000,000
18 April 2006	45,000,000
18 April 2007	60,000,000
	120,000,000

HUBLine

Notes to the Financial Statements (contd.)
30 September 2004

21. Hire Purchase and Finance Lease Payables

	Group 2004 RM	Group 2003 RM
Minimum lease payments:		
Not later than 1 year	196,857	169,077
Later than 1 year and not later than 2 years	134,623	157,365
Later than 2 years and not later than 5 years	-	7,381
	331,480	333,823
Less: Future finance charges	(29,662)	(35,663)
Present value of finance lease liabilities	301,818	298,160
Present value of finance lease liabilities:		
Later than 1 year and not later than 2 years	182,613	156,972
Later than 2 years and not later than 5 years	119,205	134,028
Later than 5 years	-	7,160
	301,818	298,160
Analysed as:		
Due within 12 months (Note 20)	182,613	156,972
Due after 12 months (Note 20)	119,205	141,188
	301,818	298,160

The hire purchase and lease liabilities bore interest at the balance sheet date at rates between 6.2% and 12.9% (2003: 10.1% and 12.9%) per annum.

22. Trade Payables

	Group 2004 RM	Group 2003 RM
Amount owing to a substantial shareholder of a subsidiary	-	606,488
Trade payables	22,898,978	24,392,408
	22,898,978	24,998,896

The normal trade credit terms granted to the Group range from 30 to 60 days.

23. Other Payables

	Group 2004 RM	Group 2003 RM	Company 2004 RM	Company 2003 RM
Amount owing to directors	307,614	162,372	-	-
Amount outstanding for purchase of vessel	2,098,168	3,734,894	-	-
Amount owing to a corporate shareholder	11,594,277	10,920,914	-	-
Sundry payables	2,426,453	3,446,752	38,868	139,771
Accruals	5,530,843	6,896,747	415,931	1,139,376
	21,957,355	25,161,679	454,799	1,279,147

The amounts owing to directors and to a corporate shareholder are unsecured, interest-free and have no fixed terms of repayment.

Notes to the Financial Statements (contd.)
30 September 2004

24. Share Capital

	Number of Ordinary Shares of RM1 Each		Amount	
	2004	2003	2004 RM	2003 RM
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
At 1 October	130,170,254	128,920,254	130,170,254	128,920,254
Issued and paid up during the year				
- Conversion of ICULS	11,235,856	1,250,000	11,235,856	1,250,000
At 30 September	141,406,110	130,170,254	141,406,110	130,170,254

During the financial year, the Company increased its issued and paid-up share capital from RM130,170,254 to RM141,406,110 by way of conversion of 17,977,400 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") into 11,235,856 new ordinary shares at the rate of RM1.60 nominal value of the ICULS for one fully paid ordinary share of RM1.00 each at premium of 60 sen per share.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company, except that these shares are not entitled to any dividend or other distributions, of which the entitlement date is prior to the date of allotment of these shares.

25. Irredeemable Convertible Unsecured Loan Stocks

	Group and Company	
	2004 RM	2003 RM
4% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at nominal value:		
At 1 October	17,977,400	19,977,400
Amount converted into ordinary shares during the financial year	(17,977,400)	(2,000,000)
At 30 September	-	17,977,400

The main features of ICULS are as follows:

The ICULS are convertible into fully paid ordinary shares of the Company during the period from 11 January 2001 to 11 January 2006 at the rate of RM1.60 nominal value of the ICULS for one fully paid ordinary share of RM1.00 each at premium of 60 sen per share in the Company.

Upon conversion of the ICULS into new ordinary shares, such shares shall rank pari passu in all respects with the existing ordinary shares of the Company, except that these shares shall not be entitled to any dividend or other distributions, of which the entitlement date is prior to the relevant conversion date of the ICULS.

Unless previously converted, all the ICULS will be mandatorily converted by the Company into new ordinary shares of RM1.00 each at RM1.60 per share upon the expiry of the maturity date of the ICULS. The maturity date is the expiry of a period of five years commencing from and inclusive of the date of issue thereof.

During the year, all the ICULS were fully converted into ordinary shares of the Company.

26. Other Reserves

	Group	
	2004 RM	2003 RM
Revaluation reserve	-	495,564
Foreign exchange reserve	124,359	49,491
	124,359	545,055

HUBLine

Notes to the Financial Statements (contd.)
30 September 2004

27. Retained Profits

As at 30 September 2004, the Company has tax-exempt profits available for distribution of approximately RM11,770,000 (2003: RM13,708,000), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax-exempt income account to frank the payment of dividends out of its entire retained profits as at 30 September 2004.

