

HARBOUR-LINK GROUP BERHAD
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

(The figures have not been audited).

	INDIVIDUAL QUARTER			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR PERIOD	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	111,927	115,206	111,927	115,206
Operating expenses	(92,226)	(96,031)	(92,226)	(96,031)
Gross profit	19,701	19,175	19,701	19,175
Interest income	370	243	370	243
Other income	1,665	3,154	1,665	3,154
Administrative Expenses	(8,305)	(7,578)	(8,305)	(7,578)
Finance costs	(1,363)	(1,165)	(1,363)	(1,165)
Share of results of jointly controlled entity	(24)	(43)	(24)	(43)
Share of results of associated companies	676	559	676	559
Profit before taxation	12,720	14,345	12,720	14,345
Taxation	(2,917)	(3,659)	(2,917)	(3,659)
Net profit for the period	9,803	10,686	9,803	10,686
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange difference on translation of foreign entity	167	1,262	167	1,262
Total comprehensive income for the period	9,970	11,948	9,970	11,948
Profit for the period attributable to:				
Owners of the parent	8,813	10,341	8,813	10,341
Non-Controlling Interests	990	345	990	345
	9,803	10,686	9,803	10,686
Total Comprehensive income for the period attributable to:				
Owners of the parent	8,980	11,603	8,980	11,603
Non-Controlling Interests	990	345	990	345
	9,970	11,948	9,970	11,948
Earnings per share ("EPS") (in sen)				
Basic earnings per share (sen) (Note B14)	2.20	2.58	2.20	2.58
Diluted earnings per share (sen)	2.20	N/A	2.20	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 2016.

HARBOUR-LINK GROUP BERHAD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION

	As at	As at
	30/09/2016	30/06/2016
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	212,481	207,930
Investment properties	9,011	9,063
Prepaid land lease payment	5,978	6,012
Land held for development	44,419	43,942
Intangible assets	105	105
Investment in jointly-controlled entity	659	683
Investment in associates	5,695	5,019
Other investments	652	652
Deferred tax assets	3,794	3,413
	282,794	276,819
Current assets		
Inventories	30,992	33,180
Trade and other receivables	146,702	144,082
Amount due from customers for contract works	1,837	3,134
Investment securities	39,372	26,264
Other current assets	16,633	8,093
Cash and bank balance	93,611	97,509
	329,147	312,262
TOTAL ASSETS	611,941	589,081
LIABILITIES		
Current liabilities		
Loans and borrowings	48,918	44,112
Trade and other payables	88,315	97,445
Other current liabilities	5,286	1,026
Tax payables	13,868	10,025
	156,387	152,608
Non-current liabilities		
Deferred tax liabilities	15,582	15,446
Loans and borrowings	59,725	57,285
	75,307	72,731
TOTAL LIABILITIES	231,694	225,339
NET ASSETS	380,247	363,742
EQUITY		
Share capital	200,200	200,200
Revenue reserves	135,389	126,408
Total shareholders' equity	335,589	326,608
Non-controlling interest	44,658	37,134
TOTAL EQUITY	380,247	363,742
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	0.84	0.82

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 2016.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016
(The figures have not been audited).

	CURRENT PERIOD ENDED 30/09/2016	COMPARABLE PERIOD ENDED 30/9/2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	12,720	14,345
Adjustments for:		
Non-operating items	5,825	5,803
Interest expense	1,363	1,165
Interest income	(370)	(243)
Share of results in associates and jointly controlled entity	(652)	(516)
Operating profit before changes in working capital	18,886	20,554
Changes in working capital:		
Decrease / (Increase) in inventories	2,188	(1,118)
(Increase) in trade and other receivables	(5,255)	1,404
Decrease/(Increase) in amount due from customers for contract works	1,297	(6,382)
Increase/(Decrease) in other current liabilities	4,260	(343)
(Decrease)/Increase in trade and other payables	(9,278)	12,422
Net cash generated from operations activities	12,098	26,537
Interest paid	(1,363)	(1,165)
Interest received	370	243
Tax paid	(4,422)	(3,499)
Net cash generated from operating activities	6,683	22,116
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,169)	(19,563)
Decrease in fixed deposit pledged	1,828	2,698
Decrease / (Increase) in cash at bank pledged for borrowings	101	(781)
(Increase) in investment securities	(13,108)	(8,367)
(Increase) in property development cost	-	(6,126)
Capital contributed by NCI in subsidiary	6,534	(184)
Proceeds from disposal of property, plant and equipment	373	623
Net cash (used in) from investing activities	(8,441)	(31,700)
Cash flows from financing activities		
Net proceeds from/(repayment of) borrowings	2,074	(3,213)
Net proceeds from/(repayment of) of lease payables	(2,836)	(6,778)
Net cash used in financing activities	(762)	(9,991)
Net decrease in cash and cash equivalents	(2,520)	(19,575)
Cash and cash equivalents at beginning of period	77,074	80,298
Cash and cash equivalents at end of period	74,554	60,723

