

**HARBOUR-LINK GROUP BERHAD**
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2017**

(The figures have not been audited).

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR	PRECEDING YEAR
	30/6/2017 RM'000	30/6/2016 RM'000	30/6/2017 RM'000	30/6/2016 RM'000
Revenue	135,619	159,113	521,462	590,764
Operating expenses	(109,064)	(118,723)	(444,099)	(454,203)
<b>Gross profit</b>	<b>26,555</b>	<b>40,390</b>	<b>77,363</b>	<b>136,561</b>
Interest income	753	479	1,649	1,047
Other income	6,188	661	14,949	13,727
Administrative Expenses	(14,402)	(10,541)	(44,068)	(44,862)
Finance costs	(1,604)	(1,651)	(5,807)	(5,800)
Share of results of jointly controlled entity	(14)	(43)	(100)	(218)
Share of results of associated companies	971	443	1,598	1,505
<b>Profit before taxation</b>	<b>18,447</b>	<b>29,738</b>	<b>45,584</b>	<b>101,960</b>
Taxation	(7,252)	(7,346)	(15,391)	(30,102)
<b>Net profit for the year</b>	<b>11,195</b>	<b>22,392</b>	<b>30,193</b>	<b>71,858</b>
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange difference on translation of foreign entity	(1,078)	550	109	1,050
<b>Total comprehensive income for the year</b>	<b>10,117</b>	<b>22,942</b>	<b>30,302</b>	<b>72,908</b>
<b>Profit for the year attributable to:</b>				
Owners of the parent	9,664	18,895	26,822	56,198
Non-Controlling Interests	1,531	3,497	3,371	15,660
	<b>11,195</b>	<b>22,392</b>	<b>30,193</b>	<b>71,858</b>
<b>Total Comprehensive income for the year attributable to:</b>				
Owners of the parent	8,586	19,445	26,931	57,248
Non-Controlling Interests	1,531	3,497	3,371	15,660
	<b>10,117</b>	<b>22,942</b>	<b>30,302</b>	<b>72,908</b>
<b>Earnings per share ("EPS") (in sen)</b>				
Basic earnings per share (sen) (Note B14)	2.41	4.72	6.70	14.04
Diluted earnings per share (sen)	2.41	4.72	6.70	14.04

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
	30/6/2017	30/6/2016
	RM'000	RM'000
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	216,259	207,930
Investment properties	8,853	9,063
Prepaid land lease payment	5,873	6,012
Land held for development	46,146	43,942
Intangible assets	105	105
Investment in jointly-controlled entity	583	683
Investment in associates	6,379	5,019
Other investments	652	652
Deferred tax assets	2,269	3,413
	<b>287,119</b>	<b>276,819</b>
<b>Current assets</b>		
Inventories	30,271	33,180
Trade and other receivables	150,227	144,082
Amount due from customers for contract works	1,260	3,134
Investment securities	41,911	26,264
Other current assets	19,880	8,093
Cash and bank balance	75,521	97,509
	<b>319,070</b>	<b>312,262</b>
<b>TOTAL ASSETS</b>	<b>606,189</b>	<b>589,081</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	41,951	44,112
Trade and other payables	101,987	97,445
Other current liabilities	278	1,026
Tax payables	9,956	10,025
	<b>154,172</b>	<b>152,608</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	17,214	15,446
Loans and borrowings	42,252	57,285
	<b>59,466</b>	<b>72,731</b>
<b>TOTAL LIABILITIES</b>	<b>213,638</b>	<b>225,339</b>
<b>NET ASSETS</b>	<b>392,551</b>	<b>363,742</b>
<b>EQUITY</b>		
Share capital	200,200	200,200
Revenue reserves	145,332	126,408
Total shareholders' equity	345,532	326,608
Non-controlling interest	47,019	37,134
<b>TOTAL EQUITY</b>	<b>392,551</b>	<b>363,742</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	<b>0.86</b>	<b>0.82</b>

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 YEAR ENDED 30 JUNE 2017**  
(The figures have not been audited).

