

**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 2017**  
(The figures have not been audited).

|   | INDIVIDUAL PERIOD    |                                      |                      |            | CUMULATIVE PERIOD   |                     |                      |            |
|---|----------------------|--------------------------------------|----------------------|------------|---------------------|---------------------|----------------------|------------|
|   | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CHANGES (Amount / %) |            | CURRENT YEAR        | PRECEDING YEAR      | CHANGES (Amount / %) |            |
|   | 30/9/2017<br>RM'000  | 30/9/2016<br>RM'000                  | RM'000               | %          | 30/9/2017<br>RM'000 | 30/9/2016<br>RM'000 | RM'000               | %          |
| Revenue   | 144,417              | 111,927                              | 32,490               | 29%        | 144,417             | 111,927             | 32,490               | 29%        |
| Operating expenses  | (123,007)            | (92,226)                             | (30,781)             | 33%        | (123,007)           | (92,226)            | (30,781)             | 33%        |
| <b>Gross profit</b>   | <b>21,410</b>        | <b>19,701</b>                        | <b>1,709</b>         | <b>9%</b>  | <b>21,410</b>       | <b>19,701</b>       | <b>1,709</b>         | <b>9%</b>  |
| Interest income   | 450                  | 370                                  | 80                   | 22%        | 450                 | 370                 | 80                   | 22%        |
| Other income  | 3,834                | 1,665                                | 2,169                | 130%       | 3,834               | 1,665               | 2,169                | 130%       |
| Administrative Expenses   | (9,926)              | (8,305)                              | (1,621)              | 20%        | (9,926)             | (8,305)             | (1,621)              | 20%        |
| Finance costs   | (1,236)              | (1,363)                              | 127                  | -9%        | (1,236)             | (1,363)             | 127                  | -9%        |
| Share of results of jointly controlled entity                         | 30                   | (24)                                 | 54                   | -225%      | 30                  | (24)                | 54                   | -225%      |
| Share of results of associated companies                              | 910                  | 676                                  | 234                  | 35%        | 910                 | 676                 | 234                  | 35%        |
| <b>Profit before taxation</b>   | <b>15,472</b>        | <b>12,720</b>                        | <b>2,752</b>         | <b>22%</b> | <b>15,472</b>       | <b>12,720</b>       | <b>2,752</b>         | <b>22%</b> |
| Taxation  | (4,107)              | (2,917)                              | (1,190)              | 41%        | (4,107)             | (2,917)             | (1,190)              | 41%        |
| <b>Net profit for the year</b>  | <b>11,365</b>        | <b>9,803</b>                         | <b>1,562</b>         | <b>16%</b> | <b>11,365</b>       | <b>9,803</b>        | <b>1,562</b>         | <b>16%</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                  | 230                  | 167                                  | 63                   | 38%        | 230                 | 167                 | 63                   | 38%        |
| <b>Total comprehensive income for the year</b>                        | <b>11,595</b>        | <b>9,970</b>                         | <b>1,625</b>         | <b>16%</b> | <b>11,595</b>       | <b>9,970</b>        | <b>1,625</b>         | <b>16%</b> |
| <b>Profit for the year attributable to:</b>                           |                      |                                      |                      |            |                     |                     |                      |            |
| Owners of the parent  | 9,526                | 8,813                                | 713                  | 8%         | 9,526               | 8,813               | 713                  | 8%         |
| Non-Controlling Interests   | 1,839                | 990                                  | 849                  | 86%        | 1,839               | 990                 | 849                  | 86%        |
|   | <b>11,365</b>        | <b>9,803</b>                         | <b>1,562</b>         | <b>16%</b> | <b>11,365</b>       | <b>9,803</b>        | <b>1,562</b>         | <b>16%</b> |
| <b>Total Comprehensive income for the year attributable to:</b>       |                      |                                      |                      |            |                     |                     |                      |            |
| Owners of the parent  | 9,756                | 8,980                                | 776                  | 9%         | 9,756               | 8,980               | 776                  | 9%         |
| Non-Controlling Interests   | 1,839                | 990                                  | 849                  | 86%        | 1,839               | 990                 | 849                  | 86%        |
|   | <b>11,595</b>        | <b>9,970</b>                         | <b>1,625</b>         | <b>16%</b> | <b>11,595</b>       | <b>9,970</b>        | <b>1,625</b>         | <b>16%</b> |
| <b>Earnings per share ("EPS") (in sen)</b>                            |                      |                                      |                      |            |                     |                     |                      |            |
| Basic earnings per share (sen) (Note B14)                             | 2.38                 | 2.20                                 | 0.18                 | 8%         | 2.38                | 2.20                | 0.18                 | 8%         |
| Diluted earnings per share (sen)                                      | 2.38                 | 2.20                                 | 0.18                 | 8%         | 2.38                | 2.20                | 0.18                 | 8%         |

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 2017.