28. Deferred Tax

	Group 2004 RM	Group 2003 RM
At 1 October	2,863,885	3,271,253
Recognised in income statement (Note 8)	(424,782)	(407,491)
Disposal of subsidiary (Note 11)	(2,540,000)	-
Exchange differences	-	123
At 30 September	(100,897)	2,863,885
Presented after appropriate offsetting as follows:		
Deferred tax assets	(153,876)	(932,011)
Deferred tax liabilities	52,979	3,795,896
	(100,897)	2,863,885

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM	Revaluation of Land & Buildings RM	Total RM
At 1 October 2003	3,603,177	192,719	3,795,896
Recognised in income statement	(321,198)	(192,719)	(513,917)
Disposal of subsidiary	(3,229,000)	-	(3,229,000)
At 30 September 2004	52,979	-	52,979

Deferred Tax Assets of the Group:

	Provision for Doubtful Debts RM	Provision for Liabilities RM	Allowances for Inventories RM	Tax Losses & Unabsorbed Capital Allowances RM	Total RM
At 1 October 2003	(437,000)	(90,000)	(162,000)	(243,011)	(932,011)
Recognised in income statement	-	-	-	89,135	89,135
Disposal of subsidiary	437,000	90,000	162,000	-	689,000
At 30 September 2004	-	-	-	(153,876)	(153,876)

Notes to the Financial Statements (contd.)
30 September 2004

28. Deferred Tax (contd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Unused tax losses	21,989,000	17,143,000	629,000	393,000
Unabsorbed capital allowances	1,671,000	1,250,000	-	1,250,000
	23,660,000	18,393,000	629,000	1,643,000

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the respective subsidiaries.

29. Commitments

	Group	
	2004 RM	2003 RM
Capital expenditure:		
Purchase of plant and machinery		
- approved and contracted for	1,000,000	1,062,000
- approved but not contracted for	-	1,117,000
	1,000,000	2,179,000
Share of capital commitments of associates (Note 12)	595,000	-
	1,595,000	2,179,000

30. Contingent Liabilities

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Secured:				
Shares pledged to banks for credit facilities granted to subsidiaries	-	-	-	3,886,280
Unsecured:				
Corporate guarantees given to banks for credit facilities granted to subsidiaries	-	-	42,371,576	53,259,232
Share of contingent liabilities of associates (Note 12)	17,875,926	2,593,500	-	-
	17,875,926	2,593,500	42,371,576	57,145,512

Notes to the Financial Statements (contd.)
30 September 2004

31. Significant Related Party Transactions

	2004 RM	2003 RM
Group		
Malaysian Oxygen Berhad, a substantial shareholder of a subsidiary		
- Purchase of gas and equipment	-	1,896,545
- Technical aid fees paid and payable	-	589,229
Company		
Interest income from subsidiaries	4,949,684	4,702,507
Management fee revenue from a subsidiary	75,000	150,000
Dividend income from a subsidiary	-	4,590,000
Acquisition of investment from a subsidiary	-	4

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

32. Other Significant Event

On 7 April 2004, the Company completed the disposal of its 51% equity interest in its subsidiary, Eastern Oxygen Industries Sdn. Bhd. comprising 13,886,282 ordinary shares of RM1.00 each to BNDM Incorporated Holdings Sdn. Bhd. for a cash consideration of RM18,390,648.

33. Subsequent Events

(a) The Company through its wholly-owned subsidiary company, Whittler Company Ltd. (“WCL”) had on 18 November 2004 exercised 18 million rights warrants known as BTC-W1 and 18 million rights warrants known as BTC-W2 in its associated company in Thailand, Bangpakong Terminal Public Company Limited (“BTC”). The total payment for the exercise was Baht 55,800,000 (approximately RM5.3 million). Following the exercise, WCL’s equity interest in BTC increased from 82.5 million ordinary shares or 19% to 122.1 million shares or 21%. The exercise consideration was funded by internally generated funds.

(b) On 9 December 2004, the Company proposed a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company, amounting to a maximum of 14,140,600 new ordinary shares of RM1.00 each. The proposal has been approved by the relevant authorities. On 7 January 2005, the Company has fixed the issue price of these shares at RM2.25 each.