	<b>CURRENT YEAR ENDED 30/06/2017</b>	<b>COMPARABLE YEAR ENDED 30/06/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	45,584	101,960
Adjustments for:		
Non-operating items	(650)	77
Depreciation	22,750	21,574
Interest expense	5,807	5,800
Interest income	(1,649)	(1,047)
Share of results in associates and jointly controlled entity	(1,498)	(1,287)
<b>Operating profit before changes in working capital</b>	<b>70,344</b>	<b>127,077</b>
Changes in working capital:		
Decrease of property development cost	-	32,280
Decrease in inventories	2,909	777
(Increase) in trade and other receivables	(7,031)	(7,707)
Decrease in amount due from customers for contract works	1,875	1,708
(Decrease) in other current liabilities	(747)	(84,893)
Increase in trade and other payables	4,542	12,234
<b>Net cash generated from operations activities</b>	<b>71,892</b>	<b>81,476</b>
Interest paid	(5,807)	(6,165)
Interest received	1,649	1,047
Tax paid	(21,304)	(26,408)
<b>Net cash generated from operating activities</b>	<b>46,430</b>	<b>49,950</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(29,097)	(38,671)
Decrease in cash at bank pledged for borrowings	512	146
(Increase) in investment securities	(12,340)	(17,994)
Capital contributed by non controlling interest in subsidiary	6,868	2,741
Net cash inflow disposal of subsidiary	5	-
Proceeds from disposal of property, plant and equipment	2,562	9,284
<b>Net cash (used in) investing activities</b>	<b>(31,489)</b>	<b>(44,494)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(7,531)	(10,609)
Net (repayment) / proceeds from borrowings	(15,404)	13,339
Net (repayment) of lease payables	(12,782)	(11,410)
<b>Net cash used in financing activities</b>	<b>(35,716)</b>	<b>(8,680)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(20,776)</b>	<b>(3,224)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>77,074</b>	<b>80,298</b>
<b>Cash and cash equivalents at end of period</b>	<b>56,298</b>	<b>77,074</b>

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

Cash and bank balances	75,521	97,509
Bank Overdraft	(13,176)	(12,687)
Cash at bank pledged as securities for bank borrowings	(2,699)	(3,021)
Short term deposits pledged as securities for bank borrowings	(3,348)	(4,727)
	<u>56,298</u>	<u>77,074</u>

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 12 MONTHS ENDED 30TH JUNE 2017**  
(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		
<b>12 MONTHS ENDED 30TH JUNE 2017</b>								
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	6,968	-	-	-	-	-	6,968	
Dividends on ordinary shares	(6,362)	(8,008)	-	-	-	(8,008)	(354)	
Total comprehensive income for the period	30,302	26,931	-	109	-	26,822	3,371	
<b>At 30 JUNE 2017</b>	<b>392,551</b>	<b>345,532</b>	<b>200,200</b>	<b>2,783</b>	<b>(62,945)</b>	<b>205,494</b>	<b>47,019</b>	
<b>12 MONTHS ENDED 30TH JUNE 2016</b>								
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	2,741	-	18,200	-	-	-	2,741	
Capitalized of Bonus Issue	-	-	-	-	-	(18,200)	-	
Dividends on ordinary shares	(10,780)	(10,010)	-	-	-	(10,010)	(770)	
Total comprehensive income for the period	72,908	57,248	-	1,050	-	56,198	15,660	
<b>At 30 JUNE 2016</b>	<b>363,742</b>	<b>326,608</b>	<b>200,200</b>	<b>2,674</b>	<b>(62,945)</b>	<b>186,679</b>	<b>37,134</b>	

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”)

#### *AI. 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 30<sup>th</sup> June 2016 except for the following MFRSs, IC interpretation and Amendments which the Company adopted which mandatory for annual periods beginning on or after 1<sup>st</sup> July 2016 :

<u>Description</u>	<u>Effective for annual 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 116 and MFRS 141: Agriculture-Bearer Plants	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016

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

The standards and annual improvements that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 107: Disclosures Initiatives	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 -2016 Cycle:	
(i) Amendments to MFRS 12: Disclosure of Interests in Other Entities	1 January 2017
(ii) Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
(iii) Amendments to MFRS 128: Investments in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
MFRS 16: Leases	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 Group Bhd 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.

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

### ***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 year ended 30 June 2017.

### ***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 year 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 year ended 30 June 2017.

