

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 30TH SEPTEMBER 2019
(The figures have not been audited).

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES (Amount / %)		CURRENT PERIOD	PRECEDING PERIOD	CHANGES (Amount / %)	
	30/09/2019	30/09/2018	RM'000	%	30/09/2019	30/09/2018	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	166,431	158,875	7,556	5%	166,431	158,875	7,556	5%
Operating expenses	(142,052)	(135,812)	(6,240)	5%	(142,052)	(135,812)	(6,240)	5%
Gross profit	24,379	23,063	1,316	6%	24,379	23,063	1,316	6%
Interest income	214	362	(148)	(41%)	214	362	(148)	(41%)
Other income	991	2,930	(1,939)	(66%)	991	2,930	(1,939)	(66%)
Administrative Expenses	(13,164)	(11,615)	(1,549)	13%	(13,164)	(11,615)	(1,549)	13%
Finance costs	(1,102)	(1,081)	(21)	2%	(1,102)	(1,081)	(21)	2%
Share of results of jointly controlled entity	(9)	(13)	4	(31%)	(9)	(13)	4	(31%)
Share of results of associated companies	965	769	196	25%	965	769	196	25%
Profit before taxation	12,274	14,415	(2,141)	(15%)	12,274	14,415	(2,141)	(15%)
Taxation	(3,793)	(3,051)	(742)	24%	(3,793)	(3,051)	(742)	24%
Net profit for the year	8,481	11,364	(2,883)	(25%)	8,481	11,364	(2,883)	(25%)
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Exchange difference on translation of foreign entity	65	639	(574)	(90%)	65	639	(574)	(90%)
Total comprehensive income for the year	8,546	12,003	(3,457)	(29%)	8,546	12,003	(3,457)	(29%)
Profit for the year attributable to:								
Owners of the parent	8,924	10,689	(1,765)	(17%)	8,924	10,689	(1,765)	(17%)
Non-Controlling Interests	(443)	675	(1,118)	(166%)	(443)	675	(1,118)	(166%)
	8,481	11,364	(2,883)	(25%)	8,481	11,364	(2,883)	(25%)
Total Comprehensive income for the year attributable to:								
Owners of the parent	8,989	11,328	(2,339)	(21%)	8,989	11,328	(2,339)	(21%)
Non-Controlling Interests	(443)	675	(1,118)	(166%)	(443)	675	(1,118)	(166%)
	8,546	12,003	(3,457)	(29%)	8,546	12,003	(3,457)	(29%)
Earnings per share ("EPS") (in sen)								
Basic earnings per share (sen) (Note B14)	2.23	2.67	(0.44)	(17%)	2.23	2.67	(0.44)	(17%)
Diluted earnings per share (sen)	2.23	2.67	(0.44)	(17%)	2.23	2.67	(0.44)	(17%)

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 2019.

HARBOUR-LINK GROUP BERHAD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION

	As at	As at
	30/09/2019	30/06/2019
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	268,694	259,812
Right-to-use assets	2,508	-
Investment properties	3,411	3,432
Prepaid land lease payment	5,817	5,852
Land held for development	44,527	44,527
Investment in jointly-controlled entity	493	502
Investment in associates	12,360	11,248
Other Investment	216	216
Deferred tax assets	1,664	1,061
Trade and other receivables	3,536	1,204
	343,226	327,854
Current assets		
Inventories	35,983	32,873
Trade and other receivables	154,550	139,671
Investment securities	20,743	17,728
Other current assets	21,591	27,344
Cash and bank balance	97,967	105,704
	330,834	323,321
TOTAL ASSETS	674,060	651,175
LIABILITIES		
Current liabilities		
Loans and borrowings	53,592	41,517
Trade and other payables	74,255	86,721
Other current liabilities	2,665	2,112
Tax payables	10,515	2,871
	141,027	133,222
Non-current liabilities		
Deferred tax liabilities	16,916	16,512
Lease liabilities	2,532	-
Loans and borrowings	43,637	39,991
	63,085	56,503
TOTAL LIABILITIES	204,112	189,725
NET ASSETS	469,948	461,450
EQUITY		
Share capital	200,200	200,200
Revenue reserves	206,677	197,688
Total shareholders' equity	406,877	397,888
Non-controlling interest	63,072	63,562
TOTAL EQUITY	469,949	461,450
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	1.02	0.99

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 share:

This Condensed Consolidated Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2019.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2019
(The figures have not been audited).

