HUBLine

Hubline Berhad (23568-H)

ANNUAL REPORT 2007

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Corporate Information

BOARD OF DIRECTORS

Richard Wee Liang Huat @ Richard Wee Liang Chiat
Chairman
(Independent Non- Executive)

Dennis Ling Li Kuang
Group Managing Director

Christine Lau Swee Eng
Non- Independent Non-Executive Director

Ibrahim Bin Baki
Independent Non-Executive Director

Katrina Ling Shiek Ngee
Non- Independent Non-Executive Director

Haji Awang Mohidin Bin Awang Saman
Independent Non-Executive Director

Ernest Ho Keng Seng
Alternate Director to Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat

COMPANY SECRETARY

Yeo Puay Huang
(LS 000577)

AUDIT COMMITTEE

Ibrahim Bin Baki
Chairman
Independent Non-Executive Director

Richard Wee Liang Huat @ Richard Wee Liang Chiat
Member
Independent Non-Executive Director

Katrina Ling Shiek Ngee
Member
Non- Independent Non-Executive Director
Associate Member of Institute of Chartered Accountants in Australia

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 Melenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 03-20849000 Fax : 03-20949940

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

Hubline (7013)

PRINCIPAL BANKERS

Affin Investment Bank Berhad

Bank Muamalat Malaysia Berhad

CIMB Bank Berhad

EON Bank Berhad

Hong Leong Bank Berhad

HSBC Bank Malaysia Berhad

RHB Bank Berhad

Financial Highlights

Year ended 30 September	2003 RM '000	2004 RM '000	2005 RM '000	2006 RM '000	2007 RM '000
Revenue	341,301	383,301	414,204	387,192	**557,613**
Profit before tax	19,731	29,188	45,604	23,913	**51,073**
Profit for the year attributable to Equity holders of the Company	15,021	27,466	45,520	23,845	**35,763**
Paid up capital	130,170	141,406	155,547	155,547	**217,765**
Shareholders' equity	242,740	269,532	346,788	370,490	**400,281**
Total assets	493,061	480,046	572,444	663,336	**930,065**
Total liabilities	234,428	210,514	225,656	292,847	**449,450**
Basic earnings per share (sen)*	1.7	2.9	4.3	2.2	**3.3**
Return on shareholders' equity (%)	6.2	10.2	13.1	6.4	**8.9**
Return on assets (%)	3.0	5.7	8.0	3.6	**3.8**
Net assets per share (RM)*	0.27	0.27	0.32	0.34	**0.37**
Dividend rate (%)	0	0	0	3	**1.5****
Dividend amount	0	0	0	4,643	**0**

* Adjusted for share split and bonus issue.

** Proposed dividend rate of 1.5% (0.30 sen per ordinary share)

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 2007.

The year under review saw Hubline ventured into dry bulk shipping sector in addition to its container shipping business after the completion of the acquisition of a 50.23% stake in a dry-bulk cargo shipping company, Highline Shipping Sdn Bhd ("Highline") in March 2007. The year also saw Hubline operating in a competitive market characterized by higher operating costs as a result of high bunker prices.

FINANCIAL PERFORMANCE

Against this backdrop, we are pleased to report yet another satisfactory financial performance for the year 2007. Hubline Group recorded a higher revenue of RM 558 million for the year under review, an increase of 44% from RM 387 million recorded in the previous financial year. Profit after tax (PAT) attributable to shareholders was RM 36 million, an increase of 50 % from RM 24 million recorded in the previous period.
The increase in revenue and PAT was mainly due to increase in freight revenue and contribution from the newly-acquired dry bulk business in Highline. The increase in attributable PAT was offset by share of loss of associated companies as a result of down time resulting from container vessels of associated companies undergoing conversion to dry bulk carriers.

OPERATIONS REVIEW

Following the acquisition of Highline, Hubline expands its shipping into dry bulk shipping besides its container-shipping business. The enlarged shipping operations also benefits Hubline in cost savings and operating synergies. Similar to Hubline, Highline is a niche owner-operator of a sizable fleet of tugs and barges plying on short-haul routes. Highline's fleet transports mainly coal, gypsum, steel bars and iron ore thus diversifying Hubline's industry exposure.

Hubline's container division remains stable driven by continued strong demand in the intra-Asian trade. Hubline continued to deliver a satisfactory financial performance and operational efficiency as it remains focus in its business strategy through capitalising on its competitive edge of calling at smaller ports in niche markets in the intra-Asian region and through an extensive network of over 50 destinations.

CORPORATE DEVELOPMENTS

(i) On 30 March 2007, Hubline completed the acquisition of 8,250,000 ordinary shares of RM 1.00 each representing 50.23% equity interest in Highline for RM 86.6 million.

On 1 October 2007, Hubline entered into a conditional sales and purchase agreement with Many Plus Holdings Sdn Bhd to acquire the remaining 8,174,818 ordinary shares of RM 1.00 each representing 49.77% of the issue and paid-up capital of Highline for a purchase consideration of RM 106.2 million or RM 13.00 per share to be wholly satisfied by the issuance of about 158.6 million Hubline shares at an issue price of RM 0.67 each. Upon completion of the deal, Highline will be a wholly owned subsidiary of Hubline. The proposed acquisition, expected to be completed by second quarter of 2008, is subject to approvals by the relevant authorities and shareholders
.
(ii) On 9 April 2007, Hubline announced a share split of every one(1) existing share of par value of RM 1.00 each into five(5) ordinary shares of RM 0.20 each and a bonus issue of up to 311,093,420 new ordinary shares of RM 0.20 each on the basis of two(2) bonus shares of every five(5) ordinary shares of RM 0.20 each. The share split and bonus issue was effected on 6 July 2007and listed and quoted on the Main Board of Bursa Malaysia Securities Bhd on 9 July 2007.

DIVIDEND

Based on the satisfactory performance of the Group for the financial year ended 30 September 2007, the Board has recommended a final tax-exempt dividend of 0.3 sen per ordinary share.

PROSPECTS

With Highline under its wings, Hubline group now operates an enlarged fleet of 17 containerships, 4 handysized bulk carriers and 19 sets of tugs and barges. The acquisition of Highline provides Hubline with exposure to the lucrative dry bulk shipping. Our group of companies should benefit from the strong regional economies as all the vessels are operating in niche markets in the intra- Asian region.
Hubline group will continue to stay focus and continue to operate in the niche markets where there is a strong demand for vessels of our sizes and where the trade growth in these regions continue to propel. The Management will continue to improve its cost management and implement measures to improve operational efficiencies.

Chairman's Statement [contd.]

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 of 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.

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

Richard Wee Liang Huat @ Richard Wee Liang Chiat
Chairman

Corporate Structure

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% Hub Shipping Sdn Bhd
- 100% Wonder Link Sdn Bhd
  - 100% Hub Marine Sdn Bhd
- 100% Hub Fleet Sdn Bhd
- 100% Hub Explorer Sdn Bhd
- 100% Hub Warrior Sdn Bhd
- 100% Hub Continental Shipping Sdn Bhd
- 100% Chatlink Sdn Bhd
- 100% Patimico Sdn Bhd
- 100% Ozlink Sdn Bhd
- 100% Malaform Sdn Bhd
- 100% Whittler Company Ltd
  - 18.5% Bangpakong Terminal Public Company Ltd
  - 44.1% Platinum Container Lines Company Ltd
- 100% Grand Dragon Overseas Ltd
- 100% Hub Shipping (PNG) Co Limited
- 50.23% Highline Shipping Sdn Bhd
  - 100% Highline Asia Sdn Bhd
  - 100% Highline Bulk Sdn Bhd
  - 100% Highline Carrier Sdn Bhd
  - 100% Highline Delta Sdn Bhd
  - 100% Highline Equity Sdn Bhd
  - 100% Highline Fortune Sdn Bhd
  - 100% Highline Glory Sdn Bhd
  - 100% Highline Harbour Sdn Bhd
  - 100% Highline Integrated Sdn Bhd
  - 100% Highline Jade Sdn Bhd
  - 100% Highline Kinetic Sdn Bhd
  - 100% Highline Logistics Sdn Bhd
  - 100% Highline Mariner Sdn Bhd
  - 100% Highline Navigators Sdn Bhd
  - 100% Highline Oceanic Sdn Bhd
  - 100% Highline Pacific Sdn Bhd
  - 100% Highline Quest Sdn Bhd
  - 100% Highline Reliance Sdn Bhd
  - 100% Highline Strategic Sdn Bhd
  - 100% Highline Trader Sdn Bhd
  - 100% Highline Union Sdn Bhd
  - 100% Highline Vision Sdn Bhd
  - 100% Ever Line Shipping Sdn Bhd
  - 100% Ever Line Shipping Co Ltd
  - 100% Many Plus Enterprise Sdn Bhd
  - 100% Many Plus Engineering Sdn Bhd
  - 100% Many Plus Maritime Sdn Bhd

Directors' Profile

Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat
Independent Non-Executive Chairman

Malaysian, aged 49, was appointed to the Board 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. He was actively involved in the Group's affairs which include the overall sales, operations, finance and administration before re-designated as non-executive chairman on 16 June 2005. He is also the director to Tai Sin Electric Cable Manufacturer Ltd., which is listed on the Stock Exchange of Singapore Dealing and Automated Quotation System. He is a member of the Audit Committee. He also sits on the Board of many non-listed companies.

Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat is the brother-in-law of Mr Ernest Ho Keng Seng

Mr Dennis Ling Li Kuang
Group Managing Director

Malaysian, aged 55. Mr Dennis Ling Li Kuang is a Chartered Accountant by profession and was appointed to Hubline Berhad on 13th February, 2001. He graduated with a Bachelor of Commerce Degree from the University of Wollongong in New South Wales, Australia in 1976 and is an associate member of the Institute of Chartered Accountants in Australia.

He was a partner of Arthur Andersen Worldwide from 1984 to 1997. Over the past years, he has gained extensive experience and exposure in financial and commercial sectors from which he draws to manage the Hubline Group. The principal activity of Hubline Group is the provision of marine cargo handling and shipping services under the trade name "HUBLine".

Mr Dennis Ling Li Kuang also sits on the Board of Bangpakong Terminal Public Company Ltd., which is an associated company of Hubline Berhad and listed on the Stock Exchange of Thailand. He also sits on the Board of many non-listed companies as non executive director.

Mr Dennis Ling Li Kuang is the husband of Ms Christine Lau Swee Eng and father of Ms Katrina Ling Shiek Ngee.

Ms Christine Lau Swee Eng
Non-Independent Non-Executive Director

Malaysian, aged 53, was appointed to the Board on 16 June 2005. Ms Christine Lau Swee Eng obtained her Diploma in Business Studies from Department of Technical Education, New South Wales, Australia in 1977. She joined HUBLine in 1996 and is the General Manager of Hub Shipping Sdn. Bhd. in charge of Agencies and Human Resources. Before joining Hub Shipping, she had been involved in the travel industry and property development in Australia.

Ms Christine Lau Swee Eng is the wife of Mr Dennis Ling and mother of Ms Katrina Ling Shiek Ngee.

Directors' Profile [contd.]

Encik Ibrahim Bin Baki
Independent Non-Executive Director

Malaysian, aged 48, was appointed to the Board 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.

Ms Katrina Ling Shiek Ngee
Non-Independent Non-Executive Director

Malaysian, aged 29, a Chartered Accountant, was appointed to the Board on 13th February 2001. She graduated with a Bachelor of Commerce (Accounting & Finance) from Monash University Melbourne, Australia in 1999 and is an associate member of the Institute of Chartered Accountants in Australia. She works in a public accountant firm between 2001 to 2006 and is currently involved in fund management. She also sits on the Board of several private companies. She is a member of the Audit Committee and member of Nomination and Remuneration Committees.

Ms Katrina Ling is the daughter of Mr Dennis Ling Li Kuang and Ms Christine Lau Swee Eng.

Haji Awang Mohidin Bin Awang Saman
Independent Non-Executive Director

Malaysian, aged 65, 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 in Government service for many years and prior to his retirement, he was General Manager of Rajang Port Authority. He is the Chairman of the Nomination and Remuneration Committees.

Mr Ernest Ho Keng Seng
Alternate to Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat

Malaysian, aged 58, 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. He resigned and was appointed as Alternate Director to Mr Richard Wee on 16 June 2005.

Mr Ernest Ho Keng Seng is the brother-in-law of Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat.

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 19 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 the extent of its compliance with the best practices during the financial year ended 30 September 2007.

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.

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 2007, The Board has 6 members comprising:

- 1 independent non-executive Chairman.
- 1 Managing Director
- 2 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 management, 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 three Independent Non-Executive Directors fulfill a pivotal role in corporate accountability as they provide unbiased and independent judgement, advice and views. The profile of all the directors is set out on pages 7 and 8 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 specialized 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.

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 11.

(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 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

All board members have completed the Mandatory Accreditation Programme and Continuing Education Programme "CEP" as required by Bursa Malaysia Securities Berhad.

The Directors are encouraged to attend briefings and seminars to keep abreast with current developments in the industry as well as any changes in laws and regulations.

(vii) Directors Remuneration

For the financial year ended 30th September 2007, 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 Financial Statements in this Annual Report contains the breakdown of the Director's remuneration for the financial year ended 30th September 2007.

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 14 and 15 of this annual report.

(ii) The Remuneration Committee

The Remuneration Committee was established by the Board on 29 September 2001. The primary function of the Remuneration Committee is to set the policy framework and recommend to the Board the remuneration packages and benefits and other terms of employment of Directors. To achieve this objective, the Committee is to ensure that the Directors are fairly rewarded for their individual contributions to overall performance and that the compensation is reasonable in light of the Company's objective, compensation for a similar function in other companies, and other relevant factors with due regards given to the interests of the shareholders and the financial and commercial needs of the Company.