### ***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 year to date</u> <u>30 June 2017</u>	<u>Shipping, marine service &amp; others</u> <u>RM'000</u>	<u>Logistics Services &amp; 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>
<b>REVENUE</b>						
Revenue from external sales	313,240	164,102	34,462	9,658	-	521,462
Inter-segment sales	13,304	10,452	-	1,225	(24,981)	-
	<u>326,544</u>	<u>174,554</u>	<u>34,462</u>	<u>10,883</u>	<u>(24,981)</u>	<u>521,462</u>
<b>RESULTS</b>						
Profit before taxation from the normal operation :	13,596	28,834	(212)	3,571	(205)	45,584
Profit before taxation includes:						
Amortisation of prepaid land lease payment	174	128	-	-	-	302
Depreciation to investment properties	64	145	-	-	-	209
Depreciation	9,815	12,411	363	161	-	22,750
Finance Cost	2,283	2,656	302	566	-	5,807
Impairment of assets	2,108	-	-	-	-	2,108
Net reversal of Impairment of trade receivables	291	(3,725)	98	-	-	(3,336)
Share of profits/(loss) in jointly controlled entities and associates	<u>1,597</u>	<u>(99)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,498</u>



## 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 year to date</u> <u>30 June 2017</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	265,955	242,458	75,416	83,138	(63,047)	603,920
Deferred tax assets	1,400	869	-	-	-	2,269
<b>TOTAL ASSETS</b>	<b>267,355</b>	<b>243,327</b>	<b>75,416</b>	<b>83,138</b>	<b>(63,047)</b>	<b>606,189</b>
<b>Included in measure of segment assets are :</b>						
Investment in associates	6,379	-	-	-	-	6,379
Investment in jointly controlled entities	-	583	-	-	-	583
Additional to property, plant and equipment	9,818	7,745	6,409	5,125	-	29,097
<b>SEGMENT LIABILITIES</b>	<b>111,057</b>	<b>98,909</b>	<b>9,818</b>	<b>26,016</b>	<b>(49,376)</b>	<b>196,424</b>
Deferred tax liabilities	4,930	10,159	2,037	88	-	17,214
<b>TOTAL LIABILITIES</b>	<b>115,987</b>	<b>109,068</b>	<b>11,855</b>	<b>26,104</b>	<b>(49,376)</b>	<b>213,638</b>

## 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 year to date</u> <u>30 June 2016</u>	<u>Shipping, marine service &amp; others</u> <u>RM'000</u>	<u>Logistics Services &amp; 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>
<b>REVENUE</b>						
Revenue from external sales	268,287	166,521	58,223	97,733	-	590,764
Inter-segment sales	30,873	11,850	-	-	(42,723)	-
	<u>299,160</u>	<u>178,371</u>	<u>58,223</u>	<u>97,733</u>	<u>(42,723)</u>	<u>590,764</u>
<b>RESULTS</b>						
Profit before taxation from the normal operation :	(3,320)	40,555	15,606	49,097	22	101,960
Profit before taxation includes:						
Amortisation of prepaid land lease payment	136	-	-	-	-	136
Impairment of assets	5,942	-	-	-	-	5,942
Depreciation to investment properties	66	157	-	-	-	223
Depreciation	7,313	12,024	1,883	354	-	21,574
Finance Cost	1,561	2,744	324	1,553	(382)	5,800
Reversal of Impairment of trade receivables	(920)	(1,999)	-	-	-	(2,919)
Bad debt written off	-	423	-	-	-	423
Share of profits/(loss) in jointly controlled entities and associates	<u>1,505</u>	<u>(218)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,287</u>

## 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 year to date</u> <u>30 June 2016</u>	<u>Shipping, marine service &amp; others</u>	<u>Logistics Services &amp; Machineries</u>	<u>Engineering works</u>	<u>Property Development</u>	<u>Elimination</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>SEGMENT ASSETS</b>	241,160	229,144	84,619	99,971	(69,226)	585,668
Deferred tax assets	499	2,042	-	872	-	3,413
<b>TOTAL ASSETS</b>	<u>241,659</u>	<u>231,186</u>	<u>84,619</u>	<u>100,843</u>	<u>(69,226)</u>	<u>589,081</u>
<b>Included in measure of segment assets are :</b>						
Investment in associates	5,019	-	-	-	-	5,019
Investment in jointly controlled entities	-	683	-	-	-	683
Additional to property, plant and equipment	30,803	13,445	770	2,596	-	47,614
<b>SEGMENT LIABILITIES</b>	105,669	80,141	15,096	43,286	(34,299)	209,893
Deferred tax liabilities	4,344	9,158	1,918	26	-	15,446
<b>TOTAL LIABILITIES</b>	<u>110,013</u>	<u>89,299</u>	<u>17,014</u>	<u>43,312</u>	<u>(34,299)</u>	<u>225,339</u>

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

### ***A9. Property, Plant and Equipment***

There was no valuation on property, plant and equipment during the current quarter and financial year ended 30<sup>th</sup> June 2017.

