



HUBLINE BERHAD

Registration No. 197501001462 (23568-H)

(Incorporated in Malaysia)

MINUTES OF THE FORTY-NINTH ANNUAL GENERAL MEETING (“49TH AGM”) OF HUBLINE BERHAD (“HUBLINE” OR “THE COMPANY”) HELD AT ABELL ROOM, 4TH FLOOR, ABELL HOTEL, NO. 22 JALAN TUNKU ABDUL RAHMAN, 93100 KUCHING, SARAWAK, ON THURSDAY, 27TH FEBRUARY, 2025 AT 11:00 A.M.

PRESENT AT THE 49TH AGM VENUE:

DIRECTORS

Tuan Haji Ikhwan Bin Zaidel	Non-Independent Non Executive Chairman
Dato Richard Wee Liang Huat @ Richard Wee Liang Chiat	Non-Independent Executive President
Mr. Dennis Ling Li Kuang	Non-Independent Group Managing Director
Ms. Katrina Ling Shiek Ngee	Non-Independent Group Executive Director
Mr. Peter Chin Mui Khiong	Senior Independent Non-Executive Director
Mr. Bobby Lim Chye Huat – via Zoom	Independent Non-Executive Director
Dr. Rosmina Binti Ahmad Bustami	Independent Non-Executive Director
Mr. Lai Lian Yee – via Zoom	Non-Independent Non-Executive Director

IN ATTENDANCE:

Mr. Hudson Chua Jain	Chief Executive Officer
Mr. Chua Beng Cheng	Chief Financial Officer
Madam Yeo Puay Huang	Company Secretary
Ms. Michelle Chin	Partner of Crowe Malaysia PLT
Ms. Beatrice Tang	Representative from Crowe Malaysia PLT
Miss Lee Sheau Ling	Representative from Commercial Quest Sdn. Bhd.
Mr Victor Lee	From Hubline Berhad
Mr Bong Siet Fah	From Hub Carrier Sdn Bhd

MEMBERS :

Dato Richard Wee Liang Huat @ Richard Wee Liang Chiat
Chua Yan Kah
Stephen Loh Leong Poh
Lim Ngo Mooy
Liew Thian Shin @ Liew Thian Shen
Chuo Kuong Liong
Wong On Sing
Leong Woh Ging
Tsai Song Lim
Wong Siak Onn
Tang Sing Kui
Lee Hong Hai

PROXIES

Ikhwan Bin Zaidel	Proxy from Kenanga Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for IBZ Corporation Sdn. Bhd.
Katrina Ling Shiek Ngee	Proxy from Ta Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for Katrina Ling Shiek Ngee
Lau Swee Eng	Proxy from Ta Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for Lau Swee Eng
Chew Ai Lee Karen	Proxy from Katrina Ling Shiek Ngee

Lawrence Wong Dang Fong	Proxy from TA Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for Lanacove Sdn. Bhd.
Ling Li Kuang	Proxy from Kenanga Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for Billion Power Sdn. Bhd.
Tay Eng Tong	Proxy from Amsec Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for Tay Eng Tong
Law Mee Yung	Proxy from Chia Yun Ling
Dato Richard We Liang Huat @ Richard Wee Liang Chiat	Proxy from Affin Hwang Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for BNDM Incorporated Holdings Sdn Bhd.
Dato Richard We Liang Huat @ Richard Wee Liang Chiat	Proxy from Amsec Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for Tay Eng Tong
Dato Richard We Liang Huat @ Richard Wee Liang Chiat	Proxy from Kenanga Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for Tay Eng Tong
Dato Richard We Liang Huat @ Richard Wee Liang Chiat	Proxy from Ibrahim Bin Baki
Dato Richard We Liang Huat @ Richard Wee Liang Chiat	Proxy from Kenanga Nominees (Tempatan) Sdn. Bhd. pledged Securities Account for Ibrahim Bin Baki
Dato Richard We Liang Huat @ Richard Wee Liang Chiat	Proxy from Tay Eng Tong

1. Welcome Address by the Chairman

Tuan Haji Ikhwan Bin Zaidel (“the Chairman”) chaired the 49th AGM of the Company and welcomed all present at the AGM of the Company. He introduced the members of the Board of Directors to the members.