	CURRENT PERIOD ENDED 30/9/2019 RM'000	COMPARABLE PERIOD ENDED 30/9/2018 RM'000
Cash flows from operating activities		
Profit before taxation	12,274	14,415
Adjustments for:		
Non-operating items	2,255	1,334
Depreciation	5,853	6,077
Interest expense	1,102	1,081
Interest income	(214)	(362)
Share of results in associates and jointly controlled entity	(956)	(756)
Operating profit before changes in working capital	20,314	21,789
Changes in working capital:		
(Increase) in inventories	(2,675)	(1,876)
(Increase) in trade and other receivables	(12,238)	(24,483)
Decrease in amount due from customers for contract works	6,868	3,647
Increase/(Decrease) in other current liabilities	4,799	(836)
(Decrease)/Increase in trade and other payables	(14,171)	9,990
Net cash generated from operations activities	2,897	8,231
Interest paid	(1,102)	(1,081)
Interest received	214	122
Tax paid	(3,389)	(3,204)
Net cash (used in)/generated from operating activities	(1,380)	4,068
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,279)	(3,966)
Increase in fixed deposit pledged	(1,181)	(1,511)
Increase in investment securities	(5,435)	(4,537)
Net cash outflow acquisition of other investment	-	(384)
Capital contributed by non controlling interest in subsidiary	-	1,050
Disposal of Non Controlling Interest in Subsidiaries	(47)	(1,233)
Proceeds from disposal of property, plant and equipment	234	2,043
Net cash used in investing activities	(24,708)	(8,538)
Cash flows from financing activities		
Net proceeds from borrowings	15,999	7,318
Net proceeds from/(repayment of) lease payables	243	(3,136)
Net cash generated from/(used in) financing activities	16,242	4,182
Net increase/(decrease) in cash and cash equivalents	(9,846)	(288)
Cash and cash equivalents at beginning of period	99,603	109,822
Cash and cash equivalents at end of period	89,757	109,534

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

Cash and bank balances	97,967	113,442
Bank Overdraft	(4,681)	(128)
Short term deposits pledged as securities for bank borrowings	(3,529)	(3,780)
	<u>89,757</u>	<u>109,534</u>

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2019.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS PERIOD ENDED 30TH SEPTEMBER 2019

(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	DISTRIBUTABLE	
				FOREIGN CURRENCY TRANSLATION RESERVE RM'000	RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000	
3 MONTHS ENDED 30TH SEPTEMBER 2019						
At 1 July 2019	461,450	397,888	200,200	2,272	195,416	63,562
Disposal by Non Controlling Interest in Subsidiaries	(47)	-	-	-	-	(47)
Total comprehensive income for the period	8,546	8,989	-	65	8,924	(443)
At 30 September 2019	469,949	406,877	200,200	2,337	204,340	63,072
3 MONTHS ENDED 30TH SEPTEMBER 2018						
At 1 July 2018	431,967	376,013	200,200	1,549	174,264	55,954
Capital contributed by Non Controlling Interest in Subsidiary	1,415	-	-	-	-	1,415
Disposal by Non Controlling Interest in Subsidiaries	(1,384)	-	-	-	-	(1,384)
Acquisition of Non Controlling Interest in Subsidiaries	176	176	-	-	176	-
Total comprehensive income for the period	12,003	11,328	-	639	10,689	675
At 30 September 2018	444,177	387,517	200,200	2,188	185,129	56,660

Remarks:

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 2019.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1st July 2019, the Group and the Company adopted the following new and amended MFRSs that have been issued by Malaysia Accounting Board (“MASB”)

Title		Effective Date
MFRS 16	<i>Leases</i>	1 January 2019
IC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128	<i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9	<i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3	<i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11	<i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112	<i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123	<i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119	<i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

A1. Basis of Preparation (cont'd)

MFRSs and Amendments to MFRSs issued but not yet effective

Title	Effective Date
MFRS 17 : Insurance Contract	1 January 2021

The adoption of the said MFRSs and Amendments of MFRSs did not have any impact to the condensed financial statements except the changes arising from MFRS 16 *Leases*, as disclosed below:

MFRS16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. The right-of-use asset is depreciated in accordance with the principle in MFRS116, Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in profit or loss. A lessor continues to classify all leases as either operating leases or finance leases using similar principles as in MFRS117. Therefore, MFRS16 did not have an impact for leases where the Group is the lessor.