**HARBOUR-LINK GROUP BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION**

|  | As at<br>30/9/2017 | As at<br>30/6/2017 |
|--|--------------------|--------------------|
|  | RM'000             | RM'000             |
|  | (Unaudited)        | (Audited)          |
| <b>ASSETS</b>  |                    |                    |
| <b>Non-current assets</b>  |                    |                    |
| Property, plant and equipment  | 221,012            | 219,601            |
| Investment properties  | 6,100              | 5,303              |
| Prepaid land lease payment   | 5,273              | 6,135              |
| Land held for development  | 46,756             | 46,146             |
| Intangible assets  | 105                | 105                |
| Investment in jointly-controlled entity                                | 613                | 583                |
| Investment in associates   | 7,595              | 6,737              |
| Other investments  | 652                | 652                |
| Deferred tax assets  | 1,849              | 2,015              |
|  | <b>289,955</b>     | <b>287,277</b>     |
| <b>Current assets</b>  |                    |                    |
| Inventories  | 24,853             | 30,192             |
| Trade and other receivables  | 164,550            | 130,990            |
| Amount due from customers for contract works                           | 637                | 1,713              |
| Derivatives  | 969                | 969                |
| Investment securities  | 40,284             | 41,911             |
| Other current assets   | 17,687             | 38,255             |
| Cash and bank balance  | 81,400             | 76,011             |
|  | <b>330,380</b>     | <b>320,041</b>     |
| <b>TOTAL ASSETS</b>  | <b>620,335</b>     | <b>607,318</b>     |
| <b>LIABILITIES</b>   |                    |                    |
| <b>Current liabilities</b>   |                    |                    |
| Loans and borrowings   | 39,511             | 42,716             |
| Trade and other payables   | 103,934            | 106,471            |
| Other current liabilities  | 564                | 278                |
| Tax payables   | 10,590             | 5,532              |
|  | <b>154,599</b>     | <b>154,997</b>     |
| <b>Non-current liabilities</b>   |                    |                    |
| Deferred tax liabilities   | 17,118             | 16,823             |
| Loans and borrowings   | 39,133             | 41,487             |
|  | <b>56,251</b>      | <b>58,310</b>      |
| <b>TOTAL LIABILITIES</b>   | <b>210,850</b>     | <b>213,307</b>     |
| <b>NET ASSETS</b>  | <b>409,485</b>     | <b>394,011</b>     |
| <b>EQUITY</b>  |                    |                    |
| Share capital  | 200,200            | 200,200            |
| Revenue reserves   | 156,774            | 147,018            |
| Total shareholders' equity   | 356,974            | 347,218            |
| Non-controlling interest   | 52,511             | 46,793             |
| <b>TOTAL EQUITY</b>  | <b>409,485</b>     | <b>394,011</b>     |
| <b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b> |                    |                    |
|  | <b>0.89</b>        | <b>0.87</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 2017.

**HARBOUR-LINK GROUP BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2017**  
(The figures have not been audited).

|   | <b>CURRENT PERIOD<br/>ENDED 30/09/2017</b> | <b>COMPARABLE PERIOD<br/>ENDED 30/09/2016</b> |
|---|--|---|
|   | <b>RM'000</b>                              | <b>RM'000</b>                                 |
| <b>Cash flows from operating activities</b>                   |  |   |
| Profit before taxation  | 15,472                                     | 12,720  |
| Adjustments for:  |  |   |
| Non-operating items   | (1,058)                                    | 194   |
| Depreciation  | 5,822                                      | 5,631   |
| Interest expense  | 1,236                                      | 1,363   |
| Interest income   | (450)                                      | (370)   |
| Share of results in associates and jointly controlled entity  | (940)                                      | (652)   |
| <b>Operating profit before changes in working capital</b>     | <b>20,082</b>                              | <b>18,886</b>                                 |
| Changes in working capital:                                   |  |   |
| Decrease in inventories                                       | 5,339                                      | 2,188   |
| (Increase) in trade and other receivables                     | (7,907)                                    | (5,255)                                       |
| Decrease in amount due from customers for contract works      | 1,076                                      | 1,297   |
| Increase in other current liabilities                         | 286  | 4,260   |
| (Decrease) in trade and other payables                        | (2,537)                                    | (9,278)                                       |
| <b>Net cash generated from operations activities</b>          | <b>16,339</b>                              | <b>12,098</b>                                 |
| Interest paid   | (1,236)                                    | (1,363)                                       |
| Interest received   | 450  | 370   |
| Tax paid  | (2,178)                                    | (4,422)                                       |
| <b>Net cash generated from operating activities</b>           | <b>13,375</b>                              | <b>6,683</b>                                  |
| <b>Cash flows from investing activities</b>                   |  |   |
| Purchase of property, plant and equipment                     | (8,399)                                    | (4,169)                                       |
| Decrease in fixed deposit pledged                             | -  | 1,828   |
| Decrease in cash at bank pledged for borrowings               | 679  | 101   |
| Decrease/(Increase) in investment securities                  | 1,627                                      | (13,108)                                      |
| Capital contributed by non controlling interest in subsidiary | 3,879                                      | 6,534   |
| Proceeds from disposal of property, plant and equipment       | 1,908                                      | 373   |
| <b>Net cash used in investing activities</b>                  | <b>(306)</b>                               | <b>(8,441)</b>                                |
| <b>Cash flows from financing activities</b>                   |  |   |
| Net (repayment) / proceeds from borrowings                    | (697)                                      | 2,074   |
| Net repayment of lease payables                               | (1,472)                                    | (2,836)                                       |
| <b>Net cash used in financing activities</b>                  | <b>(2,169)</b>                             | <b>(762)</b>                                  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>10,900</b>                              | <b>(2,520)</b>                                |
| <b>Cash and cash equivalents at beginning of period</b>       | <b>58,619</b>                              | <b>77,074</b>                                 |
| <b>Cash and cash equivalents at end of period</b>             | <b>69,519</b>                              | <b>74,554</b>                                 |

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

|   |               |               |
|---|---------------|---------------|
| Cash and bank balances  | 81,400        | 93,611        |
| Bank Overdraft  | (8,345)       | (13,237)      |
| Cash at bank pledged as securities for bank borrowings        | (68)          | (2,920)       |
| Short term deposits pledged as securities for bank borrowings | (3,468)       | (2,900)       |
|   | <b>69,519</b> | <b>74,554</b> |

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017.