2. Quorum for the Meeting

The Chairman, having confirmed that the requisite quorum being present, called the Meeting to order at 11:00 a.m.

3. Voting By Way of Poll

The Chairman briefed the members that pursuant to the Main Market Listing

Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice and put to vote at general meeting would be decided on a poll. He further informed that all the resolutions at the Meeting would be put to vote by poll using polling forms.

The Company had appointed Securities Services (Holdings) Sdn. Bhd. to act as Poll Administrator. The Company has also appointed Independent Scrutineer, Commercial Quest Sdn. Bhd. (Registration No. 199401025328 (311007-M)) to verify and validate the polling results. The polling process for voting on the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the Meeting.

4. Notice of Meeting

The Notice convening the Meeting having been circulated within the prescribed period and there was a quorum for the Meeting. Thus, with the permission of the Meeting, it was taken as read.

5. Audited Financial Statements and Reports

The Chairman informed that the Audited Financial Statements for the financial year ended 30 September 2024 together with the Report of the Directors and Auditors thereon, were tabled at the Meeting for discussion only and were not required to be put forward for voting.

The Audited Statements of Accounts together with the Reports have been circulated to all members within the prescribed period.

6. Questions and Answers Session

Prior to the Meeting, the Minority Shareholders Watch Group (“MSWG”) had on 20 February 2025 submitted their questions to the Company via e-mail raising some questions pertaining to operational and financial matters.

The questions and answers attached as Appendix 1 was presented at the Meeting.

7. Any Other Business

The Meeting noted that the Company had not received any notice for transaction of any other business.

The Meeting then proceeded to voting using polling forms.

8. Polling Process

The Company Secretary briefed the Meeting on the procedures for the conduct of voting using polling forms.

Thereafter, the members proceeded to vote on the various resolutions using polling forms provided by the share registrar.

9. Declaration of Poll Voting Results

After the Scrutineer had verified the polling results and passed the results to the Chairman, the Chairman then called the Meeting to order for the declaration of results.

Based on the polling results which have been verified and validated by the Scrutineer, the Chairman declared all the resolutions tabled at the Meeting, carried as follows:

Resolution 1:

To re-elect Dr. Rosmina Binti Ahmad Bustami who is retiring in accordance with Clause 18.9 of the Company's Constitution and is offering herself for re-election.

Results on voting by poll, as verified by the Scrutineer:

VOTE IN FAVOUR (40)		VOTE AGAINST	
No. of Shares	%	No. of Shares	%
2,244,514,963	100.00	0	0.00

Based on the poll result, the Chairman declared the motion as carried.

Resolution 2:

To re-elect Dato Richard Wee Liang Huat @ Richard Wee Liang Chiat who is retiring in accordance with Clause 18.2 of the Company's Constitution and is offering himself for re-election.

Results on voting by poll, as verified by the Scrutineer:

VOTE IN FAVOUR (40)		VOTE AGAINST	
No. of Shares	%	No. of Shares	%
2,244,514,963	100.00	0	0.00

Based on the poll result, the Chairman declared the motion as carried.

Resolution 3:

To re-elect Mr Ling Li Kuang who is retiring in accordance with Clause 18.2 of the Company's Constitution and is offering himself for re-election.

Results on voting by poll, as verified by the Scrutineer:

VOTE IN FAVOUR (38)		VOTE AGAINST (1)	
No. of Shares	%	No. of Shares	%
2,126,657,963	99.9999530	1,000	0.00000470

Based on the poll result, the Chairman declared the motion as carried.

Resolution 4:

To re-elect Mr Bobby Lim Chye Huat @ Lim Chye Huat who is retiring in accordance with Clause 18.2 of the Company's Constitution and is offering himself for re-election.

Results on voting by poll, as verified by the Scrutineer:

VOTE IN FAVOUR (28)		VOTE AGAINST (12)	
No. of Shares	%	No. of Shares	%
2,066,517,163	92.0696541	177,997,800	7.9303459

Based on the poll result, the Chairman declared the motion as carried.

Resolution 5:

To approve Directors’ fees of RM900,000 for the financial year ending 30 September 2025.