34. Comparatives

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year. Certain comparative figures have been reclassified to conform with current year’s presentation.

35. Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Group’s financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group’s businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group’s policy is not to engage in speculative transactions.

35. Financial Instruments (contd.)

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt, as the Group had no substantial long-term interest-bearing assets as at 30 September 2004. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or occasionally, in short term commercial papers which yield better returns than cash at bank.

(c) Foreign Exchange Risk

The Group operates internationally and is exposed to various currencies, mainly United States Dollar, Euro, Singapore Dollar and Thai Baht. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

(d) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(e) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(f) Fair Values

It is not practical to estimate the fair values of amounts due to/from related corporations, associates and other related parties due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs.

The aggregate net fair values of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Group and the Company as at the 30 September 2004 are presented as follows:

		Group		Company	
	Notes	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Assets					
Non-current quoted shares	12	25,602,175	30,345,975	-	-
Financial Liabilities					
Secured term loans:					
Fixed rate loans		7,362,825	5,843,125	-	-
Murabahah Medium Term Notes	20	10,000,000	9,174,000	10,000,000	9,174,000

Notes to the Financial Statements (contd.)
30 September 2004

35. Financial Instruments (contd.)

(f) Fair Values (contd.)

It is not practicable to estimate the fair values of contingent liabilities (disclosed in Note 30) reliably, due to the uncertainties of timing, costs and eventual outcome.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Other Investments
The Group deems that it is not practical to estimate the fair values of its non-current unquoted shares because of the lack of quoted market prices and the inability to estimate the fair values without incurring excessive costs. However, the Group believes that the carrying amounts represent the recoverable values.

(ii) Cash and Cash Equivalents, Trade and Other Receivables/ Payables and Short Term Borrowings
The carrying amounts approximate their fair values due to the relatively short term maturity of these financial instruments.

(iii) Long Term Borrowings
The fair values of borrowings are estimated using discounted cash flow analysis, based on the current incremental interest rates for liabilities with similar risk profiles.

36. Segmental Information

The Group is organised into three major business segments:

(i) Shipping & related activities
(ii) Industrial gas operations
(iii) Management services

Segmental reporting by geographical location has not been prepared as the Group's operations are principally carried out in Malaysia.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Notes to the Financial Statements (contd.)
30 September 2004

36. Segmental Information (contd.)

	Shipping & Related Activities		Industrial Gas Operations		Management Services		Eliminations		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue and Expenses										
Revenue										
External sales	367,068,141	312,250,369	16,232,958	29,666,003	-	-	-	(4,590,000)	383,301,099	341,916,372
Inter-segment sales	-	158,299	-	-	75,000	150,000	(75,000)	(308,299)	-	-
Total revenue	367,068,141	312,408,668	16,232,958	29,666,003	75,000	150,000	(75,000)	(4,898,299)	383,301,099	341,916,372
Result										
Segment results	34,504,452	23,043,753	3,915,306	7,654,030	374,051	(1,411,537)	(1,033,267)	(484,421)	37,760,542	28,801,825
Profit from operations									37,760,542	28,801,825
Finance costs, net									(8,638,357)	(9,631,905)
Share of results of associates									66,009	560,609
Taxation									47,641	(2,114,010)
Profit after taxation									29,235,835	17,616,519
Minority interests									(1,769,434)	(2,595,562)
Net profit for the year									27,466,401	15,020,957
Assets and Liabilities										
Segment assets	407,318,196	379,015,638	-	41,833,426	1,837,664	2,414,417			409,155,860	423,263,481
Unallocated corporate assets									70,890,027	69,796,976
Consolidated total assets									480,045,887	493,060,457
Segment liabilities	44,221,179	42,590,829	-	6,290,599	454,799	1,279,147			44,675,978	50,160,575
Unallocated corporate liabilities									165,838,309	184,267,160
Consolidated total liabilities									210,514,287	234,427,735
Other Information										
Capital expenditure	10,748,825	12,584,577	2,163,656	2,300,119	500	8,558			12,912,981	14,893,254
Depreciation	28,180,261	26,767,314	1,780,210	3,582,330	10,290	8,765			29,970,762	30,358,409

Analysis of Shareholdings

Analysis of Shareholders as at 18 February 2005

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid-up Capital	:	RM155,546,710
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting rights	:	One vote per Ordinary Shares

