## Part A – NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

## A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirement of Chapter 9, Disclosure, Paragraph 9.22 of the Main Market Listing Requirement (“LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”), and should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2015.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30th June 2015 except for the adopting of the following MFRSs, IC interpretation and Amendments to MFRSs during the current financial period :

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2015**

|  |  |
| --- | --- |
| Amendments to : |  |
| MFRS 119 | Employee Benefits – Defined Benefit Plans : Employee Contribution |
|  |  |
| Amendments to MFRSs classified as “Annual Improvements to MFRSs 2010 – 2012 Cycle” | |
| Amendments to MFRSs classified as “Annual Improvements to MFRSs 2010 – 2012 Cycle” | |

## A1. Basis of Preparation (Cont’d)

**MFRS and Amendments Issued but Not Yet Effective**

The amendments / standards issued but not yet effective up to the date of issuance of the Group’s financial statements are listed below. The Group and the Company intend to adopt these amendments/standards, if applicable, when they become effective.

|  |  |
| --- | --- |
| **Description** | **Effective for period beginning on or after** |
| Annual Improvements to MFRSs 2012 2014 Cycle | 1 January 2016 |
| Amendments to MFRS 116 and MFRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| Amendments to MFRS 10 & MFRS 128 : Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture | 1 January 2016 |
| Amendments to MFRS 10, MFRS 12, MFRS128 : Investments Entities – Applying the Consolidation Exception | 1 January 2016 |
| Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| Amendments to MFRS 127 : Equity Method in Separate Financial Statements | 1 January 2016 |
| MFRS 15 : Revenue from Contracts with Customers | 1 January 2018 |
| MFRS 9 : Financial Instruments | 1 January 2018 |

## A2. Report of the Auditors to the Members of Harbour-Link

The reports of the auditors to the members of Harbour-Link and its subsidiary companies on the financial statements for the financial year ended 30 June 2015 were not subject to any qualification and did not include any adverse comments made under subsection (3) of Section 174 of the Companies Act, 1965.

## A3. Seasonality or Cyclicality of Interim Operations

The Group’s results are not materially affected by any seasonal or cyclical factors.

## A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence during current quarter and financial period ended 30 September 2015.

## A5. Material Effect of Changes in Estimates of Amounts Reported in Prior Interim Periods or Prior Financial Years

There were no changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect on results for the current financial period under review.

## A6. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial period ended 30 September 2015.

## A7. Dividend Paid

No dividend was paid in the current quarter.

## A8. Segment Information (Cont’d)

## The Group’s financial information analysed by business segment is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Shipping,** |  |  | **Logistics** | |  | |  | | |  | |  |  | |  | |  | |  |
|  | **marine** |  |  | **Services** | |  | |  | | |  | |  |  | |  | |  | |  |
| **Financial period to date** | **service** |  |  | **&** | |  | | **Engineering** | | |  | | **Property** |  | |  | |  | |  |
| **30 September 2015** | **& others** |  |  | **Machineries** | |  | | **works** | | |  | | **Development** |  | **Elimination** | | |  | | **Total** |
|  | **RM’000** |  |  | **RM’000** | |  | | **RM’000** | | |  | | **RM’000** |  | **RM’000** | | |  | | **RM’000** |
| **REVENUE** |  |  |  |  | |  | |  | | |  | |  |  |  | | |  | |  |
| Revenue from external sales | 59,307 |  |  | 40,132 | |  | | 14,473 | | |  | | 1,294 |  | - | | |  | | 115,206 |
| Inter-segment sales | 5,851 |  |  | 6,240 | |  | | **-** | | |  | | **-** |  | (12,091) | | |  | | **-** |
|  | 65,158 |  |  | 46,372 | |  | | 14,473 | | |  | | 1,294 |  | (12,091) | | |  | | 115,206 |
|  |  |  |  |  |  | |  | |  |  | |  | |  |  | | | | |
| **RESULTS** |  |  |  |  | |  | |  | | |  | |  |  |  | |  | |  | |
| Profit before taxation from the normal operation : | 1,426 |  |  | 6,690 | |  | | 4,943 | | |  | | 696 |  | 590 | |  | | 14,345 | |
|  |  |  |  |  | |  | |  | | |  | |  |  |  | |  | |  | |
| Profit before taxation includes: |  |  |  |  | |  | |  | | |  | |  |  |  | |  | |  | |
|  |  |  |  |  | |  | |  | | |  | |  |  |  | |  | |  | |
| Amortisation | 43 |  |  | 27 | |  | | - | | |  | | - |  | - | |  | | 70 | |
| Depreciation to investment properties | 16 |  |  | 48 | |  | | - | | |  | | - |  | - | |  | | 64 | |
| Depreciation | 1,900 |  |  | 3,059 | |  | | 90 | | |  | | 56 |  | - | |  | | 5,105 | |
| Finance Cost | 135 |  |  | 674 | |  | | 83 | | |  | | 273 |  | - | |  | | 1,165 | |
| Reversal of Impairment of trade receivables | (820) |  |  | (1,590) | |  | | - | | |  | | - |  | - | |  | | (2,410) | |
| Impairment of trade receivables | 483 |  |  | 2,697 | |  | | - | | |  | | - |  | - | |  | | 3,180 | |
| Bad debts recovered | - |  |  | - | |  | | - | | |  | | - |  | - | |  | | - | |
| Bad debt written off | - |  |  | - | |  | | - | | | - | | - |  | - | |  | | - | |
| Share of profits/(loss) in jointly controlled entities and associates | 559 |  |  | (43) | |  | | - | | |  | | - |  | - | |  | | 516 | |