The members of the Remuneration Committee are:

(1)	Haji Awang Mohidin Bin Awang Saman (Independent Non-Executive)	-	Chairman
(2)	Ms Katrina Ling Shiek Ngee (Non-independent Non-executive)	-	Member
(3)	En. Ibrahim Bin Baki (Independent Non-executive)	-	Member

The Remuneration Committee met once during the financial year ended 30 September 2007.

Statement on Corporate Governance & Other Disclosures [contd.]

(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 (Independent Non-executive)	-	Chairman
(2)	Ms Katrina Ling Shiek Ngee (Non-independent Non-executive)	-	Member
(3)	En. Ibrahim Bin Baki (Independent Non-executive)	-	Member

The Nomination Committee met twice during the financial year ended 30th September 2007.

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 www.bursamalaysia.com . to obtain the latest information of the Group.

D. ACCOUNTABILITY AND AUDIT

(i) Internal Control

The Statement on 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.

(iii) Relationship with Auditors

The Board through the Audit Committee maintains a professional and transparent relationship with the auditors in seeking their professional advice and towards ensuring compliance with the accounting standards and statutory requirements.

Directors' Responsibility Statement

The Directors are responsible to ensure that the financial statements of the Group and of the Company for each financial year are drawn up in accordance with the applicable MASB approved accounting standards in Malaysia, the provision of the Companies Act, 1965 ("Act") and the listing requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

The Directors have to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company.

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 Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with applicable approved accounting standards, the Act and the Listing Requirements. The Directors are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of frauds and other irregularities.

Other Disclosures

Share Buybacks

During the financial year ended 30 September 2007, the Company repurchased 2,890,000 of its issued ordinary shares from the open market at an average price of RM 0.60 per share. The shares repurchased are being held as treasury shares.

Date	No. of shares	Consideration (RM)	Highest price* (RM)	Lowest price* (RM)	Average price* (RM)
September 2007	2,890,000	1,730,916	0.63	0.56	0.60

* *share price after share split and bonus issue*

During the financial year ended 30 September 2007, the Company has resold 765,600 of its issued ordinary shares in the open market.

Date	**No. of shares**	**Consideration (RM)**	**Highest price ^ (RM)**	**Lowest price^ (RM)**	**Average price^ (RM)**
May 2007	457,600	1,088,507	2.41	2.36	2.37
June 2007	308,000	812,761	2.66	2.64	2.64
Total	765,600	1,901,168			

^ *Share price before share split and bonus issue*

Options, Warrants or Convertible Securities

No options, warrants or convertible securities had been converted to ordinary shares during the financial year.

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 2007, 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.

Statement on Corporate Governance & Other Disclosures [contd.]

Utilisation of Proceeds

For the financial year ended 30th September 2007, there was no proceed raised from any exercise.

Non-Audit Fee

There was no non-audit fees paid to external auditors for the year ended 30th September 2007.

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.

Audit Committee Report

MEMBERS OF THE AUDIT COMMITTEE

Ibrahim Bin Baki Chairman	- *Independent Non-Executive Director*
Richard Wee Liang Huat @ Richard Wee Liang Chiat Member	- *Independent Non-Executive Director*
Katrina Ling Shiek Ngee Member	- *Non-Independent Non-Executive Director (Associate member of Institute of Chartered Accountants in Australia)*

TERMS OF REFERENCE

1. OBJECTIVES

The principal objectives of the Audit 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 Audit 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 Audit Committee should comprise at least three directors, the majority of whom shall be independent non-executive members of the Board . The Committee shall elect a chairperson from among its members who is an independent non-executive director. At least one member of the Audit Committee must be a member of the Malaysian Institute of Accountants ('MIA') or have at least 3 years working experience and have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967 or be a member of one of the associations of accountants specified by Part II of the 1st Schedule of the Accountants Act 1967.

3. MEETINGS AND ATTENDENCE

The Audit Committee shall meet at least four(4) times a year, with authority to convene additional meetings, as circumstances require. A quorum shall consist of two members. The majority of members present must be independent directors. Directors, employees, auditors or other may attend meetings upon invitation of the Audit Committee.
The Company Secretary shall act as the Secretary of the Audit Committee.The Secretary shall also be responsible for keeping the minutes of the meetings of the Audit Committee, circulating them to Audit Committee members and to other members of the Board of Directors and for following up outstanding matters.

4. AUTHORITY

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

The Audit Committee is authorized 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.

5. REPORTING

The Audit 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 Audit Committee shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

Audit Committee Report [contd.]

6. DUTIES AND RESPONSIBILITIES

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

- review the internal audit plan and results of the internal audit process and the action taken on the recommendations of the internal function .
- 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 quarterly results and year end financial statements, prior to the approval by the Board of Directors.
- 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 Audit Committee and the Board of Directors.
- report to the Board of Directors its activities, significant results and findings.

7. SUMMARY OF ACTIVITIES

There were 5 Audit Committee meetings held during the financial year ended 30th September 2007 with full attendance at each meeting.

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

(i) Reviewed the quarterly results/ announcements of the Group and made recommendations to the Board of Directors for approval prior to the release of the results to Bursa Malaysia Securities Berhad.
(ii) Reviewed the annual audited financial statements of the Group and made recommendation to the Board of Directors for approval.
(iii) Reviewed the internal audit reports and their findings and recommendations relating thereto.

8. INTERNAL AUDIT FUNCTION

The principal role of the Group's Internal Audit Function is to undertake the audit and compliance functions of the Group so as to ensure that the system of internal controls operates efficiently and effectively. The Internal Audit Function reports to the Audit Committee and also assists the Board in maintaining a sound system of internal controls to mitigate risks and to safeguard the Group's assets.

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 Listing Requirements of the Bursa Malaysia Securities Berhad.

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 organizational 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 Ship Management Audit Division which reports regularly to the management, perform scheduled audits on the Group's vessels. The audit on the vessels' physical and operational conditions are to ensure that the vessels are regularly maintained to enhance safety and reliability at all times. In addition, the Group's vessels are subject to stringent regulatory and commercial requirements. The vessels are fully international Safety Management (ISM) compliant and fully certified by class surveyors.

- The on-going review carried out by the Internal Audit Function on domestic and international agency operations provide continuous monitoring on costs controls, timely collection, compliance to freight and slot management procedures.

- The periodic reviews carried out by the Internal Audit Function are reported to the Board through the Audit Committee. The Audit Committee, entrusted with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control, also 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.

The statement is made in accordance with a resolution of the Board of Directors dated 28 February 2008.

FINANCIAL STATEMENTS

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 2007.

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 agent, ship owner and charterer and provision of marine cargo handling services.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	**Company** RM
Profit for the year	45,219,232	2,003,261
Attributable to:		
Equity holders of the Company	35,763,029	2,003,261
Minority interests	9,456,203	-
	45,219,232	2,003,261

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

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 changes in estimates where the residual values of vessels and the estimated useful lives of vessels and vessel equipment were revised resulting in an increase in the Group's profit for the year by RM16,818,000 as disclosed in Note 2.4 to the financial statements.

Dividends

The amount of dividends paid by the Company since 30 September 2006 was as follows:

	RM
In respect of the financial year ended 30 September 2006:	
First final dividend 3% tax exempt dividend, on 155,546,710 ordinary shares, declared on 6 February 2007 and paid on 30 April 2007	4,643,433

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:

Richard Wee Liang Huat @ Richard Wee Liang Chiat
Ling Li Kuang
Ibrahim Bin Baki
Katrina Ling Shiek Ngee
Awang Mohidin Bin Awang Saman
Lau Swee Eng
Ernest Ho Keng Seng (alternate director to Richard Wee Liang Huat @ Richard Wee Liang Chiat)

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 the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Report [contd.]

Directors' Benefits [contd.]

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 8 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' 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 during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each	Number of Ordinary Shares of RM0.20 Each				
	1.10.2006	**Share Split (Note 20(a))**	**Bonus Issue (Note 20(a))**	**Acquired**	**Sold**	**30.9.2007**
Direct Interest:						
Richard Wee Liang Huat @ Richard Wee Liang Chiat	1,541,673	6,166,692	3,083,346	-	9,748,711	1,043,000
Ling Li Kuang	2,350,000	9,400,000	4,700,000	3,748,711	-	20,198,711
Lau Swee Eng	1,460,200	5,840,800	2,920,400	16,065,000	-	26,286,400
Indirect interest:						
Richard Wee Liang Huat @ Richard Wee Liang Chiat	2,793,818	11,175,272	5,587,636	-	19,556,726	-
Ling Li Kuang	1,460,200	5,840,800	2,920,400	21,880,600	-	32,102,000
Lau Swee Eng	2,350,000	9,400,000	4,700,000	9,564,311	-	26,014,311

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:

(a) altered its authorised share capital of RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each into RM500,000,000 comprising 2,500,000,000 ordinary shares of RM0.20 each;

(b) increased its issued and paid-up share capital as follows:

   (i) the issued share capital was increased from 155,546,710 ordinary shares of RM1.00 each to 1,088,826,970 ordinary shares of RM0.20 each by:

      - share split of every one existing ordinary share of par value RM1.00 each held in the Company into five ordinary shares of par value RM0.20 each ("share split"); and

      - bonus issue of 311,093,420 new ordinary shares of RM0.20 each ("bonus shares") in the Company on the basis of two bonus shares for every five ordinary shares of RM0.20 each held in the Company after the share split.

   (ii) the paid-up share capital was increased from above RM155,546,710 to RM217,765,394 by the above bonus issue of 311,093,420 new ordinary shares of RM0.20 each by way of capitalisation of the share premium account amounting to RM62,218,684.

Treasury Shares

During the financial year, the Company repurchased 2,890,000 of its issued ordinary shares from the open market at an average price of RM0.60 per share. The total consideration paid for the repurchase including transaction costs was RM1,730,916. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 September 2007, the Company held as treasury shares a total of 2,890,000 of its 1,088,826,970 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,730,916 and further relevant details are disclosed in Note 20 to the financial statements.

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.

(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.

Significant Events

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 14 and Note 33 to the financial statements.

Directors' Report [contd.]

Subsequent Events

Details of subsequent events are disclosed in Note 34 to the financial statements.

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 dated 31 January 2008.

Richard Wee Liang Huat @ Richard Wee Liang Chiat

Ling Li Kuang

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 24 to 74 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2007 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 dated 31 January 2008.

Richard Wee Liang Huat @
Richard Wee Liang Chiat

Ling Li Kuang

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 24 to 74 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, I960.

Subscribed and solemnly declared by
the abovenamed **Ling Li Kuang**
at Kuching in the State of Sarawak
on 31 January 2008.

Ling Li Kuang

Before me,

CHUA HIAN CHONG PPN, PPT
Commissioner For Oaths
Lot 418, (1st Floor)
Lorong 1, Off Rubber Road,
93400 Kuching, Sarawak

PESURUHJAYA SUMPAH
NO. Q 071
CHUA HIAN CHONG
MALAYSIA

Report of the Auditors to the Members of Hubline Berhad
[Incorporated in Malaysia]

We have audited the financial statements set out on pages 24 to 74. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 Financial Reporting 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 2007 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' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 14 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 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. 1881/03/08 (J)
Partner

Kuching, Malaysia
Date: 31 January 2008.

Consolidated Income Statement For the Year Ended 30 September 2007

	Note	2007 RM	2006 RM
Revenue	3	557,613,366	387,192,159
Cost of sales		(458,533,473)	(331,245,987)
Gross Profit		99,079,893	55,946,172
Other income	4	8,416,329	3,248,653
Administrative expenses		(33,755,879)	(26,451,996)
Operating Profit		73,740,343	32,742,829
Finance costs	5	(17,202,129)	(11,221,109)
Share of (loss)/profit of associates		(5,464,738)	2,390,909
Profit Before Tax	6	51,073,476	23,912,629
Income tax expense	9	(5,854,244)	(67,483)
Profit for the Year		45,219,232	23,845,146
Attributable to:			
Equity holders of the Company		35,763,029	23,845,146
Minority interests		9,456,203	-
		45,219,232	23,845,146
Earnings Per Share Attributable to Equity Holders of the Company (sen):			
Basic	10	3.3	2.2

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

Consolidated Balance Sheet As at 30 September 2007

	Note	2007 RM	2006 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	12	496,433,764	285,990,916
Intangible assets	13	85,553,373	70,629,488
Investments in associates	15	70,688,694	76,153,431
Other receivables	18	5,011,230	-
Deferred tax assets	26	21,342	10,761
		657,708,403	432,784,596
Current Assets			
Inventories	17	36,259,523	23,988,354
Trade and other receivables	18	148,249,684	120,905,073
Cash and bank balances	19	87,847,388	85,658,045
		272,356,595	230,551,472
TOTAL ASSETS		930,064,998	663,336,068
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share capital	20	217,765,394	155,546,710
Share premium	20	5,364,573	66,845,342
Treasury shares	20	(1,730,916)	(1,163,353)
Foreign currency translation reserve	21	8,604	1,507,015
Retained earnings	22	178,873,458	147,753,862
		400,281,113	370,489,576
Minority Interests		80,334,232	-
Total Equity		480,615,345	370,489,576
Non-Current Liabilities			
Borrowings	23	267,388,443	218,735,566
Deferred tax liabilities	26	18,497,371	-
		285,885,814	218,735,566
Current Liabilities			
Borrowings	23	123,434,124	50,582,955
Trade and other payables	25	38,627,009	23,527,971
Current tax payable		1,502,706	-
		163,563,839	74,110,926
Total Liabilities		449,449,653	292,846,492
TOTAL EQUITY AND LIABILITIES		930,064,998	663,336,068

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

Consolidated Statement of Changes in Equity For the Year Ended 30 September 2007

		Attributable to Equity Holders of the Company						Minority Interests	Total Equity
			Non-Distributable			Distributable			
	Note	Share Capital	Share Premium	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings	Total		
		(Note 20) RM	(Note 20) RM	(Note 20) RM	(Note 21) RM	(Note 22) RM	RM	RM	RM
At 1 October 2005		155,546,710	66,845,342	-	487,709	123,908,716	346,788,477	-	346,788,477
Foreign currency translation, representing net income recognised directly in equity		-	-	-	1,019,306	-	1,019,306	-	1,019,306
Profit for the year		-	-	-	-	23,845,146	23,845,146	-	23,845,146
Total recognised income and expense for the year		-	-	-	1,019,306	23,845,146	24,864,452	-	24,864,452
Treasury shares purchased	20(b)	-	-	(1,157,479)	-	-	(1,157,479)	-	(1,157,479)
Transaction costs		-	-	(5,874)	-	-	(5,874)	-	(5,874)
At 30 September 2006		155,546,710	66,845,342	(1,163,353)	1,507,015	147,753,862	370,489,576	-	370,489,576

Consolidated Statement of Changes in Equity For the Year Ended 30 September 2007 (contd.)

