

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER AND FINANCIAL PERIOD ENDED 31ST MARCH 2020
(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 / %)	
	31/03/2020	31/03/2019	RM'000	%	31/03/2020	31/03/2019	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	156,909	148,519	8,390	6%	487,928	484,367	3,561	1%
Operating expenses	(137,694)	(133,554)	(4,140)	3%	(415,749)	(420,308)	4,559	(1%)
Gross profit	19,215	13,961	4,250	30%	72,179	61,047	8,120	13%
Interest income	94	190	(96)	(51%)	572	1,068	(496)	(46%)
Other income	1,735	2,547	(812)	(32%)	3,714	12,307	(8,593)	(70%)
Administrative Expenses	(16,000)	(14,398)	(1,602)	11%	(43,575)	(40,687)	(2,888)	7%
Finance costs	(1,674)	(1,290)	(384)	30%	(4,064)	(3,919)	(145)	4%
Share of results of jointly controlled entity	(11)	(11)	0	(2%)	(43)	(47)	4	(8%)
Share of results of associated companies	306	661	(355)	(54%)	1,614	1,556	58	4%
Profit before taxation	3,665	2,663	1,001	38%	30,397	34,337	(3,941)	(11%)
Taxation	(2,768)	(523)	(2,245)	430%	(8,750)	(8,665)	(85)	1%
Net profit for the year	897	2,141	(1,244)	(58%)	21,647	25,672	(4,026)	(16%)
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Exchange difference on translation of foreign entity	769	(233)	1,002	(431%)	628	466	162	35%
Total comprehensive income for the year	1,666	1,908	(243)	(13%)	22,275	26,138	(3,864)	(15%)
Profit for the year attributable to:								
Owners of the parent	2,272	2,872	(600)	(21%)	23,123	23,041	82	0%
Non-Controlling Interests	(1,375)	(731)	(644)	88%	(1,476)	2,631	(4,107)	(156%)
	897	2,141	(1,244)	(58%)	21,647	25,672	(4,026)	(16%)
Total Comprehensive income for the year attributable to:								
Owners of the parent	3,041	2,639	402	15%	23,751	23,507	244	1%
Non-Controlling Interests	(1,375)	(731)	(644)	88%	(1,476)	2,631	(4,107)	(156%)
	1,666	1,908	(242)	(13%)	22,275	26,138	(3,863)	(15%)
Earnings per share ("EPS") (in sen)								
Basic earnings per share (sen) (Note B14)	0.57	0.72	(0.15)	(21%)	5.77	5.75	0.02	0%
Diluted earnings per share (sen)	0.57	0.72	(0.15)	(21%)	5.77	5.75	0.02	0%

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
	31/03/2020	30/06/2019
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	262,841	259,812
Right-to-use assets	6,026	-
Investment properties	4,628	3,432
Prepaid land lease payment	5,746	5,852
Inventories	44,578	44,527
Investment in jointly-controlled entity	460	502
Investment in associates	13,239	11,248
Other Investment	516	216
Deferred tax assets	2,236	1,061
Trade and other receivables	1,864	1,204
	342,134	327,854
Current assets		
Inventories	30,530	32,873
Trade and other receivables	166,535	139,671
Investment securities	18,809	17,728
Other current assets	18,340	27,344
Cash and bank balance	114,892	105,704
	349,106	323,321
TOTAL ASSETS	691,240	651,175
LIABILITIES		
Current liabilities		
Loans and borrowings	47,274	41,517
Trade and other payables	85,496	86,721
Other current liabilities	13,535	2,112
Tax payables	5,388	2,871
	151,693	133,222
Non-current liabilities		
Deferred tax liabilities	17,152	16,512
Lease liabilities	6,213	-
Loans and borrowings	37,488	39,991
	60,853	56,503
TOTAL LIABILITIES	212,546	189,725
NET ASSETS	478,694	461,450
EQUITY		
Share capital	200,200	200,200
Revenue reserves	216,875	197,688
Total shareholders' equity	417,075	397,888
Non-controlling interest	61,619	63,562
TOTAL EQUITY	478,694	461,450
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	1.04	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 31 MARCH 2020
(The figures have not been audited).