**HARBOUR-LINK GROUP BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED 30TH SEPTEMBER 2017**  
(The figures have not been audited).

|   | ATTRIBUTABLE TO EQUITY HOLDERS OF COMPANY |  |                |                                      |                 |  | NON-CONTROLLING INTEREST |
|---|---|--|----------------|--------------------------------------|-----------------|--|--------------------------|
|   | TOTAL EQUITY                              | TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | SHARE CAPITAL  | NON-DISTRIBUTABLE                    |                 | DISTRIBUTABLE                            |                          |
|   | RM'000                                    | RM'000   | RM'000         | FOREIGN CURRENCY TRANSLATION RESERVE | OTHER RESERVE   | RETAINED EARNINGS / (ACCUMULATED LOSSES) |                          |
|   | RM'000                                    | RM'000   | RM'000         | RM'000                               | RM'000          | RM'000                                   | RM'000                   |
| <b>3 MONTHS ENDED 30TH SEPTEMBER 2017</b>                     |   |  |                |                                      |                 |  |                          |
| At 1 July 2017  | 394,011                                   | 347,218  | 200,200        | 2,657                                | (62,945)        | 207,306                                  | 40,793                   |
| Capital contributed by Non Controlling Interest in Subsidiary | 3,879                                     | -  | -              | -                                    | -               | -  | 3,879                    |
| Dividends on ordinary shares                                  | -   | -  | -              | -                                    | -               | -  | -                        |
| Total comprehensive income for the period                     | 11,595                                    | 9,756  | -              | 230                                  | -               | 9,526                                    | 1,839                    |
| <b>At 30 SEPTEMBER 2017</b>                                   | <b>409,485</b>                            | <b>356,974</b>                                     | <b>200,200</b> | <b>2,887</b>                         | <b>(62,945)</b> | <b>216,832</b>                           | <b>52,511</b>            |
| <b>3 MONTHS ENDED 30TH SEPTEMBER 2016</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 | 6,534                                     | -  | -              | -                                    | -               | -  | 6,534                    |
| Total comprehensive income for the period                     | 9,970                                     | 8,980  | -              | 167                                  | -               | 8,813                                    | 980                      |
| <b>At 30 SEPTEMBER 2016</b>                                   | <b>380,247</b>                            | <b>335,589</b>                                     | <b>200,200</b> | <b>2,841</b>                         | <b>(62,945)</b> | <b>195,493</b>                           | <b>44,658</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 2017.

## 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 2017.

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 2017 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 2017 :

| <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   |

#### **MFRSs and Amendments to MFRSs issued but not yet effective**

The following Standards were issued but not yet effective and have not been adopted by the Group.

| <u>Description</u>   | <u>Effective for annual period beginning on or after</u> |
|--|--|
| Annual Improvements to MFRS/FRS 1 "First-time Adoption of Malaysian Financial Reporting Standards" | 1 January 2018   |
| Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions           | 1 January 2018   |
| Amendments to MFRS 140: Transfers of Investment Property   | 1 January 2018   |

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

### MFRSs and Amendments to MFRSs issued but not yet effective

| <u>Description</u>  | <u>Effective for annual period beginning on or after</u> |
|---|--|
| 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   |
| IC Interpretation 23: Uncertainty over Income Tax Treatments                                | 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 Group Bhd on the financial statements for the financial year ended 30 June 2017 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 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 period under review.

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

### ***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 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:

| Financial period to date<br><u>30 September 2017</u>           | Investment<br>Holding<br><u>RM'000</u> | Shipping and<br>Marine<br><u>RM'000</u> | Integrated<br>logistics<br><u>RM'000</u> | Engineering<br><u>RM'000</u> | Property<br><u>RM'000</u> | Elimination<br><u>RM'000</u> | Total<br><u>RM'000</u> |
|--|--|---|--|------------------------------|---------------------------|------------------------------|------------------------|
| <b>REVENUE</b>   |  |   |  |                              |                           |                              |                        |
| Revenue from external sales                                    | -                                      | 96,903                                  | 31,440                                   | 8,881                        | 7,193                     |                              | 144,417                |
| Inter-segment sales  | 931                                    | 2,850                                   | 2,711                                    | -                            | -                         | (6,492)                      | -                      |
|  | <u>931</u>                             | <u>99,753</u>                           | <u>34,151</u>                            | <u>8,881</u>                 | <u>7,193</u>              | <u>(6,492)</u>               | <u>144,417</u>         |
| <b>RESULTS</b>   |  |   |  |                              |                           |                              |                        |
| Profit before taxation from the normal operations              | (561)                                  | 7,735                                   | 6,079                                    | (7)                          | 2,076                     | 150                          | 15,472                 |
| Profit before taxation includes:                               |  |   |  |                              |                           |                              |                        |
| Amortisation of prepaid land lease payment                     | 32                                     | 4                                       | 47                                       | -                            | -                         | -                            | 83                     |
| Depreciation to investment properties                          | -                                      | -                                       | 52                                       | -                            | -                         | -                            | 52                     |
| Depreciation   | 157                                    | 2,351                                   | 3,037                                    | 99                           | 44                        | -                            | 5,688                  |
| Finance cost   | 81                                     | 534                                     | 540                                      | 74                           | 7                         | -                            | 1,236                  |
| Impairment of trade receivables                                | -                                      | 282                                     | 1,144                                    | -                            | -                         | -                            | 1,426                  |
| Reversal of trade receivables                                  | -                                      | (75)                                    | (84)                                     | -                            | -                         | -                            | (159)                  |
| Share of profits in jointly controlled entities and associates |  | 910                                     | 30                                       |                              |                           |                              | 940                    |



**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 period to date<br>30 September 2017     | Investment<br>Holding<br>RM'000 | Shipping and<br>Marine<br>RM'000 | Integrated<br>logistics<br>RM'000 | Engineering<br>RM'000 | Property<br>RM'000 | Elimination<br>RM'000 | Total<br>RM'000 |
|---|---------------------------------|----------------------------------|-----------------------------------|-----------------------|--------------------|-----------------------|-----------------|
| <b>SEGMENT ASSETS</b>                             | 67,313                          | 195,084                          | 231,420                           | 76,041                | 79,820             | (31,192)              | 618,486         |
| Deferred tax assets                               | -                               | 859                              | 410                               | -                     | 580                | -                     | 1,849           |
| <b>TOTAL ASSETS</b>                               | <b>67,313</b>                   | <b>195,943</b>                   | <b>231,830</b>                    | <b>76,041</b>         | <b>80,400</b>      | <b>(31,192)</b>       | <b>620,335</b>  |
| <b>Included in measure of segment assets are:</b> |                                 |                                  |                                   |                       |                    |                       |                 |
| Investment in associates                          |                                 | 7,595                            |                                   |                       |                    |                       | 7,595           |
| Investment in jointly controlled entities         |                                 |                                  | 613                               |                       |                    |                       | 613             |
| Additional to property, plant and equipment       | 16                              | 460                              | 6,068                             | 448                   | 1,407              |                       | 8,399           |
| <b>SEGMENT LIABILITIES</b>                        | 23,905                          | 125,905                          | 90,824                            | 10,218                | 14,852             | (71,972)              | 193,732         |
| Deferred tax liabilities                          | 53                              | 3,975                            | 10,678                            | 2,342                 | 70                 | -                     | 17,118          |
| <b>TOTAL LIABILITIES</b>                          | <b>23,958</b>                   | <b>129,880</b>                   | <b>101,502</b>                    | <b>12,560</b>         | <b>14,922</b>      | <b>(71,972)</b>       | <b>210,850</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:

| Financial period to date<br>30 September 2016                  | Investment<br>Holding<br>RM'000 | Shipping and<br>Marine<br>RM'000 | Integrated<br>logistics<br>RM'000 | Engineering<br>RM'000 | Property<br>RM'000 | Elimination<br>RM'000 | Total<br>RM'000 |
|--|---------------------------------|----------------------------------|-----------------------------------|-----------------------|--------------------|-----------------------|-----------------|
| <b>REVENUE</b>   |                                 |                                  |                                   |                       |                    |                       |                 |
| Revenue from external sales                                    | -                               | 63,750                           | 34,935                            | 10,142                | 3,100              |                       | 111,927         |
| Inter-segment sales  | 941                             | 3,829                            | 3,053                             | -                     | -                  | (7,823)               | -               |
|  | 941                             | 67,579                           | 37,988                            | 10,142                | 3,100              | (7,823)               | 111,927         |
| <b>RESULTS</b>   |                                 |                                  |                                   |                       |                    |                       |                 |
| Profit before taxation from the normal operations              | (945)                           | 6,033                            | 6,404                             | 51                    | 909                | 268                   | 12,720          |
| Profit before taxation includes:                               |                                 |                                  |                                   |                       |                    |                       |                 |
| Amortisation of prepaid land lease payment                     | 32                              | 11                               | 39                                |                       |                    |                       | 82              |
| Depreciation to investment properties                          | -                               | 15                               | 36                                | -                     | -                  | -                     | 52              |
| Depreciation   | 163                             | 2,268                            | 3,074                             | 98                    | 28                 | -                     | 5,631           |
| Finance cost   | 88                              | 437                              | 586                               | 78                    | 174                | -                     | 1,363           |
| Impairment of trade receivables                                | -                               | 555                              | 403                               | -                     | -                  | -                     | 958             |
| Reversal of trade receivables                                  | -                               | (614)                            | (110)                             | -                     | -                  | -                     | (724)           |
| Share of profits in jointly controlled entities and associates |                                 | (676)                            | 24                                |                       |                    |                       | (652)           |

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

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

| Financial period to date<br><u>30 September 2016</u>  | Investment<br>Holding<br><u>RM'000</u> | Shipping and<br>Marine<br><u>RM'000</u> | Integrated<br>logistics<br><u>RM'000</u> | Engineering<br><u>RM'000</u> | Property<br><u>RM'000</u> | Elimination<br><u>RM'000</u> | Total<br><u>RM'000</u> |
|---|--|---|--|------------------------------|---------------------------|------------------------------|------------------------|
| <b>SEGMENT ASSETS</b>                                 | 58,827                                 | 179,792                                 | 251,899                                  | 86,922                       | 96,235                    | (65,529)                     | 608,146                |
| Deferred tax assets                                   | 96                                     | 689                                     | 2,166                                    | -                            | 844                       | -                            | 3,795                  |
| <b>TOTAL ASSETS</b>                                   | <b>58,923</b>                          | <b>180,481</b>                          | <b>254,066</b>                           | <b>86,922</b>                | <b>97,924</b>             | <b>(65,529)</b>              | <b>611,941</b>         |
| <b>Included in measure of segment<br/>assets are:</b> |  |   |  |                              |                           |                              |                        |
| Investment in associates                              |  | 5,695                                   |  |                              |                           |                              | 5,695                  |
| Investment in jointly controlled entities             |  |   | 659                                      |                              |                           |                              | 659                    |
| Additional to property, plant and<br>equipment        | 20                                     | 403                                     | 2,390                                    | 176                          | 1,180                     |                              | 4,169                  |
| <b>SEGMENT LIABILITIES</b>                            | 16,427                                 | 111,919                                 | 101,287                                  | 17,192                       | 39,992                    | (70,705)                     | 216,112                |
| Deferred tax liabilities                              | -                                      | 4,648                                   | 8,996                                    | 1,918                        | 20                        | -                            | 15,582                 |
| <b>TOTAL LIABILITIES</b>                              | <b>16,427</b>                          | <b>116,567</b>                          | <b>110,283</b>                           | <b>19,110</b>                | <b>40,012</b>             | <b>(70,705)</b>              | <b>231,694</b>         |

## 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 period ended 30<sup>th</sup> September 2017.

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

There are no material events as at 14 November 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 period under review.

### **A11. Changes in Composition of the Group**

There is no changes in composition of the Group during the current financial period ended 30 September 2017.

