Financial Statements

> > > Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2005.

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	Company
	RM	RM
Net profit/(loss) for the year	45,520,484	(2,067,281)

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

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

Directors

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

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	(appointed on 16 June 2005)
Ernest Ho Keng Seng	(resigned as director and reappointed as alternate director to Richard Wee Liang Huat @ Richard Wee Liang Chiat on 16 June 2005)
Datuk Amar Wee Hood Teck	(demised on 3 June 2005)

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.

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

> > > Directors' Report (contd.)

Directors' Interests

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

	Number of Ordinary Shares of RM1 Each			
	1.10.2004	**Acquired**	**Sold**	**30.9.2005**
Direct Interest:				
Richard Wee Liang Huat @ Richard Wee Liang Chiat	4,589,431	-	2,697,758	1,891,673
Lau Swee Eng	-	1,160,200	-	1,160,200
Indirect interest:				
Richard Wee Liang Huat @ Richard Wee Liang Chiat	2,793,818	-	-	2,793,818

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

Issue of Shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM141,406,110 to RM155,546,710 by way of the issuance of 14,140,600 ordinary shares of RM1 each through a private placement at an issue price of RM2.25 per ordinary share for cash, for additional working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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

> > > Directors' Report (contd.)

Other Statutory Information (contd.)

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

Other Significant Events

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

(b) On 21 June 2005, the Company through its wholly-owned subsidiary company, WCL, increased shareholdings in its associate company, Platinum Container Lines Co. Ltd. ("PCL") from 1,764,000 shares to 3,528,000 shares via PCL's 1:1 Rights Issue for a consideration of approximately RM16.1 million. WCL's equity interest in PCL remained at 44.1% after the Rights Issue.

Subsequent Events

(a) The Group has proposed to undertake a fund raising exercise which involves the following:

(i) Issuance of Murabahah Commercial Papers ("MCP")/Medium Term Notes Programme of up to RM150 million;

(ii) Issuance of Bai' Bithaman Ajil Islamic Debt securities at nominal value of RM70 million.

The above proposal was approved by the Securities Commission on 20 September 2005. As at the date of this report, the Group has fully issued the MCP and Bai' Bithaman Ajil Islamic Debt securities.

(b) The Group had, on 24 November 2005 made an early redemption of and cancelled its outstanding RM120 million Al-Murabahah Commercial Paper/Medium-Term Notes Programme (2002/2007).

(c) The Company had, on 19 October 2005, announced that it was proposing to seek from its shareholders the authority for the Company to purchase and/or hold up to ten percent (10%) of its issued and paid-up capital. The Proposed Shares Buy-Back was approved by the shareholders at the Extraordinary General Meeting held on 15 November 2005.

As at the date of this report, the Company repurchased 465,600 of its issued ordinary shares from the open market at an average price of RM1.68 per share. The total consideration paid for the repurchase was RM779,983.

(d) The Group had, on 13 December 2005, announced its intention to internally reorganise its corporate structure to streamline the activities of its subsidiaries. The proposed reorganisation is pending the approval of the Foreign Investment Committee and will involve the transfer by Wonder Link Sdn. Bhd., a wholly-owned subsidiary of Hubline Berhad, to the Company, of the entire equity interests of certain of the subsidiaries of Wonder Link Sdn. Bhd.

Auditors

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

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

Richard Wee Liang Huat @ Richard Wee Liang Chiat

Ling Li Kuang

Kuching, Malaysia
Date: 25 January 2006

> > > 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 57 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2005 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

Richard Wee Liang Huat @ Richard Wee Liang Chiat

Ling Li Kuang

Kuching, Malaysia
Date: 25 January 2006

> > > 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 57 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 25 January 2006.

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 57. 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 MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:

    (i) the financial position of the Group and of the Company as at 30 September 2005 and of the results and the cash flows of the Group and of the Company for the year then ended; and

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

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

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

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

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

Ernst & Young

ERNST & YOUNG
AF: 0039
Chartered Accountants

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

Kuching, Malaysia
Date: 25 January 2006

> > > Consolidated Income Statement
For the Year Ended 30 September 2005

	Note	2005 RM	2004 RM
Revenue	3	414,204,000	383,301,099
Cost of sales		(355,573,529)	(319,828,716)
Gross Profit		58,630,471	63,472,383
Other operating income		9,208,652	568,856
Administrative expenses		(27,394,561)	(26,778,291)
Profit from Operations	4	40,444,562	37,262,948
Finance costs, net	7	(5,097,143)	(8,140,763)
Share of results of associates		10,256,509	66,009
Profit Before Taxation		45,603,928	29,188,194
Taxation			
Company and subsidiaries		(40,048)	47,641
Associates		(43,396)	-
	8	(83,444)	47,641
Profit After Taxation		45,520,484	29,235,835
Minority interests		-	(1,769,434)
Net Profit for the Year		45,520,484	27,466,401
Earnings Per Share (sen):			
Basic	9(a)	30.1	20.3

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

> > > Consolidated Balance Sheet
As at 30 September 2005

	Note	2005 RM	2004 RM
Non-Current Assets			
Property, plant and equipment	10	186,082,226	243,328,211
Investments in associates	12	73,762,522	42,635,192
Goodwill on consolidation	13	69,410,532	69,410,532
Intangible assets	14	1,625,274	2,031,592
Deferred tax assets	28	79,490	100,897
		330,960,044	357,506,424
Current Assets			
Inventories	16	19,080,612	16,513,881
Trade receivables	17	80,331,147	74,371,341
Other receivables	18	18,453,023	2,759,273
Tax recoverable		573,297	479,496
Short term investments	19	23,322,913	-
Cash and bank balances	20	99,723,491	28,415,472
		241,484,483	122,539,463
Current Liabilities			
Borrowings	21	119,690,349	30,921,015
Trade payables	23	21,608,923	22,898,978
Other payables	24	9,867,430	21,727,037
Tax payable		77,069	80,622
		151,243,771	75,627,652
Net Current Assets		90,240,712	46,911,811
		421,200,756	404,418,235
Financed by:			
Share capital	25	155,546,710	141,406,110
Share premium		66,845,342	49,612,899
Other reserve	26	487,709	124,359
Retained profits	27	123,908,716	78,388,232
Shareholders' equity		346,788,477	269,531,600
Borrowings	21	74,412,279	134,886,635
		421,200,756	404,418,235

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

> > > Consolidated Statement of Changes in Equity
For the Year Ended 30 September 2005