Distribution of Shareholdings

HOLDINGS	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF ISSUED CAPITAL
Less than 100	7	0.32	249	0.00
100 to 1,000	815	37.45	773,993	0.50
1,001 to 10,000	1,019	46.84	3,959,510	2.55
10,001 – 100,000	212	9.74	7,654,860	4.92
100,001 to less than 5% of issued shares	121	5.56	100,818,501	64.81
5% and above of issued shares	2	0.09	42,339,597	27.22
Total	**2,176**	**100.00**	**155,546,710**	**100.00**

Substantial shareholders as at 18 February 2005

	Direct		Deemed Interest / Indirect	
	No. of shares	**% held**	**No. of shares**	**% held**
Billion Power Sdn. Bhd.	35,180,597	22.62	-	-
Employees Provident Fund Board	15,068,300	9.69	-	-
The Great Eastern Life Assurance Co. Ltd	3,000,000	1.93	5,743,900(1)	3.69
Overseas-Chinese Banking Corporation Limited	-	-	8,743,900(2)	5.62
Great Eastern Holdings Limited	-	-	8,743,900(2)	5.62
HSBC (Malaysia) Trustee Berhad	8,281,0000	5.32		
HSBC Holdings PLC	-	-	8,281,000(3)	5.32

Note :

(1) Deemed interest by virtue of the shareholding in Great Eastern Life Assurance (Malaysia) Bhd pursuant to section 6A of the Companies Act, 1965

(2) Deemed interest by virtue of the shareholding in Great Eastern Life Assurance (Malaysia) Bhd and The Great Eastern Life Assurance Co. Ltd. pursuant to section 6A of the Companies Act, 1965

(3) Deemed interest by virtue of the shareholding in HSBC (Malaysia) Trustee Berhad pursuant to section 6A of the Companies Act, 1965

Directors' shareholdings as at 18 February 2005

	Direct		Indirect	
	No. of Shares	**%**	**No. of Shares**	**%**
Datuk Amar Wee Hood Teck	-	-	-	-
Richard Wee Liang Huat @ Richard Wee Liang Chiat	4,589,431	2.95	2,793,818(1)	1.80
Dennis Ling Li Kuang	-	-	-	-
Ernest Ho Keng Seng	-	-	-	-
Ibrahim Haji Baki	-	-	-	-
Awang Mohidin Bin Awang Saman	-	-	-	-
Katrina Ling Shiek Ngee	-	-	-	-

Note :

(1) Deemed interest by virtue of his shareholding in WHT Industrials Sdn Bhd pursuant to section 6A of the Companies Act, 1965

Analysis of Shareholdings (contd.)

Thirty Largest Shareholders as at 18 February 2005

	NAME	NO. OF SHARES	% OF ISSUED CAPITAL
1	Billion Power Sdn Bhd	31,110,597	20.00
2	Employees Provident Fund Board	11,229,000	7.22
3	Lembaga Tabung Haji	7,768,100	4.99
4	HDM Nominees (Tempatan) Sdn Bhd Account for Billion Power Sdn Bhd	4,070,000	2.62
5	AMMB Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for HLG Penny Stock Fund	4,000,000	2.57
6	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad	3,995,000	2.57
7	Universal Trustee (Malaysia) Berhad SBB Dana Al-Azam	3,656,300	2.35
8	Cimsec Nominees (Asing) Sdn Bhd CIMB Account for Thananya Chumponkulwong	3,571,413	2.30
9	Universal Trustee (Malaysia) Berhad SBB Emerging Companies Growth Fund	3,408,000	2.19
10	RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja	3,239,300	2.08
11	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Hwang-DBS Select Small Caps Fund	3,135,000	2.02
12	HSBC Nominees (Asing) Sdn Bhd BNY Brussels for The Great Eastern Life Assurance Co Ltd	3,000,000	1.93
13	HLG Nominee (Tempatan) Sdn Bhd PB Trustee Services Berhad for HLG Growth Fund	2,925,000	1.88
14	Kamarulzaman Bin Ahmad	2,192,200	1.41
15	Citicorp Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad (Prulink Eqty Fd)	2,048,000	1.32
16	CIMSEC Nominees (Asing) Sdn Bhd CIMB for Kanjang Singhachatprichakul	1,983,157	1.27
17	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Hwang-DBS Select Opportunity Fund	1,857,000	1.19
18	HSBC Nominees (Asing) Sdn Bhd DZ Bank Intl for Uni EM Fernost Treuhandkonto, Luxembourg	1,761,000	1.13
19	Alliancegroup Nominees (Tempatan) Sdn Bhd Account for Richard Wee Liang Huat @ Richard Wee Liang Chiat	1,742,673	1.12
20	HLG Nominees (Tempatan) Sdn Bhd HLG Asset Management Sdn Bhd for Pertubuhan Keselamatan Sosial	1,740,000	1.12

Analysis of Shareholdings (contd.)