### **A12. Contingent Liabilities**

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

### **A13. Capital Commitments**

|  | 30 September 2017<br>RM'000 | 30 June 2017<br>RM'000 |
|--|-----------------------------|------------------------|
| Capital expenditure<br>Authorised and contracted for | 18,944                      | 13,298                 |
|  | <u>          </u>           | <u>          </u>      |

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

### *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.

|   | <b>Current<br/>Quarter<br/>ended<br/>30 Sept 2017<br/>RM'000</b> | <b>Balance due<br/>from/(to)<br/>As at<br/>30 Sept 2017<br/>RM'000</b> |
|---|--|--|
| Transaction with companies in which<br>Certain Directors of the Company have<br>substantial interests |  |  |
| Sales of goods and services   | 71   | 70   |
| Purchase of goods and services  | 407  | (951)  |
|   | <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

|   | Current Quarter<br>RM'000 |                  | Changes<br>(amount / %) |          | Cumulative Quarter<br>RM'000 |                  | Changes<br>(amount / %) |          |
|---|---------------------------|------------------|-------------------------|----------|------------------------------|------------------|-------------------------|----------|
|   | <u>30/9/2017</u>          | <u>30/9/2016</u> | <u>RM'000</u>           | <u>%</u> | <u>30/9/2017</u>             | <u>30/9/2016</u> | <u>RM'000</u>           | <u>%</u> |
| Revenue                                     | 144,417                   | 111,927          | 34,490                  | 29%      | 144,417                      | 111,927          | 32,490                  | 29%      |
| Profit Before Interest and Tax              | 15,768                    | 13,431           | 2,337                   | 17%      | 15,768                       | 13,431           | 2,337                   | 17%      |
| Profit Before Tax                           | 15,472                    | 12,720           | 2,752                   | 22%      | 15,472                       | 12,720           | 2,752                   | 22%      |
| Profit After Tax                            | 11,365                    | 9,803            | 1,562                   | 16%      | 11,365                       | 9,803            | 1,562                   | 16%      |
| Profit attributable to Owners of the parent | 9,526                     | 8,813            | 713                     | 8%       | 9,526                        | 8,813            | 713                     | 8%       |

The Group posted revenue of RM144.42 million for the current financial period ended 30 September 2017, which is RM34.49 million or 29% higher than the preceding financial period of RM111.93 million. The profit before tax for the current financial period ended 30 September 2017 is RM15.47 million, which is RM2.75 million or 22% higher than the preceding financial period of RM12.72 million.

For management purposes, the Group is organized into business units based on their product and services, and has following operating segments:

#### Continuing operations

- a) The shipping and marine segment comprises of ship owners unit, ship operator unit and agency unit.
- b) Integrated logistic segment comprises of transport unit, heavy equipment and heavy lifting unit and freight forwarding unit.
- c) Engineering segment
- d) Property segment
- e) Other operations mainly consist of investment, management services and treasury services.

## 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

| Shipping and marine segment                 | Current Quarter<br>RM'000 |           | Changes<br>(amount / %) |     | Cumulative Quarter<br>RM'000 |           | Changes<br>(amount / %) |     |
|---|---------------------------|-----------|-------------------------|-----|------------------------------|-----------|-------------------------|-----|
|   | 30/9/2017                 | 30/9/2016 | RM'000                  | %   | 30/9/2017                    | 30/9/2016 | RM'000                  | %   |
| Revenue                                     | 96,903                    | 63,750    | 33,153                  | 52% | 96,903                       | 63,750    | 33,153                  | 52% |
| Profit Before Interest and Tax              | 7,541                     | 6,709     | 832                     | 12% | 7,541                        | 6,709     | 832                     | 12% |
| Profit Before Tax                           | 7,735                     | 6,033     | 1,702                   | 28% | 7,735                        | 6,033     | 1,702                   | 28% |
| Profit After Tax                            | 5,498                     | 4,746     | 752                     | 16% | 5,498                        | 4,746     | 752                     | 16% |
| Profit attributable to Owners of the parent | 4,977                     | 3,888     | 1,089                   | 28% | 4,977                        | 3,888     | 1,089                   | 28% |

The shipping and marine segment recorded revenue of RM96.90 million which is RM33.15 million or 52% higher than the preceding financial period ended 30 September 2016 of RM63.75 million. The increase in the revenue by 52% is due to higher volume of cargo handled. The profit before tax has increased by RM1.702 million or 28% mainly due to better profit contribution from the higher recorded revenue.

| Integrated logistics segment                | Current Quarter<br>RM'000 |           | Changes<br>(amount / %) |       | Cumulative Quarter<br>RM'000 |           | Changes<br>(amount / %) |       |
|---|---------------------------|-----------|-------------------------|-------|------------------------------|-----------|-------------------------|-------|
|   | 30/9/2017                 | 30/9/2016 | RM'000                  | %     | 30/9/2017                    | 30/9/2016 | RM'000                  | %     |
| Revenue                                     | 31,440                    | 34,935    | (3,495)                 | (10%) | 31,440                       | 34,935    | (3,495)                 | (10%) |
| Profit Before Interest and Tax              | 6,656                     | 7,031     | (375)                   | (5%)  | 6,656                        | 7,031     | (375)                   | (5%)  |
| Profit Before Tax                           | 6,079                     | 6,404     | (325)                   | (5%)  | 6,079                        | 6,404     | (325)                   | (5%)  |
| Profit After Tax                            | 4,718                     | 4,785     | (67)                    | (1%)  | 4,718                        | 4,785     | (67)                    | (1%)  |
| Profit attributable to Owners of the parent | 4,495                     | 4,851     | (356)                   | (7%)  | 4,495                        | 4,851     | (356)                   | (7%)  |

The integrated logistics segment recorded revenue of RM31.44 million which is RM3.50 million or 10% lower than the preceding financial period ended 30 September 2016 of RM34.94 million. The profit before tax has decreased by RM0.33 million or 5% due to decrease in revenue from lower transport handling and forwarding activities in oil and gas industries.