	Note	<——— Non-Distributable				———>	Distributable	
		Share Capital RM	**ICULS** RM	**Share Premium** RM	**Revaluation Reserve** RM	**Foreign Exchange Reserve** RM	**Retained Profits** RM	**Total** RM
At 1 October 2003		130,170,254	17,977,400	43,621,355	495,564	49,491	50,426,267	242,740,331
Issue of share capital - Conversion of ICULS at RM1.60 per share	25	11,235,856	(17,977,400)	6,741,544	-	-	-	-
Share issue costs undertaken up in prior years		-	-	(750,000)	-	-	-	(750,000)
Foreign exchange differences		-	-	-	-	74,868	-	74,868
Revaluation reserve: Disposal of subsidiary		-	-	-	(495,564)	-	495,564	-
Net (losses)/gains not recognised in income statement		-	-	(750,000)	(495,564)	74,868	495,564	(675,132)
Net profit for the year		-	-	-	-	-	27,466,401	27,466,401
At 30 September 2004		141,406,110	-	49,612,899	-	124,359	78,388,232	269,531,600
At 1 October 2004		141,406,110	-	49,612,899	-	124,359	78,388,232	269,531,600
Issue of share capital - private placement	25	14,140,600	-	17,675,750	-	-	-	31,816,350
Expenses on issue of share capital		-	-	(443,307)	-	-	-	(443,307)
Foreign exchange differences		-	-	-	-	363,350	-	363,350
Net (losses)/gains not recognised in the income statement		-	-	(443,307)	-	363,350	-	(79,957)
Net profit for the year		-	-	-	-	-	45,520,484	45,520,484
At 30 September 2005		155,546,710	-	66,845,342	-	487,709	123,908,716	346,788,477

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

> > > Consolidated Cash Flow Statement
For the Year Ended 30 September 2005

	2005 RM	2004 RM
Cash Flows from Operating Activities		
Profit before taxation	45,603,928	29,188,194
Adjustment for:		
Amortisation of discount on bond	258,360	258,360
Amortisation of intangible assets	406,318	-
Bad debts written off	6,025	444
Provision for doubtful debts, net of recoveries	2,000,000	786,085
Depreciation	27,128,659	29,970,762
Property, plant and equipment written off	-	1,308
Unrealised foreign exchange losses/(gains)	1,934,347	(10,306)
Gain on disposal of subsidiary	-	(467,310)
Gain on disposal of property, plant and equipment	(8,966,613)	(69,536)
Interest expense	6,080,464	8,317,054
Interest income	(983,321)	(176,291)
Dividend income	(322,913)	-
Share of results in associates	(10,256,509)	(66,009)
Operating profit before working capital changes	62,888,745	67,732,755
Increase in inventories	(2,566,731)	(3,684,290)
Increase in receivables	(24,422,818)	(15,804,442)
(Decrease)/increase in payables	(13,853,994)	1,748,548
Cash generated from operations	22,045,202	49,992,571
Interest paid	(6,080,464)	(8,317,054)
Taxes paid	(115,995)	(881,676)
Net cash generated from operating activities	15,848,743	40,793,841
Cash Flows from Investing Activities		
Dividends received	322,913	-
Purchase of shares in associates	(20,914,217)	(14,279,119)
Investments in unit trust	(23,322,913)	-
Additions in intangible assets	-	(483,022)
Purchase of property, plant and equipment	(18,908,551)	(12,682,981)
Proceeds from disposal of property, plant and equipment	58,753,120	3,291,168
Proceeds from disposal of subsidiary	-	14,378,089
Interest received	983,321	176,291
Net cash used in investing activities	(3,086,327)	(9,599,574)
Cash Flows from Financing Activities		
Drawdown of borrowings	71,450,026	2,510,949
Repayment of short term borrowings	(12,034,261)	(1,500,000)
Repayment of term loans	(29,482,267)	(16,842,849)
Repayment of hire purchase and lease financing	(486,832)	(226,342)
Proceeds from issuance of ordinary shares, net of expenses	31,373,043	-
Net cash generated from/(used in) financing activities	60,819,709	(16,058,242)
Net Increase in Cash and Cash Equivalents	73,582,125	15,136,025
Cash and Cash Equivalents at Beginning of Year	24,041,622	8,830,729
Effects of Exchange Rate Changes	363,350	74,868
Cash and Cash Equivalents at End of Year (Note 20)	97,987,097	24,041,622

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

> > > Income Statement

For the Year Ended 30 September 2005

	Note	2005 RM	2004 RM
Revenue	3	-	(79,228)
Other operating income		100,566	4,504,366
Administrative expenses		(1,982,218)	(4,053,894)
(Loss)/Profit from Operations	4	(1,881,652)	371,244
Finance costs, net	7	(185,629)	-
(Loss)/Profit Before Taxation		(2,067,281)	371,244
Taxation	8	-	-
Net (Loss)/Profit for the Year		(2,067,281)	371,244

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

> > > Balance Sheet
As at 30 September 2005

	Note	2005 RM	2004 RM
Non-Current Assets			
Property, plant and equipment	10	8,175	12,535
Investments in subsidiaries	11	145,100,007	145,100,007
Due from subsidiaries	15	177,353,113	171,904,434
		322,461,295	317,016,976
Current Assets			
Other receivables	18	543,784	376,496
Tax recoverable		4,418	3,537
Short term investments	19	8,100,566	-
Cash and bank balances	20	67,577,266	2,448,632
		76,226,034	2,828,665
Current Liabilities			
Borrowings	21	109,604,799	1,184,424
Other payables	24	451,949	454,799
		110,056,748	1,639,223
Net Current (Liabilities)/Assets		(33,830,714)	1,189,442
		288,630,581	318,206,418
Financed by:			
Share capital	25	155,546,710	141,406,110
Share premium		66,845,342	49,612,899
Retained profits	27	6,238,529	8,305,810
Shareholders' equity		228,630,581	199,324,819
Borrowings	21	60,000,000	118,881,599
		288,630,581	318,206,418

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

> > > Statement of Changes in Equity
For the Year Ended 30 September 2005

	Note	Share Capital RM	ICULS RM	Non-Distributable Share Premium RM	Distributable Retained Profits RM	Total RM
At 1 October 2003		130,170,254	17,977,400	43,621,355	7,934,566	199,703,575
Issue of share capital - conversion of ICULS at RM1.60 per share	25	11,235,856	(17,977,400)	6,741,544	-	-
Share issue costs under-taken up in prior years, representing net losses not recognised in income statement		-	-	(750,000)	-	(750,000)
Net profit for the year		-	-	-	371,244	371,244
At 30 September 2004		141,406,110	-	49,612,899	8,305,810	199,324,819
Issue of share capital - private placement	25	14,140,600	-	17,675,750	-	31,816,350
Expenses on issue of share capital, representing net losses not recognised in the income statement		-	-	(443,307)	-	(443,307)
Net loss for the year		-	-	-	(2,067,281)	(2,067,281)
At 30 September 2005		155,546,710	-	66,845,342	6,238,529	228,630,581