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

Cash and bank balances	93,611	76,639
Bank Overdraft	(13,237)	(9,602)
Cash at bank pledged as securities for bank borrowings	(2,920)	(3,379)
Short term deposits pledged as securities for bank borrowings	(2,900)	(2,935)
	74,554	60,723

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2016.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED 30TH SEPTEMBER 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	NON-DISTRIBUTABLE FOREIGN CURRENCY TRANSLATION RESERVE RM'000	OTHER RESERVE RM'000	DISTRIBUTABLE RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000		
3 MONTHS ENDED 30 SEPTEMBER 2016								
At 1 July 2016	363,743	326,609	200,200	2,674	(62,945)	186,680	37,134	
Capital contributed by Non Controlling Interest in Subsidiary	6,534	-	-	-	-	-	6,534	
Total comprehensive income for the period	9,970	8,980	-	167	-	8,813	990	
At 30 SEPTEMBER 2016	380,247	335,589	200,200	2,841	(62,945)	195,493	44,658	
3 MONTHS ENDED 30 SEPTEMBER 2015								
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	184	-	-	-	-	-	184	
Total comprehensive income for the period	11,948	11,603	-	1,262	-	10,341	345	
At 30 SEPTEMBER 2015	311,005	290,973	182,000	2,886	(62,945)	169,032	20,032	

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 2016.

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 2016.

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 2016 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>
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019

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 2016 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 Cyclicity 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 2016.

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

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 2016.

A7. Dividend Paid

No dividend was paid in the current quarter.

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:

<u>Financial period to date</u> <u>30 September 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	63,750	34,935	10,142	3,100	-	111,927
Inter-segment sales	4,771	3,052	-	-	(7,823)	-
	<u>68,521</u>	<u>37,987</u>	<u>10,142</u>	<u>3,100</u>	<u>(7,823)</u>	<u>111,927</u>
RESULTS						
Profit before taxation from the normal operation :	5,088	6,404	51	909	268	12,720
Profit before taxation includes:						
Amortisation	43	39	-	-	-	82
Depreciation to investment properties	16	36	-	-	-	52
Depreciation	2,432	3,074	97	28	-	5,631
Finance Cost	466	645	78	174	-	1,363
Reversal of Impairment of trade receivables	(614)	(110)	-	-	-	(724)
Share of profits/(loss) in jointly controlled entities and associates	676	(24)	-	-	-	652

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:

<u>Financial period to date</u> <u>30 September 2016</u>	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	208,521	281,153	86,922	97,080	(65,529)	608,147
Deferred tax assets	1,628	2,166	-	-	-	3,794
TOTAL ASSETS	210,149	283,319	86,922	97,080	(65,529)	611,941
Included in measure of segment assets are :						
Investment in associates	5,695	-	-	-	-	5,695
Investment in jointly controlled entities	-	659	-	-	-	659
Additional to property, plant and equipment	423	2,390	176	1,180	-	4,169
SEGMENT LIABILITIES	75,375	133,543	17,191	39,992	(49,990)	216,111
Deferred tax liabilities	4,647	8,996	1,919	20	-	15,582
TOTAL LIABILITIES	80,022	142,539	19,110	40,012	(49,990)	231,693

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:

<u>Financial period to date</u> <u>30 September 2015</u>	<u>Shipping, marine service & others</u> RM'000	<u>Logistics Services & Machineries</u> RM'000	<u>Engineering works</u> RM'000	<u>Property Development</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
REVENUE						
Revenue from external sales	59,307	40,132	14,473	1,294	-	115,206
Inter-segment sales	5,851	3,084	-	-	(8,935)	-
	65,158	43,216	14,473	1,294	(8,935)	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
Share of profits/(loss) in jointly controlled entities and associates	559	(43)	-	-	-	516

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

A8. Segment Information (Cont'd)

<u>Financial period to date</u> <u>30 September 2015</u>	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	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

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 2016.

A10. Significant Post Balance Sheet Event

There are no material events as at 15 November 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 30 September 2016:

1. On 22nd July 2016, Advance Mariner Lines Sdn. Bhd. (“AMLSB”), a subsidiary of Harbour-Link, has incorporated a wholly-owned subsidiary under the name of AML Shipping (Singapore) Pte. Ltd. (“AMLSPL”) in Singapore. AMLSPL was incorporated with an issued and fully paid-up share capital of SGD1.00 divided into 1 ordinary share of SGD1.00 each.

