

HARBOUR-LINK GROUP BERHAD
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016**

(The figures have not been audited).

	INDIVIDUAL QUARTER			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR PERIOD	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	181,599	126,152	433,626	391,114
Operating expenses	(128,180)	(95,836)	(334,861)	(311,134)
Gross profit	53,419	30,316	98,765	79,980
Interest income	33	6	283	108
Other income	6,783	5,817	19,212	10,876
Administrative Expenses	(16,554)	(16,923)	(37,115)	(34,278)
Finance costs	(1,092)	(1,230)	(4,315)	(4,157)
Share of results of jointly controlled entity	(82)	84	(175)	505
Share of results of associated companies	133	446	1,032	117
Profit before taxation	42,640	18,516	77,687	53,151
Taxation	(13,731)	(5,749)	(24,295)	(15,242)
Net profit for the period	28,909	12,767	53,392	37,909
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange difference on translation of foreign entity	(530)	470	545	402
Total comprehensive income for the period	28,379	13,237	53,937	38,311
Profit for the period attributable to:				
Owners of the parent	15,288	12,345	40,125	36,510
Non-Controlling Interests	13,621	422	13,268	1,399
	28,909	12,767	53,392	37,909
Total Comprehensive income for the period attributable to:				
Owners of the parent	14,758	12,815	40,671	36,912
Non-Controlling Interests	13,621	422	(13,268)	1,399
	28,379	13,237	27,403	38,311
Earnings per share ("EPS") (in sen)				
Basic earnings per share (sen) (Note B14)	3.82	3.08	10.02	9.12
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

This Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2015.

HARBOUR-LINK GROUP BERHAD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION

	As at	As at
	31/03/2016	30/06/2015
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	212,332	197,730
Investment properties	9,117	9,357
Prepaid land lease payment	6,046	6,148
Land held for development	44,096	43,694
Intangible assets	105	105
Investment in jointly-controlled entity	726	901
Investment in associates	4,707	3,685
Other investments	652	652
Deferred tax assets	3,172	9,832
	280,953	272,104
Current assets		
Property development cost	40,031	61,907
Inventories	4,634	5,106
Trade and other receivables	157,035	133,160
Investment securities	7,992	8,270
Amount due from customers for contract works	5,602	627
Other current assets	12,000	10,828
Cash and bank balance	87,171	90,897
	314,465	310,795
TOTAL ASSETS	595,418	582,899
LIABILITIES		
Current liabilities		
Loans and borrowings	56,395	28,279
Trade and other payables	102,575	88,227
Other current liabilities	12,239	85,919
Tax payables	12,406	12,544
	183,615	214,969
Non-current liabilities		
Deferred tax liabilities	15,793	15,652
Loans and borrowings	52,033	53,405
	67,826	69,057
TOTAL LIABILITIES	251,441	284,026
NET ASSETS	343,977	298,873
EQUITY		
Share capital	200,200	182,000
Revenue reserves	109,830	97,370
Total shareholders' equity	310,030	279,370
Non-controlling interest	33,947	19,503
TOTAL EQUITY	343,977	298,873
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		
	0.77*	1.54

* Net assets per share attributable to owner of the Company is calculated based on the net asset attributable to equity holders of owner and the issued and paid-up share capital of the Company of 400,400,004 ordinary shares.

This Condensed Consolidated Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2015.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016
(The figures have not been audited).