Results on voting by poll, as verified by the Scrutineer:

VOTE IN FAVOUR (39)		VOTE AGAINST (1)	
No. of Shares	%	No. of Shares	%
2,244,513,963	99.9999554	1,000	0.0000446

Based on the poll result, the Chairman declared the motion as carried.

Resolution 6:

To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorize the Directors to determine their remuneration.

Results on voting by poll, as verified by the Scrutineer:

VOTE IN FAVOUR (40)		VOTE AGAINST	
No. of Shares	%	No. of Shares	%
2,244,514,963	100.00	0	0.00

Based on the poll result, the Chairman declared the motion as carried.

Resolution 7:

Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and waiver of pre-emptive rights

“THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company for the time being;

THAT pursuant to Section 85 of the Act to be read together with Clause 13.2 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-

emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

Results on voting by poll, as verified by the Scrutineer:

VOTE IN FAVOUR (40)		VOTE AGAINST	
No. of Shares	%	No. of Shares	%
2,244,514,963	100.00	0	0.00

Based on the poll result, the Chairman declared the motion as carried.

10. Meeting Closure

There being no other business to be transacted, the Meeting concluded at approximately 12:15p.m. and the Chairman thanked all present for their attendance.

YBhg. Dato Richard Wee Liang Huat @ Richard Wee Liang Chiat thanked the Chairman for his chairmanship.

CONFIRMED TRUE RECORD

CHAIRMAN OF THE MEETING

APPENDIX 1

Operational & Financial Matters

1. Hubline recorded lower revenue of RM 208.58 million and net profit of RM 3.585 million in FY2024 (FY2023: RM 234.05 million and RM 6.07 million respectively).
 - (a) Shipping revenue decreased by RM 5.66 million to RM 136.3 million from RM 141.96 million in the previous year due to subdued freight rates during FY2024. Nevertheless, the Company expects a rebound in freight rates in FY2025 (page 6 of Annual Report 2024).

What was the average decline in freight rates in FY2024 compared to FY2023?
How have freight rates performed thus far in the first five months of FY2025?

Response:

Freight rates declined between 4% and 20% depending on the commodity carried and the route travelled in FY2024 compared to FY2023. Despite the drop in freight rates, and revenue falling by RM 5.66 million, the shipping segment's overall profit only reduced by RM 0.7 million.

In the first five months of FY2025, freight rates have generally remained soft with freight rates on some of the commodities continuing to dip whilst for others have marginally improved.

- (b) Hubline would have been loss-making in FY2024 without the recognition of other income (RM 18.13 million) and deferred tax assets.

How will the Company perform financially in the absence of such a one-off gain in FY2025? To what extent will the rebound in freight rates help to improve Hubline's financial performance? What are the other catalysts for improved performance in FY2025?

Response:

We anticipate the Group's contribution from its core activities to improve in FY2025 in line with the strategies and initiatives that the Group is implementing. In FY2025, we expect the results for the first six (6) months of the year to be affected due to seasonal adverse weather conditions and scheduled maintenance during this period. We do expect better results in the second half of the year.

If freight rates were to improve, the financial performance will improve to the extent that the increase in rates are more than key variable costs such as bunker costs.

In terms of other catalysts for improved performance, for the shipping segment, we continue our cost-control measures such as fuel saving practices through optimizing routes and reducing idling time. We also schedule our maintenance times for our vessels to coincide when demand is low to be in a ready position when the market picks up. Our fleet renewal program also assists by providing us with more efficient vessels thereby reducing our costs.

For the aviation segment, we continue to seek new contracts or contract extensions with better margins.

- (c) The Shipping division recorded an almost full fleet utilization rate for most of the year with vigorous forward and return cargoes (page 7 of AR2024). Does the Company expect the full utilisation rate to persist in FY2025? In addition, is it timely for the Company to expand its fleet size?

Response:

The Shipping division always aims towards ensuring high utilisation rate of its fleet. Our operations team works to schedule our vessels to ensure they are correctly positioned to pick up cargo in the most efficient manner possible. We anticipate continued high utilization of our vessels in FY2025.

We are presently focused on replacing older and less efficient vessels with newer ones as a number of vessels in our fleet are 20 years old and above. We will expand our fleet should we foresee market demand to significantly improve in the coming years.