A12. Contingent Liabilities

Changes in contingent liabilities since the last annual balance sheet date to 15 November 2016, being the date not earlier than 7 days from the date of this announcement, are as follows:

	15 Nov 2016	30 June 2016
	RM'000	RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- Subsidiary companies	119,090	117,015
	<u> </u>	<u> </u>

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

A13. Capital Commitments

	30 Sept 2016 RM'000	30 June 2016 RM'000
Capital expenditure Authorised and contracted for	2,847	10,888

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 30 Sept 2016 RM'000	Balance due from/(to) As at 30 Sept 2016 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	215	110
Purchase of goods and services	448	(814)

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 period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	111,927	115,206	111,927	115,206
Profit before tax	12,720	14,345	12,720	14,345

The Group posted revenue of RM111.927 million for the current financial period ended 30 September 2016, which is RM3.279 million lower than the preceding financial period of RM115.206 million. The profit before tax for the current financial period ended 30 September 2016, which is RM12.720 million while the preceding financial period is RM14.345 million.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Shipping, marine services and other division	63,750	59,307	63,750	59,307
Profit before tax	5,088	1,426	5,088	1,426

The shipping, marine services & others division recorded revenue of RM63.750 million which is RM4.443 million higher than the preceding financial period of RM59.307 million. The profit before tax for the current financial period is RM5.088 million which is RM3.662 million higher than the preceding financial period of RM1.426 million. The increase in revenue and profit before tax is due to higher volume of cargo handled.

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

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

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
Logistics Services & Machineries division	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	34,935	40,132	34,935	40,132
Profit before tax	6,404	6,690	6,404	6,690

The logistics services and machineries division recorded revenue of RM34.935 million and profit before tax of RM6.404 million for the current financial period as compared to the preceding financial period of RM40.132 million and RM6.690 million respectively. The decrease in revenue and profit before tax of RM5.197 million and RM0.286 million respectively is mainly due to lower volume of cargo freighting and project cargoes handled.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
Engineering Division	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	10,142	14,473	10,142	14,473
Profit before tax	51	4,943	51	4,943

The engineering works division recorded a revenue of RM10.142 million and profit before tax of RM0.051 million for the current financial period as compared to the preceding corresponding financial period of RM14.473 million and RM4.943 million respectively. The decrease in revenue and profit before tax is due to certain projects are near completions.

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 period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	3,100	1,294	3,100	1,294
Profit before tax	909	696	909	696

The property development division recorded revenue of RM3.1 million and profit before tax of RM0.909 million for the current financial period as compared to the preceding financial period of RM1.294 million and RM0.696 million. The higher revenue and profit before tax is due to the recognition of income from the sales of few completed units of Kidurong Gateway projects.

B2. Comparison with Preceding Quarter's Results

	Current quarter ended 30 Sept 2016 RM'000	Preceding quarter ended 30 June 2016 RM'000
Revenue	111,927	159,113
Profit before taxation	12,720	29,738

The Group posted revenue of RM111.927 million for the current quarter ended 30 September 2016, which is RM47.186 million lower than the preceding quarter ended 30 June 2016 of RM159.113 million. The profit before tax for the current quarter ended 30 September 2016 is RM12.720 million, which is RM17.018 million lower than the preceding quarter ended 30 June 2016 of RM29.738 million.

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

	Current quarter ended 30 Sept 2016 RM'000	Preceding quarter ended 30 June 2016 RM'000
Shipping, marine services and other division		
Revenue	63,750	71,864
Profit before taxation	5,088	5,757

The Group posted a decrease in revenue of RM8.114 million in the current quarter ended 30 September 2016 of RM63.750 million as compared to RM71.864 million in the preceding quarter ended 30 June 2016. The profit before tax for the current quarter ended 30 September 2016 is RM0.669 million lower than preceding quarter ended 30 June 2016 of RM5.757 million due to lower volume of cargoes handled.

	Current quarter ended 30 Sept 2016 RM'000	Preceding quarter ended 30 June 2016 RM'000
Logistics Services & Machineries division		
Revenue	34,935	46,135
Profit before taxation	6,404	10,862

The Group posted a decrease in revenue of RM11.200 million in the current quarter ended 30 September 2016 of RM34.935 million as compared to RM46.135 million in the preceding quarter ended 30 June 2016. The profit before tax for the current quarter ended 30 September 2016 is RM6.404 million, which is RM4.458 million lower than the preceding quarter ended 30 June 2016 of RM10.862 million. The decrease in revenue and profit before tax in the current quarter is due to reason explained in B1.

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

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

	Current quarter ended 30 Sept 2016 RM'000	Preceding quarter ended 30 June 2016 RM'000
Engineering Division		
Revenue	10,142	18,198
Profit before taxation	51	2,610

The Group posted a decrease in revenue of RM8.056 million in the current quarter ended 30 September 2016 of RM10.142 million as compared to RM18.198 million in the preceding quarter ended 30 June 2016. The profit before tax for the current quarter ended 30 September 2016 is RM0.051 million, which is RM2.559 million lower than the preceding quarter ended 30 June 2016 of RM2.610 million. The decrease in revenue and profit before tax is due to reason explained in B1.