## A8. Segment Information (Cont’d)

## The Group’s financial information analysed by business segment is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Shipping,** |  |  | **Logistics** |  |  |  |  |  |  |  |  |
|  | **marine** |  |  | **Services** |  |  |  |  |  |  |  |  |
| **Financial year to date** | **service** |  |  | **&** |  | **Engineering** |  | **Property** |  |  |  |  |
| **30 September 2015** | **& others** |  |  | **Machineries** |  | **works** |  | **Development** |  | **Elimination** |  | **Total** |
|  | **RM’000** |  |  | **RM’000** |  | **RM’000** |  | **RM’000** |  | **RM’000** |  | **RM’000** |
| **SEGMENT ASSETS** | 165,765 |  |  | 291,816 |  | 93,090 |  | 119,679 |  | (78,211) |  | 592,139 |
| Deferred tax assets | 994 |  |  | 2,118 |  | - |  | 5,991 |  | - |  | 9,103 |
| **TOTAL ASSETS** | 166,759 |  |  | 293,934 |  | 93,090 |  | 125,670 |  | (78,211) |  | 601,242 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Included in measure of segment assets are :** |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment in associates | 4,244 |  |  | - |  | - |  | - |  | - |  | 4,244 |
| Investment in jointly controlled entities | - |  |  | 858 |  | - |  | - |  | - |  | 858 |
| Additional to property, plant and equipment | 19,524 |  |  | - |  | 39 |  | - |  | - |  | 19,563 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **SEGMENT LIABILITIES** | 72,140 |  |  | 155,130 |  | 21,694 |  | 104,079 |  | (78,076) |  | 274,967 |
| Deferred tax liabilities | 4,251 |  |  | 9,090 |  | 1,871 |  | 58 |  | - |  | 15,270 |
| **TOTAL LIABILITIES** | 76,391 |  |  | 164,220 |  | 23,565 |  | 104,137 |  | (78,076) |  | 290,237 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