		Attributable to Equity Holders of the Company						Minority Interests	Total Equity
			Non-Distributable			Distributable			
	Note	Share Capital (Note 20) RM	Share Premium (Note 20) RM	Treasury Shares (Note 20) RM	Foreign Currency Translation Reserve (Note 21) RM	Retained Earnings (Note 22) RM	Total RM	RM	RM
At 1 October 2006		155,546,710	66,845,342	(1,163,353)	1,507,015	147,753,862	370,489,576	-	370,489,576
Foreign currency translation, representing net expense recognised directly in equity		-	-	-	(1,498,411)	-	(1,498,411)	-	(1,498,411)
Profit for the year		-	-	-	-	35,763,029	35,763,029	9,456,203	45,219,232
Total recognised income and expense for the year		-	-	-	(1,498,411)	35,763,029	34,264,618	9,456,203	43,720,821
Acquisition of subsidiary		-	-	-	-	-	-	70,878,029	70,878,029
Dividends	11	-	-	-	-	(4,643,433)	(4,643,433)	-	(4,643,433)
Issue of ordinary shares pursuant to bonus issue	20(a)	62,218,684	(62,218,684)	-	-	-	-	-	-
Treasury shares:									
Sold	20(b)	-	745,027	1,163,353	-	-	1,908,380	-	1,908,380
Purchased	20(b)	-	-	(1,725,041)	-	-	(1,725,041)	-	(1,725,041)
Transaction costs	20(b)	-	(7,112)	(5,875)	-	-	(12,987)	-	(12,987)
At 30 September 2007		217,765,394	5,364,573	(1,730,916)	8,604	178,873,458	400,281,113	80,334,232	480,615,345

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

Consolidated Cash Flow Statement For the Year Ended 30 September 2007

	Note	2007 RM	2006 RM
Cash Flows from Operating Activities			
Profit before tax		51,073,476	23,912,629
Adjustments for:			
Interest income	4	(3,189,762)	(2,443,424)
Dividend income	4	-	(8,033)
Gain on disposal of property, plant and equipment	4	(447,589)	(27,513)
Interest expense	5	17,202,129	11,221,109
Amortisation of intangible assets	6	481,319	406,318
Bad debts written off	6	546,595	88,099
Property, plant and equipment written off	6	652	-
Provision for doubtful debts, net of recoveries	6	5,737,801	904,000
Depreciation of property, plant and equipment	6	22,110,453	30,756,642
Unrealised foreign exchange losses	6	374,254	2,621,234
Share of loss/(profit) in associates		5,464,738	(2,390,909)
Operating profit before working capital changes		99,354,066	65,040,152
Increase in inventories		(8,266,244)	(4,907,742)
Decrease/(increase) in receivables		7,629,833	(23,340,272)
Increase/(decrease) in payables		3,320,955	(10,586,361)
Cash generated from operations		102,038,610	26,205,777
Interest paid		(17,202,129)	(11,221,109)
Taxes paid		(7,320,047)	(164,641)
Net cash generated from operating activities		77,516,434	14,820,027
Cash Flows from Investing Activities			
Acquisition of subsidiaries	14(a)	(35,267,525)	-
Dividends received		-	8,033
Purchase of software development cost	13	(156,727)	-
Purchase of property, plant and equipment		(144,269,994)	(130,321,915)
Proceeds from disposal of property, plant and equipment		7,931,856	62,087
Proceeds from disposal of short term investment		-	23,322,913
Interest received		3,189,762	2,243,424
Net cash used in investing activities		(168,572,628)	(104,685,458)
Cash Flows from Financing Activities			
Proceeds from disposal of treasury shares		1,901,268	-
Purchase of treasury shares		(1,730,916)	(1,163,353)
Proceeds from issuance of Bai' Bithaman Ajil Islamic Debt Securities and Murabahah Commercial Papers		-	220,000,000
Repayment of Murabahah Commercial Papers and Murabahah Medium Term Notes		-	(120,000,000)
Repayment of hire purchase and lease financing		(234,828)	(446,697)
Net drawdown/(repayment) of other borrowings		97,503,768	(22,806,956)
Dividend paid		(4,643,433)	-
Net cash generated from financing activities		92,795,859	75,582,994
Net Increase/(Decrease) in Cash and Cash Equivalents		1,739,665	(14,282,437)
Cash and Cash Equivalents at Beginning of Year		84,723,966	97,987,097
Effects of Exchange Rate Changes		(1,498,411)	1,019,306
Cash and Cash Equivalents at End of Year	19	84,965,220	84,723,966

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

Income Statement For the Year Ended 30 September 2007

	Note	2007 RM	2006 RM
Revenue	3	12,000,000	10,002,430
Other income	4	10,892,648	9,622,087
Administrative expenses		(6,989,751)	(4,772,025)
Operating Profit		15,902,897	14,852,492
Finance costs	5	(13,899,636)	(9,749,949)
Profit Before Tax	6	2,003,261	5,102,543
Income tax expense	9	-	-
Profit for the Year		2,003,261	5,102,543

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

Balance Sheet As at 30 September 2007

	Note	2007 RM	2006 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	12	3,772	5,773
Investments in subsidiaries	14	248,039,874	161,300,010
Amount due from subsidiaries	16	280,098,497	276,146,500
		528,142,143	437,452,283
Current Assets			
Other receivables	18	88,476	151,014
Cash and bank balances	19	3,289,467	15,129,568
		3,377,943	15,280,582
TOTAL ASSETS		531,520,086	452,732,865
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share capital	20	217,765,394	155,546,710
Share premium	20	5,364,573	66,845,342
Treasury shares	20	(1,730,916)	(1,163,353)
Retained earnings	22	8,700,900	11,341,072
Total Equity		230,099,951	232,569,771
Non-Current Liabilities			
Borrowings	23	249,058,950	218,516,627
Current Liabilities			
Borrowings	23	50,749,083	-
Trade and other payables	25	1,612,102	1,646,467
		52,361,185	1,646,467
Total Liabilities		301,420,135	220,163,094
TOTAL EQUITY AND LIABILITIES		531,520,086	452,732,865

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

Company Statement of Changes in Equity For the Year Ended 30 September 2007

	Note	Share Capital (Note 20) RM	├── Non-Distributable Share Premium (Note 20) RM	Treasury Shares (Note 20) RM ──┤	Distributable Retained Earnings (Note 22) RM	Total Equity RM
At 1 October 2005		155,546,710	66,845,342	-	6,238,529	228,630,581
Profit for the year, representing total recognised income and expense for the year		-	-	-	5,102,543	5,102,543
Treasury shares purchased	20(b)	-	-	(1,157,479)	-	(1,157,479)
Transaction costs	20(b)	-	-	(5,874)	-	(5,874)
At 30 September 2006		155,546,710	66,845,342	(1,163,353)	11,341,072	232,569,771
Profit for the year, representing total recognised income and expense for the year		-	-	-	2,003,261	2,003,261
Dividends	11	-	-	-	(4,643,433)	(4,643,433)
Issue of ordinary shares pursuant to bonus issue	20(a)	62,218,684	(62,218,684)	-	-	-
Treasury shares:						
Sold	20(b)	-	745,027	1,163,353	-	1,908,380
Purchased	20(b)	-	-	(1,725,041)	-	(1,725,041)
Transaction costs		-	(7,112)	(5,875)	-	(12,987)
At 30 September 2007		217,765,394	5,364,573	(1,730,916)	8,700,900	230,099,951

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

Cash Flow Statement For the Year Ended 30 September 2007

	Note	2007 RM	2006 RM
Cash Flows from Operating Activities			
Profit before tax		2,003,261	5,102,543
Adjustments for:			
Dividend income	3	(12,000,000)	(10,002,430)
Interest income	4	(10,892,648)	(9,583,017)
Interest expense	5	13,899,636	9,749,949
Depreciation of property, plant and equipment	6	2,001	2,402
Unrealised foreign exchange losses	6	5,841,982	1,869,700
Provision for doubtful debts	6	-	1,243,942
Operating loss before working capital changes		(1,145,768)	(1,616,911)
Increase in receivables		(1,498,362)	(690,951)
(Decrease)/increase in payables		(34,365)	1,194,518
Cash used in operations		(1,532,727)	(1,113,344)
Interest paid		(13,899,636)	(9,749,949)
Taxes paid		(881)	-
Net cash used in operating activities		(16,579,012)	(10,863,293)
Cash Flows from Investing Activities			
Acquisition of subsidiaries	14(a)	(86,739,864)	(16,200,003)
Advances to subsidiaries		(9,793,978)	(101,907,029)
Proceeds from disposal of short term investments		-	8,100,566
Interest received		10,892,648	9,583,017
Net dividends received		12,000,000	10,002,430
Net cash used in investing activities		(73,641,194)	(90,421,019)
Cash Flows from Financing Activities			
Sales of treasury shares		1,901,268	-
Purchase of treasury shares		(1,730,916)	(1,163,353)
Dividends paid		(4,643,433)	-
Proceeds from issuance of Bai' Bithaman Ajil Islamic Debt Securities and Murabahah Commercial Papers		-	220,000,000
Repayment of Murabahah Commercial Papers and Murabahah Medium Term Notes		-	(120,000,000)
Drawdown/(repayment) of other borrowings		82,000,000	(50,000,000)
Net cash generated from financing activities		77,526,919	48,836,647
Net Decrease in Cash and Cash Equivalents		(12,693,287)	(52,447,665)
Cash and Cash Equivalents at Beginning of Year		15,129,568	67,577,233
Cash and Cash Equivalents at End of Year	19	2,436,281	15,129,568

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

Notes to the Financial Statements
30 September 2007

1. Corporate Information

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 principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 14. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 January 2008.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised Financial Reporting Standards ("FRSs") which are mandatory for financial periods beginning on or after 1 January 2006 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical basis.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

2. Significant Accounting Policies [contd.]

2.2 Summary of Significant Accounting Policies [contd.]

(a) Subsidiaries and Basis Consolidation [contd.]

(ii) Basis of Consolidation (contd.)
Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. Significant Accounting Policies [contd.]

2.2 Summary of Significant Accounting Policies [contd.]

(d) Other Intangible Assets

Other intangible assets represent the development costs incurred for computer software and other related expenses of the Group. Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful life of the Group's software development costs is assessed to be finite and amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

(e) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for vessels under construction are stated at cost less accumulated depreciation and any accumulated impairment losses.

Vessels under construction are not depreciated as these assets are not available for use. Depreciation of vessels under construction commences from the date of delivery of the vessels.

Depreciation of vessels in operation, property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	50 years
Furniture, fittings & motor vehicles	2 years to 10 years
Vessels and vessel equipment	5 years to 30 years
Containers and port equipment	10 years

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(f) Impairment of Non-financial Assets

The carrying amounts of assets, other than inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. Significant Accounting Policies [contd.]

2.2 Summary of Significant Accounting Policies [contd.]

(f) Impairment of Non-financial Assets [contd.]

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(g) Inventories

Inventories comprise bunker, lubricant, ship stores and spare parts held for own consumption and are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method and comprises the purchase price and other direct charges.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(h) 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) 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.

(ii) 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.

2. Significant Accounting Policies [contd.]

2.2 Summary of Significant Accounting Policies [contd.]

(h) Financial Instruments [contd.]

(iii) Trade payables

Trade payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(v) 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 incremental external 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.

(i) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Finance leases - the Group as lessee

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. Any initial direct costs are also added to the carrying amount of such assets.

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 in the profit or loss 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 in accordance with that for depreciable property, plant and equipment as described in Note 2.2(e).

(iii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

2. Significant Accounting Policies [contd.]

2.2 Summary of Significant Accounting Policies [contd.]

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) 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.

Deferred tax is provided for, using the liability method. 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 as income or an expense and included in the profit or loss for the period, 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 the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

The income of the Group derived from the operation 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.

(l) Drydocking Expenditure

Drydocking expenditure is capitalized and depreciated over a period of 5 years or the period until the next drydocking date, whichever is shorter.

(m) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees' Provident Fund ("EPF").

2. Significant Accounting Policies [contd.]

2.2 Summary of Significant Accounting Policies [contd.]

(n) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

2. Significant Accounting Policies [contd.]

2.2 Summary of Significant Accounting Policies [contd.]

(o) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Freight revenue

Freight revenue for cargoes loaded onto vessels up to the balance sheet date is accrued for in the financial statements.