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

> > > Cash Flow Statement
For the Year Ended 30 September 2005

	2005 RM	2004 RM
Cash Flows from Operating Activities		
(Loss)/profit before taxation	(2,067,281)	371,244
Adjustment for:		
Amortisation of discount on bond	258,360	258,360
Depreciation	6,186	10,290
Unrealised foreign exchange losses	708,657	-
Interest expense	4,412,153	5,021,196
Interest income	(4,226,524)	(5,021,196)
Dividend income	(100,566)	-
Impairment of investments in subsidiaries	-	999,999
Provision for doubtful debts	-	1,979,612
Loss on disposal of property, plant and equipment	3,384	-
Gain on disposal of subsidiary	-	(4,504,366)
Operating loss before working capital changes	(1,005,631)	(884,861)
Increase in receivables	(167,288)	(1,115,971)
Increase/(decrease) in payables	461,958	(788,248)
Cash used in operations	(710,961)	(2,789,080)
Interest paid	(4,412,153)	(5,021,196)
Taxes (paid)/refunded	(881)	207
Net cash used in operating activities	(5,123,995)	(7,810,069)
Cash Flows from Investing Activities		
Advances to subsidiaries	(6,157,336)	(15,960,444)
Investments in unit trust	(8,100,566)	-
Purchase of property, plant and equipment	(7,210)	(500)
Proceeds from disposal of subsidiary	-	18,390,648
Interest received	4,226,524	5,021,196
Dividends received	100,566	-
Proceeds from disposal of property, plant and equipment	2,000	-
Net cash (used in)/generated from investing activities	(9,936,022)	7,450,900
Cash Flows from Financing Activities		
Drawdown of borrowings	50,000,000	-
Net proceeds from issuance of ordinary shares	31,373,042	-
Net cash generated from financing activities	81,373,042	-
Net Increase/(Decrease) in Cash and Cash Equivalents	66,313,025	(359,169)
Cash and Cash Equivalents at Beginning of Year	1,264,208	1,623,377
Cash and Cash Equivalents at End of Year (Note 20)	67,577,233	1,264,208

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

> > > Notes to the Financial Statements
30 September 2005

1. Corporate Information

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 11. There have been no significant changes in the nature of the principal activities during the financial year.

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

The number of employees in the Group and in the Company at the end of the financial year were 585 (2004: 652) and 1 (2004: 1) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 January 2006.

2. Significant Accounting Policies

(a) Basis of Preparation

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

(b) Basis of Consolidation

(i) Subsidiaries

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

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

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

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

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

(ii) Associates

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

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

> > > Notes to the Financial Statements (contd.)
30 September 2005

2. **Significant Accounting Policies** (contd.)

(b) **Basis of Consolidation** (contd.)

(ii) **Associates** (contd.)

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

(c) **Goodwill**

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

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

(d) **Investments in Subsidiaries and Associates**

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

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

(e) **Property, Plant and Equipment and Depreciation**

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

Depreciation of 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 19 years
Containers and port equipment	10 years

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(f) **Intangible Assets**

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

(g) **Inventories**

Inventories comprise bunker, lubricant stocks, ship stores and spare parts held for own consumption. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method and comprises the purchase price and other direct charges.

(h) **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.

2. Significant Accounting Policies (contd.)

(i) Leases

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

(i) Finance leases

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

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

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

(ii) Operating leases

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

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

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

The income of the 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.

(k) 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 of the Group.

> > > Notes to the Financial Statements (contd.)

30 September 2005

2. **Significant Accounting Policies** (contd.)

(k) **Employee Benefits** (contd.)

(ii) **Defined contribution plans**

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(l) **Revenue Recognition**

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

(i) **Revenue from ocean freight**

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

(ii) **Revenue from vessels**

Revenue 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) **Dividend income**

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

(v) **Interest income**

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

(m) **Foreign Currencies**

(i) **Foreign currency transactions**

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

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

(ii) **Foreign operations**

Where the operations of a foreign company are integral to the operations of the Company, the translation principles described above are applied as if the transactions of the foreign operation had been those of the Company.

2. Significant Accounting Policies (contd.)

(m) Foreign Currencies (contd.)

(iii) Foreign entities

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

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

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

	2005 RM	**2004** RM
Singapore Dollars	2.23	2.25
United States Dollars	3.77	3.80
Euro	4.54	4.68
Thai Baht	0.09	0.09

(n) Impairment of Assets

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

(o) 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) Short term investments

Short term investments are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of short term investments are recognised in the income statement. On disposal of the investments, the difference between net disposal proceeds and the carrying amount is recognised in the income statement.

(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.

(iii) Trade payables

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

> > > Notes to the Financial Statements (contd.)

30 September 2005

2. Significant Accounting Policies (contd.)

(o) Financial Instruments (contd.)

(iv) Interest-bearing borrowings

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

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

(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.

(vi) Bonds

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

3. Revenue

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	RM	RM	RM
Shipping & related activities	414,204,000	367,068,141	-	-
Sale of industrial gases & related equipment	-	16,232,958	-	-
Management services				
- current year	-	-	-	75,000
- over-taken up in prior year	-	-	-	(154,228)
	414,204,000	383,301,099	-	(79,228)

> > > Notes to the Financial Statements (contd.)

30 September 2005

4. (Loss)/Profit from Operations

(Loss)/profit from operations is stated after charging/(crediting):

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Staff costs (Note 5)	27,414,010	31,476,374	88,325	164,946
Non-executive directors' remuneration (Note 6)	115,692	133,706	30,000	31,500
Auditors' remuneration:				
Statutory audits				
- current year's provision	148,484	140,830	15,000	12,000
- underprovision in prior year	21,685	6,550	3,000	1,980
Other services	8,400	8,400	8,400	8,400
Amortisation of discount on bond	258,360	258,360	258,360	258,360
Amortisation of intangible assets	406,318	-	-	-
Depreciation (Note 10)	27,128,659	29,970,762	6,186	10,290
Rental of premises	1,084,015	1,128,635	48,000	20,000
Impairment of investments in subsidiaries	-	-	-	999,999
Property, plant and equipment written off	-	1,308	-	-
Bad debts written off	6,025	444	-	-
Provision for doubtfuldebts, net of recoveries	2,000,000	786,085	-	1,979,612
(Gain)/loss on disposal of property, plant and equipment	(8,966,613)	(69,536)	3,384	-
Gain on disposal of subsidiary	-	(467,310)	-	(4,504,366)
Net loss/(gain) on foreign exchange:				
- realised	212,514	39,758	-	-
- unrealised	1,934,347	(10,306)	708,657	-
Dividend income	(322,913)	-	(100,566)	-

5. Staff Costs

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Wages and salaries	24,427,854	28,128,974	78,080	96,221
Employees Provident Fund contributions	1,025,559	1,166,109	9,664	10,861
Social security costs	83,476	114,727	-	142
Other staff related expenses	1,877,121	2,066,564	581	57,722
	27,414,010	31,476,374	88,325	164,946

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM893,720 (2004: RM800,768) and RM5,000 (2004: RM5,000) respectively as further disclosed in Note 6.