	CURRENT PERIOD ENDED 31/03/2020	COMPARABLE PERIOD ENDED 31/03/2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	30,397	34,337
Adjustments for:		
Non-operating items	5,102	(7,629)
Depreciation	17,193	18,668
Interest expense	4,064	3,988
Interest income	(572)	(1,126)
Share of results in associates and jointly controlled entity	(1,571)	(1,520)
Operating profit before changes in working capital	54,613	46,718
Changes in working capital:		
(Increase) in inventories	(2,293)	(1,469)
(Increase)/Decrease in trade and other receivables	(26,864)	4,068
Decrease/(Increase) in amount due from customers for contract works	9,004	(3,016)
Increase in other current liabilities	11,422	6,291
(Decrease) in trade and other payables	(5,484)	(14,667)
Net cash generated from operations activities	40,398	37,925
Interest paid	(4,064)	(3,922)
Interest received	572	1,161
Tax paid	(8,414)	(8,846)
Net cash generated from operating activities	28,492	26,318
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,456)	(42,051)
Increase in fixed deposit pledged	4,702	2,283
(Increase)/Decrease in investment securities	(1,081)	11,218
Net cash outflow acquisition of subsidiaries	(103)	(169)
Capital contributed by non controlling interest in subsidiary	450	1,080
Disposal of Non Controlling Interest in Subsidiaries	(499)	(1,821)
Dividend received	160	160
Net cash outflow acquisition of subsidiaries	(300)	-
Proceeds from disposal of property, plant and equipment	845	11,247
Net cash used in investing activities	(15,282)	(18,053)
Cash flows from financing activities		
Dividend paid	(4,879)	(4,943)
Net proceeds from borrowings	8,538	425
Net proceeds (repayment of) lease payables	(3,771)	(7,976)
Net cash (used in) financing activities	(112)	(12,494)
Net increase/(decrease) in cash and cash equivalents	13,098	(4,229)
Cash and cash equivalents at beginning of period	99,603	109,822
Cash and cash equivalents at end of period	112,701	105,593

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

Cash and bank balances	114,892	107,217
Bank Overdraft	(2,191)	(1,624)
	<u>112,701</u>	<u>105,593</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 9 MONTHS PERIOD ENDED 31 MARCH 2020

(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	DISTRIBUTABLE RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000	
	9 MONTHS ENDED 31 MARCH 2020					
At 1 July 2019	461,450	397,888	200,200	2,272	195,416	63,562
Capital contributed by Non Controlling Interest in Subsidiaries	450	-	-	-	-	450
Disposal by Non Controlling Interest in Subsidiaries	(602)	(560)	-	-	(560)	(42)
Dividends on ordinary shares	(4,879)	(4,004)	-	-	(4,004)	(875)
Total comprehensive income for the period	22,275	23,751	-	628	23,123	(1,476)
At 31 MARCH 2020	478,694	417,075	200,200	2,900	213,975	61,619
9 MONTHS ENDED 31 MARCH 2019						
At 1 July 2018	431,967	376,013	200,200	1,549	174,264	55,954
Capital contributed by Non Controlling Interest in Subsidiary	3,305	-	-	-	-	3,305
Disposal by Non Controlling Interest in Subsidiaries	(1,384)	-	-	-	-	(1,384)
Acquisition of Non Controlling Interest in Subsidiaries	(27)	194	-	-	194	(221)
Dividends on ordinary shares	(4,943)	(4,513)	-	-	(4,513)	(430)
Total comprehensive income for the period	26,138	23,507	-	466	23,041	2,631
At 31 MARCH 2019	455,056	395,201	200,200	2,015	192,986	59,855

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
Amendments to MFRS 3 : Definition of a Business 1	1 January 2020
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³	On or after a date to be determined.
Amendments to MFRS 101 and MFRS 108 : Definition of Material 1	1 January 2020

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 RM7,133,842 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 RM1,187,263 and finance costs of RM234,811 for these leases for the three months ended 31 March 2020.

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 Cyclicalness 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 31st March 2020.

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 31st March 2020.

A7. *Dividend Paid*

A first interim dividend of 1.0 sen net per ordinary share of RM0.50 each for the financial year ending 30 June 2020 amounting to RM4,004,000 (2019: RM4,004,000) was paid on 06 January 2020.

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A8. Segment Information (Cont'd)

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

Financial period to date 31 March 2020	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	-	288,209	132,824	65,451	1,445	-	487,928
Inter-segment sales	1,391	110	18,228	-	88	(19,817)	-
	1,391	288,319	151,052	65,451	1,533	(19,817)	487,928
RESULTS							
(Loss)/Profit before taxation from the normal operations	(3,912)	9,594	20,031	5,858	393	(1,567)	30,397
Profit before taxation includes:							
Amortisation of prepaid land lease payment	108	-	415	-	-	-	523
Amortisation of right-to-use assets	-	-	1,187	-	-	-	1,187
Depreciation to investment properties	-	-	188	2	-	-	190
Depreciation	235	5,685	10,671	328	158	-	17,077
Finance cost	1,480	2,118	2,061	194	390	(2,179)	4,064
Net impairment of trade receivables	-	1,364	3,616	(9)	-	-	4,971
Share of profit/(loss) in jointly controlled entities and associates	-	1,614	(43)	-	-	-	1,571