	CURRENT PERIOD	COMPARABLE PERIOD
	ENDED 31/03/2016	ENDED 31/03/2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	77,687	53,151
Adjustments for:		
Non-operating items	10,692	20,074
Interest expense	4,315	3,867
Interest income	(283)	(108)
Share of results in associates and jointly controlled entity	(858)	(622)
Operating profit before changes in working capital	91,553	76,362
Changes in working capital:		
Acquisition of property development cost	21,876	(19,772)
Decrease / (Increase) in inventories	472	(1,502)
(Increase) in trade and other receivables	(7,261)	(24,338)
(Increase) in amount due from customers for contract works	(4,975)	(3,296)
(Decrease) / Increase in other current liabilities	(73,680)	33,720
Increase in trade and other payables	7,475	15,625
Net cash generated from operations activities	35,460	76,799
Interest paid	(4,315)	(3,867)
Interest received	283	108
Tax refund	422	312
Tax paid	(20,125)	(12,855)
Net cash generated from operating activities	11,725	60,497
Cash flows from investing activities		
Acquisition of property, plant and equipment	(27,040)	(2,482)
Decrease/(Increase) in fixed deposit pledged	-	(606)
Decrease / (Increase) in cash at bank pledged for borrowings	459	(1,987)
Decrease / (Increase) in investment securities	278	(4,104)
Capital contributed by NCI in subsidiary	1,946	-
Acquisition of subsidiaries	53	(1,047)
Other investments	-	(40)
Proceeds from disposal of property, plant and equipment	3,473	4,819
Net cash (used in) / generated from investing activities	(20,831)	(5,447)
Cash flows from financing activities		
Dividend paid	(10,306)	(4,956)
Net proceeds from/(repayment of) borrowings	9,061	(25,604)
Net proceeds from/(repayment of) of lease payables	(9,823)	(15,313)
Net cash used in financing activities	(11,068)	(45,873)
Net decrease in cash and cash equivalents	(20,174)	9,177
Cash and cash equivalents at beginning of period	80,298	72,391
Cash and cash equivalents at end of period	60,124	81,568

Cash and cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	87,171	89,950
Bank Overdraft	(16,625)	(3,667)
Revolving Credit	(4,500)	-
Cash at bank pledged as securities for bank borrowings	(2,600)	(1,987)
Short term deposits pledged as securities for bank borrowings	(3,322)	(2,728)
	60,124	81,568

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2015.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS ENDED 31ST MARCH 2016
(The figures have not been audited).

	ATTRIBUTABLE TO EQUITY HOLDERS OF COMPANY							NON-CONTROLLING INTEREST RM'000
	TOTAL EQUITY RM'000	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	SHARE CAPITAL RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	NON-DISTRIBUTABLE OTHER RESERVE RM'000	DISTRIBUTABLE RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000		
9 MONTHS ENDED 31 MARCH 2016								
At 1 July 2015	298,873	279,370	182,000	1,624	(62,945)	158,691	19,503	
Capital contributed by Non Controlling Interest in Subsidiary	1,946	-	-	-	-	-	1,946	
Capitalization of Bonus Issue	-	-	18,200	-	-	(18,200)	-	
Dividends on ordinary shares	(10,760)	(10,010)	-	-	-	(10,010)	(770)	
Total comprehensive income for the period	53,936	40,670	-	545	-	40,125	13,268	
At 31 March 2016	343,977	310,030	200,200	2,169	(62,945)	170,806	33,947	
9 MONTHS ENDED 31 March 2015								
At 1 July 2014	249,134	230,919	182,000	523	(62,945)	111,341	18,215	
Decrease in investment by non-controlling interest in subsidiary companies	(743)	-	-	-	-	-	(743)	
Dividends on ordinary shares	(4,956)	(4,550)	-	-	-	(4,550)	(406)	
Total comprehensive income for the period	38,311	36,912	-	402	-	36,510	1,399	
At 31 March 2015	281,746	263,281	182,000	925	(62,945)	143,301	18,465	

Remarks:

This Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2015.

Harbour-Link Group Berhad (Company No: 592902-D)

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 :

<u>Description</u>	<u>Effective for period beginning on or after</u>
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

Harbour-Link Group Berhad (Company No: 592902-D)

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 Cyclical 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 31 March 2016.

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 31 March 2016 saved as disclosed below:

(a) Share split

The Company had completed the subdivision of one ordinary share of RM1.00 each held into two ordinary shares of RM0.50 each on 31st March 2016.