6. Directors' Remuneration

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	764,720	562,168	-	-
Fees	31,500	14,000	5,000	5,000
Bonus	97,500	-	-	-
	893,720	576,168	5,000	5,000

> > > Notes to the Financial Statements (contd.)
30 September 2005

6. Directors' Remuneration (contd.)

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	RM	RM	RM
Non-Executive:				
Fees	104,241	108,603	30,000	31,500
	997,961	684,771	35,000	36,500
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	-	201,600	-	-
Fees	-	5,000	-	-
Bonus	-	18,000	-	-
	-	224,600	-	-
Non-Executive:				
Fees	11,451	25,103	-	-
	11,451	249,703	-	-
Total	1,009,412	934,474	35,000	36,500
Analysis				
Total executive directors' remuneration (Note 5)	893,720	800,768	5,000	5,000
Total non-executive directors' remuneration (Note 4)	115,692	133,706	30,000	31,500
Total directors' remuneration	1,009,412	934,474	35,000	36,500

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

	Number of Directors	
	2005	**2004**
Executive directors:		
RM200,001 - RM250,000	-	1
RM600,001 - RM650,000	1	-
Non-executive directors:		
Below RM50,000	6	5
RM300,001 - RM350,000	1	-
RM350,001 - RM400,000	-	1

7. Finance Costs, Net

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	RM	RM	RM
Interest expense on borrowings	6,080,464	8,317,054	4,412,153	5,021,196
Interest income				
- from deposits	(983,321)	(176,291)	(362,281)	(71,512)
- from subsidiairies	-	-	(3,864,243)	(4,949,684)
	5,097,143	8,140,763	185,629	-

8. Taxation

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Income tax:				
Malaysian income tax	-	330,873	-	-
Foreign tax	20,844	50,408	-	-
	20,844	381,281	-	-
Overprovided in prior years:				
Malaysian income tax	-	(4,140)	-	-
Foreign tax	(2,203)	-	-	-
	18,641	377,141	-	-
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	71,098	(419,757)	-	-
Overprovided in prior years	(49,691)	(5,025)	-	-
	21,407	(424,782)	-	-
	40,048	(47,641)	-	-
Share of taxation of associate	43,396	-	-	-
	83,444	(47,641)	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2004: 28%) of the estimated assessable profit for the year. 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:

	2005 RM	2004 RM
Group		
Profit before taxation	45,603,928	29,188,194
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	12,769,100	8,172,694
Effect of different tax rates in other countries	(17,012)	(19,379)
Effect of income not subject to tax	(26,887,932)	(24,164,628)
Effect of expenses not deductible for tax purposes	12,748,935	14,557,345
Effect of utilisation of previously unrecognised tax losses	1,519,960	-
Deferred tax assets not recognised in respect of current year's tax losses	2,287	1,415,492
Overprovision of deferred tax in prior years	(49,691)	(5,025)
Overprovision of tax expense in prior years	(2,203)	(4,140)
Tax expense for the year	83,444	(47,641)

> > > Notes to the Financial Statements (contd.)

30 September 2005

8. Taxation (contd.)

	2005 RM	2004 RM
Company		
(Loss)/profit before taxation	(2,067,281)	371,244
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	(578,839)	103,948
Effect of income not subject to tax	(28,158)	(1,275,808)
Effect of expenses not deductible for tax purposes	606,997	1,057,147
Deferred tax assets not recognised in respect of current year's tax losses	-	114,713
Tax expense for the year	-	-

9. Earnings Per Share

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

	Group 2005	Group 2004
Net profit for the year (RM)	45,520,484	27,466,401
Weighted average number of ordinary shares in issue	151,052,711	135,381,614
Basic earnings per share (sen)	30.1	20.3

(b) There is no diluted earnings per share as the Company does not have any potential ordinary shares outstanding as at 30 September 2005.

10. Property, Plant and Equipment

Group	Leasehold Land RM	Buildings RM	Plant, Machinery & Gas Cylinders RM	Furniture, Fittings & Motor Vehicles RM	Vessels & Vessel Equipment RM	Containers & Port Equipment RM	Plant Under Construction RM	Total RM
Cost								
At 1 October 2004	-	344,601	-	8,628,262	341,366,614	20,880,830	-	371,220,307
Additions	-	-	-	1,031,030	18,640,121	-	-	19,671,151
Disposals	-	-	-	(388,073)	(78,839,138)	-	-	(79,227,211)
Exchange differences	-	-	-	(6,572)	-	-	-	(6,572)
At 30 September 2005	-	344,601	-	9,264,647	281,167,597	20,880,830	-	311,657,675
Accumulated Depreciation								
At 1 October 2004	-	53,413	-	4,380,602	114,344,568	9,113,513	-	127,892,096
Depreciation charge for the year (Note 4)	-	6,892	-	1,669,832	23,363,852	2,088,083	-	27,128,659
Disposals	-	-	-	(292,731)	(29,147,973)	-	-	(29,440,704)
Exchange differences	-	-	-	(4,602)	-	-	-	(4,602)
At 30 September 2005	-	60,305	-	5,753,101	108,560,447	11,201,596	-	125,575,449
Net Book Value								
At 30 September 2005	-	284,296	-	3,511,546	172,607,150	9,679,234	-	186,082,226
At 30 September 2004	-	291,188	-	4,247,660	227,022,046	11,767,317	-	243,328,211
Details at 1 October 2003								
Cost	6,931,508	4,323,322	41,800,205	11,988,243	338,719,695	20,880,830	647,662	425,291,465
Accumulated depreciation	629,082	528,536	21,121,645	5,649,834	93,905,646	7,031,492	-	128,866,235
Accumulated impairment losses	-	-	-	27,567	-	-	-	27,567
Depreciation charge for 2004 (Note 4)	34,051	42,611	1,447,899	1,846,821	24,517,359	2,082,021	-	29,970,762

> > > Notes to the Financial Statements (contd.)

30 September 2005

10. Property, Plant and Equipment (contd.)

Company	Furniture & Fittings RM
Cost	
At 1 October 2004	98,586
Additions	7,210
Disposals	(7,688)
At 30 September 2005	98,108
Accumulated Depreciation	
At 1 October 2004	86,051
Depreciation charge for the year (Note 4)	6,186
Disposals	(2,304)
At 30 September 2005	89,933
Net Book Value	
At 30 September 2005	8,175
At 30 September 2004	12,535
Details at 1 October 2003	
Cost	98,086
Accumulated depreciation	75,761
Depreciation charge for 2004 (Note 4)	10,290

(a) During the financial year, the Group acquired property, plant and equipment at the aggregate cost of RM19,671,151 (2004: RM12,912,981), of which RM762,600 (2004: RM230,000) 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 2005 RM	Group 2004 RM
Furniture, fittings & motor vehicles	1,010,242	425,124

(b) The net book values of property, plant and equipment pledged for borrowings as referred to in Note 21 are as follows:

	Group 2005 RM	Group 2004 RM
Vessels and vessel equipment	145,985,530	224,903,873
Containers and port equipment	565,833	635,833
	146,551,363	225,539,706

> > > Notes to the Financial Statements (contd.)