## A8. Segment Information (Cont’d)

## The Group’s financial information analysed by business segment is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Shipping,** |  | **Logistics** |  |  |  |  |  |  |  |  |
|  | **marine** |  | **Services** |  |  |  |  |  |  |  |  |
| **Financial year to date** | **service** |  | **&** |  | **Engineering** |  | **Property** |  |  |  |  |
| **30 September 2014** | **& others** |  | **Machineries** |  | **works** |  | **Development** |  | **Elimination** |  | **Total** |
|  | **RM’000** |  | **RM’000** |  | **RM’000** |  | **RM’000** |  | **RM’000** |  | **RM’000** |
| **REVENUE** |  |  |  |  |  |  |  |  |  |  |  |
| Revenue from external sales | 62,113 |  | 61,802 |  | 11,817 |  | 879 |  | - |  | 136,611 |
| Inter-segment sales | 7,287 |  | 2,274 |  | **-** |  | 104 |  | (9,665) |  | **-** |
|  | 69,400 |  | 64,076 |  | 11,817 |  | 983 |  | (9,665) |  | 136,611 |
| **RESULTS** |  |  |  |  |  |  |  |  |  |  |  |
| Profit before taxation from the normal operation : | 3,035 |  | 12,866 |  | 916 |  | 745 |  | (474) |  | 17,088 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Profit before taxation includes: |  |  |  |  |  |  |  |  |  |  |  |
| Amortisation | 8 |  | 5 |  | **-** |  | - |  | **-** |  | 13 |
| Depreciation to investment properties | 17 |  | 36 |  | - |  | - |  | - |  | 53 |
| Depreciation | 1,989 |  | 2,811 |  | 72 |  | 26 |  | **-** |  | 4,898 |
| Finance Cost | 449 |  | 752 |  | 114 |  | 166 |  | **-** |  | 1,481 |
| Reversal of Impairment of trade receivables | (461) |  | (671) |  | - |  | **-** |  | **-** |  | (1,132) |
| Impairment of trade receivables | 454 |  | 4,779 |  | - |  | **-** |  | **-** |  | 5,233 |
| Bad debts recovered | **-** |  | **-** |  | **-** |  | **-** |  | **-** |  | **-** |
| Bad debt written off | - |  | - |  | **-** |  | **-** |  | **-** |  | - |
| Share of profits/(loss) in jointly controlled entities and associates | (213) |  | 1 |  | **-** |  | **-** |  | **-** |  | (212) |

## A8. Segment Information (Cont’d)

## The Group’s financial information analysed by business segment is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Shipping,** |  | **Logistics** |  |  |  |  |  |  |  |  |
|  | **marine** |  | **Services** |  |  |  |  |  |  |  |  |
| **Financial year to date** | **service** |  | **&** |  | **Engineering** |  | **Property** |  |  |  |  |
| **30 September 2014** | **& others** |  | **Machineries** |  | **works** |  | **Development** |  | **Elimination** |  | **Total** |
|  | **RM’000** |  | **RM’000** |  | **RM’000** |  | **RM’000** |  | **RM’000** |  | **RM’000** |
| **SEGMENT ASSETS** | 66,278 |  | 236,218 |  | 87,241 |  | 174,813 |  | (48,715) |  | 515,835 |
| Deferred tax assets | 957 |  | 843 |  | - |  | 2,449 |  | - |  | 4,249 |
| **TOTAL ASSETS** | 67,235 |  | 237,061 |  | 87,241 |  | 177,262 |  | (48,715) |  | 520,084 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Included in measure of segment assets are :** |  |  |  |  |  |  |  |  |  |  |  |
| Investment in associates | 2,892 |  | - |  | - |  | - |  | - |  | 2,892 |
| Investment in jointly controlled entities | - |  | 788 |  | - |  | - |  | - |  | 788 |
| Additional to property, plant and equipment | 580 |  | 567 |  | 269 |  | - |  | - |  | 1,416 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **SEGMENT LIABILITIES** | 53,994 |  | 108,716 |  | 28,160 |  | 99,284 |  | (46,009) |  | 244,145 |
| Deferred tax liabilities | 4,113 |  | 9,918 |  | 1,530 |  | 43 |  | - |  | 15,604 |
| **TOTAL LIABILITIES** | 58,107 |  | 118,634 |  | 29,690 |  | 99,327 |  | (46,009) |  | 259,749 |
|  |  |  |  |  |  |  |  |  |  |  |  |

## A9. Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without amendment from the most recent annual financial statements for the financial year ended 30 June 2015.

## A10. Significant Post Balance Sheet Event

There are no material events as at 17 November 2015, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the current financial period under review.

## A11. Changes in Composition of the Group

Save for the below, there were no changes in composition of the Group during the current financial period ended 30 September 2015:

1. On 5th August 2015, Harbour-Link Navigation Sdn. Bhd. (“HLN”), a subsidiary of Harbour-Link Group Bhd, had subscribed for 8,000 new ordinary shares of RM1.00 each in Harbour Ruby Sdn Bhd (Company No. 1153587-X) (“Harbour Ruby”) representing 80% of the enlarged issued share capital of Harbour Ruby for a total consideration of RM8,000.00 (“the Subscription”).
2. On 5th August 2015, Harbour-Link Navigation Sdn. Bhd. (“HLN”), a subsidiary of Harbour-Link Group Bhd, had subscribed for 8,000 new ordinary shares of RM1.00 each in Harbour Zenith Sdn Bhd (Company No. 1153350-W) (“Harbour Zenith”) representing 80% of the enlarged issued share capital of Harbour Zenith for a total consideration of RM8,000.00 (“the Subscription”).
3. On 18th August 2015, Harbour-Link (M) Sdn. Bhd. (“HLM”), a subsidiary of Harbour-Link Group Bhd, had acquired One (1) ordinary share of RM1.00 each (“Share”),representing 50% equity interest in Serimaju Konsortium Sdn. Bhd. (Company No. 1151695-K) (“SKSB”) from Siti Fatimah Binti Muhamad Erdris (NRIC 860828-35-5320) for a total cash consideration of RM1.00 (“the Acquisition”). The purchase consideration is based on the par value of the Shares in SKSB.
4. On 24th August 2015, Harbour-Link (M) Sdn. Bhd. (“HLM”), a subsidiary of Harbour-Link Group Bhd, had subscribed for 219,999 new ordinary shares of RM1.00 each (“Shares”) in Serimaju Konsortium Sdn Bhd (“SKSB”) (Company No. 1151695 K) representing 55% of the enlarged issued share capital of SKSB for a cash consideration of RM219,999 (the “Subscription”). Following the Subscription, SKSB becomes a 55% owned subsidiary of HLM. The balance 45% is held by Ngo Tai Huat (NRIC 581119-13-5139).

## A12. Contingent Liabilities

Changes in contingent liabilities since the last annual balance sheet date to 17 November 2015, being the date not earlier than 7 days from the date of this announcement, are as follows:

**17 November 2015 30 June 2015**

**RM’000 RM’000**

Corporate guarantees to financial institutions

for credit facilities granted to:

- Subsidiary companies 106,293 113,766

====== ======

## A13. Capital Commitments

**30 Sept 2015 30 June 2015**

**RM’000 RM’000**

Capital expenditure

Authorised and contracted for 4,280 10,131

***A14. Related Party Transactions***

Related parties are those defined under FRS 124: Related Party Disclosures. The Directors are of the opinion that the related party transactions and balances described below are carried out in the ordinary course of business and on commercial terms that are no more favourable than those available to other third parties.

**Current Balance due**

**Quarter from/(to)**

**ended As at**

**30 Sept 2015 30 Sept 2015**

**RM’000 RM’000**

Transaction with companies in which

Certain Directors of the Company have

substantial interests

Sales of goods and services 206 179

Purchase of goods and services 1,188 (656)

## B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

## B1. Review of the Performance of the Group

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Individual Quarter** | | **Cumulative Quarter** | |
|  | **Current year Quarter** | **Preceding Year Corresponding Quarter** | **Current Year Period** | **Preceding Year Corresponding Period** |
|  | **30/9/2015** | **30/9/2014** | **30/9/2015** | **30/9/2014** |
|  | **RM’000** | **RM’000** | **RM’000** | **RM’000** |
| Revenue | 115,206 | 136,611 | 115,206 | 136,611 |
| Net profit before tax | 14,345 | 17,088 | 14,345 | 17,088 |

The Group posted revenue of RM115.206 million for the current financial period ended 30 September 2015, which is RM21.405 million lower than the preceding financial period of RM136.611 million. The profit before tax for the current financial period ended 30 September 2015, which is RM14.345 million while the preceding financial period is RM17.088 million.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Individual Quarter** | | **Cumulative Quarter** | |
| **Shipping, marine services and other division** | **Current year Quarter** | **Preceding Year Corresponding Quarter** | **Current Year Period** | **Preceding Year Corresponding Period** |
| **30/9/2015** | **30/9/2014** | **30/9/2015** | **30/9/2014** |
| **RM’000** | **RM’000** | **RM’000** | **RM’000** |
| Revenue | 59,307 | 62,113 | 59,307 | 62,113 |
| Net profit before tax | 1,426 | 3,035 | 1,426 | 3,035 |

The shipping, marine services & others division recorded revenue of RM59.307 million which is RM2.806 million lower than the preceding financial period of RM62.113 million. The profit before tax for the current financial period is RM1.426 million which is RM1.609 million lower than the preceding financial period of RM3.035 million. The decrease in revenue and profit before tax are decline in freight rates despite of higher volume cargo handled.