(b) Bonus Issue

On 31st March 2016, 364,000,004 ordinary share of RM1.00 were issued by the Company by way of capitalization of RM18,200,000 from Company's Retained Earnings under bonus shares issuance approved by the shareholders of the Company.

Harbour-Link Group Berhad (Company No: 592902-D)

Following the completion of Share Split and Bonus Issue, the Company's issued and paid-up share capital was increased from RM182,000,002 to RM200,200,002 comprising 400,400,004 ordinary share of RM0.50 each.

A7. Dividend Paid

No dividend was paid in the current quarter.

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A8. Segment Information (Cont'd)

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

<u>Financial period to date</u> <u>31 March 2016</u>	<u>Shipping, marine service & others</u> <u>RM'000</u>	<u>Logistics Services & Machineries</u> <u>RM'000</u>	<u>Engineering works</u> <u>RM'000</u>	<u>Property Development</u> <u>RM'000</u>	<u>Elimination</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
REVENUE						
Revenue from external sales	187,704	131,292	40,027	74,603	-	433,626
Inter-segment sales	14,555	9,159	-	-	(23,714)	-
	<u>202,259</u>	<u>140,451</u>	<u>40,027</u>	<u>74,603</u>	<u>(23,714)</u>	<u>433,626</u>
RESULTS						
Profit before taxation from the normal operation :	(5,832)	30,691	12,992	39,870	(34)	77,687
Profit before taxation includes:						
Amortisation	130	80	-	-	-	210
Depreciation to investment properties	46	121	-	-	-	167
Depreciation	6,087	9,069	263	164	-	15,583
Finance Cost	1,305	2,083	245	682	-	4,315
Reversal of Impairment of trade receivables	(3,269)	(5,859)	-	-	-	(9,128)
Impairment of trade receivables	2,322	3,572	-	-	-	5,894
Bad debts recovered	-	-	-	-	-	-
Bad debt written off	-	47	-	-	-	47
Share of profits/(loss) in jointly controlled entities and associates	1,033	(175)	-	-	-	858

Harbour-Link Group Berhad (Company No: 592902-D)

A8. Segment Information (Cont'd)

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

Financial year to date 31 March 2016	Shipping, marine service & others	Logistics Services & Machineries	Engineering works	Property Development	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT ASSETS	194,635	261,854	80,407	101,793	(46,443)	592,246
Deferred tax assets	504	2,596	72	-	-	3,172
TOTAL ASSETS	195,139	264,450	80,479	101,793	(46,443)	595,418
Included in measure of segment assets are :						
Investment in associates	4,707	-	-	-	-	4,707
Investment in jointly controlled entities	-	726	-	-	-	726
Additional to property, plant and equipment	24,907	1,439	694	-	-	27,040
SEGMENT LIABILITIES	103,433	116,639	11,491	52,168	(48,083)	235,648
Deferred tax liabilities	3,979	9,915	1,871	28	-	15,793
TOTAL LIABILITIES	107,412	126,554	13,362	52,196	(48,083)	251,441

Harbour-Link Group Berhad (Company No: 592902-D)

A8. Segment Information (Cont'd)

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

Financial year to date 31 March 2015	Shipping, marine service & others	Logistics Services & Machineryes	Engineering works	Property Development	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
Revenue from external sales	186,406	142,909	58,423	3,376	-	391,114
Inter-segment sales	23,088	6,788	-	173	(30,049)	-
	209,494	149,697	58,423	3,549	(30,049)	391,114
RESULTS						
Profit before taxation from the normal operation :	5,646	32,843	13,090	2,260	(688)	53,151
Profit before taxation includes:						
Amortisation	23	15	-	-	-	38
Depreciation to investment properties	50	109	-	-	-	159
Depreciation	5,669	8,599	228	77	-	14,573
Finance Cost	1,097	2,176	286	598	-	4,157
Reversal of Impairment of trade receivables	(817)	(6,282)	-	-	-	(7,099)
Impairment of trade receivables	1,346	11,595	-	-	-	12,941
Bad debits recovered	-	-	-	-	-	-
Bad debt written off	-	625	-	-	-	625
Share of profits/(loss) in jointly controlled entities and associates	117	505	-	-	-	622