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

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

#### B1. Review of the Performance of the Group

| <b>Engineering segment</b>                  | Current Quarter<br>RM'000 |                  | Changes<br>(amount / %) |          | Cumulative Quarter<br>RM'000 |                  | Changes<br>(amount / %) |          |
|---|---------------------------|------------------|-------------------------|----------|------------------------------|------------------|-------------------------|----------|
|   | <u>30/9/2017</u>          | <u>30/9/2016</u> | <u>RM'000</u>           | <u>%</u> | <u>30/9/2017</u>             | <u>30/9/2016</u> | <u>RM'000</u>           | <u>%</u> |
| <b>Revenue</b>                              | 8,881                     | 10,142           | (1,261)                 | (12%)    | 8,881                        | 10,142           | (1,261)                 | (12%)    |
| Profit Before Tax and Interest              | 67                        | 129              | (62)                    | (48%)    | 67                           | 129              | (62)                    | (48%)    |
| (Loss)/Profit Before Tax                    | (7)                       | 51               | (58)                    | (113%)   | (7)                          | 51               | (58)                    | (113%)   |
| Profit After Tax                            | (8)                       | (2)              | (6)                     | (300%)   | (8)                          | (2)              | (6)                     | (300%)   |
| Profit attributable to Owners of the parent | (8)                       | (2)              | (6)                     | (300%)   | (8)                          | (2)              | (6)                     | (300%)   |

The engineering segment recorded revenue of RM8.88 million which is RM1.26 million or 12% lower than the preceding financial period ended 30 September 2016 of RM10.14 million. In view of the lower revenue and no new project secured, we incurred a loss for the financial period ended 30 September 2017.

| <b>Property segment</b>                     | Current Quarter<br>RM'000 |                  | Changes<br>(amount / %) |          | Cumulative Quarter<br>RM'000 |                  | Changes<br>(amount / %) |          |
|---|---------------------------|------------------|-------------------------|----------|------------------------------|------------------|-------------------------|----------|
|   | <u>30/9/2017</u>          | <u>30/9/2016</u> | <u>RM'000</u>           | <u>%</u> | <u>30/9/2017</u>             | <u>30/9/2016</u> | <u>RM'000</u>           | <u>%</u> |
| <b>Revenue</b>                              | 7,193                     | 3,100            | 4,093                   | 132%     | 7,193                        | 3,100            | 4,093                   | 132%     |
| Profit Before Tax and Interest              | 2,271                     | 1,083            | 1,188                   | 109%     | 2,271                        | 1,083            | 1,188                   | 109%     |
| Profit Before Tax                           | 2,076                     | 909              | 1,167                   | 128%     | 2,076                        | 909              | 1,167                   | 128%     |
| Profit After Tax                            | 1,447                     | 712              | 735                     | 103%     | 1,447                        | 712              | 735                     | 103%     |
| Profit attributable to Owners of the parent | 793                       | 363              | 430                     | 118%     | 793                          | 363              | 430                     | 118%     |

The property development division recorded revenue of RM7.19 million which is RM4.09 million or 132% higher than the preceding financial period 30 September 2016 of RM3.1 million. The profit before tax is RM2.08 million which is RM1.17 million or 128% higher due to sales of the completed units of the Phase 1 and Phase 2 of the Kidurong Gateway projects.



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

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

| Investment Holding                        | Current Quarter<br>RM'000 |                  | Changes<br>(amount / %) |          | Cumulative Quarter<br>RM'000 |                  | Changes<br>(amount / %) |          |
|---|---------------------------|------------------|-------------------------|----------|------------------------------|------------------|-------------------------|----------|
|   | <u>30/9/2017</u>          | <u>30/9/2016</u> | <u>RM'000</u>           | <u>%</u> | <u>30/9/2017</u>             | <u>30/9/2016</u> | <u>RM'000</u>           | <u>%</u> |
| Revenue                                   | -                         | -                | -                       | -        | -                            | -                | -                       | -        |
| Loss Before Tax and Interest              | (285)                     | (393)            | 108                     | 27%      | (285)                        | (393)            | 108                     | 27%      |
| Loss Before Tax                           | (561)                     | (945)            | 384                     | 41%      | (561)                        | (945)            | 384                     | 41%      |
| Loss After Tax                            | (614)                     | (797)            | 183                     | 23%      | (614)                        | (797)            | 183                     | 23%      |
| Loss attributable to Owners of the parent | (614)                     | (797)            | 183                     | 23%      | (614)                        | (797)            | 183                     | 23%      |

The investment holdings recorded a loss before tax of RM0.56 million a decrease of RM0.38 million or 41% lower the preceding financial period 30 September 2016 of loss before tax of RM0.95 million. The improvement is due to lower interest expense.

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

|   | Current quarter  | Immediate Preceding Quarter | Changes       |          |
|---|------------------|-----------------------------|---------------|----------|
|   | RM'000           | RM'000                      | (amount / %)  |          |
|   | <u>30/9/2017</u> | <u>30/6/2017</u>            | <u>RM'000</u> | <u>%</u> |
| Revenue                                     | 144,417          | 139,903                     | 4,514         | 3%       |
| Profit Before Tax and Interest              | 15,768           | 19,634                      | (3,866)       | (20%)    |
| Profit Before Tax                           | 15,472           | 19,615                      | (4,143)       | (21%)    |
| Profit After Tax                            | 11,365           | 12,782                      | (1,417)       | (11%)    |
| Profit attributable to Owners of the parent | 9,526            | 11,478                      | (1,952)       | (17%)    |

The Group posted revenue of RM144.42 million for the current quarter ended 30 September 2017, which is RM4.51 million higher than the preceding quarter ended 30 June 2017 of RM139.90 million. The profit before tax for the current quarter ended 30 September 2017 is RM15.47 million, which is RM4.14 million lower than the preceding quarter ended 30 June 2017 of RM19.62 million due to net reversal of impairment of debts of RM4.87 million in preceding quarter ended 30 June 2017.