30 September 2005

11. Investments in Subsidiaries

	Company 2005 RM	Company 2004 RM
Unquoted shares at cost:		
In Malaysia	146,100,002	146,100,002
Outside Malaysia	4	4
	146,100,006	146,100,006
Less: Accumulated impairment losses	(999,999)	(999,999)
	145,100,007	145,100,007

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%) 2005	Equity Interest Held (%) 2004	Principal Activities
EM Container Line Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
EM Line Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
EM Shipping Sdn. Bhd.	Malaysia	100	100	Shipping agent
EM Carriers Sdn. Bhd.	Malaysia	100	100	Dormant
Premier Spectrum Sdn. Bhd.	Malaysia	100	100	Dormant
Wonder Link Sdn. Bhd.	Malaysia	100	100	Investment holding
Whittler Company Limited	British Virgin Islands	100	100	Provision of marine cargo handling and shipping services, and investment holding

Subsidiaries of Wonder Link Sdn. Bhd.

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%) 2005	Equity Interest Held (%) 2004	Principal Activities
Chatlink Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Hub Continental Shipping Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Hub Explorer Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Hub Fleet Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Hub Marine Pte. Ltd. *	Singapore	100	100	Shipping agent
Hub Shipping Sdn. Bhd.	Malaysia	100	100	Provision of marine cargo handling and shipping services
Hub Warrior Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Ozlink Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer
Patimico Sdn. Bhd.	Malaysia	100	100	Ship owner and charterer

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

> > > Notes to the Financial Statements (contd.)

30 September 2005

12. Investments in Associates

	Group 2005 RM	Group 2004 RM
Outside Malaysia:		
Quoted shares at cost	30,018,056	24,975,557
Share of post-acquisition reserves	5,249,239	2,552,944
	35,267,295	27,528,501
Unquoted shares at cost	32,904,735	17,033,017
Share of post-acquisition reserves	5,590,492	(1,926,326)
	38,495,227	15,106,691
Total shares	73,762,522	42,635,192
Quoted warrants	-	-
	73,762,522	42,635,192
Market value:		
- quoted shares	21,115,661	30,392,406
- quoted warrants	5,476,506	22,337,250

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

	Group 2005 RM	Group 2004 RM
Share of net assets	73,762,522	42,635,192
Share of capital commitments (Note 29)	-	595,000
Share of contingent liabilities (Note 30)	15,400,200	17,875,926

Details of the associates are as follows:

Name of Associates	Country of Incorporation	Equity Interest Held (%) 2005	Equity Interest Held (%) 2004	Principal Activities
Bangpakong Terminal Public Company Limited *	Thailand	21	19	Domestic port and related services
Platinum Container Lines Co., Ltd.	Thailand	44	44	Shipping and marine cargo handling

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

Certain of the Group's investment in the shares of BTC with carrying value amounting to approximately RM21.2 million (2004: RM4.0 million) have been pledged for borrowings as mentioned in Note 21.

13. Goodwill on Consolidation

	Group 2005 RM	Group 2004 RM
At 1 October/30 September	69,410,532	69,410,532

> > > Notes to the Financial Statements (contd.)
30 September 2005

14. Intangible Assets

	Group 2005 RM	Group 2004 RM
At 1 October	2,031,592	1,548,570
Additions	-	483,022
	2,031,592	2,031,592
Less: Accumulated amortisation	(406,318)	-
At 30 September	1,625,274	2,031,592

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

15. Due from Subsidiaries

	Company 2005 RM	Company 2004 RM
Due from subsidiaries	179,332,725	173,884,046
Less: Provision for doubtful debts	(1,979,612)	(1,979,612)
	177,353,113	171,904,434

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

16. Inventories

	Group 2005 RM	Group 2004 RM
Consumables, at cost	19,080,612	16,513,881

17. Trade Receivables

	Group 2005 RM	Group 2004 RM
Trade receivables	85,267,979	77,308,173
Less: Provision for doubtful debts	(4,936,832)	(2,936,832)
	80,331,147	74,371,341

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

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

> > > Notes to the Financial Statements (contd.)
30 September 2005

18. Other Receivables

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Deposits	8,098,827	1,427,598	9,900	9,900
Prepayments	481,936	1,034,456	301,738	317,500
Sundry receivables	9,872,260	297,219	232,146	49,096
	18,453,023	2,759,273	543,784	376,496

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

19. Short Term Investments

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Quoted investments in unit trust, at cost	23,322,913	-	8,100,566	-
Market value of quoted unit trust	23,322,913	-	8,100,566	-

20. Cash and Cash Equivalents

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Cash on hand and at banks	10,817,271	11,693,173	53,615	31,287
Deposits with licensed banks	88,575,646	16,393,259	67,523,651	2,417,345
Deposits with finance company	330,574	329,040	-	-
Cash and bank balances	99,723,491	28,415,472	67,577,266	2,448,632
Bank overdrafts (Note 21)	(1,736,394)	(4,373,850)	(33)	(1,184,424)
Cash and cash equivalents	97,987,097	24,041,622	67,577,233	1,264,208

(a) The Company's cash at bank amounting to RM37,383 (2004: RM30,086) have been deposited with a financial institution for the purpose of working capital utilisation in relation to the Company's Murabahah Commercial Paper/ Murabahah Medium Term Notes ("MCP/MMTN") facilities as mentioned in Note 21.

(b) The Company's deposits with licensed banks amounting to RM17,032,994 (2004: RM2,417,345) have been deposited with licensed banks and financial institutions for the purpose of principal and interest repayment obligations in relation to the Company's MCP/MMTN facilities as mentioned in Note 21.

(c) The Group's deposit with licensed bank and finance companies amounting to RM632,569 (2004: RM629,844) have been pledged for credit facilities granted to certain subsidiaries as referred to in Note 21.

(d) The average effective interest rates and the average maturities of deposits at the balance sheet date were as follows:

‘

	Group 2005	Group 2004	Company 2005	Company 2004
Average effective interest rates	2.8%	2.2 - 2.9%	2.6 - 2.8%	2.7%
Average maturities	3 - 186 days	1 - 30 days	4 - 186 days	30 days