(ii) Charter income

Income from vessels employed under charter hire and other related revenue are recognised on an accrual basis.

(iii) Revenue from services

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

(iv) Equipment rental income

Income from rental of equipment is recognised on an accrual basis.

(v) Sale of goods

Revenue is recognised upon transfer of significant risks and rewards of ownership to the buyer.

(vi) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(vii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

On 1 October 2006, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 117	Leases
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 124	Related Party Disclosures
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

Notes to the Financial Statements [contd.]

30 September 2007

2. Significant Accounting Policies [contd.]

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs [contd.]

At the date of authorisation of these financial statements, the Group and the Company have not adopted the following FRSs, Amendments and Revisions to FRSs and Interpretations which have effective dates as follows:

FRSs, Amendments and Revisions to FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 6: Exploration for the Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119_{2004}: Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investments in a Foreign Operation	1 July 2007
Revised FRS 107: Cash Flow Statements	1 July 2007
Revised FRS 111: Construction Contracts	1 July 2007
Revised FRS 112: Income Taxes	1 July 2007
Revised FRS 118: Revenue	1 July 2007
Revised FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
Revised FRS 134: Interim Financial Reporting	1 July 2007
Revised FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007
FRS 139: Financial Instruments - Recognition and Measurement	Effective date deferred

The above FRSs, Amendments and Revisions to FRSs and Interpretations are not expected to have any significant effects on the financial statements of the Group and the Company upon their initial application.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

The adoption of FRS 2, 5, 102, 108, 110, 117, 121, 124, 127, 128, 131, 132, 133 and 140 does not result in significant changes in accounting policies of the Group. The principal changes in accounting policies and their effects resulting from the adoption of the other new and revised FRSs are discussed below:

(a) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138. In accordance with the transitional provisions, FRS 3 has been applied for business combinations for which the agreement date is on or after 1 October 2006.

2. Significant Accounting Policies [contd.]

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs [contd.]

(a) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets [contd.]

(i) Accounting for acquisitions

Prior to 1 October 2006, the Group did not recognise separately the acquiree's contingent liabilities at the acquisition date as part of allocating the cost of a business combination. Upon the adoption of FRS 3, contingent liabilities are now separately recognised, provided their fair values can be measured reliably. In addition, the Group was previously allowed to recognise restructuring provisions in connection with an acquisition regardless of whether the acquiree had recognised such provisions. Upon the adoption of FRS 3, the Group is now permitted to recognise such provisions only when the acquiree has, at the acquisition date, an existing liability for restructuring recognised in accordance with FRS 137.

The change did not materially affect the financial statements of the Group and the Company.

(ii) Other intangible assets

Prior to 1 October 2006, all intangible assets were considered to have a finite useful life and were stated at cost less accumulated amortisation and impairment losses. Upon the adoption of FRS 138, the useful lives of intangible assets are now assessed at the individual asset level as having either a finite or indefinite life. Development costs are considered to have finite useful lives and therefore, continue to be stated at cost less accumulated amortisation and impairment losses.

This change has no impact on the Group's financial statements.

(b) FRS 101: Presentation of Financial Statements

Prior to 1 October 2006, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and equity. Upon the adoption of the revised FRS 101, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. A similar requirement is also applicable to the statement of changes in equity. The revised FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the year, showing separately the amounts attributable to equity holders of the Company and to minority interests.

Prior to 1 October 2006, the Group's share of taxation of associates accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statement. Upon the adoption of the revised FRS 101, the share of taxation of associates accounted for using the equity method are now included in the respective shares of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax.

These changes in presentation have been applied retrospectively and as disclosed in Note 2.3(e), certain comparatives have been restated. The effects on the consolidated balance sheet as at 30 September 2006 and consolidated income statement for the year ended 30 September 2007 are set out in Note 2.3(d)(i) and Note 2.3(d)(ii) respectively. These changes in presentation have no impact on the Company's financial statements.

(c) FRS 116: Property, Plant and Equipment

Prior to 1 October 2006, drydocking expenditure was recognised in profit or loss as incurred. Upon the adoption of FRS 116, drydocking expenditure is capitalised and depreciated over a period of 5 years or the period until the next drydocking date, whichever is shorter.

Because the revised accounting policy has been applied prospectively, the change has had no impact on amounts reported for the financial year ended 30 September 2006 or prior periods. The effects on the balance sheets as at 30 September 2007 and income statements for the year ended 30 September 2007 are set out in Note 2.3(d)(i) and Note 2.3(d)(ii) respectively.

Notes to the Financial Statements [contd.]

30 September 2007

2. Significant Accounting Policies [contd.]

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs [contd.]

(d) Summary of Effects of Adopting New and Revised FRS on the Current Year's Financial Statements

The following tables provide estimates of the extent to which each of the line items in the balance sheets and income statements for the year ended 30 September 2007 is higher or lower than it would have been had the previous policies been applied in the current year.

(i) Effects on balance sheet as at 30 September 2007

	Increase/(Decrease)		
Description of change	**FRS 101 Note 2.3(b)** RM	**FRS 116 Note 2.3(c)/2.4** RM	**Total** RM
Group			
Property, plant and equipment	-	23,794,255	23,794,255
Retained earnings	-	23,794,255	23,794,255
Minority interests	-	-	-
Total equity	80,334,232	23,794,255	104,128,487

(ii) Effects on income statement for the year ended 30 September 2007

	Increase/(Decrease)		
Description of change	**FRS 101 Note 2.3(b)** RM	**FRS 116 Note 2.3(c)/2.4** RM	**Total** RM
Group			
Cost of sales	-	(23,794,255)	(23,794,255)
Operating profit	-	23,794,255	23,794,255
Share of profit of associates	(70,333)	-	-
Profit before taxation	(70,333)	23,794,255	23,794,255
Income tax expense	(70,333)	-	-
Profit for the year	-	23,794,255	23,794,255
Basic earnings per share (sen)	-	2.2	2.2

(e) Restatement of comparatives

The following comparative amounts have been restated as a result of adopting the new and revised FRSs:

Description of change	**Previously Stated** RM	**Increase/ (Decrease) FRS 101 Note 2.3(b)** RM	**Restated** RM
For the year ended 30 September 2006			
Group			
Share of profit of associates	2,425,991	(35,082)	2,390,909
Profit before tax	23,947,711	(35,082)	23,912,629
Income tax expense	102,565	(35,082)	67,483

2. Significant Accounting Policies [contd.]

2.4 Changes in Estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group revised the estimated useful lives of certain vessels from 5 - 24 years to 5 - 30 years with effect from 1 October 2006. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charges of the Group for the current financial year have been reduced by RM16,818,000.

2.5 Significant Accounting Estimates and Judgements

(a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 30 September 2007 was RM84,617,272 (2006: RM69,410,532).

(ii) Impairment of development costs and property, plant and equipment

The Group's impairment test is based on a variety of estimation including the value-in-use of the CGU to which the development costs and property, plant and equipment are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of development costs (included within intangible assets) and property, plant and equipment of the Group as at 30 September 2007 was RM936,101 (2006: RM1,218,956) and RM496,433,764 (2006: RM285,990,916) respectively.

(iii) Depreciation of vessels

The cost of vessels is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these vessels to be between 30 and 38 years. Changes in the expected level of usage and regulations could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3. Revenue

	Group		Company	
	2007 RM	**2006** RM	**2007** RM	**2006** RM
Dividend income	-	-	12,000,000	10,002,430
Shipping & related activities	528,460,290	387,192,159	-	-
Trading activities	29,153,076	-	-	-
	557,613,366	387,192,159	12,000,000	10,002,430

Notes to the Financial Statements [contd.]

30 September 2007

4. Other Income

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Interest income	3,189,762	2,443,424	10,892,648	9,583,017
Insurance recovery	4,237,363	698,722	-	-
Gain on disposal of property, plant and equipment	447,589	27,513	-	-
Realised foreign exchange gain	218,484	-	-	-
Dividend income	-	8,033	-	-
Miscellaneous	323,131	70,961	-	39,070
	8,416,329	3,248,653	10,892,648	9,622,087

5. Finance Costs

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Interest expense on:				
Borrowings	6,309,857	3,360,112	3,007,364	1,888,952
Islamic Private Debt Securities	10,892,272	7,860,997	10,892,272	7,860,997
	17,202,129	11,221,109	13,899,636	9,749,949

6. Profit Before Tax

The following amounts have been included in arriving at profit before tax:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Employee benefits expense (Note 7)	42,299,230	32,068,289	118,933	99,006
Non-executive directors' remuneration (Note 8)	612,247	507,800	60,000	60,000
Auditors' remuneration:				
Statutory audits				
- current year	312,362	180,427	22,000	16,500
- underprovision in prior year	36,440	27,805	1,500	3,000
Amortisation of intangible assets	481,319	406,318	-	-
Charter hire of vessels	51,757,028	38,737,428	-	-
Depreciation of property, plant and equipment (Note 12)	22,110,453	30,756,642	2,001	2,402
Rental of premises	1,258,063	1,009,676	48,000	48,000
Bad debts written off	546,595	88,099	-	-
Incorporation expenses written off	5,000	-	-	-
Inventories written off/back	(592,464)	592,464	-	-
Property, plant and equipment written off	652	-	-	-
Provision for doubtful debts, net of recoveries	5,737,801	904,000	-	1,243,942
(Gain)/loss on disposal of property, plant and equipment	(447,589)	(27,513)	-	-
Foreign exchange losses:				
- realised	1,643,703	596,485	-	-
- unrealised	374,254	2,621,234	5,841,982	1,869,700

7. Employee Benefits Expense

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Wages and salaries	37,804,199	28,333,485	107,863	88,675
Contributions to defined contribution plan	1,439,450	1,139,153	10,992	10,306
Social security contributions	93,167	87,099	-	-
Other staff related expenses	2,962,414	2,508,552	78	25
	42,299,230	32,068,289	118,933	99,006

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM2,166,224 (2006: RM775,160) and RM10,000 (2006: RM10,000) respectively as further disclosed in Note 8.

8. Directors' Remuneration

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Executive directors' remuneration (Note 7):				
Fees	49,424	49,400	10,000	10,000
Other emoluments	2,116,800	725,760	-	-
	2,166,224	775,160	10,000	10,000
Non-executive directors' remuneration (Note 6)				
Fees	141,847	141,800	60,000	60,000
Other emoluments	470,400	366,000	-	-
	612,247	507,800	60,000	60,000
Total directors' remuneration (Note 30(b))	2,778,471	1,282,960	70,000	70,000
Estimated money value of benefits-in-kind	47,950	-	-	-
	2,826,421	1,282,960	70,000	70,000

Notes to the Financial Statements [contd.]

30 September 2007

8. Directors' Remuneration [contd.]

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Executive:				
Salaries and other emoluments	721,800	617,760	-	-
Fees	49,424	49,400	10,000	10,000
Bonus	135,000	108,000	-	-
	906,224	775,160	10,000	10,000
Non-executive:				
Fees	125,424	127,400	60,000	60,000
Other emoluments	470,400	366,000	-	-
	595,824	493,400	60,000	60,000
	1,502,048	1,268,560	70,000	70,000

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	
	2007	2006
Executive directors:		
RM750,001 - RM800,000	-	1
RM900,001 - RM950,000	1	-
Non-executive directors:		
Below RM50,000	4	4
RM400,001 - RM450,000	-	1
RM500,001 - RM550,000	1	-

9. Income Tax Expense

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Current income tax:				
Malaysian income tax	2,868,594	-	-	-
Under/(over) provision in prior years:				
Malaysian income tax	-	(1,700)	-	-
Foreign tax	2,065	454	-	-
	2,065	(1,246)	-	-
	2,870,659	(1,246)	-	-
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	2,911,447	60,849	-	-
Relating to reduction in income tax rate	(4,782)	-	-	-
Underprovision in prior years	76,920	7,880	-	-
	2,983,585	68,729	-	-
Total income tax expense	5,854,244	67,483	-	-

9. Income Tax Expense [contd.]

Domestic current income tax is calculated at the Malaysian statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The statutory tax rate will be reduced to 26% effective year of assessment 2008. The computation of deferred tax as at 30 September 2007 has reflected these changes. Taxation 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:

	2007 RM	2006 RM
Group		
Profit before tax	51,073,476	23,912,629
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	13,789,839	6,695,536
Effect of income subject to tax rate of 20%	(126,090)	-
Effect of reduction in tax rate	(4,782)	-
Income not subject to tax	(21,914,126)	(26,324,419)
Expenses not deductible for tax purposes	9,352,305	15,602,653
Effect of utilisation of previously unrecognised capital allowances	(8,715)	-
Deferred tax assets not recognised in respect of current year's tax losses	4,686,828	4,087,079
Underprovision of deferred tax in prior years	76,920	7,880
Under/(over) provision of tax expense in prior years	2,065	(1,246)
Income tax expense for the year	5,854,244	67,483
Company		
Profit before taxation	2,003,261	5,102,543
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	540,880	1,428,712
Income not subject to tax	(3,240,000)	(2,800,000)
Expenses not deductible for tax purposes	2,699,120	1,371,288
Income tax expense for the year	-	-

10. Earnings Per Share

(a) Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	Group 2007	 2006
Profit attributable to ordinary equity holders of the Company (RM)	35,763,029	23,845,146
Weighted average number of ordinary shares in issue	1,085,383,044	1,085,255,913
Basic earnings per share (sen)	3.3	2.2

(b) There is no diluted earnings per share as the Company does not have any potential ordinary shares outstanding as at 30 September 2007.

