

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 / %)	
	31/12/2017	31/12/2016	RM'000	%	31/12/2017	31/12/2016	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	162,490	123,234	39,256	32%	306,907	235,161	71,746	31%
Operating expenses	(138,550)	(106,315)	(32,235)	30%	(261,557)	(198,541)	(63,016)	32%
Gross profit	23,940	16,919	7,021	41%	45,350	36,620	8,730	24%
Interest income	246	289	(43)	-15%	696	659	37	6%
Other income	2,099	4,218	(2,119)	-50%	5,933	5,883	50	1%
Administrative Expenses	(10,075)	(8,496)	(1,579)	19%	(20,001)	(16,801)	(3,200)	19%
Finance costs	(1,515)	(1,338)	(177)	13%	(2,751)	(2,701)	(50)	2%
Share of results of jointly controlled entity	(26)	(31)	5	-15%	4	(55)	59	-107%
Share of results of associated companies	656	(250)	906	-362%	1,566	426	1,140	268%
Profit before taxation	15,324	11,311	4,013	35%	30,796	24,031	6,765	28%
Taxation	(4,435)	(2,901)	(1,534)	53%	(8,542)	(5,818)	(2,724)	47%
Net profit for the year	10,889	8,410	2,479	29%	22,254	18,213	4,041	22%
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Exchange difference on translation of foreign entity	324	83	241	291%	554	250	304	122%
Total comprehensive income for the year	11,214	8,493	2,720	32%	22,809	18,463	4,345	24%
Profit for the year attributable to:								
Owners of the parent	9,789	7,801	1,988	25%	19,315	16,614	2,701	16%
Non-Controlling Interests	1,100	609	491	81%	2,939	1,599	1,340	84%
	10,889	8,410	2,479	29%	22,254	18,213	4,041	22%
Total Comprehensive income for the year attributable to:								
Owners of the parent	10,114	7,884	2,230	28%	19,870	16,864	3,006	18%
Non-Controlling Interests	1,100	609	491	81%	2,939	1,599	1,340	84%
	11,214	8,493	2,721	32%	22,809	18,463	4,346	24%
Earnings per share ("EPS") (in sen)								
Basic earnings per share (sen) (Note B14)	2.44	1.95	0.50	25%	4.82	4.15	0.67	16%
Diluted earnings per share (sen)	2.44	1.95	0.50	25%	4.82	4.15	0.67	16%

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	As at
	31/12/2017	30/6/2017
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	230,211	219,601
Investment properties	5,243	5,303
Prepaid land lease payment	6,064	6,135
Land held for development	46,828	46,146
Intangible assets	-	105
Investment in jointly-controlled entity	587	583
Investment in associates	7,991	6,737
Other investments	652	652
Deferred tax assets	2,060	2,015
	299,637	287,277
Current assets		
Inventories	23,870	30,192
Trade and other receivables	159,034	130,990
Amount due from customers for contract works	3,600	1,713
Derivatives	-	969
Investment securities	29,432	41,911
Other current assets	16,628	38,255
Cash and bank balance	100,764	76,011
	333,329	320,041
TOTAL ASSETS	632,966	607,318
LIABILITIES		
Current liabilities		
Loans and borrowings	40,385	42,716
Trade and other payables	101,372	106,471
Other current liabilities	2,132	278
Tax payables	13,494	5,532
	157,383	154,997
Non-current liabilities		
Deferred tax liabilities	17,940	16,823
Loans and borrowings	43,506	41,487
	61,446	58,310
TOTAL LIABILITIES	218,828	213,307
NET ASSETS	414,138	394,011
EQUITY		
Share capital	200,200	200,200
Revenue reserves	160,882	147,018
Total shareholders' equity	361,082	347,218
Non-controlling interest	53,056	46,793
TOTAL EQUITY	414,138	394,011
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	0.90	0.87

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 31ST DECEMBER 2017
(The figures have not been audited).