Under MFRS 16, the Group recognises right-of-use assets and lease liabilities for most of its operating leases – these leases are on-balance sheet at initial application. At transition, the right-of-use asset is measured at an amount equal to lease liability whilst the lease liability is measured at the present value of the remaining lease payments using the Group's incremental borrowing rate.

The Group adopted MFRS16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. The prior-year figures were not adjusted.

As a result of the adoption of MFRS 16 in respect of the leases previously classified as operating lease, the Group recognised RM2,534,587 of right-of-use assets and lease liabilities. The Group discounted lease payments at weighted average rate of 5%. Accordingly, the Group has recognised amortisation of right-of-use assets of RM26,402 and finance costs of RM30,020 for these leases for the three months ended 30 September 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 2019 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 30th September 2019.

A5. *Material Effect of Changes in Estimates of Amounts Reported in Prior Interim Periods or Prior Financial Years*

There were no changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect on results for the current financial period under review.

A6. *Debt and Equity Securities*

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial period ended 30th September 2019.

A7. *Dividend Paid*

No dividend was paid in the current quarter.

A8. Segment Information (Cont'd)

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

Financial period to date 30 September 2019	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	-	98,529	43,943	23,922	37	-	166,431
Inter-segment sales	460	110	5,312	-	25	(5,907)	-
	460	98,639	49,255	23,922	62	(5,907)	166,431
RESULTS							
(Loss)/Profit before taxation from the normal operations	(854)	3,031	9,507	1,655	(220)	(845)	12,274
Profit before taxation includes:							
Amortisation of prepaid land lease payment	32	3	82	-	-	-	117
Amortisation of right-to-use assets	-	-	26	-	-	-	26
Depreciation to investment properties	-	-	51	1	-	-	52
Depreciation	80	1,889	3,536	109	43	-	5,657
Finance cost	422	408	621	67	131	(547)	1,102
Net impairment of trade receivables	-	942	525	-	-	-	1,467
Share of profit/(loss) in jointly controlled entities and associates	-	965	(9)	-	-	-	956

A8. Segment Information (Cont'd)

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

Financial period to date 30 September 2019	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	57,427	242,190	269,577	91,010	76,709	(64,517)	672,396
Deferred tax assets	-	1,191	463	-	10	-	1,664
TOTAL ASSETS	57,427	243,381	270,040	91,010	76,719	(64,517)	674,060
Included in measure of segment assets are:							
Investment in associates	-	12,360	-	-	-	-	12,360
Investment in jointly controlled entities	-	-	493	-	-	-	493
Additional to property, plant and equipment	44	14,953	1,851	978	453	-	18,279
SEGMENT LIABILITIES	57,906	69,961	72,202	19,887	8,585	(41,345)	187,196
Deferred tax liabilities	54	5,322	9,233	2,294	13	-	16,916
TOTAL LIABILITIES	57,960	75,283	81,435	22,181	8,598	(41,345)	204,112

A8. Segment Information (Cont'd)

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

Financial period to date 30 September 2018	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	-	102,110	41,516	14,988	261	-	158,875
Inter-segment sales	1,195	3,494	2,338	-	-	(7,027)	-
	1,195	105,604	43,854	14,988	261	(7,027)	158,875
RESULTS							
(Loss)/Profit before taxation from the normal operations	(675)	7,595	7,444	137	26	(112)	14,415
Profit before taxation includes:							
Amortisation of prepaid land lease payment	32	4	30	-	-	-	66
Depreciation to investment properties	-	-	51	1	-	-	52
Depreciation	76	2,320	3,421	95	46	-	5,958
Finance cost	43	457	508	73	-	-	1,081
Impairment of trade receivables	-	22	1,933	-	-	-	1,955
Reversal of trade receivables	-	(820)	-	-	-	-	(820)
				-	-	-	
Share of profit/(loss) in jointly controlled entities and profits in associates		769	(13)				756

A8. Segment Information (Cont'd)

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

Financial period to date 30 September 2018	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	64,845	238,512	240,877	80,665	75,607	(38,848)	661,658
Deferred tax assets	-	1,046	765	-	479	-	2,290
TOTAL ASSETS	64,845	239,558	241,642	80,665	76,086	(38,848)	663,948
Included in measure of segment assets are:							
Investment in associates	-	9,890	-	-	-	-	9,890
Investment in jointly controlled entities	-	-	549	-	-	-	549
Additional to property, plant and equipment	28	314	3,077	73	474	-	3,966
SEGMENT LIABILITIES	41,394	103,296	94,284	13,319	10,291	(61,063)	201,521
Deferred tax liabilities	59	4,881	10,746	2,557	8	-	18,251
TOTAL LIABILITIES	41,453	108,177	105,030	15,876	10,299	(61,063)	219,772

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 September 2019.