11. Dividends

	Dividends in respect of Year		Dividends recognised in Year	
	2007	2006	2007	2006
	RM	RM	RM	RM
Recognised during the year:				
First and final dividend for 2006:				
3% tax exempt dividend, on 155,546,710 ordinary shares (3.0 sen per ordinary share)	-	4,643,433	4,643,433	-

12. Property, Plant and Equipment

Group	Buildings	Furniture, Fittings & Motor Vehicles	Plant & Machinery	Vessels & Vessel Equipment	Containers & Port Equipment	Total
	RM	RM	RM	RM	RM	RM
At 30 September 2007						
Cost						
At 1 October 2006	344,601	10,641,299	-	410,035,427	20,880,830	441,902,157
Additions	-	1,955,344	296,779	142,882,953	45,918	145,180,994
Disposals	(344,601)	(421,319)	-	(7,211,459)	-	(7,977,379)
Acquisition of a subsidiary (Note 14)	-	2,546,727	3,922,065	100,314,044	-	106,782,836
Exchange differences	-	(18,431)	-	-	-	(18,431)
Reclassification	-	(79,500)	-	-	-	(79,500)
Write-off	-	(783)	-	-	-	(783)
At 30 September 2007	-	14,623,337	4,218,844	646,020,965	20,926,748	685,789,894
Accumulated Depreciation						
At 1 October 2006	67,197	6,773,344	-	135,781,021	13,289,679	155,911,241
Depreciation charge for the year:						
Recognised in profit or loss (Note 6)	4,595	950,867	345,613	18,716,321	2,093,057	22,110,453
Disposals	(71,792)	(421,320)	-	-	-	(493,112)
Acquisition of a subsidiary (Note 14)	-	1,693,739	950,100	9,230,567	-	11,874,406
Exchange differences	-	(8,964)	-	-	-	(8,964)
Reclassification	-	(37,763)	-	-	-	(37,763)
Write-off	-	(131)	-	-	-	(131)
At 30 September 2007	-	8,949,772	1,295,713	163,727,909	15,382,736	189,356,130
Net Carrying Amount	-	5,673,565	2,923,131	482,293,056	5,544,012	496,433,764

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12. Property, Plant and Equipment [contd.]

Group [contd.]	Buildings RM	Furniture, Fittings & Motor Vehicles RM	Vessels & Vessel Equipment RM	Containers & Port Equipment RM	Total RM
At 30 September 2006					
Cost					
At 1 October 2005	344,601	9,264,647	281,167,597	20,880,830	311,657,675
Additions	-	1,814,085	128,867,830	-	130,681,915
Disposals	-	(476,093)	-	-	(476,093)
Exchange differences	-	38,660	-	-	38,660
At 30 September 2006	344,601	10,641,299	410,035,427	20,880,830	441,902,157
Accumulated Depreciation					
At 1 October 2005	60,305	5,753,101	108,560,447	11,201,596	125,575,449
Depreciation charge for the year:					
Recognised in profit or loss (Note 6)	6,892	1,441,093	27,220,574	2,088,083	30,756,642
Disposals	-	(441,519)	-	-	(441,519)
Exchange differences	-	20,669	-	-	20,669
At 30 September 2006	67,197	6,773,344	135,781,021	13,289,679	155,911,241
Net Carrying Amount	277,404	3,867,955	274,254,406	7,591,151	285,990,916

Company	Furniture & Fittings RM
At 30 September 2007	
Cost	
At 1 October 2006/30 September 2007	98,108
Accumulated Depreciation	
At 1 October 2006	92,335
Depreciation charge for the year:	
Recognised in profit or loss (Note 6)	2,001
At 30 September 2007	94,336
Net Carrying Amount	3,772

12. Property, Plant and Equipment [contd.]

Company [contd.]

	Furniture & Fittings RM
At 30 September 2006	
Cost	
At 1 October 2005/30 September 2006	98,108
Accumulated Depreciation	
At 1 October 2005	89,933
Depreciation charge for the year:	
Recognised in profit or loss (Note 6)	2,402
At 30 September 2006	92,335
Net Carrying Amount	5,773

(a) During the financial year, the Group acquired property, plant and equipment at the aggregate cost of RM145,180,994 (2006: RM130,681,915), of which RM911,000 (2006: RM360,000) were acquired by means of finance lease arrangements. Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group 2007 RM	Group 2006 RM
Furniture, fittings & motor vehicles	1,707,930	1,071,255

(b) The net carrying amount of property, plant and equipment pledged (together with legal assignment of contract proceeds of certain long-term shipping contracts as well as hull and marine insurances) for borrowings as referred to in Note 23 are as follows:

	Group 2007 RM	Group 2006 RM
Vessels and vessel equipment	276,406,036	208,029,659

13. Intangible Assets

	Goodwill RM	Software Development Costs RM	Total RM
Group			
Cost			
At 1 October 2005 / 30 September 2006	69,410,532	2,031,592	71,442,124
Additions - internal development	-	156,727	156,727
- reclassification	-	79,500	79,500
Acquisition of subsidiary (Note 14(a))	15,206,740	-	15,206,740
At 30 September 2007	84,617,272	2,267,819	86,885,091

13. Intangible Assets [contd.]

	Goodwill RM	Software Development Costs RM	Total RM
Group [contd.]			
Accumulated Amortisation and Impairment			
At 1 October 2005	-	406,318	406,318
Amortisation (Note 6)	-	406,318	406,318
At 30 September 2006	-	812,636	812,636
Amortisation (Note 6)	-	481,319	481,319
Reclassification	-	37,763	37,763
At 30 September 2007	-	1,331,718	1,331,718
Net Carrying Amount			
At 30 September 2007	84,617,272	936,101	85,553,373
At 30 September 2006	69,410,532	1,218,956	70,629,488

14. Investments in Subsidiaries

	Company 2007 RM	Company 2006 RM
Unquoted shares at cost:		
In Malaysia	249,039,864	162,300,001
Outside Malaysia	9	8
	249,039,873	162,300,009
Less: Accumulated impairment losses	(999,999)	(999,999)
	248,039,874	161,300,010

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest (%) 2007	2006	Principal Activities
Held by the Company:				
EM Container Line Sdn. Bhd.	Malaysia	100	100	) Ship owner and
EM Line Sdn. Bhd.	Malaysia	100	100	) charterer
EM Shipping Sdn. Bhd.	Malaysia	100	100	Shipping agent
EM Carriers Sdn. Bhd.	Malaysia	100	100	Shipping
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 2007

14. Investments in Subsidiaries [contd.]

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest (%) 2007	2006	Principal Activities
Held by the Company: [contd.]				
Grand Dragon Overseas Ltd	British Virgin Islands	100	100	Vessel chartering and containerised shipping
Chatlink Sdn. Bhd.	Malaysia	100	100	)
Hub Continental Shipping Sdn. Bhd.	Malaysia	100	100	) Ship owner and charterer
Hub Explorer Sdn. Bhd.	Malaysia	100	100	)
Hub Fleet Sdn. Bhd.	Malaysia	100	100	)
Hub Shipping Sdn. Bhd.	Malaysia	100	100	Provision of marine cargo handling and shipping services
Hub Warrior Sdn. Bhd.	Malaysia	100	100	)
Ozlink Sdn. Bhd.	Malaysia	100	100	) Ship owner and charterer
Patimico Sdn. Bhd.	Malaysia	100	100	)
Highline Shipping Sdn. Bhd. *	Malaysia	50.23	-	Shipping
Malaform Sdn. Bhd.	Malaysia	100	-	Shipping
Hub Shipping (PNG) Co. Limited	Papua New Guinea	100	-	Shipping
Held Through Subsidiaries:				
Subsidiary of Wonder Link Sdn. Bhd.				
Hub Marine Pte. Ltd. *	Singapore	100	100	Shipping agent
Subsidiaries of Highline Shipping Sdn. Bhd.				
Many Plus Enterprise Sdn. Bhd.*	Malaysia	50.23	-	Sales
Many Plus Engineering Sdn. Bhd.*	Malaysia	50.23	-	Sales and Services
Many Plus Maritime Sdn. Bhd.*	Malaysia	50.23	-	Dormant
Ever Line Shipping Co. Ltd.*	British Virgin Islands	50.23	-	Dormant
Ever Line Shipping Sdn. Bhd.*	Malaysia	50.23	-	Shipping and shipping management services
Highline Asia Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Bulk Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Carrier Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Delta Sdn. Bhd.*	Malaysia	50.23	-	Shipping

14. Investments in Subsidiaries [contd.]

Held Through Subsidiaries: [contd.]

Subsidiaries of Highline Shipping Sdn. Bhd. [contd.]

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest (%) 2007	2006	Principal Activities
Highline Equity Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Fortune Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Glory Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Harbour Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Integrated Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Jade Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Kinetic Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Logistics Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Mariner Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Navigators Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Oceanic Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Pacific Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Quest Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Reliance Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Strategic Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Trader Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Union Sdn. Bhd.*	Malaysia	50.23	-	Shipping
Highline Vision Sdn. Bhd.*	Malaysia	50.23	-	Shipping

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

(a) Acquisition of Subsidiaries

On 13 February 2007, the Company acquired 100% equity interest in Malaform Sdn. Bhd., a company incorporated in Malaysia and involved in shipping, for a total cash consideration of RM2.00.

On 30 March 2007, the Company acquired 50.23% equity interest in Highline Shipping Sdn. Bhd., a company incorporated in Malaysia and involved in shipping.

14. Investments in Subsidiaries [contd.]

(a) Acquisition of Subsidiaries [contd.]

The cost of acquisition comprises the following:

	RM
Purchase consideration satisfied by cash	86,625,003
Costs attributable to the acquisition, paid in cash	114,861
Total cost of acquisition	86,739,864

The acquired subsidiaries have contributed the following results to the Group:

	2007 RM
Revenue	67,966,527
Profit for the year	9,543,602

If the acquisition had occurred on 1 October 2006, the Group's revenue and profit for the year would have been RM630,221,000 and RM38,033,000 respectively.

The assets and liabilities arising from the acquisition are as follows:

	RM
Property, plant and equipment (Note 12)	94,908,430
Inventories	4,004,925
Trade and other receivables	41,204,702
Cash and bank balances	51,472,339
	191,590,396
Trade and other payables	11,413,295
Borrowings	21,376,017
Deferred tax liabilities (Note 26)	15,503,205
Current tax payable	886,726
	49,179,243
Net assets at cost	142,411,155
Less: Minority interests	(70,878,029)
Group's share of net assets	71,533,124
Goodwill on acquisition (Note 13)	15,206,740
Total cost of acquisition	86,739,864

The fair value of the assets and liabilities arising from the acquisition approximates that of the acquiree's carrying amount as at the date of the acquisition.

14. Investments in Subsidiaries [contd.]

(a) Acquisition of Subsidiaries [contd.]

The cash outflow on acquisition is as follows:

	2007 RM
Purchase consideration satisfied by cash	86,625,003
Costs attributable to the acquisition, paid in cash	114,861
Total cash outflow of the Company	86,739,864
Cash and cash equivalents of subsidiary acquired	(51,472,339)
Net cash outflow of the Group	35,267,525

(b) **There were no acquisitions subsequent to 30 September 2007.**

15. Investments in Associates

	Group	
	2007 RM	**2006** RM
Outside Malaysia:		
Quoted shares at cost	30,018,056	30,018,056
Share of post-acquisition reserves	3,579,781	5,327,108
	33,597,837	35,345,164
Unquoted shares at cost	32,904,735	32,904,735
Share of post-acquisition reserves	4,186,122	7,903,532
	37,090,857	40,808,267
Total shares	70,688,694	76,153,431
Quoted warrants	-	-
	70,688,694	76,153,431
Market value:		
- quoted shares	13,360,488	17,358,296
- quoted warrants	3,288,642	4,719,377

Details of the associates are as follows:

Name of Associates	**Country of Incorporation**	**Proportion of Ownership Interest (%) 2007**	**2006**	**Principal Activities**
Held Through Subsidiaries:				
Bangpakong Terminal Public Company Limited *	Thailand	18.5	21.0	Domestic port and related services
Platinum Container Lines Co., Ltd.	Thailand	44.0	44.0	Shipping and marine cargo handling

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

Notes to the Financial Statements [contd.]
30 September 2007

15. Investments in Associates [contd.]

The summarised financial information of the associates are as follows:

	2007 RM'000	2006 RM,000
Assets and Liabilities		
Current assets	17,685	42,029
Non-current assets	347,981	363,710
Total assets	365,666	405,739
Current liabilities	57,879	66,622
Non-current liabilities	87,113	111,349
Total liabilities	144,992	177,971
Results		
Revenue	64,070	40,629
(Loss)/profit for the year	(10,262)	909

16. Amount due from Subsidiaries

	Company	
	2007 RM	2006 RM
Amount due from subsidiaries	283,322,051	279,370,054
Less: Provision for doubtful debts	(3,223,554)	(3,223,554)
	280,098,497	276,146,500

The amount due from subsidiaries of the Company are unsecured and have no fixed terms of repayment. A certain portion of the amount bore interest of between 3.6% and 8.1% (2006: 3.5% and 8.1%) per annum.

Further details on related party transactions are disclosed in Note 30.