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A8. Segment Information (Cont'd)

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

<u>Financial year to date</u> <u>31 March 2015</u>	Shipping, marine service & others RM'000	Logistics Services & Machineries RM'000	Engineering works RM'000	Property Development RM'000	Elimination RM'000	Total RM'000
SEGMENT ASSETS	125,679	248,199	88,385	121,754	(44,976)	539,041
Deferred tax assets	814	2,338	-	3,641	-	6,793
TOTAL ASSETS	126,493	250,537	88,385	125,395	(44,976)	545,834
Included in measure of segment assets are :						
Investment in associates	3,223	-	-	-	-	3,223
Investment in jointly controlled entities	-	1,292	-	-	-	1,292
Additional to property, plant and equipment	738	724	997	23	-	2,482
SEGMENT LIABILITIES	50,274	115,724	20,895	106,503	(44,446)	248,950
Deferred tax liabilities	4,054	9,503	1,530	51	-	15,138
TOTAL LIABILITIES	54,328	125,227	22,425	106,554	(44,446)	264,088

Harbour-Link Group Berhad (Company No: 592902-D)

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 May 2016, 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 31 March 2016:

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).

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A11. Changes in Composition of the Group (Cont'd)

5. On 22nd February 2016, HLG Petroleum Sdn Bhd (“HLG”), a wholly-owned subsidiary of Harbour-Link had acquired One (1) ordinary share of RM1.00 each (“Share”), representing 50% equity interest in Advance Mariner Lines Sdn. Bhd. (Company No.1173777-U) (“AMLSB”) from Norhidayah Binti Talip (870529-52-6280) for a total cash consideration of RM1.00 (“the Acquisition”). HLG had on 22nd February 2016 subscribed for an additional Seventy Nine Thousand Nine Hundred and Ninety Nine Only (79,999) new ordinary shares of RM1.00 each (“Shares”) in AMLS B representing 54.79% of the enlarged issued share capital of AMLS B for a cash consideration of RM79,999 (the “Subscription”). The Subscription was funded by internally generated funds. Following the Acquisition and Subscription, AMLS B becomes a 54.79% owned subsidiary of Harbour-Link. The balance 45.21% is held by Luna Anak Raymond Enggil (NRIC 790110-13-5854).
6. On 1st March 2016, HLG Resources Sdn Bhd, a wholly-owned subsidiary of Harbour-Link had incorporated a wholly-owned subsidiary under the name of Harbour-Link Trading Pte. Ltd. (“HLTPL”) in Singapore. The issued and paid up share capital of HLTPL is SGD1.00 comprising 1 ordinary share of SGD1.00 each.
7. On 10th March 2016, Advance Mariner Lines Sdn Bhd (“AMLSB”), a sub-subsidiary of Harbour-Link had acquired One Hundred Thousand (100,000) ordinary shares of RM1.00 each (“Share”), representing 100% equity interest in AML Shipping Sdn. Bhd. (Company No.1173948-H) (“AMLS”) from Ong Khoon Seng (651025-10-5669) and Luna Anak Raymond Enggil (790110-13-5854) for a total cash consideration of RM100,000.00 (“the Acquisition”). The purchase consideration is based on the on the net tangible value of the Shares in AMLS as at 1st March 2016 which was approximately RM1.00 each. Following the Acquisition, AMLS becomes a wholly-owned subsidiary of AMLS B.