### ***A10. Significant Post Balance Sheet Event***

There are no material events as at 21 August 2017, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the current financial year 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 year ended 30 June 2017:

1. On 22<sup>nd</sup> 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.
2. On 7<sup>th</sup> November 2016, Advance Mariner Lines Sdn Bhd (“AMLSB”), a subsidiary of Harbour-Link had acquired One (1) ordinary share of RM1.00 each (“Share”), representing 50% equity interest in AML Shipping (Sabah) Sdn. Bhd. (Company No.1204210-A) (“AMLSabah”) from Ting May Foong for a total cash consideration of RM1.00 (“the Acquisition”). Ting May Fong is a non-related party. On 7 November 2016, AMLSB had subscribed for an additional fifty thousand nine hundred and ninety nine (50,999) new ordinary shares of RM1.00 each (“Shares”) in AMLSabah representing 51% of the enlarged issued share capital of AMLSabah for a cash consideration of RM50,999 (the “Subscription”). The Subscription was funded by internally generated funds. Following the Acquisition and Subscription, AMLSabah becomes a 51% owned subsidiary of AMLSB. The balance 49% is held by Wong Leh Hee.

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

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

3. On 22<sup>nd</sup> December 2016, Harbour-Link (M) Sdn Bhd (“HLMSB”), a subsidiary of Harbour-Link had on - acquired One (1) ordinary share of RM1.00 each (“Share”), representing 50% equity interest in Harbour-Link Forwarders Sdn. Bhd. (Company No. 1193136-W) (“HLF”) from Norhidayah Binti Talip for a total cash consideration of RM1.00 (“the Acquisition”). On 22<sup>nd</sup> December 2016, HLFSB had subscribed for an additional thirty four thousand nine hundred and ninety nine (34,999) new ordinary shares of RM1.00 each (“Shares”) in HLF representing 70.00% of the enlarged issued share capital of HLF for a cash consideration of RM34,999 (the “Subscription”). The Subscription was funded by internally generated funds. Following the Acquisition and Subscription, HLF becomes a 70.00% owned subsidiary of HLMSB. The balance 30.00% is held by Tan Tiong Pan.
4. On 5<sup>th</sup> January 2017, Harbour Agencies (Sarawak) Sdn Bhd. (“HASSB”), a wholly-owned subsidiary of Harbour-Link, had incorporated a wholly-owned subsidiary under the name of Union Star Shipping Pte Ltd. (“USSPL”) in Singapore with the paid-up share capital of SGD 1.00 divided into 1 ordinary share of SGD1.00 each.
5. On 29<sup>th</sup> March 2017, Harbour-Link (M) Sdn Bhd. (“HLMSB”), a wholly-owned subsidiary of Harbour-Link, had entered into a Share Sale Agreement (“SSA”) with Multi-Arms Logistics Sdn. Bhd. (Company No.586553-P) (“MALSB”) for the disposal of 1,000,000 ordinary shares in Progresif Lengkap Sdn. Bhd. (“PLSB”) and 100 ordinary shares in Road Safety & Driving Academy Sdn. Bhd. (“ROSDA”) (“Sale Shares”) representing the entire share capital of PLSB and ROSDA (“the Disposal”) for a total consideration of RM5,000.00 only (“Disposal Consideration”). ROSDA is a wholly-owned subsidiary of PLSB which is a wholly-owned subsidiary of HLMSB and which in turn is a wholly-owned subsidiary of Harbour-Link.
6. On 13<sup>th</sup> June 2017, HLG Equipment Sdn. Bhd. (“HLGE”), a sub-sub-subsidiary of Harbour-Link Group Berhad, had incorporated a subsidiary under the name of HLG Equipment (B) Sdn. Bhd. (“HLGEB”) in Brunei Darussalam. HLGEB with an issued and fully paid-up share capital of BND100.00 divided into 100 ordinary share. HLGE had subscribe for Ninety Nine (99) new ordinary shares of BND1.00 each (“Shares”) in HLGEB representing 99% of the enlarged issued share capital of HLGEB for a cash consideration of BND99.00 (the “Subscription”). Following the Subscription, HLGEB becomes 99% owned subsidiary of HLGE. The balance 1% is held by Lim Yan Peng.