A8. Segment Information (Cont'd)

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

Financial period to date <u>31 March 2020</u>	Investment Holding <u>RM'000</u>	Shipping and Marine <u>RM'000</u>	Integrated logistics <u>RM'000</u>	Engineering <u>RM'000</u>	Property <u>RM'000</u>	Elimination <u>RM'000</u>	Total <u>RM'000</u>
SEGMENT ASSETS	39,839	266,256	274,835	96,455	76,955	(65,336)	689,004
Deferred tax assets	-	1,363	873	-	-	-	2,236
TOTAL ASSETS	39,839	267,619	275,708	96,455	76,955	(65,336)	691,240
Included in measure of segment assets are:							
Investment in associates	-	13,239	-	-	-	-	13,239
Investment in jointly controlled entities	-	-	460	-	-	-	460
Additional to property, plant and equipment	61	14,387	2,382	2,078	548	-	19,456
SEGMENT LIABILITIES	56,744	75,786	80,947	24,158	8,663	(50,904)	195,394
Deferred tax liabilities	-	5,178	9,673	2,294	7	-	17,152
TOTAL LIABILITIES	56,744	80,964	90,620	26,452	8,670	(50,904)	212,546

A8. Segment Information (Cont'd)

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

Financial period to date 31 March 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	-	327,240	118,453	38,302	372	-	484,367
Inter-segment sales	5,219	8,980	6,995	-	-	(21,194)	-
	5,219	336,220	125,448	38,302	372	(21,194)	484,367
RESULTS							
(Loss)/Profit before taxation from the normal operations	(2,304)	7,532	25,674	976	3,535	(510)	34,337
Profit before taxation includes:							
Amortisation of prepaid land lease payment	97	10	91	-	-	-	199
Depreciation to investment properties	-	-	155	1	-	-	156
Depreciation	218	7,369	10,350	181	104	-	18,222
Finance cost	214	1,687	1,873	145	-	-	3,919
Reversal of trade receivables	-	(530)	(1,965)	-	-	-	(2,495)
				-	-	-	
Share of profit/(loss) in jointly controlled entities and associates		1,556	(47)				1,509

A8. Segment Information (Cont'd)

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

Financial period to date <u>31 March 2019</u>	Investment Holding <u>RM'000</u>	Shipping and Marine <u>RM'000</u>	Integrated logistics <u>RM'000</u>	Engineering <u>RM'000</u>	Property <u>RM'000</u>	Elimination <u>RM'000</u>	Total <u>RM'000</u>
SEGMENT ASSETS	79,030	238,712	221,611	83,820	77,626	(53,989)	646,811
Deferred tax assets	-	1,261	496	-	479	-	2,236
TOTAL ASSETS	79,030	239,973	222,107	83,820	78,105	(53,989)	649,047
Included in measure of segment assets are:							
Investment in associates	-	10,357	-	-	-	-	10,357
Investment in jointly controlled entities	-	-	515	-	-	-	515
Additional to property, plant and equipment	357	32,013	7,357	447	1,170	-	41,344
SEGMENT LIABILITIES	50,887	73,374	72,309	16,086	10,078	(45,775)	176,959
Deferred tax liabilities	61	4,974	9,428	2,557	13	-	17,033
TOTAL LIABILITIES	50,948	78,348	81,737	18,643	10,091	(45,775)	193,992

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 31 March 2020.

A10. Significant Post Balance Sheet Event

Significant event that happens as at 17 June 2020, being the date not earlier than 7 days from the date of this announcement is the widespread of the COVID-19 pandemic around the world. The pandemic has disrupted the world supply chain which has had affected the global economic and Malaysia's economy as well.

Since, the enforcement of Movement Control Order ("MCO") in Malaysia on 18 March 2020, all business activities have shrunk and the Group's has experienced a relatively lower volume of cargoes movement which may drag over the coming quarters. This shall have an adverse impact on our Group's financial performance.

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 31 March 2020:

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)

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

3. On 1 November 2019, Harbour-Link Group. Bhd. (“HLGB”), acquired the remaining 350,000 ordinary shares, representing 5% equity interest in Harbour Hornbill Sdn. Bhd. (“HHSB”), for a total cash consideration of RM103,412. Following the acquisition, effective interest in HHSB is 85% by HLGB.