A12. Contingent Liabilities

Changes in contingent liabilities since the last annual balance sheet date to 17 May 2016, being the date not earlier than 7 days from the date of this announcement, are as follows:

	17 May 2016 RM'000	30 June 2015 RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- Subsidiary companies	131,623	113,766

Harbour-Link Group Berhad (Company No: 592902-D)

A13. Capital Commitments

	31 March 2016 RM'000	31 Dec 2015 RM'000
Capital expenditure Authorised and contracted for	10,263	10,810
	<u> </u>	<u> </u>

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 Quarter ended 31 March 2016 RM'000	Balance due from/(to) As at 31 March 2016 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	92	56
Purchase of goods and services	1,536	(2,407)
	<u> </u>	<u> </u>

Harbour-Link Group Berhad (Company No: 592902-D)

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
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	181,599	126,152	433,626	391,114
Profit before tax	42,640	18,516	77,687	53,151

The Group posted revenue of RM433.626 million for the current financial period ended 31 March 2016, which is RM42.512 million higher than the preceding financial period of RM391.114 million. The profit before tax for the current financial period ended 31 March 2016, which is RM77.687 million while the preceding financial period is RM53.151 million.

Shipping, marine services and other division	Individual Quarter		Cumulative Quarter	
	Current year Quarter	Preceding Year Corresponding Quarter	Current Year Period	Preceding Year Corresponding Period
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	57,536	60,599	187,704	186,406
(Loss)/profit before tax	(2,421)	65	(5,832)	5,646

The shipping, marine services & others division recorded revenue of RM187.704 million which is RM1.298 million higher than the preceding financial period of RM186.406 million. The loss before tax for the current financial period is RM5.832 million as compared to profit before tax for the preceding financial period of RM5.646 million. The increase in revenue is due to higher volume cargo handled resulted from additional two (2) vessels purchase during the financial period. Whilst, the loss before tax of RM5.832 million are due to loss on disposal of one (1) old vessel and preliminaries cost for the two (2) newly acquired vessels mentioned above. The current quarter loss of RM2.421 million as compared to preceding year corresponding quarter profit of RM0.065 million is due to higher initial operating cost resulted from one of newly acquired vessel.

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B1. Review of the Performance of the Group (Cont'd)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter	Preceding Year Corresponding Quarter	Current Year Period	Preceding Year Corresponding Period
Logistics Services & Machineries division	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	38,719	39,611	131,292	142,909
Profit before tax	3,692	10,678	30,691	32,843

The logistics services and machineries division recorded revenue of RM131.292 million and profit before tax of RM30.691 million for the current financial period as compared to the preceding financial period of RM142.909 million and RM32.843 million respectively. The decrease in revenue and profit before tax in the current financial period is due to completion of a major project cargo.

	Individual Quarter		Cumulative Quarter	
	Current year Quarter	Preceding Year Corresponding Quarter	Current Year Period	Preceding Year Corresponding Period
Engineering Division	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	12,921	24,939	40,027	58,423
Profit before tax	2,566	7,375	12,992	13,090

The engineering works division recorded a revenue of RM40.027 million and profit before tax of RM12.992 million for the current financial period as compared to the preceding corresponding financial period of RM58.423million and RM13.090 million respectively. The decrease in revenue and lower profit is due to the projects are at their initial stage.

Harbour-Link Group Berhad (Company No: 592902-D)

B1. Review of the Performance of the Group (Cont'd)

Property Development Division	Individual Quarter		Cumulative Quarter	
	Current year Quarter	Preceding Year Corresponding Quarter	Current Year Period	Preceding Year Corresponding Period
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	72,423	1,003	74,603	3,376
Profit before tax	38,865	369	39,870	2,260

The property development division recorded revenue of RM74.603 million and profit before tax of RM39.870 million for the current financial period as compared to the preceding corresponding financial period of RM3.376 million and RM2.260 million. The higher revenue and profit before tax is due to the recognition of income from the sales of completed development namely Kidurong Gateway Phase 1 and Phase 2 projects.