## B1. Review of the Performance of the Group (Cont’d)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Individual Quarter** | | **Cumulative Quarter** | |
| **Logistics Services & Machineries division** | **Current year Quarter** | **Preceding Year Corresponding Quarter** | **Current Year Period** | **Preceding Year Corresponding Period** |
| **30/9/2015** | **30/9/2014** | **30/9/2015** | **30/9/2014** |
| **RM’000** | **RM’000** | **RM’000** | **RM’000** |
| Revenue | 40,132 | 61,802 | 40,132 | 61,802 |
| Net profit before tax | 6,690 | 12,866 | 6,690 | 12,866 |

The logistics services and machineries division recorded revenue of RM40.132 million and profit before tax of RM6.690 million for the current financial period as compared to the preceding financial period of RM61.802 million and RM12.866 million respectively. The decrease in revenue and profit before tax are due to completion of a major project cargo.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Individual Quarter** | | **Cumulative Quarter** | |
| **Engineering Division** | **Current year Quarter** | **Preceding Year Corresponding Quarter** | **Current Year Period** | **Preceding Year Corresponding Period** |
| **30/9/2015** | **30/9/2014** | **30/9/2015** | **30/9/2014** |
| **RM’000** | **RM’000** | **RM’000** | **RM’000** |
| Revenue | 14,473 | 11,817 | 14,473 | 11,817 |
| Net profit before tax | 4,943 | 916 | 4,493 | 916 |

The engineering works division recorded a revenue of RM14.473 million and profit before tax of RM4.943 million for the current financial period as compared to the preceding corresponding financial period of RM11.817million and RM0.916 million respectively. The increase in revenue and increase in the profit are due to completion of major projects during this financial period.

## B1. Review of the Performance of the Group (Cont’d)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Individual Quarter** | | **Cumulative Quarter** | |
| **Property Development Division** | **Current year Quarter** | **Preceding Year Corresponding Quarter** | **Current Year Period** | **Preceding Year Corresponding Period** |
| **30/9/2015** | **30/9/2014** | **30/9/2015** | **30/9/2014** |
| **RM’000** | **RM’000** | **RM’000** | **RM’000** |
| Revenue | 1,294 | 879 | 1,294 | 879 |
| Net profit before tax | 696 | 745 | 696 | 745 |

The property development division recorded revenue of RM1.294 million and profit before tax of RM0.696 million for the current financial period as compared to the preceding corresponding financial period of RM0.879 million and RM0.745 million.

## B2. Comparison with Preceding Quarter’s Results

**Current Preceding**

**quarter ended quarter ended**

**30 June 2015 30 June 2015**

**RM’000 RM’000**

Revenue 115,206 147,017

Profit before taxation 14,345 24,272

The Group posted revenue of RM115.206 million for the current quarter ended 30 September 2015, which is RM31.811 million lower than the most recent preceding quarter ended 30th June 2015 of RM147.017 million. The profit before tax for the current quarter ended 30 September 2015 is RM14.345 million, which is RM9.927 million lower than the most recent preceding quarter ended 30th June 2015 of RM24.272 million.

## B2. Comparison with Preceding Quarter’s Results (Cont’d)

|  |  |  |
| --- | --- | --- |
| **Shipping, marine services and other division** | **Current quarter ended 30 September 2015** | **Preceding quarter ended 30 June 2015** |
|  | **RM’000** | **RM’000** |
| Revenue | 59,307 | 80,647 |
| Profit before taxation | 1,426 | 2,227 |

The Group posted a decrease in revenue of RM21.340 million in the current quarter ended 30 September 2015 of RM59.307 million as compared to RM80.647 million in the preceding quarter ended 30 June 2015. The profit before tax for the current quarter ended 30 September 2015 is RM1.426 million, which is RM0.801 million lower than preceding quarter ended 30th June 2015 of RM2.227 million. The decrease in revenue and profit before tax is due to reason explained in B1.

|  |  |  |
| --- | --- | --- |
| **Logistics Services & Machineries division** | **Current quarter ended 30 September 2015** | **Preceding quarter ended 30 June 2015** |
|  | **RM’000** | **RM’000** |
| Revenue | 40,132 | 48,904 |
| Profit before taxation | 6,690 | 16,201 |

The Group posted a decrease in revenue of RM8.772 million in the current quarter ended 30 September 2015 of RM40.132 million as compared to RM48.904 million in the preceding quarter ended 30 June 2015. The profit before tax for the current quarter ended 30 September 2015 is RM6.690 million, which is RM9.511 million lower than the preceding quarter ended 30th June 2015 of RM16.201 million. The decrease in revenue and profit before tax is due to lower volume of cargo freighting and project cargoes handled during the current quarter.