A10. Significant Post Balance Sheet Event

There are no material events as at 19 November 2019, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the current financial period under review.

A11. Changes in Composition of the Group

Save for the below, there were no changes in composition of the Group during the current financial period ended 30 September 2019:

1. On 11 July 2019, Harbour-Link Navigation Sdn. Bhd. (“HLN”), a subsidiary of the Company, acquired the remaining 5,664,000 ordinary shares, representing 48% equity interest in Harbour Gemini Sdn. Bhd. (“HGSB”), for a total cash consideration of RM1. Following the acquisition, HGSB became a fully owned subsidiary of the HLN.

- (2) On 25 July 2019, Harbour-Link (M) Sdn. Bhd. (“HLM”), a subsidiary of the Company, acquired the remaining 300,000 ordinary shares, representing 30% equity interest in HLG Engineering Sdn. Bhd. (“HLGE”), for a total cash consideration of RM474,000. Following the acquisition, HLGE became a fully owned subsidiary of the HLM.

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

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 Sept 2019 RM'000	30 June 2019 RM'000
Capital expenditure Authorised and contracted for	2,747	5,317

A14. *Related Party Transactions*

Related parties are those defined under MFRS 124: Related Party Disclosures. The Directors are of the opinion that the related party transactions and balances described below are carried out in the ordinary course of business and on commercial terms that are no more favourable than those available to other third parties.

	Current Quarter ended 30 Sept 2019 RM'000	Balance due from/(to) As at 30 Sept 2019 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	178	50
Purchase of goods and services	985	(963)

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>30/09/2019</u>	<u>30/09/2018</u>	<u>RM'000</u>	<u>%</u>	<u>30/09/2019</u>	<u>30/09/2018</u>	<u>RM'000</u>	<u>%</u>
Revenue	166,431	158,875	7,556	5%	166,431	158,875	7,556	5%
Profit Before Interest and Tax	13,377	14,740	(1,363)	(9%)	13,377	14,740	(1,363)	(9%)
Profit Before Tax	12,274	14,415	(2,141)	(15%)	12,274	14,415	(2,141)	(15%)
Profit After Tax	8,482	11,364	(2,883)	(25%)	8,482	11,364	(2,883)	(25%)

The Group posted revenue of RM166.43 million for the current financial period ended 30 September 2019, which is RM7.56 million or 5% higher than the preceding financial period of RM158.88 million. The profit before tax for the current financial period ended 30 September 2019 is RM12.27 million, which is RM2.14 million or 15% lower than the preceding financial period of RM14.42 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 lifting, equipment sales and rental 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)

B1. Review of the Performance of the Group

Shipping and marine segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/09/2019	30/09/2018	RM'000	%	30/09/2019	30/09/2018	RM'000	%
Revenue	98,529	102,110	(3,581)	(4%)	98,529	102,110	(3,581)	(4%)
Profit Before								
Interest and Tax	2,709	7,428	(4,719)	(64%)	2,709	7,428	(4,719)	(64%)
Profit Before Tax	3,033	7,597	(4,564)	(60%)	3,033	7,597	(4,564)	(60%)
Profit After Tax	2,310	5,911	(3,601)	(61%)	2,310	5,911	(3,601)	(61%)

The shipping and marine segment recorded revenue of RM98.53 million which is RM3.58 million or 4% lower than the preceding financial period ended 30 September 2018 of RM102.11 million. The decrease in the revenue by 4% is due to lower volume of cargo handled to East Malaysia from Hong Kong and China. The profit before tax has decreased by RM4.56 million or 60% compared to preceding financial period ended 30 June 2019 of RM7.60 million. The reason for the significant decrease in the profit before tax is due to lower utilization of Hong Kong and China route.