### *A12. Contingent Liabilities*

There was no material contingent assets and liabilities since the last annual balance sheet date to the date of this report.

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

### A13. Capital Commitments

	30 June 2017 RM'000	31 Mar 2017 RM'000
Capital expenditure Authorised and contracted for	13,298	10,743

### A14. Related Party Transactions

Related parties are those defined under MFRS 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 June 2017 RM'000	Balance due from/(to) As at 30 June 2017 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	732	597
Purchase of goods and services	1,018	(1,002)

## 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 Financial Year	Preceding Financial Year
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	135,619	159,113	521,462	590,764
Profit before tax	18,447	29,738	45,584	101,960

The Group posted revenue of RM521.46 million for the current financial year ended 30 June 2017, which is RM69.30 million lower than the preceding financial year of RM590.76 million. The profit before tax for the current financial year ended 30 June 2017, which is RM45.58 million while the preceding financial year is RM101.96 million.

Shipping, marine services and other division	Individual Quarter		Cumulative Quarter	
	Current year Quarter	Preceding year Corresponding Quarter	Current Financial Year	Preceding Financial Year
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	74,918	71,864	313,240	268,287
Profit/(Loss) before tax	3,159	5,757	13,596	(3,320)

The shipping, marine services & others division recorded revenue of RM313.24 million which is RM44.95 million or 17% higher than the preceding financial year of RM268.29 million. The profit before tax for the current financial year is RM13.60 million which is RM16.92 million higher than the preceding financial year loss of RM3.32 million. The increase in revenue is due to commencement of new shipping business namely AML Shipping Sdn. Bhd.. The increase in profit before tax was due to one-off loss on disposal of one (1) old vessel and preliminaries cost for the two (2) newly acquired vessels and also from the impairment of vessels of RM5.94 million from last financial year. Furthermore, the increase in revenue also contribute to the increase in the profit before tax for this financial year.

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

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

	Individual Quarter		Cumulative Quarter	
	Current year Quarter	Preceding year Corresponding Quarter	Current Financial Year	Preceding Financial Year
<b>Logistics Services &amp; Machineries division</b>	<b>30/06/2017</b>	<b>30/06/2016</b>	<b>30/06/2017</b>	<b>30/06/2016</b>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	48,214	46,135	164,102	177,427
Profit before tax	11,546	10,862	28,834	41,553

The logistics services and machineries division recorded revenue of RM164.10 million and profit before tax of RM28.83 million for the current financial year as compared to the preceding financial year of RM177.43 million and RM41.55 million respectively. The decrease in revenue of RM13.32 million or 7% is mainly due to lower volume of cargo freighting and project cargoes handled. The decrease in profit before tax of RM12.72 million or 31% is mainly due to higher operating cost.

	Individual Quarter		Cumulative Quarter	
	Current year Quarter	Preceding year Corresponding Quarter	Current Financial Year	Preceding Financial Year
<b>Engineering Division</b>	<b>30/06/2017</b>	<b>30/06/2016</b>	<b>30/06/2017</b>	<b>30/06/2016</b>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	9,211	18,198	34,462	58,225
(Loss)/Profit before tax	1,953	2,610	(212)	15,602

The engineering works division recorded a revenue of RM34.46 million and loss before tax of RM0.21 million for the current financial year as compared to the preceding corresponding financial year of RM58.22 million and RM15.60 million respectively. The decrease in revenue of RM23.76 million or 41% and the loss before tax of RM0.21 million is due to certain projects have completed and new projects are at the beginning stage.



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

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

	Individual Quarter		Cumulative Quarter	
	Current year Quarter	Preceding year Corresponding Quarter	Current Financial Year	Preceding Financial Year
Property Development Division	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	3,277	22,916	9,658	97,519
Profit before tax	1,308	10,679	3,571	50,549

The property development division recorded revenue of RM9.66 million and profit before tax of RM3.57 million for the current financial year as compared to the preceding financial year of RM97.52 million and RM50.55 million. The lower revenue and profit before tax is due to no new launches of our Kidurong Gateway projects.