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 March 2020 RM'000	31 Dec 2019 RM'000
Capital expenditure Authorised and contracted for	2,879	3,456

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 Mar 2020 RM'000	Balance due from/(to) As at 31 Mar 2020 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	38	46
Purchase of goods and services	(432)	(447)

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>31/03/2020</u>	<u>31/03/2019</u>	<u>RM'000</u>	<u>%</u>	<u>31/03/2020</u>	<u>31/03/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	156,909	148,519	8,390	6%	487,928	484,367	3,561	1%
Profit Before Interest and Tax	5,339	3,330	2,009	60%	34,461	38,256	(3,795)	(10%)
Profit Before Tax	3,665	2,663	1,002	38%	30,397	34,337	(3,940)	(11%)
Profit After Tax	897	2,141	(1,244)	(58%)	21,647	25,672	(4,025)	(16%)

The Group posted revenue of RM487.93 million for the current financial period ended 31 March 2020, which is RM3.56 million or 1% higher than the preceding financial period of RM484.37 million. The profit before tax for the current financial period ended 31 March 2020 is RM30.40 million, which is RM3.94 million or 11% lower than the preceding financial period of RM34.34 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 lifting, equipment sales and rental 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)

B1. Review of the Performance of the Group

Shipping and marine segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/03/2020	31/03/2019	RM'000	%	31/03/2020	31/03/2019	RM'000	%
Revenue	93,418	97,942	(4,524)	(5%)	288,209	315,804	(27,595)	(9%)
(Loss)/Profit Before Interest and Tax	(7)	(4,582)	4,575	100%	9,364	8,829	535	6%
(Loss) /Profit Before Tax	(238)	(4,756)	4,518	95%	9,592	8,600	991	12%
(Loss)/Profit After Tax	(977)	(4,017)	3,040	76%	7,551	7,190	361	5%

The shipping and marine segment recorded revenue of RM288.21 million which is RM27.60 million or 9% lower than the preceding financial period ended 31 March 2019 of RM315.80 million. The decrease in the revenue by 9% is due to lower volume of cargo handled to East Malaysia from Hong Kong and China due to Chinese New Year festival and outbreak of COVID-19 disease in China which lead to the lockdown in Wuhan city and other parts of China on 23rd January 2020. Then followed by the enforcement of Malaysia Movement Control on 18th March 2020. However, the profit before tax has increased by RM0.99 million or 12% compared to preceding financial period ended 31 March 2019 of RM8.6 million. The reason for the increase in the profit before tax is due to decrease in administrative cost mainly decrease in management bonus and incentives.

Integrated logistics segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/03/2020	31/03/2019	RM'000	%	31/03/2020	31/03/2019	RM'000	%
Revenue	42,199	39,124	3,075	8%	132,824	130,074	2,750	2%
Profit Before Interest and Tax	4,477	8,409	(3,932)	(47%)	22,649	27,280	(4,631)	(17%)
Profit Before Tax	3,616	7,730	(4,114)	(53%)	20,031	25,264	(5,233)	(21%)
Profit After Tax	2,249	6,966	(4,717)	(68%)	15,321	19,819	(4,498)	(23%)

The integrated logistics segment recorded a marginal increase in revenue of RM2.75 million to RM132.82 million as compared to the preceding financial period ended 31 March 2019 of RM130.07 million.

However, the profit before tax has recorded a decreased of RM5.23 million to RM20.03 million as compared to preceding financial period ended 31 March 2019 of RM25.26 million.

The decrease in the profit before tax is largely due to provision of impairment of trade receivables RM4.40 million and decrease in other income of RM1.92 million.

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>31/03/2020</u>	<u>31/03/2019</u>	<u>RM'000</u>	<u>%</u>	<u>31/03/2020</u>	<u>31/03/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	21,175	11,400	9,775	86%	65,451	38,302	27,149	71%
Profit Before Tax and Interest	2,213	805	1,408	>100%	6,052	1,191	4,861	>100%
Profit Before Tax	2,152	735	1,417	>100%	5,858	976	4,882	>100%
Profit After Tax	1,627	530	1,097	>100%	4,379	644	3,735	>100%

The engineering segment recorded revenue of RM65.45 million which is RM27.15 million higher than the preceding financial period ended 31 March 2019 of RM38.30 million. The profit before tax is RM5.86 million which is RM4.88 million or more than 100% higher than the preceding financial period ended 31 March 2019. The increase in revenue is due to few new projects that began in preceding financial period are at the advance stage. The increase in the profit before tax is in tandem with the increase in the revenue.