> > > Notes to the Financial Statements (contd.)
30 September 2005

21. Borrowings

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Short Term Borrowings				
Secured:				
Bank overdrafts	1,736,361	3,189,426	-	-
Bills payable	7,681,285	-	-	-
Islamic Credit Line	-	497,356	-	-
Murabahah Commercial Paper	60,000,000	-	60,000,000	-
Revolving credits	-	7,000,000	-	-
Term loans	245,000	14,330,291	-	-
Discount on bonds	(395,234)	-	(395,234)	-
Hire purchase and finance lease payables (Note 22)	422,904	182,613	-	-
	69,690,316	25,199,686	59,604,766	-
Unsecured:				
Bank overdrafts	33	1,184,424	33	1,184,424
Revolving credits	50,000,000	2,000,000	50,000,000	-
Bills payable	-	2,536,905	-	-
	50,000,033	5,721,329	50,000,033	1,184,424
	119,690,349	30,921,015	109,604,799	1,184,424
Long Term Borrowings				
Secured:				
Term loans	258,539	15,655,513	-	-
Loan from a third party	13,999,058	230,318	-	-
Murabahah Commercial Paper	50,000,000	110,000,000	50,000,000	110,000,000
Murabahah Medium Term Notes	10,000,000	10,000,000	10,000,000	10,000,000
Discount on bonds	-	(1,118,401)	-	(1,118,401)
Hire purchase and finance lease payables (Note 22)	154,682	119,205	-	-
	74,412,279	134,886,635	60,000,000	118,881,599
Total Borrowings				
Bank overdrafts (Note 20)	1,736,394	4,373,850	33	1,184,424
Bills payable	7,681,285	2,536,905	-	-
Islamic Credit Line	-	497,356	-	-
Revolving credits	50,000,000	9,000,000	50,000,000	-
Term loans	503,539	29,985,804	-	-
Loan from a third party	13,999,058	230,318	-	-
Murabahah Commercial Paper	110,000,000	110,000,000	110,000,000	110,000,000
Murabahah Medium Term Notes	10,000,000	10,000,000	10,000,000	10,000,000
Discount on bonds	(395,234)	(1,118,401)	(395,234)	(1,118,401)
Hire purchase and finance lease payables (Note 22)	577,586	301,818	-	-
	194,102,628	165,807,650	169,604,799	120,066,023

> > > Notes to the Financial Statements (contd.)
30 September 2005

21. Borrowings (contd.)

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Maturity of borrowings (excluding hire purchase and finance lease):				
Within one year	119,662,679	30,738,402	110,000,033	1,184,424
More than 1 year and less than 2 years	74,257,597	66,501,271	60,000,000	60,000,000
More than 2 years and less than 5 years	-	68,998,113	-	60,000,000
5 years or more	-	386,447	-	-
	193,920,276	166,624,233	170,000,033	121,184,424

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

	Group 2005 %	Group 2004 %	Company 2005 %	Company 2004 %
Bank overdrafts	6.3 - 8.0	6.3 - 8.2	6.5 - 8.0	6.5 - 8.0
Bills payable	2.8 - 6.8	2.8 - 3.5	-	-
Islamic Credit Line	-	8.0	-	-
Revolving credits	5.8	4.7 - 8.2	5.8	-
Term loans	8.0 - 8.4	2.9 - 8.4	-	-
Loan from a third party	4.0 - 4.5	4.0	-	-

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

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

(ii) Deposits with licensed banks of the Group as disclosed in Note 20; and

(iii) Certain of the Group's investment in the shares of an associate company as disclosed in Note 12.

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

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

The MCP/MMTN will expire five years from the date of first issue i.e. 18 April 2002. The tender rates for MCP ranged between 2.8% and 4.0% (2004: 3.3% and 3.9%) per annum while the profit rate for MMTN was fixed at 8.5% (2004: 8.5%) per annum.

The MCP/MMTN are secured by third party charges over certain vessels owned by the Group as mentioned in Note 10, as well as certain of the Company's bank balances and deposits with licensed banks mentioned in Note 20.

21. Borrowings (contd.)

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

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

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

As mentioned in Note 33(b), the Company has made an early redemption and has cancelled the above MCP/ MMTN on 24 November 2005.

22. Hire Purchase and Finance Lease Payables

	Group 2005 RM	Group 2004 RM
Minimum lease payments:		
Not later than 1 year	441,907	196,857
Later than 1 year and not later than 2 years	159,547	134,623
	601,454	331,480
Less: Future finance charges	(23,868)	(29,662)
Present value of finance lease liabilities	577,586	301,818
Present value of finance lease liabilities:		
Not later than 1 year	422,904	182,613
Later than 1 year and not later than 2 years	154,682	119,205
	577,586	301,818
Analysed as:		
Due within 12 months (Note 21)	422,904	182,613
Due after 12 months (Note 21)	154,682	119,205
	577,586	301,818

The hire purchase and lease liabilities bore interest at the balance sheet date at rates between 6.2% and 12.9% (2004: 6.2% and 12.9%) per annum.

23. Trade Payables

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

> > > Notes to the Financial Statements (contd.)
30 September 2005

24. Other Payables

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Amount owing to directors	417,922	344,114	35,000	36,500
Amount outstanding for purchase of vessel	-	2,098,168	-	-
Amount owing to a corporate shareholder	5,444,277	11,594,277	-	-
Sundry payables	1,507,151	2,195,535	40,242	38,868
Accruals	2,498,080	5,494,943	376,707	379,431
	9,867,430	21,727,037	451,949	454,799

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

25. Share Capital

	Number of Ordinary Shares of RM1 Each 2005	Number of Ordinary Shares of RM1 Each 2004	Amount 2005 RM	Amount 2004 RM
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid				
At 1 October	141,406,110	130,170,254	141,406,110	130,170,254
Issued and paid up during the year for cash	14,140,600	11,235,856	14,140,600	11,235,856
At 30 September	155,546,710	141,406,110	155,546,710	141,406,110

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM141,406,110 to RM155,546,710 by way of the issuance of 14,140,600 ordinary shares of RM1 each through a private placement at an issue price of RM2.25 per ordinary share for cash, for additional working capital purposes. The share premium arising, after deducting the share issue costs of RM443,307, amounted to RM17,232,443 and this has been credited to the share premium account.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

26. Other Reserve

	Group 2005 RM	Group 2004 RM
Foreign exchange reserve	487,709	124,359

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

27. Retained Profits

As at 30 September 2005, the Company has tax-exempt profits available for distribution of approximately RM8,101,000 (2004: RM8,101,000), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax-exempt income account to frank the payment of dividends out of its entire retained profits as at 30 September 2005.

28. Deferred Tax

	Group 2005 RM	Group 2004 RM
At 1 October	(100,897)	2,863,885
Recognised in income statement (Note 8)	21,407	(424,782)
Disposal of subsidiary	-	(2,540,000)
At 30 September	(79,490)	(100,897)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(89,533)	(153,876)
Deferred tax liabilities	10,043	52,979
	(79,490)	(100,897)

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

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM	Revaluation of Land & Buildings RM	Total RM
At 1 October 2004	52,979	-	52,979
Recognised in income statement	(42,936)	-	(42,936)
At 30 September 2005	10,043	-	10,043
At 1 October 2003	3,603,177	192,719	3,795,896
Recognised in income statement	(321,198)	-	(321,198)
Disposal of subsidiary	(3,229,000)	(192,719)	(3,421,719)
At 30 September 2004	52,979	-	52,979

Deferred Tax Assets of the Group:

	Provision for Doubtful Debts RM	Provision for Liabilities RM	Allowances for Inventories RM	Tax Losses & Unabsorbed Capital Allowances RM	Total RM
At 1 October 2004	-	-	-	(153,876)	(153,876)
Recognised in income statement	-	-	-	64,343	64,343
At 30 September 2005	-	-	-	(89,533)	(89,533)
At 1 October 2003	(437,000)	(90,000)	(162,000)	(243,011)	(932,011)
Recognised in income statement	-	-	-	89,135	89,135
Disposal of subsidiary	437,000	90,000	162,000	-	689,000
At 30 September 2004	-	-	-	(153,876)	(153,876)