Integrated logistics segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/09/2019	30/09/2018	RM'000	%	30/09/2019	30/09/2018	RM'000	%
Revenue	43,943	41,516	2,427	6%	43,943	41,516	2,427	6%
Profit Before								
Interest and Tax	10,314	7,898	2,443	31%	10,314	7,898	2,443	31%
Profit Before Tax	9,507	7,444	2,063	28%	9,507	7,444	2,063	28%
Profit After Tax	6,873	5,617	1,256	22%	6,873	5,617	1,256	22%

The integrated logistics segment recorded revenue of RM43.94 million which is RM2.43 million or 6% higher than the preceding financial period ended 30 September 2018 of RM41.52 million. The higher revenue mainly due to increase in the volume of cargoes handle for the oil and gas industries.

The profit before tax has increased by RM2.06 million or 28% as compared to preceding financial period ended 30 September 2018 of RM7.44 million due to reason explained above.

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

B1. Review of the Performance of the Group

Engineering segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>30/09/2019</u>	<u>30/09/2018</u>	<u>RM'000</u>	<u>%</u>	<u>30/09/2019</u>	<u>30/09/2018</u>	<u>RM'000</u>	<u>%</u>
Revenue	23,922	14,988	8,934	60%	23,922	14,988	8,934	60%
Profit Before Tax and Interest	1,721	210	1,511	>100%	1,721	210	1,511	>100%
Profit Before Tax	1,655	137	1,518	>100%	1,655	137	1,518	>100%
Profit After Tax	1,229	69	1,160	>100%	1,229	69	1,160	>100%

The engineering segment recorded revenue of RM23.92 million which is RM8.93 million higher than the preceding financial period ended 30 September 2018 of RM14.99 million. The profit before tax is RM1.65 million which is RM1.52 million or 1,108% higher than the preceding financial period ended 30 September 2018. The increase in revenue and profit before tax as compare to previous financial period is due to the current project in hands has reached the advance stage of completion.

Property segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>30/09/2019</u>	<u>30/9/2018</u>	<u>RM'000</u>	<u>%</u>	<u>30/09/2019</u>	<u>30/9/2018</u>	<u>RM'000</u>	<u>%</u>
Revenue	37	261	(224)	(86%)	37	261	(224)	(86%)
(Loss)/Profit Before Tax and Interest	(89)	187	(276)	(147%)	(89)	187	(276)	(147%)
(Loss)/Profit Before Tax	(220)	26	(246)	(946%)	(220)	26	(246)	(946%)
(Loss)/Profit After Tax	(227)	(26)	(201)	(773%)	(227)	(26)	(201)	(773%)

The property development division recorded revenue of RM0.04 million which is RM0.22 million or 86% lower than the preceding financial period 30 September 2018 of RM0.26 million. The loss before tax is RM0.22 million which is RM0.25 million or 946% lower than the preceding financial period ended 30 September 2018.

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 / %)	
	<u>30/09/2019</u>	<u>30/9/2018</u>	<u>RM'000</u>	<u>%</u>	<u>30/09/2019</u>	<u>30/9/2018</u>	<u>RM'000</u>	<u>%</u>
Revenue	-	-	-	-	-	-	-	-
Loss Before Tax and Interest	(433)	(348)	(85)	(24%)	(433)	(348)	(85)	(24%)
Loss Before Tax	(854)	(675)	(179)	(27%)	(854)	(675)	(179)	(27%)
Loss After Tax	(859)	(707)	(152)	(21%)	(859)	(707)	(152)	(21%)

The investment holdings recorded a loss before tax of RM0.85 million an increase of RM0.18 million than the preceding financial period 30 September 2018 of loss before tax of RM0.68 million.

B2. Comparison with Preceding Quarter's Results

	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000	RM'000	(amount / %)	
	<u>30/09/2019</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	166,431	109,584	56,847	52%
Profit Before Tax and Interest	13,377	8,545	4,832	56%
Profit Before Tax	12,274	7,572	4,702	62%
Profit After Tax	8,482	3,562	4,920	>100%

The Group posted revenue of RM166.43 million for the current quarter ended 30 September 2019 which is RM56.85 million or 52% higher than the immediate preceding quarter ended 30 June 2019 of RM109.58 million. The profit before tax for the current quarter ended 30 September 2019 is RM12.27 million, which is RM4.70 million or 62% higher than the immediate preceding quarter ended 30 June 2019 of RM7.57 million.