	Current quarter ended 30 Sept 2016 RM'000	Preceding quarter ended 30 June 2016 RM'000
Property Development Division		
Revenue	3,100	22,916
Profit before taxation	909	10,679

The Group posted a decrease in revenue of RM19.816 million in the current quarter ended 30 September 2016 of RM3.1 million as compared to RM22.916 million in the preceding quarter ended 30 June 2016. The profit before tax for the current quarter ended 30 September 2016 is RM0.909 million, which is RM9.770 million lower than the preceding quarter ended 30 June 2016 of RM10.679 million. The decrease in revenue and profit before tax is due to only few completed units of Kidurong Gateway projects are being sold as compared to preceding quarter ended 30th June 2016.

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 2017.

Property development division has fully completed Phase 1 and Phase 2 and future phases will be launched subject to market demand.

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

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 period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	<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	(370)	(243)	(370)	(243)
Amortisation	82	70	82	70
Impairment of trade receivables, net of reversal	-	770	-	770
Depreciation of plant and equipment	5,631	5,105	5,631	5,105
Depreciation to investment properties	52	64	52	64
Finance cost	1,363	1,165	1,363	1,165
Unrealised foreign exchange loss/(gain)	(98)	(1,025)	(98)	(1,025)
Reversal of impairment of receivables, net of allowance	(724)	-	(724)	-

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

B6. Taxation

Taxation of the Group comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	3,156	3,312	3,156	3,312
Deferred tax expense:				
Origination and reversal of temporary difference	(239)	347	(239)	347
	<u>2,917</u>	<u>3,659</u>	<u>2,917</u>	<u>3,659</u>

The effective tax rate of the Group for the current quarter and financial period was lower than the statutory tax rate of 24 per cent principally due to recognition of deferred tax assets on unutilized capital allowances and 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 2016.

B8. Investment in Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial period ended 30 September 2016.

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

B9. Status of Corporate Proposal

There were no pending corporate proposals up to 15 November 2016, 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 2016 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	12,272	39,294	51,566
Bank Overdraft	13,237	-	13,237
Finance Lease Liabilities	11,668	20,431	32,099
	<u>37,177</u>	<u>59,725</u>	<u>96,902</u>
Unsecured			
Bankers' Acceptance	3,471	-	3,417
Revolving Credit	8,270	-	8,270
	<u>48,918</u>	<u>59,725</u>	<u>108,643</u>

The above borrowings are denominated in Ringgit Malaysia.

B11. Off Balance Sheet Financial Instruments

During the financial period 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 15 November 2016, being the date not earlier than 7 days from the date of this announcement.

B12. Changes in Material Litigation

There are no changes in material litigation since the last annual balance sheet date till 15 November 2016 being the date not earlier than 7 days from the date of this announcement.

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

B13. Dividend declared

The Board of Directors proposed to declare a first and final single tier dividend of 2 sen per ordinary share of RM0.50 each for the financial year ended 30 June 2016 amounting to RM8,008,000 (2015: RM10,010,000).

The proposed dividend will be paid on 19th December 2016. The date for the book closure of the Record of Depositors for determining dividend entitlement will be on 30 November 2016.

B14. Earnings per Share

Basic earnings per share

The basic earnings per share for the current quarter and financial period ended 30 September 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 RM8,814,000 by the number of ordinary shares in issue during the current quarter and financial period ended 30 June 2016 of 400,400,004.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Earnings Per Share				
Profit net of tax attributable to Owners of the parent (in RM)	8,814	10,341	8,814	10,341
Weighted average number of ordinary shares in issue ('000)	400,400	400,400*	400,400	400,400*
Basic earnings per share (sen)	2.20	2.58	2.20	2.58
Diluted earnings per share (sen)*	2.20	N/A	2.20	N/A

*The previous year's earnings per share have been restated to reflect the share split and bonus issue which were completed on 30th June 2016.

*The diluted earnings per share of the Group is similar to the basic earnings per share as the assumed conversion from the exercise of warrants would be anti-dilutive.

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

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 2016 pursuant to paragraph 8.23(1) of the Listing Requirements.

	30 Sept 2016 RM'000	30 June 2016 RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	34,342	45,753

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 2016.

B16. Realised and Unrealised Profits/Losses Disclosure

	As at 30 Sept 2016 RM'000	As at 30 June 2016 RM'000
Total retained profits of the Company and its Subsidiaries:		
- Realised	202,885	194,896
- Unrealised	(11,383)	(11,556)
	191,502	183,340
Total share of retained profits from associated company:		
- Realised	3,992	3,340
- Unrealised	-	-
	3,992	3,340
Total group retained profits as per consolidated Accounts	195,494	186,680

This announcement is dated 22nd November 2016.