> > > Notes to the Financial Statements (contd.)
30 September 2005

28. Deferred Tax (contd.)

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

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	RM	RM	RM
Unused tax losses	19,873,000	25,302,000	642,000	642,000
Unabsorbed capital allowances	3,968,000	2,786,000	1,256,000	1,258,000
Unutilised reinvestment allowance	60,000	60,000	60,000	60,000
	23,901,000	28,148,000	1,958,000	1,960,000

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

29. Commitments

	Group	
	2005	**2004**
	RM	RM
Capital expenditure:		
Purchase of plant and machinery		
- approved and contracted for	-	1,000,000
Share of capital commitments of associates (Note 12)	-	595,000
	-	1,595,000

30. Contingent Liabilities

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	RM	RM	RM
Unsecured:				
Corporate guarantees given to banks for credit facilities granted to subsidiaries	-	-	14,482,938	42,371,576
Share of contingent liabilities of associates (Note 12)	15,400,200	17,875,926	-	-
	15,400,200	17,875,926	14,482,938	42,371,576

31. Significant Related Party Transactions

	Company	
	2005	**2004**
	RM	RM
Interest income from subsidiaries	3,864,243	4,949,684
Management fee revenue from a subsidiary	-	75,000

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

> > > Notes to the Financial Statements (contd.)

30 September 2005

32. Other Significant Events

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

(b) On 21 June 2005, the Company through its wholly-owned subsidiary company, WCL, increased shareholdings in its associate company, Platinum Container Lines Co. Ltd. ("PCL") from 1,764,000 shares to 3,528,000 shares via PCL's 1:1 Rights Issue for a consideration of approximately RM16.1 million. WCL's equity interest in PCL remained at 44.1% after the Rights Issue.

33. Subsequent Events

(a) The Group has proposed to undertake a fund raising exercise which involves the following:

(i) Issuance of Murabahah Commercial Papers ("MCP")/Medium Term Notes Programme of up to RM150 million;

(ii) Issuance of Bai' Bithaman Ajil Islamic Debt securities at nominal value of RM70 million.

The above proposal was approved by the Securities Commission on 20 September 2005. As at the date of this report, the Group has fully issued the MCP and Bai' Bithaman Ajil Islamic Debt securities.

(b) The Group had, on 24 November 2005 made an early redemption of and cancelled its outstanding RM120 million Al-Murabahah Commercial Paper/Medium-Term Notes Programme (2002/2007).

(c) The Company had, on 19 October 2005, announced that it was proposing to seek from its shareholders the authority for the Company to purchase and/or hold up to ten percent (10%) of its issued and paid-up capital. The Proposed Shares Buy-Back was approved by the shareholders at the Extraordinary General Meeting held on 15 November 2005.

As at the date of this report, the Company repurchased 465,600 of its issued ordinary shares from the open market at an average price of RM1.68 per share. The total consideration paid for the repurchase was RM779,983.

(d) The Group had, on 13 December 2005, announced its intention to internally reorganise its corporate structure to streamline the activities of its subsidiaries. The proposed reorganisation is pending the approval of the Foreign Investment Committee and will involve the transfer by Wonder Link Sdn. Bhd., a wholly-owned subsidiary of Hubline Berhad, to the Company, of the entire equity interests of certain of the subsidiaries of Wonder Link Sdn. Bhd.

34. Comparatives

Certain comparative figures have been reclassified to conform with the current year's presentation.

35. Financial Instruments

(a) Financial Risk Management Objectives and Policies

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

(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 2005. 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.

> > > Notes to the Financial Statements (contd.)

30 September 2005

35. Financial Instruments (contd.)

(c) Foreign Exchange Risk

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

(d) Liquidity Risk

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

(e) Credit Risk

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

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

(f) Fair Values

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

The aggregate net fair values of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Group and the Company as at the 30 September 2005 are presented as follows:

		Group		**Company**	
	Notes	**Carrying Amount** RM	**Fair Value** RM	**Carrying Amount** RM	**Fair Value** RM
Financial Assets					
Non-current quoted shares	12	35,267,295	21,115,661	-	-
Financial Liabilities					
Secured term loans:					
Murabahah Medium Term Notes	21	10,000,000	10,000,000	10,000,000	10,000,000

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

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

(i) Other Investments

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

35. Financial Instruments (contd.)

(f) Fair Values (contd.)

(ii) Cash and Cash Equivalents, Trade and Other Receivables/ Payables and Short Term Borrowings

The carrying amounts approximate their fair values due to the relatively short term maturity of these financial instruments.

(iii) Long Term Borrowings

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

36. Segmental Information

The Group is organised into two major business segments:

(i) Shipping & related activities
(ii) Management services

On 7 April 2004, the Company had disposed its equity interest in Eastern Oxygen Industries Sdn. Bhd., which is involved in industrial gas operations.

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

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

> > > Notes to the Financial Statements (contd.)
30 September 2005

36. Segmental Information (contd.)

	Shipping & Related Activities 2005 RM	Shipping & Related Activities 2004 RM	Industrial Gas Operations 2005 RM	Industrial Gas Operations 2004 RM	Management Services 2005 RM	Management Services 2004 RM	Eliminations 2005 RM	Eliminations 2004 RM	Consolidated 2005 RM	Consolidated 2004 RM
Revenue and Expenses										
Revenue										
External sales	414,204,000	367,068,141	-	16,232,958	-	-	-	-	414,204,000	383,301,099
Inter-segment sales	-	-	-	-	-	75,000	-	(75,000)	-	-
Total revenue	414,204,000	367,068,141	-	16,232,958	-	75,000	-	(75,000)	414,204,000	383,301,099
Result										
Segment results	42,326,214	34,009,665	-	3,915,306	(1,881,652)	371,244	-	(1,033,267)	40,444,562	37,262,948
Profit from operations									40,444,562	37,262,948
Finance costs, net									(5,097,143)	(8,140,763)
Share of results of associates									10,256,509	66,009
Taxation									(83,444)	47,641
Profit after taxation									45,520,484	29,235,835
Minority interests									-	(1,769,434)
Net profit for the year									45,520,484	27,466,401
Assets and Liabilities										
Segment assets	426,230,907	407,318,196	-	-	76,229,791	1,837,664			502,460,698	409,155,860
Unallocated corporate assets									69,983,829	70,890,027
Consolidated total assets									572,444,527	480,045,887
Segment liabilities	31,054,906	44,221,179	-	-	451,949	454,799			31,506,855	44,675,978
Unallocated corporate liabilities									194,149,195	165,838,309
Consolidated total liabilities									225,656,050	210,514,287
Other Information										
Capital expenditure	19,663,941	10,748,825	-	2,163,656	7,210	500			19,671,151	12,912,981
Depreciation	27,122,473	28,180,262	-	1,780,210	6,186	10,290			27,128,659	29,970,762