17. Inventories

	Group	
	2007 RM	2006 RM
Consumables, at cost	36,259,523	23,988,354

18. Trade and Other Receivables

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Current				
Trade receivables				
Third parties	117,428,919	99,011,669	-	-
Less: Provision for doubtful debts	(11,578,633)	(5,840,832)	-	-
Trade receivables, net	105,850,286	93,170,837	-	-

18. Trade and Other Receivables [contd.]

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Other receivables				
Amount due from related parties:				
Associates	6,248,608	6,753,593	-	-
Subsidiaries of associate	21,442,394	13,810,344	-	-
Related companies	51,054	-	-	-
	27,742,056	20,563,937	-	-
Deposits	1,155,352	782,746	10,400	9,900
Prepayments	5,889,012	471,259	1,393	-
Interest receivable	90,741	200,000	71,384	-
Sundry receivables	1,796,000	5,055,425	-	136,696
Tax recoverable	5,726,237	660,869	5,299	4,418
	42,399,398	27,734,236	88,476	151,014
	148,249,684	120,905,073	88,476	151,014
Non-Current				
Other receivables				
Advance payment for bareboat charter	5,011,230	-	-	-

The Group's primary exposure to credit risk arises through its trade receivables. The Group's normal credit term is 30 to 90 days. Other credit terms are assessed and approved on case-by-case basis. In view the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

The amounts due from the associates and subsidiaries and advance payment for bareboat charter are unsecured, non-interest bearing and have no fixed terms of repayment.

Other information on financial risks of receivables are disclosed in Note 31.

Further details on related party transactions are disclosed in Note 30.

19. Cash and Cash Equivalents

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Cash on hand and at banks	18,985,048	7,257,123	296,967	60,879
Deposits with licensed banks	68,862,340	78,051,976	2,992,500	15,068,689
Deposits with licensed finance company	-	348,946	-	-
Cash and bank balances	87,847,388	85,658,045	3,289,467	15,129,568
Bank overdrafts (Note 23)	(2,882,168)	(934,079)	(853,186)	-
Cash and cash equivalents	84,965,220	84,723,966	2,436,281	15,129,568

(a) The Company's cash at bank amounting to RM35,831 (2006: RM47,390) have been deposited with a financial institution for the purpose of interest repayment obligations and working capital utilisation in relation to the Company's Islamic Private Debt Securities as mentioned in Note 23.

(b) The Company's deposits with licensed banks amounting to RM2,742,500 (2006: RM2,701,245) have been deposited with licensed banks and financial institutions for the purpose of interest repayment obligations in relation to the Company's Islamic Private Debt Securities as mentioned in Note 23.

(c) The Group's deposits with licensed banks and finance company amounting to RM564,508 (2006: RM667,005) have been pledged for credit facilities granted as referred to in Note 23.

(d) Other information on financial risks of cash and cash equivalents are disclosed in Note 31.

Notes to the Financial Statements [contd.]
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20. Share Capital, Share Premium and Treasury Shares

	Number of Ordinary Shares		Amount			
	Share Capital (Issued and Fully Paid) RM	Treasury Shares RM	Share Capital (Issued and Fully Paid) RM	Share Premium RM	Total Share Capital and Share Premium RM	Treasury Shares RM
At 1 October 2005						
Shares of RM1 each	155,546,710	-	155,546,710	66,845,342	222,392,052	-
Treasury shares purchased	-	(765,600)	-	-	-	(1,157,479)
Transaction costs	-	-	-	-	-	(5,874)
At 30 September 2006 and 1 October 2006						
Shares of RM1 each	155,546,710	(765,600)	155,546,710	66,845,342	222,392,052	(1,163,353)
Ordinary shares issued during the year pursuant to:						
Share split	622,186,840	-	-	-	-	-
Bonus issue	311,093,420	-	62,218,684	(62,218,684)	-	-
Treasury shares:						
Sold	-	765,600	-	745,027	745,027	1,163,353
Purchased	-	(2,890,000)	-	-	-	(1,725,041)
Transaction costs	-	-	-	(7,112)	(7,112)	(5,875)
At 30 September 2007						
Shares of RM0.20 each	1,088,826,970	(2,890,000)	217,765,394	5,364,573	223,129,967	(1,730,916)

Authorised Share Capital

	Amount RM
At 30 September 2006	
500,000,000 ordinary shares of RM1 each	500,000,000
At 30 September 2007	
2,500,000,000 ordinary shares of RM0.20 each	500,000,000

During the financial year, the Company altered its authorised share capital of RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each into RM500,000,000 comprising 2,500,000,000 ordinary shares of RM0.20 each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(a) Share Split and Bonus Issue

During the financial year, the Company completed the share split of one existing ordinary share of par value RM1.00 each into five ordinary shares of par value RM0.20 each (resulting in the increase in number ordinary shares issued to 777,733,550 shares), and the bonus issue of 311,093,420 new ordinary shares of RM0.20 each on the basis of two bonus shares for every five ordinary shares held after the above-mentioned share split. The bonus issue was effected by way of capitalisation of the Company's share premium account amounting to RM62,218,684. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

20. Share Capital, Share Premium and Treasury Shares [contd.]

(b) Treasury Shares

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by a special resolution passed in a general meeting held on 27 March 2007, renewed their approval of the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 2,890,000 of its issued ordinary shares from the open market at an average price of RM0.60 per share. The total consideration paid for the repurchase including transaction costs was RM1,730,916 comprising of consideration paid amounting to RM1,725,041 and transaction costs of RM5,875. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 1,088,826,970 (2006: 155,546,710) issued and fully paid ordinary shares as at 30 September 2007, 2,890,000 (2006: 765,600) are held as treasury shares by the Company. As at 30 September 2007, the number of outstanding ordinary shares in issue after the set off is therefore 1,085,936,970 ordinary shares of RM0.20 each (2006: 154,781,110 ordinary shares of RM1.00 each).

21. Foreign Currency Translation Reserve

	Group RM
At 1 October 2005	487,709
Foreign currency translation:	
Group	1,019,306
At 30 September 2006	1,507,015
Foreign currency translation:	
Group	(1,498,411)
At 30 September 2007	8,604

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

22. Retained Earnings

As at 30 September 2007, the Company has tax-exempt profits available for distribution of approximately RM29,130,000 (2006: RM21,773,000), 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 earnings as at 30 September 2007.

Notes to the Financial Statements [contd.]
30 September 2007

23. Borrowings

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Short Term Borrowings				
Secured:				
Bank overdrafts	2,882,168	934,079	853,186	-
Bills payable and bankers' acceptance	15,263,772	11,940,582	-	-
Onshore foreign currency loan	11,902,528	5,890,791	-	-
Revolving credits	29,000,000	18,000,000	-	-
Term loans	62,019,634	250,048	49,895,897	-
Loan from a third party	-	11,295,505	-	-
Hire purchase liabilities (Note 24)	366,022	271,950	-	-
	121,434,124	48,582,955	50,749,083	-
Unsecured:				
Bank overdrafts	-	-	-	-
Revolving credits	2,000,000	2,000,000	-	-
	2,000,000	2,000,000	-	-
	123,434,124	50,582,955	50,749,083	-
Long Term Borrowings				
Secured:				
Murabahah Commercial Papers	150,000,000	150,000,000	150,000,000	150,000,000
Bai' Bithaman Ajil Islamic Debt Securities	70,000,000	70,000,000	70,000,000	70,000,000
Less: Unamortised discount	(3,045,153)	(1,483,373)	(3,045,153)	(1,483,373)
	216,954,847	218,516,627	216,954,847	218,516,627
Term loans	49,632,557	-	32,104,103	-
Hire purchase and finance lease payables (Note 24)	801,039	218,939	-	-
	267,388,443	218,735,566	249,058,950	218,516,627
Total Borrowings				
Murabahah Commercial Papers	150,000,000	150,000,000	150,000,000	150,000,000
Bai' Bithaman Ajil Islamic Debt Securities	70,000,000	70,000,000	70,000,000	70,000,000
Less: Unamortised discount	(3,045,153)	(1,483,373)	(3,045,153)	(1,483,373)
	216,954,847	218,516,627	216,954,847	218,516,627
Bank overdrafts (Note 19)	2,882,168	934,079	853,186	-
Bills payable and bankers' acceptance	15,263,772	11,940,582	-	-
Onshore foreign currency loan	11,902,528	5,890,791	-	-
Revolving credits	31,000,000	20,000,000	-	-
Term loans	111,652,191	250,048	82,000,000	-
Loan from a third party	-	11,295,505	-	-
Hire purchase and finance lease payables (Note 24)	1,167,061	490,889	-	-
	390,822,567	269,318,521	299,808,033	218,516,627

23. **Borrowings** [contd.]

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

(i) Vessels and vessel equipment of the Group as disclosed in Note 12;

(ii) Assignment of contract proceeds of certain long-term shipping contracts and insurances of certain vessels of the Group;

(iii) Deposits with licensed banks and finance company of the Group as disclosed in Note 19;

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

On 17 October 2005, the Company entered into agreement with Affin Investment Bank Berhad and various parties to raise RM150 million MCP/MMTN. RM150 million has been fully issued in the form of MCP, the proceeds of which were utilised to finance the settlement of vessels and for working capital.

The MCP/MMTN will expire five to seven years from the date of first issue i.e. 24 November 2005. The tender rates for the MCP ranged between 3.5% and 3.9% (2006: 3.5% and 4.4%) per annum.

The MCP/MMTN are secured by third party charges over certain vessels owned by the Group as mentioned in Note 12, as well as certain of the Company's bank balances and deposits with licensed banks mentioned in Note 19, together with assignment of contract proceeds of long-term shipping contracts and insurances of certain vessels of the Group.

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

Settlement date	**Amount to be settled** RM
24 November 2010	40,000,000
24 November 2011	50,000,000
24 November 2012	60,000,000
	150,000,000

(c) Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS")

On 12 December 2005, the Company entered into agreement with Affin Investment Bank Berhad and various parties to raise RM70 million BaIDS.

The BaIDS will expire six to seven years from the date of first issue ie. 23 December 2005. The profit rates for the BaIDS ranged between 7.6% and 8.1% (2006: 7.6% and 8.1%) per annum.

The BaIDS are secured by third party charges over certain vessels owned by the Group as mentioned in Note 12, as well as certain of the Company's bank balances and deposits with licensed banks mentioned in Note 19, together with assignment of contract proceeds of long-term shipping contracts and insurances of certain vessels of the Group.

The amount and settlement dates of the BaIDS are as follows:

Settlement date	**Amount to be settled** RM
23 December 2011	30,000,000
23 December 2012	40,000,000
	70,000,000

Other information on financial risks of borrowings are disclosed in Note 31.

24. Hire Purchase and Finance Lease Liabilities

	Group	
	2007	**2006**
	RM	RM
Future minimum lease payments:		
Not later than 1 year	410,664	295,715
Later than 1 year and not later than 2 years	327,514	232,050
Later than 2 years and not later than 5 years	531,055	-
Total future minimum lease payments	1,269,233	527,765
Less: Future finance charges	(102,172)	(36,876)
Present value of finance lease liabilities (Note 23)	1,167,061	490,889
Analysis of present value of finance lease liabilities:		
Not later than 1 year	366,022	271,950
Later than 1 year and not later than 2 years	299,077	122,043
Later than 2 years and not later than 5 years	501,962	96,896
	1,167,061	490,889
Less: Amount due within 12 months (Note 23)	(366,022)	(271,950)
Amount due after 12 months (Note 23)	801,039	218,939

The Group has hire purchase contracts for various items of property, plant and equipment (Note 12(a)). There are no restrictions placed upon the Group by entering into these hire purchase contracts and no arrangements have been entered into for contingent rental payments. Hire purchase is effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Other information of financial risks of hire purchase liabilities are disclosed in Note 31.

25. Trade and Other Payables

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM	RM	RM	RM
Current				
Trade payables				
Third parties	31,484,481	15,242,517	-	-
Other payables				
Amount due to directors	591,690	522,895	70,000	70,000
Charter hire revenue received in advance	62,689	1,403,497	-	-
Vessel management received in advance	79,681	-	-	-
Sundry payables	3,440,691	2,068,347	1,767	1,767
Accruals	2,967,777	4,290,715	1,540,335	1,574,700
	7,142,528	8,285,454	1,612,102	1,646,467
	38,627,009	23,527,971	1,612,102	1,646,467

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 90 days.

25. Trade and Other Payables [contd.]

(b) Amount due to directors

The amount due to directors is unsecured, non-interest bearing and has no fixed terms of repayment.

Further details on related party transactions are disclosed in Note 30.

Other information on financial risks of payables are disclosed in Note 31.

26. Deferred Tax

	Group 2007 RM	Group 2006 RM
At 1 October	10,761	79,490
Recognised in income statement (Note 9)	(2,983,585)	(68,729)
Acquisition of subsidiary (Note 14(a))	(15,503,205)	-
At 30 September	(18,476,029)	10,761
Presented after appropriate offsetting as follows:		
Deferred tax assets	21,342	34,606
Deferred tax liabilities	(18,497,371)	(23,845)
	(18,476,029)	10,761

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:

	Property, Plant and Equipment RM
At 1 October 2006	23,845
Recognised in income statement	2,970,321
Acquisition of subsidiary	15,503,205
At 30 September 2007	18,497,371
At 1 October 2005	10,043
Recognised in income statement	13,802
At 30 September 2006	23,845

Deferred Tax Assets of the Group:

	Unabsorbed Capital Allowances RM
At 1 October 2006	34,606
Recognised in income statement	(13,264)
At 30 September 2007	21,342
At 1 October 2005	89,533
Recognised in income statement	(54,927)
At 30 September 2006	34,606

Notes to the Financial Statements [contd.]
30 September 2007

26. Deferred Tax [contd.]

Deferred Tax Assets of the Group: [contd.]

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

	Group		Company	
	2007 RM	**2006** RM	**2007** RM	**2006** RM
Unused tax losses	66,714,000	49,733,000	642,000	642,000
Unabsorbed capital allowances	3,680,000	4,642,000	-	1,256,000
Unutilised reinvestment allowance	-	60,000	-	60,000
	70,394,000	54,435,000	642,000	1,958,000

The availability of the unused tax losses, unabsorbed capital allowances and unutilised reinvestment allowance for offset against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under Section 44(5A) and 5(B) of the Income Tax Act, 1967.