B2. Comparison with Preceding Quarter's Results

	Current quarter ended 31 Mar 2016 RM'000	Preceding quarter ended 31 Dec 2015 RM'000
Revenue	181,599	136,821
Profit before taxation	42,640	20,702

The Group posted revenue of RM181.599 million for the current quarter ended 31 March 2016, which is RM44.778 million higher than the most recent preceding quarter ended 31 December 2015 of RM136.821 million. The profit before tax for the current quarter ended 31 March 2016 is RM42.640 million, which is RM21.938 million higher than the most recent preceding quarter ended 31 December 2015 of RM20.702 million.

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

	Current quarter ended 31 Mar 2016 RM'000	Preceding quarter ended 31 Dec 2015 RM'000
Shipping, marine services and other division		
Revenue	57,536	70,861
(Loss)/Profit before taxation	(2,421)	(4,837)

The Group posted a decrease in revenue of RM13.325 million in the current quarter ended 31 March 2016 of RM57.536 million as compared to RM70.861 million in the preceding quarter ended 31 December 2015. The loss before tax for the current quarter ended 31 March 2016 is RM2.421 million as compared to a loss before tax of RM4.837 million in the preceding quarter ended 31 December 2015. The decrease in revenue and loss before tax is due to reason explained in B1.

	Current quarter ended 31 Mar 2016 RM'000	Preceding quarter ended 31 Dec 2015 RM'000
Logistics Services & Machineries division		
Revenue	38,719	52,441
Profit before taxation	3,692	20,309

The Group posted a decrease in revenue of RM12.722 million in the current quarter ended 31 March 2016 of RM38.719 million as compared to RM52.441 million in the preceding quarter ended 31 December 2015. The profit before tax for the current quarter ended 31 March 2016 is RM3.692 million, which is RM16.617 million lower than the preceding quarter ended 31 December 2015 of RM20.309 million. The decrease in revenue and profit before tax in the current quarter is due to lower volume of cargo freighting and project cargoes handled.

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

	Current quarter ended 31 Mar 2016 RM'000	Preceding quarter ended 31 Dec 2015 RM'000
Engineering Division		
Revenue	12,921	12,633
Profit before taxation	2,566	5,483

The Group posted a slight increase in revenue of RM0.288 million in the current quarter ended 31 March 2016 of RM12.921 million as compared to RM12.633 million in the preceding quarter ended 31 December 2015. The profit before tax for the current quarter ended 31 March 2016 is RM2.566 million, which is RM2.917 million lower than the preceding quarter ended 31 December 2015 of RM5.483 million. The decrease in profit before tax is due to reason explained in B1.

	Current quarter ended 31 Mar 2016 RM'000	Preceding quarter ended 31 Dec 2015 RM'000
Property Development Division		
Revenue	72,423	886
Profit before taxation	38,865	309

The Group posted an increase in revenue of RM71.537 million in the current quarter ended 31 March 2016 of RM72.423 million as compared to RM0.886 million in the preceding quarter ended 31 December 2015. The profit before tax for the current quarter ended 31 March 2016 is RM38.865 million, which is RM38.556 million higher than the preceding quarter ended 31 December 2015 of RM0.309 million. The increase in revenue and profit before tax is due to reason explained in B1.

B3. Prospects

The Group expects the domestic and regional shipping industries will remain challenging due to competitive freight rates.

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.

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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
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the period is stated after charging/ (crediting):				
Interest income	(33)	(6)	(283)	(108)
Amortisation	70	13	210	38
Impairment of trade receivables	2,082	6,617	5,894	12,941
Depreciation of plant and equipment	5,472	4,803	15,583	14,573
Depreciation to investment properties	51	53	167	159
Finance cost	1,092	1,230	4,315	4,157
Unrealised foreign exchange loss/(gain)	186	144	(837)	109
Reversal of impairment of receivables	(2,300)	(4,826)	(6,828)	(7,099)

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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
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	12,005	5,335	21,162	14,621
Deferred tax expense: Origination and reversal of temporary difference	1,726	414	3,133	621
	<u>13,731</u>	<u>5,749</u>	<u>24,295</u>	<u>15,242</u>

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 31 March 2016.