2. Hubline started investing in quoted shares two years ago with an initial investment of RM 2.785 million. As of FY2024, the investments in quoted shares increased to RM 26.78 million from RM 19.33 million the year before.

(a) Which are the PLCs and the respective size of investment that Hubline has invested in? If Hubline cannot name the PLCs, please disclose the business activities of these investee companies. On average, what is the market capitalisation of these investees?

Response:

The business activities of the investee companies include:

- *Construction and contracts of infrastructure projects and buildings;*
- *Repair, servicing and sales of marine and industrial products;*
- *Trading and manufacturing of building materials and machineries.*

The average capitalization of the investee companies is approx. RM 320 million.

(b) What is the investment thesis, risks, returns and investment objectives in these securities? What form of return does Hubline seek to receive from these investments? What are the realized and/ or unrealized returns or losses recorded since it started investing in equities?

Response:

We invest in stable companies with good growth and earnings potential. Hubline seeks to create value through capital appreciation and dividends from these investments. To date, the Group has recorded an unrealized loss of approximately RM 79,000 through the marked to market revaluations of its investments.

Sustainability Matters

1. Climate change is a material risk for the Company as it increases the risk of operational disruption, damages assets and poses safety concerns to employees.

To tackle climate change and proactively manage its carbon footprint, Hubline has implemented a fleet renewal program to replace older tugs, barges, aircraft and motor vehicles to improve fuel efficiency, reduce carbon emissions and improve operational efficiencies (page 16 of AR 2024).

When does Hubline expect to fully complete the fleet renewal exercise? What is the average fleet age? How different are the emissions and efficiencies between old and new vessels?

Response:

The fleet renewal program is very capital intensive and we are currently working towards one to two tug and barge sets to be renewed annually. This program is a continuous endeavor to ensure that our fleet are efficient and cost effective. Other than the costs involved, we also need to manage the lack of capacity in shipyards due to the time required to build a vessel.

Our current average fleet age is approximately 15 years. In terms of emissions and efficiencies between old and new vessels, for our tugs, the newer engines are more fuel efficient with consumption reducing by approx. 10-15% depending on variables such as the different cargoes carried and the weather. For our barges, it is through improved hull designs to reduce the drag, thereby allowing the barges to move through the water more easily and therefore consuming less fuel to pull them along. Further, lighter material used in construction reduces the overall weight and improves fuel efficiency.

Corporate Governance Matters

1. Hubline has three executive directors (EDs), one chief executive officer, one chief financial officer, and two divisional managing directors (MDs) for the Shipping and Aviation division that manage Hubline's day-to-day operations.

The three EDs are namely the Group Executive President (GEP) Datuk Richard Wee Liang Huat @ Richard Wee Liang Chiat, Group Managing Director (GMD) Mr Dennis Ling Li Kuang and Group Executive Director Ms Katrina Ling Shiek Ngee.

- (a) As stated on page 38 of AR2024, "*the daily management and operation of the Group are the key responsibilities of the CEO*", while the EDs are "*responsible for providing leadership and overseeing day-to-day business operations and management.*"

What are the difference in roles and duties among GEP, GMD, ED and CEO? Considering this, are there any overlapping duties among EDs and key senior management?

Response:

The responsibilities disclosed in AR2024 are broad based which gives the impression of overlapping duties. However, we do this consciously as part of our succession planning and talent acquisition initiative as we are exploring and laying the foundation for expansion into complementary businesses. Each operating division is further empowered with a dedicated and robust management team.

- (b) Considering the current revenue and profit level, against the number of key management personnel, does the Nomination Committee see the need for a comprehensive review of KMP composition and remuneration?

Response:

The Nomination Committee had met and reviewed the KMP composition and remuneration. As Hubline is investing in our succession plan while also finding new complementary businesses with an intention to increase revenue base, the Nomination Committee while mindful of the costs associated with these investments in human capital, considers them necessary for future development with potential long term benefits.