### B2. Comparison with Preceding Quarter's Results

	Current quarter ended 30 June 2017 RM'000	Preceding quarter ended 31 Mar 2017 RM'000
Revenue	135,619	150,682
Profit before taxation	18,447	3,106

The Group posted revenue of RM135.62 million for the current quarter ended 30 June 2017, which is RM15.06 million lower than the preceding quarter ended 31 March 2017 of RM150.68 million. The profit before tax for the current quarter ended 30 June 2017 is RM18.45 million, which is RM15.34 million higher than the preceding quarter ended 31 March 2017 of RM3.11 million.

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

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

	Current quarter ended 30 June 2017 RM'000	Preceding quarter ended 31 Mar 2017 RM'000
<b>Shipping, marine services and other division</b>		
Revenue	74,918	96,914
Profit before taxation	3,159	1,668

The Group posted an decrease in revenue of RM21.99 million or 22% in the current quarter ended 30 June 2017 of RM74.92 million as compared to RM96.91 million in the preceding quarter ended 31 March 2017. The decrease in the revenue is due to lower freight rates from agency services for conventional vessels. The profit before tax for the current quarter ended 30 June 2017 is RM1.49 million higher than preceding quarter ended 31 March 2017 of RM1.67 million of one off preliminary and dry-docking cost during the preceding quarter.

	Current quarter ended 30 June 2017 RM'000	Preceding quarter ended 31 Mar 2017 RM'000
<b>Logistics Services &amp; Machinerics division</b>		
Revenue	48,214	47,582
Profit before taxation	11,546	4,848

The Group posted an marginal increase in revenue of RM0.63 million in the current quarter ended 30 June 2017 of RM48.21 million or 1% as compared to RM47.58 million in the preceding quarter ended 31 March 2017. The profit before tax for the current quarter ended 30 June 2017 is RM11.55 million, which is RM6.70 million higher than the preceding quarter ended 31 March 2017 of RM4.85 million. The increase in profit before tax in the current quarter is due to reversal of impairment of RM4.87 million and successful supply and delivery of port equipments.

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

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

	Current quarter ended 30 June 2017 RM'000	Preceding quarter ended 31 Mar 2017 RM'000
<b>Engineering Division</b>		
Revenue	9,211	5,934
(Loss)/Profit before taxation	1,953	(3,085)

The Group posted an increase in revenue of RM3.28 million or 55% in the current quarter ended 30 June 2017 of RM9.21 million as compared to RM5.93 million in the preceding quarter ended 31 March 2017. The profit before tax for the current quarter ended 30 June 2017 is RM1.95 million, which is RM5.04 million higher than the preceding quarter ended 31 March 2017. The increase in revenue and the profit before tax is due to current projects in hand are progressing smoothly.

	Current quarter ended 30 June 2017 RM'000	Preceding quarter ended 31 Mar 2017 RM'000
<b>Property Development Division</b>		
Revenue	3,277	251
Profit before taxation	1,308	227

The Group posted a increase in revenue of RM3.03 million in the current quarter ended 30 June 2017 of RM3.28 million as compared to RM0.25 million in the preceding quarter ended 31 March 2017. The profit before tax for the current quarter ended 30 June 2017 is RM1.31 million, which is RM1.08 million higher than the preceding quarter ended 31 March 2017 of RM0.23 million. The higher revenue and profit before tax is due to recognition of new sales.

### *B3. Prospects*

Malaysia Government has recently announced the exemption of the shipping cabotage policy effective from 1<sup>st</sup> of June 2017. We expect stiff competition from foreign shipping operators who are allow to operate in domestic trade.

Going forward, our shipping and marine division shall take necessary measures to face these challenges.

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

### B3. Prospects (Cont'd)

The Group will continue to focus on the total logistics segments through its investment in additional warehousing facilities. Warehouses that began its construction in beginning of 2017, will be completed in the 1<sup>st</sup> quarter of 2018. It will contribute additional revenue to the Group.

Engineering division is expected to face continuing softening in EPCC and oil and gas market in the financial year 2018. Whilst, engineering division is also expecting to secure new projects for the year 2018.

Property development division has fully completed Phase 1 and Phase 2 and Phase 3 will be launched subject to market demand.