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

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

| <u>Shipping and marine segment</u>          | Current quarter  | Immediate | Changes       |          |
|---|------------------|-----------|---------------|----------|
|   | RM'000           | Preceding | (amount / %)  |          |
|   | <u>30/9/2017</u> | Quarter   | <u>RM'000</u> | <u>%</u> |
|   |                  | RM'000    |               |          |
| Revenue                                     | 96,903           | 77,184    | 19,719        | 25%      |
| Profit Before Tax and Interest              | 7,541            | 5,264     | 2,277         | 43%      |
| Profit Before Tax                           | 7,735            | 4,462     | 3,273         | 73%      |
| Profit After Tax                            | 5,498            | 3,614     | 1,884         | 52%      |
| Profit attributable to Owners of the parent | 4,977            | 3,296     | 1,681         | 51%      |

The shipping and marine segment posted an increase in revenue of RM19.72 million or 25% in the current quarter ended 30 September 2017 of RM96.90 million as compared to RM77.18 million in the preceding quarter ended 30 June 2017. The increase in the revenue is due to higher volume of cargo handled. The profit before tax increased by RM3.27 million or 73% mainly due to better profit contribution from the higher recorded revenue and due to impairment of assets of RM2.11 million in the preceding quarter ended 30 June 2017.

| <u>Integrated logistics segment</u>         | Current quarter  | Immediate | Changes       |          |
|---|------------------|-----------|---------------|----------|
|   | RM'000           | Preceding | (amount / %)  |          |
|   | <u>30/9/2017</u> | Quarter   | <u>RM'000</u> | <u>%</u> |
|   |                  | RM'000    |               |          |
| Revenue                                     | 31,440           | 49,439    | (17,999)      | (36%)    |
| Profit Before Interest and Tax              | 6,656            | 13,859    | (7,203)       | (52%)    |
| Profit Before Tax                           | 6,079            | 12,894    | (6,815)       | (53%)    |
| Profit After Tax                            | 4,718            | 8,915     | (4,197)       | (47%)    |
| Profit attributable to Owners of the parent | 4,495            | 5,967     | (1,427)       | (25%)    |

The integrated logistics segment posted decrease in revenue of RM18 million in the current quarter ended 30 September 2017 of RM31.44 million or 36% as compared to RM49.44 million in the preceding quarter ended 30 June 2017. The profit before tax for the current quarter ended 30 September 2017 is RM6.08 million, which is RM6.82 million or 53% lower than the preceding quarter ended 30 June 2017 of RM12.89 million. The decrease in profit before tax in the current quarter is mainly due to net allowance of impairment of debts of RM1.06 million in addition to reversal of impairment of debts of RM4.87 million in the preceding quarter ended 30 June 2017.

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

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

|   | Current quarter<br>RM'000<br><u>30/9/2017</u> | Immediate<br>Preceding<br>Quarter<br>RM'000<br><u>30/6/2017</u> | Changes<br>(amount / %) |          |
|---|---|---|-------------------------|----------|
|   |   |   | <u>RM'000</u>           | <u>%</u> |
| <b><u>Engineering segment</u></b>           |   |   |                         |          |
| Revenue                                     | 8,881   | 9,211   | (330)                   | (3%)     |
| Profit Before Interest and Tax              | 67  | 2,061   | (1,994)                 | (97%)    |
| Profit Before Tax                           | (7)   | 1,988   | (1,981)                 | (100%)   |
| Profit After Tax                            | (8)   | 1,627   | (1,635)                 | (100%)   |
| Profit attributable to Owners of the parent | (8)   | 1,627   | (1,635)                 | (100%)   |

The engineering segment posted a decrease in revenue of RM0.33 million or 3% in the current quarter ended 30 September 2017 of RM8.88 million as compared to RM9.21 million in the preceding quarter ended 30 June 2017. In view of the lower revenue and no new project secured, we incurred a loss for the financial period ended 30 September 2017.

|   | Current quarter<br>RM'000<br><u>30/9/2017</u> | Immediate<br>Preceding<br>Quarter<br>RM'000<br><u>30/6/2017</u> | Changes<br>(amount / %) |          |
|---|---|---|-------------------------|----------|
|   |   |   | <u>RM'000</u>           | <u>%</u> |
| <b><u>Property segment</u></b>              |   |   |                         |          |
| Revenue                                     | 7,193   | 4,070   | 3,123                   | 77%      |
| Profit Before Interest and Tax              | 2,271   | 355   | 1,916                   | 540%     |
| Profit Before Tax                           | 2,076   | 209   | 1,867                   | 893%     |
| Profit After Tax                            | 1,447   | (503)   | 1,950                   | N/A      |
| Profit attributable to Owners of the parent | 793   | (168)   | 961                     | N/A      |

The property segment posted an increase in revenue of RM3.12 million in the current quarter ended 30 September 2017 of RM7.19 million as compared to RM4.07 million in the preceding quarter ended 30 June 2017. The profit before tax for the current quarter ended 30 September 2017 is RM2.08 million, which is RM1.87 million higher than the preceding quarter ended 30 June 2017 of RM0.21 million. The higher revenue and profit before tax is due to sales of the completed units of the Phase 1 and Phase 2 of the Kidurong Gateway projects.

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

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

| <u>Investment holding segment</u>           | Current quarter  | Immediate        | Changes       |          |
|---|------------------|------------------|---------------|----------|
|   | RM'000           | Preceding        | (amount / %)  |          |
|   | <u>30/9/2017</u> | Quarter          | <u>RM'000</u> | <u>%</u> |
|   |                  | <u>30/6/2017</u> |               |          |
| <b>Revenue</b>                              | -                | -                | -             | -        |
| Loss Before Interest and Tax                | (285)            | (656)            | 371           | 57%      |
| Profit Before Tax                           | (561)            | (1,289)          | 728           | 56%      |
| Profit After Tax                            | (614)            | (1,744)          | 1,130         | 65%      |
| Profit attributable to Owners of the parent | (614)            | (1,744)          | 1,130         | 65%      |

The investment holdings recorded a loss before tax of RM0.56 million a decrease of RM0.73 million or 56% lower the preceding quarter ended 30 June 2017 of loss before tax of RM1.29 million. The improvement is due to lower interest expense.

### 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.

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 be optimistic in tandem to the recovering EPCC and oil and gas markets.

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.