B8. Investment in Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial period ended 31 March 2016.

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B9. Status of Corporate Proposal

Save as disclosed below, there is no other corporate proposals that have been announced by the Group as at the date of this report:

- (a) On 31st March 2016, the Company has completed the subdivision of every one (1) existing ordinary share of RM1.00 each into two (2) new ordinary shares of RM0.50 each;
- (b) On 31st March 2016, the Company has completed the bonus issue of up to 36,400,000 new Subdivided Shares (“**Bonus Share(s)**”) on the basis of one (1) Bonus Share for every ten (10) Subdivided Shares.
- (c) The Company has yet to completed bonus issue of up to 36,400,000 warrants (“**Warrant(s)**”) on the basis of one (1) Warrant for every ten (10) Subdivided Shares on the Entitlement Date after the completion of the Proposed Share Split (“**Proposed Bonus Issue of Warrants**”).

B10. Group Borrowings and Debt Securities

The Group’s borrowings as at 31 March 2016 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	22,285	32,671	54,956
Revolving Credit	4,500		4,500
Bank Overdraft	16,624	-	16,624
Finance Lease Liabilities	10,986	19,362	30,348
	<u>54,395</u>	<u>52,033</u>	<u>106,428</u>
Unsecured			
Bankers’ Acceptance	2,000	-	2,000
	<u>56,395</u>	<u>52,033</u>	<u>108,424</u>

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 May 2016, being the date not earlier than 7 days from the date of this announcement.

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B12. Changes in Material Litigation

Save for the below, there were no changes as at 17 February 2016 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 declared

No dividend was declared for the current quarter and financial period ended 31 March 2016.

B14. Earnings per Share

Basic earnings per share

The basic earnings per share for the current quarter and financial period ended 31 March 2016 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 RM15,288,000 and RM40,125,000 respectively by the number of ordinary shares in issue during the current quarter and financial period ended 31 March 2016 of 400,400,004.

Harbour-Link Group Berhad (Company No: 592902-D)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter	Preceding Year Corresponding Quarter	Current Year Period	Preceding Year Corresponding Period
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Earnings Per Share	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit net of tax attributable to Owners of the parent (in RM)	15,288	12,345	40,125	36,510
<i>Number of ordinary share in issue</i>				
Issued ordinary shares at beginning and end of the quarter/year	400,400	400,400*	400,400	400,400*
Basic earnings per share (sen)	3.82	<u>3.08</u>	10.02	<u>9.12</u>

*The previous year's earnings per share have been restated to reflect the share split and bonus issue which were completed on 31st March 2016.

Diluted earnings per share is not applicable for the Group

B15. Provision of Financial Assistance

The financial assistance provided by the Company and its subsidiaries to its non wholly-owned subsidiaries as at 31 March 2016 pursuant to paragraph 8.23(1) of the Listing Requirements.

	31 Mar 2016 RM'000	31 Dec 2015 RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	<u>37,141</u>	<u>25,857</u>

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 31 March 2016.

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B16. Realised and Unrealised Profits/Losses Disclosure

	As at 31 Mar 2016 RM'000	As at 30 June 2015 RM'000
Total retained profits of the Company and its Subsidiaries:		
- Realised	181,075	163,707
- Unrealised	(13,539)	(7,240)
	----- 167,536	----- 156,467
Total share of retained profits from associated company:		
- Realised	3,070	2,224
- Unrealised	-	-
	-----	-----
Total group retained profits as per consolidated Accounts	170,606	158,691
	=====	=====

This announcement is dated 24th May 2016.