27. Operating Lease Arrangements

The Group has entered into non-cancellable operating lease agreements for the use of vessels. The leases have lives of 9 to 10 years with no renewal or purchase option included in the contract.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	Group	
	2007 RM	**2006** RM
Future minimum rental payments:		
Not later than 1 year	20,243,635	8,001,165
Later than 1 year and not later than 5 years	57,020,298	30,134,920
Later than 5 years	69,867,370	30,202,250
	147,131,303	68,338,335

28. Capital Commitments

	Group	
	2007 RM	**2006** RM
Capital expenditure	26,053,000	227,000

29. Contingent Liabilities

	Group		Company	
	2007 RM	**2006** RM	**2007** RM	**2006** RM
(a) Unsecured corporate guarantees given to banks for credit facilities granted to subsidiaries	-	-	65,512,946	44,933,504
(b) Share of contingent liabilities of associates	7,760,042	11,497,804	-	-

29. Contingent Liabilities [contd.]

(c) A claim has been made by Nobel Shipping Inc. ("NSI"), a company incorporated in the British Virgin Islands, against a subsidiary, Highline Shipping Sdn. Bhd. ("Highline Shipping") pursuant to a Contract of Affreightment dated 13 October 2003 for 14 shipments of coal which was subsequently extended by agreement, whereby Highline Shipping was to undertake 42 shipments of coal for NSI. The claim is for damages arising out of 25 shipments of coal being undertaken by Highline Shipping out of the total contracted 42 shipments. The claim by NSI for replacement voyages, amounting to USD545,000 plus interest and cost. Highline Shipping is counterclaiming for demurrage and detention in the amount of approximately USD46,700.

Arbitrators have been appointed by both parties in Singapore. Claims Submissions in arbitration has been served and Highline Shipping has served a defence and counter claim. Reply submissions have also been served. Disclosure of documents is fixed for 25 January 2008 and witness statements and any exports' reports exchanged by 14 March 2008.

The Board is of the view that the above claim does not have any material financial impact on the Group as it has obtained a letter of indemnity dated 31 January 2007 from a director of Highline Shipping, who has confirmed that he will be fully responsible for the potential liability for the amount claimed under the above claim by NSI and further undertook to fully indemnity the Company for any financial loss in the event Highline Shipping is not successful in the above claim.

(d) There is a potential claim by the owners of a third party vessel against a subsidiary, Highline Pacific Sdn. Bhd. ("Highline Pacific") for the amount of USD1.2 million for loss of hire and USD65,000 for hull damage arising from the collision of barge "Everline 7" on 7 September 2007 with a third party vessel. "Everline 7" is currently insured for hull and machinery for RM4.4 million and lawyers have been engaged by the underwriters of the insurance policy for Highline Pacific and the underwriters. A limitation action has been filed by the said lawyers in the Malaysian courts pursuant to the 1957 International Convention relating to the Limitation of the Liability of Owners of Sea-Going Ships and Protocol of Singapore which would allow Highline Pacific to limit its liability to approximately RM35,000.

The Board is of the opinion that the claim does not have any material financial impact on the Group as it is sufficiently insured.

(e) In year 2002, a subsidiary, Many Plus Maritime Sdn. Bhd. ("MP Maritime") filed a suit against a customer to recover an outstanding sum of RM193,900 owing by the customer in respect of freight and storage charges. The customer has since in March 2007 counterclaimed against MP Maritime the sum of RM1.17 million and interest of 8% per annum thereon as loss suffered as a result of the alleged failure of MP Maritime to release the shipment of consignments. This suit was fixed for trial on 4 January 2008. Thereafter the Court adjourned the matter for continuation of trial on 25-26 February 2008.

The Board is of the opinion that MP Maritime has a strong case and the counterclaim by this customer will not be successful.

30. Related Party Disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	Company	
	2007	**2006**
	RM	RM
Subsidiaries:		
Dividend income	12,000,000	10,000,000
Interest income	10,635,619	7,860,997
Acquisition of subsidiaries	-	16,200,000

Notes to the Financial Statements [contd.]
30 September 2007

30. Related Party Disclosures [contd.]

(b) Compensation of key management personnel

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Short-term employee benefits	3,915,536	2,485,226	70,000	70,000
Post-employment benefits:				
Defined contribution plan	429,986	249,655	-	-
	4,345,522	2,734,881	70,000	70,000

Included in the total key management personnel are:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Directors' remuneration (Note 8)	2,778,471	1,282,960	70,000	70,000

31. 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.

(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 2007. 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.

31. Financial Instruments [contd.]

(b) Interest Rate Risk [contd.]

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

At 30 September 2007	Note	WAEIR %	Within 1 Year RM	1-2 Years RM	2-5 Years RM	More than 5 years RM	Total RM
Group							
Fixed Rate							
Term loan	23	7.2	62,019,634	31,005,451	18,627,106	-	111,652,191
Hire purchase liabilities	24	2.6	366,022	299,077	501,962	-	1,167,061
Murabahah Commercial Papers	23	3.7	-	-	90,000,000	60,000,000	150,000,000
Bai' Bithaman Ajil Islamic Debt	23	7.8	-	-	30,000,000	40,000,000	70,000,000
Floating Rate							
Cash and bank balances	19	4.0	87,895,097	-	-	-	87,847,388
Bank overdrafts	23	7.2	2,882,168	-	-	-	2,882,168
Revolving credits	23	5.2	31,000,000	-	-	-	31,000,000
Bankers' acceptances	23	4.0	16,370,287	-	-	-	16,370,287
Onshore foreign currency loan	23	6.6	11,902,528	-	-	-	11,902,528
Company							
Fixed Rate							
Amount due from subsidiaries	16	3.6	280,098,497	-	-	-	280,098,497
Term loan	23	7.3	49,895,898	20,984,143	11,119,959	-	82,000,000
Murabahah Commercial Papers	23	3.7	-	-	90,000,000	60,000,000	150,000,000
Bai' Bithaman Ajil Islamic Debt	23	7.8	-	-	30,000,000	40,000,000	70,000,000
Floating Rate							
Cash and bank balances	19	3.6	3,289,467	-	-	-	3,289,467
Bank overdrafts	23	7.5	853,186	-	-	-	853,186

31. Financial Instruments [contd.]

(b) Interest Rate Risk [contd.]

	Note	WAEIR %	Within 1 Year RM	1-2 Years RM	2-5 Years RM	More than 5 years RM	Total RM
At 30 September 2006							
Group							
Fixed Rate							
Term loan	23	8.7	250,048	-	-	-	250,048
Hire purchase liabilities	24	4.4	271,950	122,043	96,896	-	490,889
Murabahah Commercial Papers	23	3.9	-	-	40,000,000	110,000,000	150,000,000
Bai' Bithaman Ajil Islamic Debt	23	7.8	-	-	-	70,000,000	70,000,000
Loan from a third party	23	4.5	11,295,505	-	-	-	11,295,505
Floating Rate							
Cash and bank balances	19	4.7	85,658,045	-	-	-	85,658,045
Bank overdrafts	23	6.5	934,079	-	-	-	934,079
Revolving credits	23	5.2	20,000,000	-	-	-	20,000,000
Bankers' acceptances	23	3.9	11,940,582	-	-	-	11,940,582
Onshore foreign currency loan	23	6.6	5,890,791	-	-	-	5,890,791
At 30 September 2007							
Company							
Fixed Rate							
Amount due from subsidiaries	16	3.6	69,410,532	-	-	-	69,410,532
Murabahah Commercial Papers	23	3.9	-	-	40,000,000	110,000,000	150,000,000
Bai' Bithaman Ajil Islamic Debt	23	7.8	-	-	-	70,000,000	70,000,000
Floating Rate							
Cash and bank balances	19	3.7	15,129,568	-	-	-	15,129,568

31. Financial Instruments [contd.]

(c) Foreign Exchange Risk

The Company's exposure to foreign exchange risk arises mainly from normal operating transactions denominated in foreign currencies.

The Company does not use any derivative financial instruments to manage its exposure to foreign exchange risk as the directors are of the opinion that the net exposure is manageable.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

Net Financial Assets/(Liabilities) Held in Non-Functional Currencies

	Ringgit Malaysia RM	**United States Dollars** RM	**Singapore Dollars** RM	**Euro** RM	**Japanese Yen** RM	**Hong Kong Dollars** RM	**Thai Baht** RM	**Total** RM
At 31 December 2007								
Functional Currency of Group Companies								
Ringgit Malaysia	-	89,558,011	7,657,248	34,358	21,095	(52,522)	-	97,218,190
Singapore Dollars	484,864	-	-	-	-	-	-	484,864
United States Dollars	-	-	-	-	-	-	69,171,398	69,171,398
At 31 December 2006								
Functional Currency of Group Companies								
Ringgit Malaysia	-	93,955,630	1,841,567	-	(53,517)	(56,587)	-	95,687,094
Singapore Dollars	359,800	-	-	-	-	-	-	359,800
United States Dollars	-	-	-	-	-	-	69,746,384	69,746,384

Notes to the Financial Statements [contd.]

30 September 2007

31. Financial Instruments [contd.]

(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, are 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

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

		Group		Company	
	Note	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
At 30 September 2007					
Non-current quoted shares	15	31,765,385	13,360,488	-	-
Fixed rate term loan	31(b)	111,652,191	99,840,000	82,000,000	73,585,000
Hire purchase liabilities	24	1,167,061	1,162,000	-	-
Murabahah Commercial Paper	23	150,000,000	129,843,000	150,000,000	129,843,000
Bai' Bithaman Ajil Islamic Debt Securities	23	70,000,000	49,583,000	70,000,000	49,583,000
At 30 September 2006					
Non-current quoted shares	15	35,345,164	17,358,296	-	-
Fixed rate term loan	31(b)	250,048	230,000	-	-
Hire purchase liabilities	24	490,889	489,000	-	-
Murabahah Commercial Paper	23	150,000,000	123,302,000	150,000,000	123,302,000
Bai' Bithaman Ajil Islamic Debt Securities	23	70,000,000	46,500,000	70,000,000	46,500,000

32. Segmental Information

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

(i) Shipping and related activities
(ii) Trading activities
(iii) Management services

(c) Geographical segments

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

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Notes to the Financial Statements [contd.]
30 September 2007

32. Segmental Information [contd.]

	Trading		Shipping & Related Activities		Management Services		Eliminations		Consolidated	
	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM
Revenue and Expenses										
Revenue										
External sales	29,153,076	-	528,460,290	387,192,159	-	-	-	-	557,613,366	387,192,159
Inter-segment sales	-	-	-	-	12,000,000	10,000,000	(12,000,000)	(10,000,000)	-	-
Total revenue	29,153,076	-	528,460,290	387,192,159	12,000,000	10,000,000	(12,000,000)	(10,000,000)	557,613,366	387,192,159
Result										
Segment results	1,437,105	-	56,400,341	17,890,337	15,902,897	14,852,492	-	-	73,740,343	32,742,829
Profit from operations									73,740,343	32,742,829
Finance costs									(17,202,129)	(11,221,109)
Share of (loss)/profit of associates	-	-	(5,464,738)	2,390,909	-	-	-	-	(5,464,738)	2,390,909
Income tax expense									(5,854,244)	(67,483)
Profit for the year									45,219,232	23,845,146
Assets and Liabilities										
Segment assets	9,425,655	-	605,896,428	576,639,182	92,121,574	17,286,354	-	-	707,443,657	593,925,536
Unallocated corporate assets									222,621,341	69,410,532
Consolidated total assets									930,064,998	663,336,068
Segment liabilities	4,145,225	-	32,869,682	21,992,430	1,612,102	1,646,467	-	-	38,627,009	23,638,897
Unallocated corporate liabilities									410,822,644	269,207,595
Consolidated total liabilities									449,449,653	292,846,492
Other Information										
Capital expenditure	-	-	145,180,994	130,681,915	-	-	-	-	145,180,994	130,681,915
Depreciation	10,588	-	22,099,865	30,754,240	-	2,402	-	-	22,110,453	30,756,642

33. Significant Events

(a) On 31 January 2007, the Company announced the acquisition of a 50.23% equity interest in Highline Shipping Sdn. Bhd. ("Highline Shipping") by:

(i) acquisition of 4,250,000 ordinary shares of RM1.00 each for a total cash consideration of RM44,625,000; and

(ii) subscription of 4,000,000 ordinary shares of RM1.00 each for a total cash consideration of RM42,000,000.

The acquisition was completed on 30 March 2007.

(b) On 13 February 2007, the Company acquired 100% equity interest in Malaform Sdn. Bhd. for a cash of RM2.00.

(c) On 9 April 2007, the Company announced a proposed share split and bonus issue as follows:

(i) proposed share split of every one existing ordinary share of par value RM1.00 each held in the Company into five ordinary shares of par value of RM0.20 each ("proposed share split"); upon completion, the Company's issued and paid-up share capital will be RM155,546,710 comprising 777,733,550 ordinary shares of RM0.20 each;

(ii) proposed bonus issue of up to 311,093,420 new ordinary shares of RM0.20 each ("bonus shares") in the Company on the basis of two bonus shares for every five ordinary shares of RM0.20 each held in the Company after the proposed share split ("proposed bonus issue"); and

(iii) the alteration of the authorised share capital of the Company of RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each into RM500,000,000 comprising 2,500,000,000 ordinary shares of RM0.20 each.

The above proposals were completed on 9 July 2007.

(d) On 17 April 2007, Highline Shipping Sdn. Bhd. acquired 100% equity interest in Everline Shipping Company Ltd., a company incorporated in the British Virgin Islands for USD1.00.