	CURRENT PERIOD ENDED 31/12/2017	COMPARABLE PERIOD ENDED 30/12/2016
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	30,796	24,031
Adjustments for:		
Non-operating items	(2,423)	(2,816)
Depreciation	11,849	11,660
Interest expense	2,751	2,701
Interest income	(696)	(659)
Share of results in associates and jointly controlled entity	(1,569)	(371)
Operating profit before changes in working capital	40,708	34,546
Changes in working capital:		
Decrease in inventories	6,713	1,233
Decrease/(Increase) in trade and other receivables	4,008	(18,505)
(Increase)/Decrease in amount due from customers for contract works	(736)	3,287
Increase in other current liabilities	1,853	1,435
(Decrease)/Increase in trade and other payables	(7,551)	3,355
Net cash generated from operations activities	44,995	25,351
Interest paid	(2,751)	(2,701)
Interest received	696	805
Tax paid	(4,771)	(7,999)
Net cash generated from operating activities	38,169	15,456
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,240)	(14,042)
(Increase)/Decrease in fixed deposit pledged	(16)	1,439
Decrease in cash at bank pledged for borrowings	-	(63)
Decrease/(Increase) in investment securities	12,479	(3,153)
Capital contributed by non controlling interest in subsidiary	3,879	6,868
Proceeds from disposal of property, plant and equipment	3,491	450
Net cash used in investing activities	753	(8,501)
Cash flows from financing activities		
Dividend paid	(6,561)	(8,242)
Net proceeds from borrowings	877	534
Net repayment of lease payables	(3,015)	(5,786)
Net cash used in financing activities	(8,699)	(13,494)
Net increase/(decrease) in cash and cash equivalents	30,223	(6,539)
Cash and cash equivalents at beginning of period	58,619	77,074
Cash and cash equivalents at end of period	88,842	70,535

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

Cash and bank balances	101,155	87,075
Bank Overdraft	(8,745)	(11,463)
Cash at bank pledged as securities for bank borrowings	(85)	(3,084)
Short term deposits pledged as securities for bank borrowings	(3,483)	(1,993)
	<u>88,842</u>	<u>70,535</u>

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 6 MONTHS ENDED 31ST DECEMBER 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	NON-DISTRIBUTABLE FOREIGN CURRENCY TRANSLATION RESERVE RM'000	OTHER RESERVE RM'000	DISTRIBUTABLE RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000		
6 MONTHS ENDED 31 DECEMBER 2017								
At 1 July 2017	394,011	347,218	200,200	2,657	(62,945)	207,306	46,793	
Capital contributed by Non Controlling Interest in Subsidiary	3,879	-	-	-	-	-	3,879	
Dividends on ordinary shares	(6,561)	(6,006)	-	-	-	(6,006)	(555)	
Total comprehensive income for the period	22,809	19,870	-	554	-	19,315	2,939	
At 31 DECEMBER 2017	414,138	361,082	200,200	3,211	(62,945)	220,615	53,056	
6 MONTHS ENDED 31 DECEMBER 2016								
At 1 July 2016	363,743	326,609	200,200	2,674	(62,945)	186,680	37,134	
Capital contributed by Non Controlling Interest in Subsidiary	6,868	-	-	-	-	-	6,868	
Dividends on ordinary shares	(8,362)	(8,008)	-	-	-	(8,008)	(354)	
Total comprehensive income for the period	18,463	16,864	-	250	-	16,614	1,599	
At 31 DECEMBER 2016	380,712	335,465	200,200	2,924	(62,945)	195,286	45,247	

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 30th June 2017 except for the following MFRSs, IC interpretation and Amendments which the Company adopted which mandatory for annual periods beginning on or after 1st July 2017 :

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 31 December 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 31 December 2017.

A7. Dividend Paid

A first and final dividend of 1.5 sen net per ordinary share of RM1.00 each for the financial year ended 30 June 2017 amounting to RM6,006,000 (2016: RM8,008,000) was paid on 22 December 2017.

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 31 December 2017	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
REVENUE							
Revenue from external sales	-	210,274	65,185	21,441	10,007		306,907
Inter-segment sales	1,887	5,871	5,473	-	-	(13,231)	-
	1,887	216,145	70,658	21,441	10,007	(13,231)	306,907
RESULTS							
Profit before taxation from the normal operations	(1,352)	14,714	14,412	558	2,312	152	30,796
Profit before taxation includes:							
Amortisation of prepaid land lease payment	80	7	79	-	-	-	166
Impairment of assets	-	-	-	105	-	-	105
Depreciation to investment properties	31	-	72	2	-	-	105
Depreciation	236	4,665	6,390	196	91	-	11,578
Finance cost	60	1,061	1,474	148	8	-	2,751
Impairment of trade receivables	2	442	659	-	-	-	1,103
Reversal of trade receivables	-	(338)	(1,191)	-	-	-	(1,529)
Share of profits in jointly controlled entities and associates		1,565	4	-	-	-	1,569