## B2. Comparison with Preceding Quarter’s Results (Cont’d)

|  |  |  |
| --- | --- | --- |
| **Engineering Division** | **Current quarter ended 30 September 2015** | **Preceding quarter ended 30 June 2015** |
|  | **RM’000** | **RM’000** |
| Revenue | 14,473 | 12,281 |
| Profit before taxation | 4,943 | 1,049 |

The Group posted an increase in revenue of RM2.192 million in the current quarter ended 30 September 2015 of RM14.473 million as compared to RM12.281 million in the preceding quarter ended 30 June 2015. The profit before tax for the current quarter ended 30 September 2015 is RM4.943 million, which is RM3.894 million higher than the preceding quarter ended 30th June 2015 of RM1.049 million. The increase in revenue and profit before tax is due to the final billings which are in line with the completions of 2 major projects.

|  |  |  |
| --- | --- | --- |
| **Property Development Division** | **Current quarter ended 30 September 2015** | **Preceding quarter ended 30 June 2015** |
|  | **RM’000** | **RM’000** |
| Revenue | 1,294 | 5,185 |
| Profit before taxation | 696 | 4,297 |

The Group posted a decrease in revenue of RM3.891 million in the current quarter ended 30 September 2015 of RM1.294 million as compared to RM5.185 million in the preceding quarter ended 30 June 2015. The profit before tax for the current quarter ended 30 September 2015 is RM0.696 million, which is RM3.601 million lower than the preceding quarter ended 30th June 2015 of RM4.297 million. The decrease in revenue and profit before tax is due to the sale of a piece of land by a property development subsidiary company in the preceding quarter.

## B3. Prospects

The Group expects the domestic and regional shipping industries will remain competitive.

The logistics services and equipment rental and engineering divisions are expected to continue contributing positive to the Group in financial year 2016.

Property development division will continue to develop our land bank in phases.

## B4. Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

## B5. Profit before tax

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Individual Quarter** | | **Cumulative Quarter** | |
|  | **Current year Quarter** | **Preceding Year Corresponding Quarter** | **Current Year Period** | **Preceding Year Corresponding Period** |
|  | **30/9/2015** | **30/9/2014** | **30/9/2015** | **30/9/2014** |
|  | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| **Profit for the period is stated after charging/ (crediting):** | | | | |
| Interest income | (243) | (95) | (243) | (95) |
| Amortisation | 70 | 13 | 70 | 13 |
| Impairment of trade receivables | 3,180 | 5,233 | 3,180 | 5,233 |
| Depreciation of plant and equipment | 5,105 | 4,898 | 5,105 | 4,898 |
| Depreciation to investment properties | 64 | 53 | 64 | 53 |
| Finance cost | 1,165 | 1,481 | 1,165 | 1,481 |
| Unrealised foreign exchange loss/(gain) | (1,025) | (42) | (1,025) | (42) |
| Reversal of impairment of receivables | (2,410) | (1,132) | (2,410) | (1,132) |

## B6. Taxation

Taxation of the Group comprises the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Individual Quarter** | | **Cumulative Quarter** | |
|  | **Current year Quarter** | **Preceding Year Corresponding Quarter** | **Current Year Period** | **Preceding Year Corresponding Period** |
|  | **30/9/2015** | **30/9/2014** | **30/9/2015** | **30/9/2014** |
|  | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| Current tax expense | 3,312 | 5,275 | 3,312 | 5,275 |
| Deferred tax expense:  Origination and reversal of temporary difference | 347 | 312 | 347 | 312 |
|  | 3,659 | 5,587 | 3,659 | 5,587 |
|  |  |  |  |  |

The effective tax rate of the Group for the current quarter and financial period was higher than the statutory tax rate of 24 per cent principally due to certain expenses not allowable for tax purposes and the non-recognition of deferred tax assets on unused tax losses in certain subsidiaries.

## B7. Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investment and/or properties during the current quarter and financial period ended 30 September 2015.

## B8. Investment in Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial period ended 30 September 2015.

## B9. Status of Corporate Proposal

There were no pending corporate proposals up to 17 November 2015, being the date not earlier than 7 days from the date of this announcement.