Thirty Largest Shareholders as at 18 February 2005 (contd.)

	NAME	NO. OF SHARES	% OF ISSUED CAPITAL
21	AMMB Nominees (Tempatan) Sdn Bhd Account for WHT Industrials Sdn Bhd	1,712,502	1.10
22	HLG Nominees (Tempatan) Sdn Bhd Account for Lee Chen Yee	1,638,500	1.05
23	HSBC Nominees (Asing) Sdn Bhd TNTC for DBS Malaysia Equity Fund	1,530,000	0.98
24	Citicorp Nominees (Asing) Sdn Bhd American International Assurance Company Limited	1,515,000	0.97
25	HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Unidynamicfonds: Asia	1,500,000	0.96
26	Manulife Insurance (Malaysia) Berhad	1,462,000	0.94
27	Southern Finance Berhad Account for Richard Wee Liang Huat @ Richard Wee Liang Chiat	1,300,000	0.84
28	AFFIN-ACF Nominees (Tempatan) Sdn Bhd Account for Richard Wee Liang Huat @ Richard Wee Liang Chiat	1,250,000	0.80
29	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Hidden Treasures Fund	1,221,500	0.79
30	Mayban Nominees (Tempatan) Sdn Bhd Mayban Life Assurance Berhad	1,200,000	0.77
	TOTAL	**112,761,242**	**72.48**

This page has been deliberately left blank

HUBLINE BERHAD
(formerly known as EOX Group Berhad)
(Company No. 23568-H)
(Incorporated in Malaysia)

Number of shares held	

FORM OF PROXY

(PLEASE FILL IN BLOCK LETTERS)

I/We, ………
(FULL NAME AND NRIC/PASSPORT NO.)

of ………
(FULL ADDRESS)

being a member/members of Hubline Berhad, do hereby appoint ……………………………………………

………
(FULL NAME AND NRIC/PASSPORT NO.)

of …………………………………………………………………………………………………… or failing
(FULL ADDRESS)

him, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Dewan Muhibbah, 2nd Floor, Merdeka Palace Hotel & Suites, Jalan Tun Abang Haji Openg 93000 Kuching, Sarawak, on Thursday, 31st March 2005 at 11:00 a.m. or at any adjournment thereof in the manner indicated below:

	ORDINARY RESOLUTION	FOR	AGAINST
1.	To receive and adopt the Audited Financial Statement		
2.	To re-elect Haji Awang Mohidin Bin Awang Saman as Director		
3.	To re-elect Encik Ibrahim Bin Baki as Director		
4.	To re-elect Ms Katrina Ling Shiek Ngee as Director		
5.	To re-appoint Datuk Amar Wee Hood Teck as Director		
6.	To approve Directors' fees		
7.	To re-appoint Messrs. Ernst & Young as Auditors of the Company		
8.	To authorise Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		

Please indicate with a check mark ("√") in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.

Dated this........................day of 2005

……………………………………………………
Signature(s)/Common Seal of Shareholder(s)

Notes:

(i) *A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

(ii) *The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Sama Jaya Free Industrial Zone, Plot 9, Block 12, Off Jalan Setia Raja, P.O. Box A893, 93818 Kuching, Sarawak not later than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.*

(iii) *The instrument appointing a proxy or proxies, in the case of an individual, shall be in writing under the name of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under seal or under hand of an officer or attorney duly authorised.*

(iv) *In the case of joint holdings, the vote of the first-named in the Register of Members will be accepted to the exclusion of other joint holders of the shares.*

Fold this flap for sealing

Then fold here

Affix Stamp

THE COMPANY SECRETARY
HUBLINE BERHAD
Sama Jaya Free Industrial Zone
Plot 9, Block 12
Off Jalan Setia Raja
P.O.Box A893
93818 Kuching
Sarawak

1st fold here

HUBLine