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 31 December 2017	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
SEGMENT ASSETS	62,546	211,212	242,428	79,148	80,688	(45,116)	630,906
Deferred tax assets	-	796	735	-	529	-	2,060
TOTAL ASSETS	62,546	212,008	243,163	79,148	81,217	(45,116)	632,966
Included in measure of segment assets are:							
Investment in associates	7,991		652				7,991
Investment in jointly controlled entities							652
Additional to property, plant and equipment	61	659	14,918	1,034	2,568		19,240
SEGMENT LIABILITIES	23,979	107,763	112,635	13,236	15,666	(72,391)	200,888
Deferred tax liabilities	53	4,277	11,209	2,342	59	-	17,940
TOTAL LIABILITIES	24,032	112,040	123,844	15,578	15,725	(72,391)	218,828

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 31 December 2016	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
REVENUE							
Revenue from external sales	-	141,408	68,306	19,317	6,130		235,161
Inter-segment sales	954	7,304	5,321	-	-	(13,579)	-
	954	148,712	73,627	19,317	6,130	(13,579)	235,161
RESULTS							
Profit before taxation from the normal operations	(1,035)	10,776	11,103	920	2,036	231	24,031
Profit before taxation includes:							
Amortisation of prepaid land lease payment	80	7	79				166
Depreciation to investment properties	-	31	72	-	-	-	103
Depreciation	164	4,754	6,227	191	55	-	11,391
Finance cost	88	894	1,241	154	324	-	2,701
Impairment of trade receivables	-	555	403	-	-	-	958
Reversal of trade receivables	-	(591)	(2,713)	-	-	-	(3,304)
Share of profits/(loss) in jointly controlled entities and associates		426	(55)				371

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

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

Financial period to date 31 December 2016	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
SEGMENT ASSETS							
Deferred tax assets	62,741	192,521	249,354	83,890	97,251	(71,486)	614,271
TOTAL ASSETS	63,175	193,990	251,248	83,890	97,251	(71,486)	618,068
Included in measure of segment assets are:							
Investment in associates		5,325					5,325
Investment in jointly controlled entities			627				627
Additional to property, plant and equipment	951	5,743	4,455	1,371	1,522		14,042
SEGMENT LIABILITIES							
Deferred tax liabilities	26,459	93,849	98,528	13,259	39,313	(50,680)	220,728
TOTAL LIABILITIES	107	4,707	9,858	1,918	38	-	16,628
	26,566	98,556	108,386	15,177	39,351	(50,680)	237,356

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 31st December 2017.

A10. Significant Post Balance Sheet Event

There are no material events as at 19 February 2018, 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 31 December 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

	31 Dec 2017	30 Sept 2017
	RM'000	RM'000
Capital expenditure		
Authorised and contracted for	11,760	18,944
	<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.

	Current Quarter ended 31 Dec 2017 RM'000	Balance due from/(to) As at 31 Dec 2017 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	243	268
Purchase of goods and services	1,300	(1,081)
	<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 RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>RM'000</u>	<u>%</u>	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>RM'000</u>	<u>%</u>
Revenue	162,490	123,234	39,256	32%	306,907	235,161	71,746	31%
Profit Before Interest and Tax	16,209	12,930	3,279	25%	31,977	26,361	5,616	21%
Profit Before Tax	15,324	11,311	4,013	35%	30,796	24,031	6,765	28%
Profit After Tax	10,889	8,410	2,479	29%	22,254	18,213	4,041	22%
Profit attributable to Owners of the parent	9,789	7,801	1,988	25%	19,315	16,614	2,701	16%

The Group posted revenue of RM306.91 million for the current financial period ended 31 December 2017, which is RM71.75 million or 31% higher than the preceding financial period of RM235.16 million. The profit before tax for the current financial period ended 31 December 2017 is RM30.80 million, which is RM6.77 million or 28% higher than the preceding financial period of RM24.03 million.

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

Continuing operations

- The shipping and marine segment comprises of ship owners unit, ship operator unit and agency unit.
- Integrated logistic segment comprises of transport unit, heavy equipment and heavy lifting unit and freight forwarding unit.
- Engineering segment
- Property segment
- 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 RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>RM'000</u>	<u>%</u>	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>RM'000</u>	<u>%</u>
Revenue	113,371	77,658	35,713	46%	210,274	141,408	68,866	49%
Profit Before Interest and Tax	6,993	5,182	1,811	35%	14,534	11,891	2,643	22%
Profit Before Tax	6,979	4,743	2,236	47%	14,714	10,776	3,938	37%
Profit After Tax	5,039	3,064	1,975	64%	10,537	7,810	2,727	35%
Profit attributable to Owners of the parent	4,286	2,773	1,513	54%	9,263	6,661	2,602	39%

The shipping and marine segment recorded revenue of RM210.27 million which is RM68.87 million or 49% higher than the preceding financial period ended 31 December 2016 of RM141.41 million. The increase in the revenue by 49% is due to higher volume of cargo handled. The profit before tax has increased by RM3.94 million or 37% mainly due to better profit contribution from the higher recorded revenue.