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

<u>Shipping and marine segment</u>	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000	RM'000	(amount / %)	
	<u>30/09/2019</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	98,529	84,986	13,543	16%
Profit Before Tax and Interest	2,709	4,516	(1,807)	(40%)
Profit Before Tax	3,033	2,927	106	4%
Profit After Tax	2,310	3,442	1,132	33%

The shipping and marine segment posted an increase in revenue of RM13.54 million or 16% in the current quarter ended 30 September 2019 of RM98.53 million as compared to RM84.97 million in the immediate preceding quarter ended 30 June 2019. The increase in the revenue as compared to immediate preceding quarter due to higher cargo lifting. The increase in revenue has result in net profit before tax of RM3.03 million as compared to a net profit before tax of RM2.93 million in the immediate preceding quarter due to lower operation cost.

<u>Integrated logistics segment</u>	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000	RM'000	(amount / %)	
	<u>30/09/2019</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	43,943	27,037	16,906	63%
Profit Before Interest and Tax	10,314	4,323	5,991	>100%
Profit Before Tax	9,507	3,769	5,738	>100%
Profit After Tax	6,873	2,279	4,594	>100%

The integrated logistics segment posted increase in revenue of RM16.91 million or 63% in the current quarter ended 30 September 2019 of RM43.94 million as compared to RM27.04 million in the immediate preceding quarter ended 30 June 2019 due to higher cargo handling from oil and gas industries. The profit before tax for the current quarter ended 30 September 2019 is RM9.51 million, which is RM5.74 million or more than 100% higher than the immediate preceding quarter ended 30 June 2019 of RM3.77 million due to higher revenue achieved.

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

	Current quarter RM'000	Immediate Preceding Quarter RM'000	Changes (amount / %)	
<u>Engineering segment</u>	<u>30/09/2019</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	23,922	26,082	(2,160)	(8%)
Profit Before Interest and Tax	1,721	2,437	(716)	(29%)
Profit Before Tax	1,655	2,369	(714)	(30%)
Profit After Tax	1,229	1,352	(123)	(9%)

The engineering segment posted a decrease in revenue of RM 2.16 million or 8% in the current quarter ended 30 September 2019 of RM23.92 million as compared to RM26.08 million in the immediate preceding quarter ended 30 June 2019. The decrease in profit before tax of RM0.71 million in the current quarter ended 30 September 2019 of RM1.65 million as compared to RM2.37 million is due to additional labour cost for certain projects.

	Current quarter RM'000	Immediate Preceding Quarter RM'000	Changes (amount / %)	
<u>Property segment</u>	<u>30/09/2019</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	37	1,313	(1,276)	(97%)
(Loss)/Profit Before Interest and Tax	(89)	184	(273)	(148%)
(Loss)/Profit Before Tax	(220)	55	(275)	(500%)
(Loss)/Profit After Tax	(227)	38	(265)	(697%)

The property segment posted an decrease in revenue in the current quarter ended 30 September 2019 of RM1.28 million as compared to RM1.31 million in the immediate preceding quarter ended 30 June 2019. The loss before tax for the current quarter ended 30 September 2019 is RM0.22 million, which is RM0.27 million lower than the immediate preceding quarter ended 30 June 2019 of profit before tax of RM0.05 million.

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

<u>Investment holding segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
	<u>30/09/2019</u>	Quarter	<u>RM'000</u>	<u>%</u>
		<u>30/06/2019</u>		
Revenue	-	-	-	-
Loss Before Interest and Tax	(433)	(424)	9	2%
Loss Before Tax	(854)	(581)	273	47%
Loss After Tax	(859)	(723)	136	>100%

The investment holdings recorded a loss before tax of RM0.85 million an increase of loss of RM0.27 million or 47% as compare to the immediate preceding quarter ended 30 June 2019 of RM0.58 million.

B3. Prospects

The ongoing US-China Trade War continues to create uncertainties in the whole region.

Malaysian markets are affected by lower price in palm oil, timber products and other export commodities. The lower export volume will impact our shipping and logistics segment due to lower freighting and utilization of shipping space.

Liberalization of Cabotage Policy to foreign ships operators seems to be continuing. Foreign main liner operator (“MLO”) is posing a threat to the local operators by capturing a share of the local market. We as the local operator is not immune to such a threat.