2. Despite declining bottomline performance over the past four years, Hubline’s total compensation of key management personnel (KMP) has been on the rise (refer to the table below):

	FY2024	FY2023	FY2022	FY2021
	RM	RM	RM	RM
Directors of the Company				
Executive directors: -				
Salaries & other emoluments	1,923,261	1,764,200	1,608,200	1,136,019
Fees	486,500	494,000	450,000	186,581
Defined contribution benefits	190,965	174,005	159,276	117,864
Total	2,600,726	2,432,205	2,217,476	1,440,464
Directors of the Subsidiaries				
Executive directors: -				
Salaries & other emoluments	1,930,302	1,438,596	914,889	696,662
Fees	330,000	330,000	826,000	570,000
Defined contribution benefits	312,086	126,896	110,022	63,163
Total	2,572,388	1,895,492	1,850,911	1,329,825
Other Key Management Personnel				
Salaries & other emoluments	2,283,400	1,479,050	899,989	638,104
Defined contribution benefits	277,068	239,106	107,399	3,938
Total	2,560,468	1,718,156	1,007,388	642,042
Total Key Management Personnel Compensation	7,733,582	6,045,853	5,075,775	3,412,331
Revenue	208,580,989	234,053,447	228,442,444	152,928,734
Net profit	3,585,426	6,065,299	11,260,373	19,425,203

- (a) The total KMP compensation more than doubled from RM 3.4 million in FY2021 to RM 7.73 million in FY2024. All levels of KMP recorded significant increases in remuneration. Meanwhile, Hubline’s net profit deteriorated from RM 19.43 million to RM 3.59 million in the same period.

Notably, the latest dividend payout from Hubline was back in May 2010, with a first and final dividend of 0.2 sen per share declared.

Why was there a sharp increase in KMP compensation across all levels despite the declining financial performance? Were there substantial changes in roles and duties among KMP or more headcount recruited? What were the justifications for the significant jump in KMP compensation upon review by the Remuneration Committee?

Response:

In FY2021, the net profit was mainly derived from a gain on disposal of subsidiary of approx. RM 16.50 million whilst the remuneration was predominantly operations based.

In Q3 FY2022 we increased our headcount as part of our succession planning and efforts to identify new complementary businesses with the intention to broaden our revenue base.

In FY2024 the Group further increased our KMP headcount to include personnel with in-depth experience in a specialized business sector as part of our strategic initiative.

- (b) The total compensation of KMP exceeded Hubline's net profit in FY2024. The Company would have been in the red if not for a one-off gain on disposal amounting to RM 13.8 million.

How sustainable is the current compensation structure vis-à-vis Hubline's future profitability?

Response:

Our compensation structure takes into account a number of factors such as the demands, complexities and performance of the company as well as skills and experience required, but foremost the Company must ensure it has sufficient cashflow to ensure its sustainability. Hubline continues to evaluate this requirement and will adjust the compensation structure if it is necessary to do so.

In line with our business planning initiatives to find new complementary businesses or expansion to another business segment, we view this expense as an investment to support our strategic initiatives. As at today, we anticipate to commence new complementary businesses within the next 12 months.

- (c) Mr Royston Ling Ing Ding, the alternate director to GMD Mr Dennis Ling received director fees of RM 104,000 in FY2024 (page 46 of AR2024).

Paragraph 7.31(d) of Bursa Malaysia Listing Requirements states that any fee paid to an alternate director must be deducted from the remuneration of the director he/she represents.

Can the Company confirm whether Mr Royston's fee was deducted from Mr Dennis' remuneration?

Response:

The director's fee received by Mr Royston was not for services as an alternate director to the GMD of Hubline but rather a director's fee for serving as a director of subsidiaries of Hubline. As such, paragraph 7.31(d) of the Listing Requirements does not apply.

3. Referring to Practice 5.3 of the Malaysian Code of Corporate Governance (MCCG), it is recommended that the tenure of an independent director (ID) does not exceed a cumulative term limit of nine years.

Upon completion of nine years, an ID may continue to serve on the board as a non independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholder's approval through a two-tier voting process.

Hubline said that it applied the Practice and no ID serving beyond nine year (page 19 of the Corporate Governance Report)

MSWG's comments: Hubline's INED Mr Lai Lian Yee was appointed to the Board on 21 August 2015 (page 30 of AR2024). Mr Lai would have assumed the position of INED for 9 years and 6 months as of this AGM.

However, there is no resolution tabled to retain Mr Lai as INED of the Company. Please clarify his status as a director after this meeting.

Response:

Mr Lai was redesignated as a non independent director effective 26 February 2025.