Integrated logistics segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>RM'000</u>	<u>%</u>	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>RM'000</u>	<u>%</u>
Revenue	33,745	33,371	374	1%	65,185	68,306	(3,121)	(4%)
Profit Before Interest and Tax	9,016	5,432	3,584	66%	15,672	12,463	3,209	26%
Profit Before Tax	6,079	4,699	1,380	29%	14,412	11,103	3,309	30%
Profit After Tax	6,612	3,540	3,072	87%	11,330	8,325	3,005	36%
Profit attributable to Owners of the parent	6,545	3,622	2,923	81%	11,040	8,473	2,567	30%

The integrated logistics segment recorded revenue of RM65.18 million which is RM3.12 million or 4% lower than the preceding financial period ended 31 December 2016 of RM68.31 million. The profit before tax has increased by RM3.31 million or 30% even though the revenue has decrease by 4%. This is mainly due to completion of cargo delivery of one project out of three (3) project in hands by the transport division and recognition of the income during that period under review.

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

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

BI. Review of the Performance of the Group

Engineering segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/12/2017	31/12/2016	RM'000	%	31/12/2017	31/12/2016	RM'000	%
Revenue	12,560	9,175	3,385	37%	21,441	19,317	2,124	11%
Profit Before Tax and Interest	640	945	(305)	(32%)	707	1,074	(367)	(34%)
Profit Before Tax	565	869	(304)	(35%)	558	920	(362)	(39%)
Profit After Tax	318	667	(349)	(52%)	310	665	(355)	(53%)
Profit attributable to Owners of the parent	318	667	(349)	(52%)	310	667	(355)	(53%)

The engineering segment recorded revenue of RM21.44 million which is RM2.12 million or 11% higher than the preceding financial period ended 31 December 2016 of RM19.32 million. The profit before tax is RM0.56 million as compared to RM0.92 million or 39% lower the preceding financial period due to the projects are at an early stage of construction.

Property segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/12/2017	31/12/2016	RM'000	%	31/12/2017	31/12/2016	RM'000	%
Revenue	2,814	3,030	(216)	(7%)	10,007	6,130	3,877	63%
Profit Before Tax and Interest	727	1,277	(550)	(43%)	2,998	2,360	638	27%
Profit Before Tax	236	1,127	(891)	(79%)	2,312	2,036	276	14%
Profit After Tax	122	832	(710)	(85%)	1,569	1,544	25	2%
Profit attributable to Owners of the parent	7	424	(417)	(98%)	800	787	13	2%

The property development division recorded revenue of RM10.01 million which is RM3.88 million or 63% higher than the preceding financial period 31 December 2016 of RM6.13 million. The profit before tax is RM2.31 million which is RM0.28 million or 14% 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 RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/12/2017	31/12/2016	RM'000	%	31/12/2017	31/12/2016	RM'000	%
Revenue	-	-	-	-	-	-	-	-
Loss Before Tax and Interest	(524)	233	(757)	325%	(809)	(160)	(649)	406%
Loss Before Tax	(791)	(90)	(701)	779%	(1,352)	(1,035)	(317)	31%
Loss After Tax	(841)	(127)	(714)	562%	(1,455)	(924)	(531)	57%
Loss attributable to Owners of the parent	(776)	(617)	(159)	(26%)	(1,390)	(1,414)	24	2%

The investment holdings recorded a loss before tax of RM1.35 million an increase of RM0.32 million or 31% higher than the preceding financial period 31 December 2016 of loss before tax of RM1.04 million. The increase in the loss for the period under review is due to increase in the administrative cost mainly from the increase in the payroll due to increment during the period under review.