## B10. Group Borrowings and Debt Securities

The Group’s borrowings as at 30 September 2015 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Short Term** | **Long Term** | **Total** |
|  |  | **RM'000** | **RM'000** | **RM'000** |
| **Secured** |  |  |  |  |
| Term loan |  | 9,921 | 31,798 | 41,719 |
| Bank Overdraft |  | 9,602 | - | 9,602 |
| Finance Lease Liabilities |  | 11,316 | 23,475 | 34,791 |
|  |  | 30,839 | 55,273 | 86,112 |
|  |  |  |  |  |
| **Unsecured** |  |  |  |  |
| Bankers’ Acceptance |  | 2,978 | - | 2,978 |
|  |  | 33,817 | 55,273 | 89,090 |

The above borrowings are denominated in Ringgit Malaysia.

## B11. Off Balance Sheet Financial Instruments

During the financial year to-date, the Group did not enter into any contracts involving off balance sheet financial instruments. There are no financial instruments with off balance sheet risks as at 17 November 2015, being the date not earlier than 7 days from the date of this announcement.

## B12. Changes in Material Litigation

Save for the below, there were no changes as at 17 November 2015 being the date not earlier than 7 days from the date of this announcement:

SCMA Reference No: 2015/023 (Notice of Arbitration by Continental Shipping Line (“Claimant”) against Harbour Agencies Sdn. Bhd. (“Respondent”).

The Claimant sometime around 2nd October 2015 served a Notice of Arbitration against the Respondent. The case is still in its infancy stage whereby the Claimant has yet to file in its Statement of Claimant’s Case which contains an estimation to the quantum of Claimant’s claim. The Claimants claim is against the Respondent in respect of the agreement for the charter of the MV “YADANABON STAR” (the vessel), via a fixture note dated 30th December 2014 to carry a full load of sawn timber to Harbour Centre port in Manila, the Philippines. The claim is strongly disputed by the Respondent based on technicalities and merits and the Respondent stand is that it has acted rightfully in its capacity as the Charterer of the vessel. The Respondent is still in the midst of reviewing the Notice of Arbitration served by the Claimant.

## B13. Dividend

The Board of Directors proposed to declare a first and final single tier dividend of 5.5 sen per ordinary share of RM1.00 each for the financial year ended 30 June 2015 amounting to RM10,010,000 (2014: RM4,550,000).

The proposed dividend is will be paid on the 18th December 2015. The date for the book closure of the Record of Depositors for determining dividend entitlement will be on 30 November 2015.

## B14. Earnings per Share

**Basic earnings per share**

The basic earnings per share for the current quarter and financial period ended 30 September 2015 is calculated by dividing the Group’s profit for the period, net of tax, attributable to owners of the parent for the current quarter and financial period of RM10,341,000 and RM10,341,000 respectively by the number of ordinary shares in issue during the current quarter and financial period ended 30 September 2015 of 182,000,002.

**Current** **Financial**

**quarter ended period ended**

**30 Sept 2015 30 Sept 2015**

Profit net of tax attributable to

Owners of the parent (in RM) 10,341,000 10,341,000

***Number of ordinary share in issue***

Issued ordinary shares at beginning and end

of the quarter/year 182,000,002 182,000,002

Basic earnings per share (sen) 5.68 5.68

## B15. Provision of Financial Assistance

The financial assistance provided by the Company and its subsidiaries to its non wholly-owned subsidiaries as at 30 September 2015 pursuant to paragraph 8.23(1) of the Listing Requirements.

**30 Sept 2015 30 June 2015**

**RM’000 RM’000**

Corporate guarantees to financial institutions

for credit facilities granted to:

- non wholly-owned subsidiary companies 21,868 21,756 ====== ======

The Provision of Financial Assistance will not have any material effect on the net assets, earnings per share, gearing, the share capital and substantial shareholders’ shareholding of Harbour-Link for the financial period ended 30 September 2015.

## B16. Realised and Unrealised Profits/Losses Disclosure

**As at As at**

**30 Sept 2015 30 June 2015**

**RM’000 RM’000**

Total retained profits of the Company and its

Subsidiaries:

- Realised 179,028 163,707

- Unrealised (12,736) (7,240)

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166,292 156,467

Total share of retained profits from associated

company:

- Realised 2,740 2,224

- Unrealised - -

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Total group retained profits as per consolidated

Accounts 169,032 158,691

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This announcement is dated 24 November 2015.