(e) On 14 June 2007, the Company incorporated a wholly owned subsidiary, Hub Shipping (PNG) Co. Ltd. (Incorporated in Papua New Guinea) with a paid-up capital of 100,000 ordinary shares of 1.00 Kina each.

(f) On 28 June 2007, Highline Shipping Sdn. Bhd. acquired 100% equity interest in Highline Union Sdn. Bhd. and Highline Vision Sdn. Bhd. for a cash consideration of RM100,000 each.

34. Subsequent Events

(a) On 1 October 2007, the Company announced the proposed acquisition of the remaining 49.77% equity interest in Highline Shipping Sdn. Bhd. for a total consideration of RM106,272,634 to be wholly satisfied by the issuance of 158,615,872 new ordinary shares of the Company at an issue price of RM0.67 each. The acquisition is subject to the approval of the relevant authorities and the shareholders of the Company.

(b) On 20 November 2007, the Company repurchased 1,200,000 of its issued ordinary shares from the open market at an average price of RM0.65 per share. The total consideration paid for the repurchase including transaction costs was RM781,046.

Analysis of Shareholdings

Analysis of Shareholders as at 18 February 2008

Authorised Share Capital	:	RM500,000,000.00
Issued and Fully Paid-up Capital	:	RM217,765,394.00
Class of Shares	:	Ordinary Shares of RM0.20 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	15	0.16	947	0.00
100 to 1,000	335	3.47	310,780	0.03
1,001 to 10,000	5,420	56.08	32,153,021	2.95
10,001 – 100,000	3,351	34.68	107,003,549	9.83
100,001 to less than 5% of issued shares	540	5.59	612,600,188	56.26
5% and above of issued shares	3	0.03	336,758,485	30.93
Total	9,664	100.00	1,088,826,970	100.00

Substantial shareholders as at 18 February 2008

	Direct		Deemed Interest/Indirect	
	No. of shares	**% held ***	**No. of shares**	**% held**
Billion Power Sdn Bhd	272,148,485	25.09	-	-
NFC Shipping Fund A LLC	82.600,000	7.61	-	-

Director's shareholdings as at 18 February 2008

	Direct		Indirect	
	No. of shares	**%***	**No. of shares**	**%***
Richard Wee Liang Huat @ Richard Wee Liang Chiat	1,043,000	0.10	-	-
Dennis Ling Li Kuang	20,198,711	1.86	32,102,000	2.96
Christine Lau Swee Eng	26,286,400	2.42	26,014,311	2.40
Ibrahim Bin Baki	-	-	-	-
Haji Awang Mohidin Bin Awang Saman	-	-	-	-
Katrina Ling Shiek Ngee	-	-	-	-

(1) Deemed interest by virtue of his shareholding in WHT Industrials Sdn Bhd pursuant to section 6A of the Companies Act, 1965.
(2) Deemed interest by virtue of the Shareholding held by his spouse, Ms Christine Lau Swee Eng and his son, Bernard Ling Ing Tah.
(3) Deemed interest by virtue of the Shareholding held by her spouse, Mr Dennis Ling Li Kuang and her son, Bernard Ling Ing Tah.

* Excluding a total 4,090,000 shares bought back and retained as treasury shares.

Analysis of Shareholdings [contd.]

Thirty Largest Shareholders as at 18 February 2008

	NAME	NO. OF SHARES	% OF ISSUED* CAPITAL
1	Billion Power Sdn Bhd	191,874,179	17.62
2	Inter-PacificEquity Nominees (Asing) Sdn Bhd UOB Kay Hian Private Limited for NFC Shipping Fund A LLC	82,600,000	7.59
3	TA Nominees (Tempatan) Sdn Bhd Account for Billion Power Sdn Bhd	62,284,306	5.72
4	Inter-Pacific Equity Nominees (Asing) Sdn Bhd UOB Kay Hian Private Limited for BP Asset Management Incorporated	39,739,300	3.65
5	Lembaga Tabung Haji	36,140,800	3.32
6	Inter-Pacific Equity Nominees (Asing) Sdn Bhd UOB Kay Hian Private Limited for Yarra Asset Management Incorporated	31,006,500	2.85
7	Malaysia Nominees (Tempatan) Sdn Bhd	26,800,000	2.46
8	HDM Nominees (Tempatan) Sdn Bhd Account for Billion Power Sdn Bhd	17,990,000	1.65
9	TA Nominees (Tempatan) Sdn Bhd Account for Lanacove Sdn Bhd	17,899,500	1.64
10	OSK Nominees (Tempatan) Sdn Bhd Account for Vendalon Sdn Bhd	17,542,200	1.61
11	CIMSEC Nominees (Asing) Sdn Bhd CIMB Bank for Thananya Chumponkulwong	15,982,500	1.47
12	Mayban Nominees (Tempatan) Sdn Bhd Account for Ling Li Kuang	12,250,000	1.13
13	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Balanced Fund	11,904,000	1.09
14	Many Plus Holdings Sdn Bhd	10,200,000	0.94
15	HLB Nominees (Asing) Sdn Bhd Account for Top Prospects Limited	10,000,000	0.92
16	BHLB Trustee Berhad PB Euro Pacific Equity Fund	9,700,000	0.89
17	CIMSEC Nominees (Asing) Sdn Bhd CIMB Bank for Kanjang Singhachatprichakul	9,596,200	0.88
18	HLB Nominees (Asing) Sdn Bhd Exempt An for HL Bank	9,410,000	0.86
19	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Lau Swee Eng	9,065,000	0.83
20	SJ SEC Nominees (Tempatan) Sdn Bhd Account for Pau Chiong Ching	8,711,600	0.80

Analysis of Shareholdings [contd.]

	NAME	NO. OF SHARES	% OF ISSUED* CAPITAL
21	OSK Nominees (Tempatan) Sdn Bhd Account for Pau Chiong Ching	8,494,280	0.78
22	Citigroup Nominee (Asing) Sdn Bhd GSCO for Asia Fountain Investment Co Ltd	8,000,000	0.73
23	RHB Capital Nominees (Tempatan) Sdn Bhd Account for Lau Swee Eng	7,300,000	0.67
24	CIMSEC Nominees (Tempatan) Sdn Bhd EON Finance Bhd for Lau Swee Eng	7,000,000	0.64
25	CIMSEC Nominees (Tempatan) Sdn Bhd EON Finance Bhd for Pau Chiong Ching	6,974,116	0.64
26	Hwang Yang Mee	6,450,000	0.59
27	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Sector Select Fund	6,366,000	0.58
28	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Pau Chiong Ching	6,283,193	0.58
29	Alliancegroup Nominees (Tempatan) Sdn Bhd Account for Koek Tiang Kung	5,950,000	0.55
30	TA Nominees (Tempatan) Sdn Bhd Account for Bernard Ling Ing Tah	5,815,600	0.53
	TOTAL	**699,329,274**	**64.23**

* Excluding a total of 4,090,000 shares bought back and held as treasury shares.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty- Second Annual General Meeting of the Company will be held at Dewan Perpaduan I, 1st Floor, Merdeka Palace Hotel & Suites, Jalan Tun Abang Haji Openg 93000 Kuching, Sarawak, on Monday, 31st March 2008 at 11.00 a.m. for the following purposes :-

As Ordinary Business

1 To receive and adopt the Report of the Directors and the Audited Statement of Accounts for the year ended 30 September, 2007 and the Report of the Auditors thereon. **Ordinary Resolution 1**

2 To declare a final tax exempt dividend of 0.3 sen per ordinary share for the year ended 30 September 2007. **Ordinary Resolution 2**

3 To re-elect the following director, who is retiring in accordance with Article 71 of the Articles of Association of the Company and is offering herself for re-election :- **Ordinary Resolution 3**

(i) Miss Katrina Ling Shiek Ngee

4 To re-elect the following director, who is retiring in accordance with Article 71 of the Articles of Association of the Company and is offering himself for re-election :- **Ordinary Resolution 4**

(i) Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat

5 To approve Directors' remuneration of RM 70,000 for the financial year ended 30 September, 2007. **Ordinary Resolution 5**

6 To approve the payment of RM 90,000 as Directors' remuneration in respect of the financial year ending 30 September 2008. **Ordinary Resolution 6**

7 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

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

8 **Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.** **Ordinary Resolution 8**

"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."

9 **Proposed renewal of authority for the purchase of own shares by the company ("Proposed Renewal")** **Ordinary Resolution 9**

"THAT subject to the Companies Act, 1965("ACT"), the Company's Memorandum and Articles of Association, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares of RM 0.20 each in the Company ("Hubline Shares") as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased pursuant to this resolution representing up to 10% of the total issued and paid-up share capital of the Company;

THAT an amount not exceeding the share premium of RM 5,364,573 of the Company based on the audited accounts for the financial year ended 30 September 2007 , be allocated by the Company for the Proposed Renewal;

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any Hubline Shares so purchased by the Company in the following manners:-

(i) the Hubline Shares so purchased could be cancelled; or
(ii) the Hubline Shares so purchased could be retained as treasury shares for distribution as share dividend to the shareholders of Hubline and/or be resold through Bursa Malaysia and/or be cancelled subsequently; or
(iii) the Hubline Shares so purchased could be in part be retained as treasury shares, in part be sold and in part be cancelled.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:

(i) the conclusion of the next Annual General Meeting, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or

(iii) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting; whichever occurs first;

AND THAT the Directors of the Company be and hereby authorised to take such steps to give full effect to the Proposed Renewal with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to all acts and things as the Directors may deemed fit and expedient in the best interest of the Company."

10 To consider and if thought fit, pass with or without modification, the following special resolution :

Proposed Amendments to the Articles of Association of the Company ("Proposed Amendments") **Special Resolution 1**

"THAT alterations, modifications, additions or deletion to the Articles of Association of the Company as set out in Part B of the Circular to Shareholders dated 3 March 2008 be and are hereby approved".

11 To transact any other bussiness.

NOTICE OF DIVIDEND PAYMENT

Notice is hereby given that the final tax exempt dividend of 0.3 sen per share for the year ended 30 September 2007, if approved at the above Annual General Meeting, will be paid on 30 May 2008 to Depositors whose names appear in the Record of Depositors on 15 May 2008.

A Depositor shall qualify for entitlement only in respect of :
a) Shares transferred into the Depositor's Securities Account before 4 :00 p.m. on 15 May 2008 in respect of transfers;
b) Shares bought on Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

By order of the Board,

Yeo Puay Huang
Secretary

Dated : 8th March 2008

Explanatory Notes To Special Business:

1. <u>Ordinary Resolution 8 - Authority to allot shares pursuant to Section 132D of the Companies Act, 1965</u>

The Proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to issue and allot shares at any time in their absolute discretion without convening a general meeting provided that the aggregate number of shares issued does not exceed 10% of the issued share capital of the Company for the time being.

2. Ordinary Resolution 9 - Proposed Renewal Of Authority For The Purchase Of Own Shares By The Company ("Proposed Renewal")

   The proposed Ordinary Resolution 9, if passed, will enable the company to purchase its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated out of the share premium reserves of the Company.

   Further information on the proposed Ordinary Resolution 9 is set out in the Circular to Shareholders dated 3 March 2008.

3. Special Resolution 1 - Proposed Amendments to the Articles of Association of the Company

   The Proposed Special Resolution 1, if passed, will bring the Company's Articles of Association in line with the amendments made to the Listing Requirements of Bursa Malaysia Securities Berhad, where applicable, and to enhance administrative efficiency.

   Further information on Special Resolution 1 is set out in the Circular to Shareholders dated 3 March 2008.

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. Names of individuals who are standing for re-election pursuant to Article 71 of the Articles of Association of the Company

   a) Ms Katrina Ling Shiek Ngee
   b) Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat

   The details of the two directors seeking re-election are set out in their respective profiles which appear on pages 7 and 8.

2. Board meetings held during the financial year ended 30 September 2007

   The Board sat for 7 times during the financial year to review 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	Richard Wee Liang Huat @ Richard Wee Liang Chiat	01/10/2006 – 30/09/2007	7/7
2	Dennis Ling Li Kuang	01/10/2006 – 30/09/2007	7/7
3	Ibrahim Bin Baki	01/10/2006 – 30/09/2007	7/7
4	Katrina Ling Shiek Ngee	01/10/2006 – 30/09/2007	7/7
5	Awang Mohidin Awang Saman	01/10/2006 – 30/09/2007	7/7
6	Christine Lau Swee Eng	01/10/2006 – 30/09/2007	7/7

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

   Dewan Perpaduan I, 1st Floor, Merdeka Palace Hotel & Suites, Jalan Tun Abang Haji Openg, 93000, Kuching, Sarawak on 31 March 2008 at 11.00 a.m.

HUBLINE 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 Perpaduan I, 1st Floor, Merdeka Palace Hotel & Suites, Jalan Tun Abang Haji Openg 93000 Kuching, Sarawak, on Monday, 31st March 2008 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 declare final tax exempt dividend of 0.3 sen		
3.	To re-elect Ms Katrina Ling Shiek Ngee as Director		
4.	To re-elect Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat as Director		
5.	To approve Directors' remuneration of RM 70,000 for the financial year ended 30 September 2007		
6.	To approve the payment of RM 90,000 as Directors' remuneration in respect of the financial year ending 30 September 2008		
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		
9.	Renewal of Authority for the purchase of own shares by the Company		
	SPECIAL RESOLUTION	**FOR**	**AGAINST**
1.	To approve the Amendments to the Articles of Association of the Company		

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 8th day of March 2008

....
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

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HUBLINE BERHAD (23568-H)
Sama Jaya Free Industrial Zone,
Plot 9, Block 12,
Off Jalan Setia Raja,
P.O.Box A893
93818 Kuching, Sarawak