B2. Comparison with Preceding Quarter's Results

	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000 31/12/2017	RM'000 30/9/2017	RM'000	%
Revenue	162,490	144,417	18,073	13%
Profit Before Tax and Interest	16,209	15,768	441	3%
Profit Before Tax	15,324	15,472	(148)	(1%)
Profit After Tax	10,889	11,365	(476)	(4%)
Profit attributable to Owners of the parent	9,789	9,526	263	3%

The Group posted revenue of RM162.49 million for the current quarter ended 31 December 2017, which is RM18.07 million higher than the preceding quarter ended 30 September 2017 of RM144.42 million. The profit before tax for the current quarter ended 31 December 2017 is RM15.32 million, which is RM0.15 million lower than the preceding quarter ended 30 September 2017 of RM15.47 million due to increase in the administrative cost mainly from the increase in the payroll due to increment during the period under review.

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>31/12/2017</u>	Quarter	<u>RM'000</u>	<u>%</u>
		RM'000		
		<u>30/9/2017</u>		
Revenue	113,371	96,903	16,468	17%
Profit Before Tax and Interest	6,993	7,541	(548)	(7%)
Profit Before Tax	6,979	7,735	(756)	(10%)
Profit After Tax	5,038	5,498	(460)	(8%)
Profit attributable to Owners of the parent	4,286	4,977	(691)	(14%)

The shipping and marine segment posted an increase in revenue of RM16.47 million or 17% in the current quarter ended 31 December 2017 of RM113.37 million as compared to RM96.90 million in the preceding quarter ended 30 September 2017. The increase in the revenue is due to higher volume of cargo handled. The profit before tax decreased by RM0.756 million or 10% mainly due to increase in administrative cost mainly from the increase in the salaries and wages due to increment during the period under review.

<u>Integrated logistics segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
	<u>31/12/2017</u>	Quarter	<u>RM'000</u>	<u>%</u>
		RM'000		
		<u>30/9/2017</u>		
Revenue	33,746	31,440	2,306	7%
Profit Before Interest and Tax	9,016	6,656	2,360	35%
Profit Before Tax	8,333	6,079	2,254	37%
Profit After Tax	6,612	4,718	1,894	40%
Profit attributable to Owners of the parent	6,545	4,495	2,050	46%

The integrated logistics segment posted increase in revenue of RM2.31 million in the current quarter ended 31 December 2017 of RM33.75 million or 7% as compared to RM31.44 million in the preceding quarter ended 30 September 2017. The profit before tax for the current quarter ended 31 December 2017 is RM8.33 million, which is RM2.25 million or 37% higher than the preceding quarter ended 30 September 2017 of RM6.08 million. The increase in profit before tax in the current quarter is mainly due to completion of cargo delivery of one project out of three (3) project in hands handled by the transport division and recognition of the income during that period under review.

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

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

	Current quarter RM'000 <u>31/12/2017</u>	Immediate Preceding Quarter RM'000 <u>30/9/2017</u>	Changes (amount / %)	
			<u>RM'000</u>	<u>%</u>
<u>Engineering segment</u>				
Revenue	12,560	8,881	3,679	41%
Profit Before Interest and Tax	640	67	573	855%
Profit Before Tax	566	(7)	573	8185%
Profit After Tax	318	(8)	326	4075%
Profit attributable to Owners of the parent	318	(8)	326	4075%

The engineering segment posted an increase in revenue of RM3.68 million or 41% in the current quarter ended 31 December 2017 of RM12.56 million as compared to RM8.88 million in the preceding quarter ended 30 September 2017. In view of the higher revenue and project is at the early stage of construction, we incurred a marginal profit for the financial period ended 31 December 2017.

	Current quarter RM'000 <u>31/12/2017</u>	Immediate Preceding Quarter RM'000 <u>30/9/2017</u>	Changes (amount / %)	
			<u>RM'000</u>	<u>%</u>
<u>Property segment</u>				
Revenue	2,814	7,193	(4,379)	(61%)
Profit Before Interest and Tax	727	2,271	(1,544)	(68%)
Profit Before Tax	236	2,076	(1,840)	(87%)
Profit After Tax	122	1,447	(1,325)	(92%)
Profit attributable to Owners of the parent	7	793	(786)	(99%)

The property segment posted a decrease in revenue of RM4.38 million in the current quarter ended 31 December 2017 of RM2.81 million as compared to RM7.19 million in the preceding quarter ended 30 September 2017. The profit before tax for the current quarter ended 31 December 2017 is RM0.24 million, which is RM1.84 million lower than the preceding quarter ended 30 September 2017 of RM2.08 million. The lower 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)

	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
<u>Investment holding segment</u>	<u>31/12/2017</u>	<u>Quarter</u>	<u>RM'000</u>	<u>%</u>
		<u>30/9/2017</u>		
Revenue	-	-	-	-
Loss Before Interest and Tax	(524)	(285)	239	84%
Profit Before Tax	(791)	(561)	230	41%
Profit After Tax	(841)	(614)	227	37%
Profit attributable to Owners of the parent	(856)	(614)	242	39%

The investment holdings recorded a loss before tax of RM0.79 million a increase of RM0.23 million or 41% higher the preceding quarter ended 30 September 2017 of loss before tax of RM0.56 million. The increase in the loss for the period under review is due to increment of salaries and wages during the year.