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

### B5. Profit before tax

|   | Individual Quarter     |  | Cumulative Quarter       |                            |
|---|------------------------|--|--------------------------|----------------------------|
|   | Current period Quarter | Preceding Period Corresponding Quarter | Current Financial Period | Preceding Financial Period |
|   | 30/09/2017             | 30/09/2016                             | 30/09/2017               | 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   | (450)                  | (370)                                  | (450)                    | (370)                      |
| Amortisation of prepaid land lease payment                          | 82                     | 82                                     | 82                       | 82                         |
| Depreciation of plant and equipment                                 | 5,688                  | 5,631                                  | 5,688                    | 5,631                      |
| Depreciation to investment properties                               | 52                     | 52                                     | 52                       | 52                         |
| Finance cost  | 1,236                  | 1,363                                  | 1,236                    | 1,363                      |
| Allowance of impairment of receivables, net of reversal             | 1,268                  | 234                                    | 1,268                    | 234                        |

### 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 |
|  | 30/09/2017             | 30/09/2016                             | 30/09/2017               | 30/09/2016                 |
|  | <u>RM'000</u>          | <u>RM'000</u>                          | <u>RM'000</u>            | <u>RM'000</u>              |
| Current tax expense  | 3,645                  | 3,156                                  | 3,645                    | 3,156                      |
| Deferred tax expense: Origination and reversal of temporary difference | 462                    | (239)                                  | 462                      | (239)                      |
|  | <u>4,107</u>           | <u>2,917</u>                           | <u>4,107</u>             | <u>2,917</u>               |

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

### **B6. Taxation (Cont'd)**

Taxation of the Group comprises the following:

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 period ended 30 September 2017.

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

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

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

There were no pending corporate proposals up to 14 November 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 September 2017 and 30 September 2016 are as follows:

|                           | As at 30 September 2017 |               |               |
|---------------------------|-------------------------|---------------|---------------|
|                           | Short Term              | Long Term     | Total         |
|                           | RM'000                  | RM'000        | RM'000        |
| <b>Secured</b>            |                         |               |               |
| Term loan                 | 7,421                   | 25,120        | 32,541        |
| Bank Overdraft            | 8,345                   | -             | 8,345         |
| Finance Lease Liabilities | 10,037                  | 14,013        | 24,050        |
|                           | <u>25,803</u>           | <u>39,133</u> | <u>64,936</u> |
| <b>Unsecured</b>          |                         |               |               |
| Bankers' Acceptance       | 4,288                   | -             | 4,288         |
| Revolving Credit          | 9,420                   | -             | 9,420         |
|                           | <u>13,708</u>           | <u>-</u>      | <u>13,708</u> |
|                           | <u>39,511</u>           | <u>39,133</u> | <u>78,644</u> |

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

### **B10. Group Borrowings and Debt Securities (Cont'd)**

The Group's borrowings as at 30 September 2017 and 30 September 2016 are as follows:

|                           | As at 30 September 2016 |                     |                 |
|---------------------------|-------------------------|---------------------|-----------------|
|                           | Short Term<br>RM'000    | Long Term<br>RM'000 | Total<br>RM'000 |
| <b>Secured</b>            |                         |                     |                 |
| 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>   |
| <b>Unsecured</b>          |                         |                     |                 |
| Bankers' Acceptance       | 3,471                   | -                   | 3,417           |
| Revolving Credit          | 8,270                   | -                   | 8,270           |
|                           | <u>11,741</u>           | <u>-</u>            | <u>11,687</u>   |
|                           | <u>48,918</u>           | <u>59,725</u>       | <u>108,589</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 14 November 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 14 November 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 dividend has been approved in Fifteenth Annual General Meeting that was held on 20 November 2017 and will be paid on 22 December 2017. The date for the book closure of the Record of Depositors for determining dividend entitlement will be on 30 November 2017.

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

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

The basic earnings per share for the current quarter and financial period ended 30 September 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 RM9,526,000 and financial period of RM9,526,000 by the number of ordinary shares in issue during the current quarter and financial period ended 30 September 2017 of 400,400,004.

|  | Individual Quarter        |  | Cumulative Quarter             |                                  |
|--|---------------------------|--|--------------------------------|----------------------------------|
|  | Current period<br>Quarter | Preceding Period<br>Corresponding<br>Quarter | Current<br>Financial<br>Period | Preceding<br>Financial<br>Period |
|  | 30/09/2017                | 30/09/2016                                   | 30/09/2017                     | 30/09/2016                       |
| <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) | 9,526                     | 8,813  | 9,526                          | 8,813                            |
| Weighted average number of ordinary shares in issue ('000)     | 400,400                   | 400,400*                                     | 400,400                        | 400,400*                         |
| Basic earnings per share (sen)                                 | 2.38                      | 2.20   | 2.38                           | 2.20                             |
| Diluted earnings per share (sen)*                              | 2.38                      | 2.20   | 2.38                           | 2.20                             |

\*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 2017 pursuant to paragraph 8.23(1) of the Listing Requirements.

|  | 30 September 2017<br>RM'000 | 30 June 2017<br>RM'000 |
|--|-----------------------------|------------------------|
| Corporate guarantees to financial institutions for credit facilities granted to: |                             |                        |
| - non wholly-owned subsidiary companies  | 16,583<br>=====             | 19,222<br>=====        |

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 2017.

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

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

| Derivatives                 | Contract or Notional amount as at<br>30.09.2017<br>RM'000 | Fair value net gains or (losses)<br>30.09.2017<br>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<br>30 September 2017<br>RM'000 | As at<br>30 June 2017<br>RM'000 |
|---|--------------------------------------|---------------------------------|
| Total retained profits of the Company and its Subsidiaries: |                                      |                                 |
| - Realised  | 226,362                              | 216,268                         |
| - Unrealised  | (15,634)                             | (14,126)                        |
|   | -----                                | -----                           |
|   | 210,728                              | 202,142                         |
| <br>  |                                      |                                 |
| Total share of retained profits from associated company:    |                                      |                                 |
| - Realised  | 6,104                                | 5,164                           |
| - Unrealised  | -                                    | -                               |
|   | -----                                | -----                           |
| Total group retained profits as per consolidated Accounts   | 216,832                              | 207,306                         |
|   | =====                                | =====                           |

This announcement is dated 21<sup>st</sup> November 2017.