We are cautious and keep abreast on the current development. We shall control cost and manage our operation efficiency.

As for our other business segments, we shall maintain and further progress and develop our logistics services and engineering works. We shall expect to deliver a favorable growth for the financial year ended 2020.

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B4. Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B5. Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the year ended is stated after charging/ (crediting):				
Interest income	(214)	(362)	(214)	(362)
Amortisation of prepaid land lease payment	117	66	117	66
Amortisation of right-to-use assets	26	-	26	-
Depreciation of plant and equipment	5,657	5,958	5,657	5,958
Depreciation to investment properties	52	52	52	52
Finance cost	1,102	1,081	1,102	1,081
Allowance of impairment of receivables, net of allowance	1,467	1,136	1,467	1,136

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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
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	3,595	1,896	3,595	1,896
Deferred tax expense: Origination and reversal of temporary difference	198	1,155	198	1,155
	<hr/>	<hr/>	<hr/>	<hr/>
	3,793	3,051	3,793	3,051

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 mainly from the shipping and marine segment.

B7. Status of Corporate Proposal

There were no pending corporate proposals up to 19 November 2019, being the date not earlier than 7 days from the date of this announcement.

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B8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2019 and 30 September 2018 are as follows:

	As at 30 September 2019		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	6,757	24,782	31,539
Bank Overdraft	4,681	-	4,681
Finance Lease Liabilities	10,180	18,855	29,035
	<u>21,618</u>	<u>43,637</u>	<u>65,255</u>
Unsecured			
Bankers' Acceptance	12,604	-	12,604
Revolving Credit	19,370	-	19,370
	<u>31,974</u>	<u>-</u>	<u>31,974</u>
	<u>53,592</u>	<u>43,637</u>	<u>97,229</u>
	As at 30 September 2018		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	10,748	23,227	33,975
Bank Overdraft	2,077	-	2,077
Finance Lease Liabilities	8,322	17,926	26,248
	<u>21,147</u>	<u>41,153</u>	<u>62,300</u>
Unsecured			
Bankers' Acceptance	5,346	-	5,346
Revolving Credit	19,820	-	19,820
	<u>25,166</u>	<u>-</u>	<u>25,166</u>
	<u>46,313</u>	<u>41,153</u>	<u>87,467</u>

The above borrowings are denominated in Ringgit Malaysia.

B9. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 September 2019.

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B10. Off Balance Sheet Financial Instruments

During the financial period to-date, the Group did not enter into any contracts involving off balance sheet financial instruments. There are no financial instruments with off balance sheet risks as at 19 November 2019, being the date not earlier than 7 days from the date of this announcement.

B11. Changes in Material Litigation

There are no changes in material litigation since the last annual balance sheet date till 19 November 2019 being the date not earlier than 7 days from the date of this announcement.

B12. Dividend declared

A first interim dividend of 1.0 sen per ordinary share for the financial year ending 30 June 2020 amounting to RM4,004,000 (2019: RM4,004,000) was proposed during the quarter under review.

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B13. Earnings per Share

Basic earnings per share

The basic earnings per share for the current quarter and financial period ended 30 September 2019 is calculated by dividing the Group's profit for the year, net of tax, attributable to owners of the parent for the current quarter and financial period of RM8,924,000 by the number of ordinary shares in issue during the current quarter and financial period ended 30 September 2019 of 400,400,004.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter 30/09/2019	Preceding Period Corresponding Quarter 30/09/2018	Current Financial Year 30/09/2019	Preceding Financial Year 30/09/2018
Earnings Per Share				
Profit net of tax attributable to Owners of the parent (in RM'000)	8,924	10,689	8,924	10,689
Weighted average number of ordinary shares in issue ('000)	400,400	400,400	400,400	400,400
Basic earnings per share (sen)	2.23	2.67	2.23	2.67
Diluted earnings per share (sen)*	2.23	2.67	2.23	2.67

*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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B14. Provision of Financial Assistance

The financial assistance provided by the Company and its subsidiaries to its non wholly-owned subsidiaries as at 30 September 2019 pursuant to paragraph 8.23(1) of the Listing Requirements.

	30 Sept 2019	30 June 2019
	RM'000	RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	11,498	12,332
	=====	=====

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 2019.

This announcement is dated 26 November 2019.