B3. Prospects

The Board is optimistic that the next quarter performance will remain satisfactory.

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
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the period is stated after charging/ (crediting):				
Interest income	(246)	(289)	(696)	(659)
Amortisation of prepaid land lease payment	84	84	166	166
Depreciation of plant and equipment	5,890	5,760	11,578	11,391
Depreciation to investment properties	53	51	105	103
Finance cost	1,515	1,338	2,751	2,701
(Reversal) of impairment of receivables, net of allowance	(1,693)	(2,580)	(425)	(2,346)

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
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	3,825	1,863	7,470	5,020
Deferred tax expense: Origination and reversal of temporary difference	610	1,038	1,072	798
	<u>4,435</u>	<u>2,901</u>	<u>8,542</u>	<u>5,818</u>

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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 31 December 2017.

B8. Investment in Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial period ended 31 December 2017.

B9. Status of Corporate Proposal

There were no pending corporate proposals up to 19 February 2018, 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 31 December 2017 and 31 December 2016 are as follows:

	As at 31 December 2017		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	7,525	25,015	32,540
Bank Overdraft	8,745	-	8,745
Finance Lease Liabilities	9,949	18,491	28,440
	<u>26,219</u>	<u>43,506</u>	<u>69,725</u>
Unsecured			
Bankers' Acceptance	5,056	-	5,056
Revolving Credit	9,110	-	9,110
	<u>14,166</u>	<u>-</u>	<u>14,166</u>
	<u>40,385</u>	<u>43,506</u>	<u>83,891</u>

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

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

The Group's borrowings as at 31 December 2017 and 31 December 2016 are as follows:

	As at 31 December 2016		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	11,898	37,135	49,033
Bank Overdraft	11,463	-	11,463
Finance Lease Liabilities	11,395	18,523	29,918
	<u>34,756</u>	<u>55,658</u>	<u>90,414</u>
Unsecured			
Bankers' Acceptance	5,015	-	5,015
Revolving Credit	7,720	-	7,720
	<u>12,735</u>	<u>-</u>	<u>12,735</u>
	<u>47,491</u>	<u>55,658</u>	<u>103,149</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 19 February 2018, 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 19 February 2018 being the date not earlier than 7 days from the date of this announcement.

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B13. Dividend declared

No dividend was declared for the current quarter and financial period ended 31 December 2017.

B14. Earnings per Share

Basic earnings per share

The basic earnings per share for the current quarter and financial period ended 31 December 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 RM9,789,000 and financial period of RM19,315,000 by the number of ordinary shares in issue during the current quarter and financial period ended 31 December 2017 of 400,400,004.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Earnings Per Share				
Profit net of tax attributable to Owners of the parent (in RM)	9,789	7,801	19,315	16,614
Weighted average number of ordinary shares in issue ("000)	400,400	400,400*	400,400	400,400*
Basic earnings per share (sen)	2.44	1.95	4.82	4.15
Diluted earnings per share (sen)*	2.44	1.95	4.82	4.15

*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.

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B15. Provision of Financial Assistance

The financial assistance provided by the Company and its subsidiaries to its non wholly-owned subsidiaries as at 31 December 2017 pursuant to paragraph 8.23(1) of the Listing Requirements.

	31 December 2017 RM'000	30 Sept 2017 RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	20,549 =====	16,583 =====

The Provision of Financial Assistance will not have any material effect on the net assets, earnings per share, gearing, the share capital and substantial shareholders' shareholding of Harbour-Link for the financial period ended 31 December 2017.

B16. Realised and Unrealised Profits/Losses Disclosure

	As at 31 December 2017 RM'000	As at 30 June 2017 RM'000
Total retained profits of the Company and its Subsidiaries:		
- Realised	229,869	216,268
- Unrealised	(15,988)	(14,126)
	----- 213,881	----- 202,142
Total share of retained profits from associated company:		
- Realised	6,734	5,164
- Unrealised	-	-
	----- 220,615 =====	----- 207,306 =====

This announcement is dated 26th February 2018.