### 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	Preceding Period	Current Financial	Preceding Financial
	Quarter	Corresponding Quarter	Year	Year
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Profit for the period is stated after charging/ (crediting):</b>				
Interest income	(753)	(479)	(1,649)	(1,047)
Amortisation of prepaid land lease payment	53	70	302	136
Depreciation of plant and equipment	5,694	5,995	22,750	21,574
Depreciation to investment properties	52	52	209	223
Finance cost	1,604	1,651	5,807	5,800
Unrealised foreign exchange loss/(gain)	(581)	360	268	(477)
(Reversal) of impairment of receivables, net of allowance	(1,399)	(317)	(3,336)	(2,919)

## 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 Year	Preceding Financial Year
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	4,977	4,265	12,493	23,889
Deferred tax expense:				
Origination and reversal of temporary difference	2,275	3,081	2,898	6,214
	<u>7,252</u>	<u>7,346</u>	<u>15,391</u>	<u>30,103</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 non-recognition of deferred tax assets for losses incurred 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 year ended 30 June 2017.

### **B8. Investment in Quoted Securities**

There were no purchases or disposals of quoted securities during the current quarter and financial year ended 30 June 2017.

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

### ***B9. Status of Corporate Proposal***

There were no pending corporate proposals up to 21 August 2017, 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 June 2017 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<b>Secured</b>			
Term loan	6,915	26,347	33,262
Bank Overdraft	13,176	-	13,176
Finance Lease Liabilities	9,292	15,905	25,197
	<u>29,383</u>	<u>42,252</u>	<u>71,635</u>
<b>Unsecured</b>			
Bankers' Acceptance	4,348	-	4,348
Revolving Credit	8,220	-	8,220
	<u>41,951</u>	<u>42,252</u>	<u>84,203</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 21 August 2017, 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 21 August 2017 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 1.5 sen per ordinary share of RM0.50 each for the financial year ended 30 June 2017 amounting to RM6,006,000 (2016: RM10,010,000).

The proposed dividend is subject to shareholders' approval at the forthcoming 15<sup>th</sup> Annual General Meeting to be held on a date to be announced later. The date for the book closure of the Record of Depositors for determining dividend entitlement and the date of the payment will be announced at a later date.

### ***B14. Earnings per Share***

#### **Basic earnings per share**

The basic earnings per share for the current quarter and financial period ended 30 June 2017 is calculated by dividing the Group's profit for the period, net of tax, attributable to owners of the parent for the current quarter of RM9,664,000 and financial year of RM26,822,000 by the number of ordinary shares in issue during the current quarter and financial year ended 30 June 2017 of 400,400,004.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Year	Preceding Financial Year
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
<b>Earnings Per Share</b>	<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)	9,664	18,895	26,822	56,198
Weighted average number of ordinary shares in issue ("000)	400,400	400,400*	400,400	400,400*
Basic earnings per share (sen)	2.41	4.72	6.70	14.04
Diluted earnings per share (sen)*	2.41	4.72	6.70	14.04

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

\*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.

### ***B15. Provision of Financial Assistance***

The financial assistance provided by the Company and its subsidiaries to its non wholly-owned subsidiaries as at 30 June 2017 pursuant to paragraph 8.23(1) of the Listing Requirements.

	30 June 2017 RM'000	31 March 2017 RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	19,222 =====	33,634 =====

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 June 2017.

### ***B16. Derivative Financial Instruments***

As at 30 June 2017, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional amount as at 30.06.2017 RM'000	Fair value net gains or (losses) 30.06.2017 RM'000	Purpose
Forward currency contracts:			
Less than 1 year	16,958	-	For hedging currency risk in payables

Except for the above, for the current year under review, there have been no significant changes in the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objective, policies and processes since the previous financial year end.



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

### *B17. Realised and Unrealised Profits/Losses Disclosure*

	As at 30 June 2017 RM'000	As at 30 June 2016 RM'000
Total retained profits of the Company and its Subsidiaries:		
- Realised	215,469	194,896
- Unrealised	(14,568)	(11,556)
	----- 200,901	----- 183,340
Total share of retained profits from associated company:		
- Realised	4,593	3,340
- Unrealised	-	-
	-----	-----
Total group retained profits as per consolidated Accounts	205,494 =====	186,680 =====

This announcement is dated 28th August 2017.