> > > Analysis of Shareholdings

Analysis of Shareholders as at 22 February 2006

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

Distribution of Shareholdings

HOLDINGS	NO. OF HOLDERS	% OF HOLDERS	NO. OF * SHARES	% OF ISSUED CAPITAL
Less than 100	12	0.61	335	0.00
100 to 1,000	742	37.82	700,749	0.45
1,001 to 10,000	934	47.60	3,618,669	2.33
10,001 to 100,000	174	8.87	5,991,946	3.86
100,001 to less than 5% of issued shares	97	4.95	95,361,714	61.50
5% and above of issued shares	3	0.15	49,407,697	31.86
Total	**1,962**	**100.00**	**155,081,110**	**100.00**

*Note : * Excluding a total of 465,600 shares bought-back and retained as treasury shares.*

Substantial shareholders as at 22 February 2006

	Direct		Deemed Interest / Indirect	
	No. of shares	**% held[3]**	**No. of shares**	**% held[3]**
Billion Power Sdn. Bhd.	38,878,355	25.07	-	-
Employees Provident Fund Board	15,068,300	9.72	-	-
Lembaga Tabung Haji	7,768,100	5.01	-	-
The Great Eastern Life Assurance Co. Ltd	2,500,000	1.61	5,658,700[1]	3.65
Overseas-Chinese Banking Corporation Limited	-	-	8,158,700[2]	5.26
Great Eastern Holdings Limited	-	-	8,158,700[2]	5.26

Note :

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

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

(3) *Excluding a total of 465,600 shares bought-back and retained as treasury shares.*

Directors' shareholdings as at 22 February 2006

	Direct		Indirect	
	No. of Shares	**%[2]**	**No. of Shares**	**%[2]**
Richard Wee Liang Huat @ Richard Wee Liang Chiat	1,841,673	1.19	2,793,818[1]	1.80
Dennis Ling Li Kuang	-	-	-	-
Christine Lau Swee Eng	1,160,200	0.75	-	-
Ibrahim Haji Baki	-	-	-	-
Awang Mohidin Bin Awang Saman	-	-	-	-
Katrina Ling Shiek Ngee	-	-	-	-

Note :

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

(2) *Excluding a total of 465,600 shares bought-back and retained as treasury shares.*

> > > Analysis of Shareholdings (contd.)

Thirty Largest Shareholders as at 22 February 2006

	NAME	NO. OF SHARES	% OF ISSUED CAPITAL
1	Billion Power Sdn Bhd	30,410,597	19.61
2	Employees Provident Fund Board	11,229,000	7.24
3	Lembaga Tabung Haji	7,768,100	5.01
4	TA Nominees (Tempatan) Sdn Bhd Account for Billion Power Sdn Bhd	5,897,758	3.80
5	AMMB Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for HLG Penny Stock Fund	4,000,000	2.58
6	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad	3,995,000	2.58
7	CIMSEC Nominees (Asing) Sdn Bhd CIMB Account for Thananya Chumponkulwong	3,542,413	2.28
8	CITIGROUP Nominees (Asing) Sdn Bhd Exempt AN for American International Assurance Company Limited	3,484,700	2.25
9	Universal Trustee (Malaysia) Berhad SBB Emerging Companies Growth Fund	3,408,000	2.20
10	RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja	3,239,300	2.09
11	ENG Nominees (Asing) Sdn Bhd UOB Kay Hian Private Limited for BP Asset Management Incorporated	2,826,900	1.82
12	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Hwang-DBS Select Small Caps Fund	2,757,000	1.78
13	HDM Nominees (Tempatan) Sdn Bhd Account for Billion Power Sdn Bhd	2,570,000	1.66
14	HSBC Nominees (Asing) Sdn Bhd BNY Brussels for The Great Eastern Life Assurance Co Ltd	2,500,000	1.61
15	Universal Trustee (Malaysia) Berhad SBB Dana Al-Azam	2,494,800	1.61
16	CITIGROUP Nominees (Tempatan) Sdn Bhd Exempt AN for Prudential Assurance Malaysia Berhad	2,170,000	1.40
17	CIMSEC Nominees (Asing) Sdn Bhd CIMB for Kanjang Singhachatprichakul	1,953,157	1.26
18	Basil Ling Ing Bing	1,863,800	1.20
19	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Hwang-DBS Select Opportunity Fund	1,857,000	1.20
20	OSK Nominees (Tempatan) Sdn Bhd Account for Pau Chiong Ching	1,811,040	1.17

> > > Analysis of Shareholdings (contd.)

Thirty Largest Shareholders as at 22 February 2006 (contd.)

	NAME	NO. OF SHARES	% OF ISSUED CAPITAL
21	HLG Nominee (Tempatan) Sdn Bhd PB Trustee Services for HLG Growth Fund	1,789,000	1.15
22	Universal Trustee (Malaysia) Berhad Pacific Premier Fund	1,742,700	1.12
23	HLG Nominees (Tempatan) Sdn Bhd HLG Asset Management Sdn Bhd for Pertubuhan Keselamatan Sosial	1,740,000	1.12
24	AMMB Nominees (Tempatan) Sdn Bhd Account for WHT Industrials Sdn Bhd	1,712,502	1.10
25	Alliancegroup Nominees (Tempatan) Sdn Bhd Account for Richard Wee Liang Huat @ Richard Wee Liang Chiat	1,692,673	1.09
26	HSBC Nominees (Asing) Sdn Bhd TNTC for DBS Malaysia Equity Fund	1,530,000	0.99
27	HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Unidynamicfonds: Asia	1,493,000	0.96
28	Manulife Insurance (Malaysia) Berhad	1,462,000	0.94
29	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Pau Chiong Ching	1,328,600	0.86
30	CIMSEC Nominees (Tempatan) Sdn Bhd EON Finance Berhad For Pau Chiong Ching	1,311,116	0.84
	TOTAL	**115,580,156**	**74.52**

HUBLine

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 Muhibbah, 2nd Floor, Merdeka Palace Hotel & Suites, Jalan Tun Abang Haji Openg 93000 Kuching, Sarawak, on Friday, 31st March 2006 at 11.00 a.m. or at any adjournment thereof in the manner indicated below:

	ORDINARY RESOLUTION	FOR	AGAINST
1.	To receive and adopt the Audited Financial Statement		
2.	To re-elect Ms Christine Lau Swee Eng as Director		
3.	To re-elect Mr Richard Wee Liang Huat @ Richard Wee Liang Chiat as Director		
4.	To re-elect Hj. Awang Mohidin Bin Awang Saman as Director		
5.	To approve Directors' fees		
6.	To re-appoint Messrs. Ernst & Young as Auditors of the Company		
7.	To authorise Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
8.	Renewal of Authority for the purchase of own shares by 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.........................day of 2006

....
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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