Property segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>31/03/2020</u>	<u>31/03/2019</u>	<u>RM'000</u>	<u>%</u>	<u>31/03/2020</u>	<u>31/03/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	118	52	66	>100%	1,445	187	1,258	>100%
(Loss)/Profit Before Interest and Tax	(94)	138	(232)	>100%	393	3,936	(3,543)	(90%)
(Loss)/Profit Before Tax	(94)	(10)	(84)	>100%	393	3,490	(3,097)	(89%)
(Loss) After Tax	(219)	(295)	76	>26%	(127)	2,132	(2,259)	>100%

The property development division recorded revenue of RM1.45 million which is RM1.26 million or more than 100% higher the preceding financial period 31 March 2019 of RM0.19 million. The profit before tax is RM0.39 million which is RM3.10 million or 89% lower than the preceding financial period ended 31 March 2019.

The significant profit before tax in preceding period ended 31 March 2019 of RM3.49 million is due to the sale of 1 unit of warehouse namely Lot 2655 Block 20, Kemena Land District, Bintulu. The profit before tax is from the gain of disposal RM4.17 million which is one-off transaction.

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 / %)	
	31/03/2020	31/03/2019	RM'000	%	31/03/2020	31/03/2019	RM'000	%
Revenue	-	-	-	-	-	-	-	-
Loss Before Tax and Interest	(1,253)	(815)	438	54%	(2,432)	(1,582)	850	54%
Loss Before Tax	(1,773)	(1,055)	718	68%	(3,912)	(2,595)	1,317	51%
Loss After Tax	(1,785)	(1,042)	743	71%	(3,912)	(2,716)	1,196	44%

The investment holdings recorded a loss before tax of RM3.91 million an increase of RM1.32 million than the preceding financial period 31 March 2019 of loss before tax of RM2.60 million.

B2. Comparison with Preceding Quarter's Results

	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000	RM'000	(amount / %)	
	31/03/2020	31/12/2019	RM'000	%
Revenue	156,910	164,588	(7,678)	(5%)
Profit Before Tax and Interest	5,339	15,747	(10,408)	(66%)
Profit Before Tax	3,665	14,460	(10,795)	(75%)
Profit After Tax	897	12,271	(11,377)	(93%)

The Group posted revenue of RM156.91 million for the current quarter ended 31 March 2020 which is RM7.68 million or 5% lower than the immediate preceding quarter ended 31 December 2019 of RM164.59 million. The profit before tax for the current quarter ended 31 March 2020 is RM3.67 million, which is RM10.80 million or 75% lower than the immediate preceding quarter ended 31 December 2019 of RM14.46 million.

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 Quarter RM'000	(amount / %)	
	<u>31/03/2020</u>	<u>31/12/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	93,418	96,262	(2,844)	(3%)
(Loss)/Profit Before Tax and Interest	(7)	6,376	(6,383)	>100%
(Loss)/Profit Before Tax	(238)	6,797	7,035	>100%
(Loss)/Profit After Tax	(977)	6,217	7,194	>100%

The shipping and marine segment posted a marginal decrease in revenue of RM2.84 million or 3% in the current quarter ended 31 March 2020 of RM93.42 million as compared to RM96.26 million in the immediate preceding quarter ended 31 December 2019. The huge decrease in profit before tax for the current quarter ended 31 March 2020 by RM7.04 million as compared to the immediate preceding quarter ended 31st March 2019 due to reason explained in B1.

<u>Integrated logistics segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding Quarter RM'000	(amount / %)	
	<u>31/03/2020</u>	<u>31/12/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	42,199	46,682	(4,483)	(10%)
Profit Before Interest and Tax	4,477	7,861	(3,384)	(43%)
Profit Before Tax	3,616	6,912	(3,296)	(48%)
Profit After Tax	2,249	6,203	(3,954)	(64%)

The integrated logistics segment posted decrease in revenue of RM4.48 million or 10% in the current quarter ended 31 March 2020 of RM42.20 million as compared to RM46.68 million in the immediate preceding quarter ended 31 December 2019 due to lower volume cargo handling during the Chinese New Year festive holidays and lockdown period due to the enforcement of Malaysia Movement Control since the outbreak of COVID-19 pandemic until today.

The profit before tax for the current quarter ended 31 March 2020 is RM3.62 million, which is RM3.30 million or 48% lower than the immediate preceding quarter ended 31 December 2019 of RM6.91 million due to impairment of trade receivables of RM3.07 million and lower revenue generated.

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>Engineering segment</u>	<u>31/03/2020</u>	<u>Quarter</u>	<u>RM'000</u>	<u>%</u>
		<u>31/12/2019</u>		
Revenue	21,175	20,355	820	4%
Profit Before Interest and Tax	2,213	2,117	96	5%
Profit Before Tax	2,152	2,051	101	5%
Profit After Tax	1,627	1,522	105	7%

The engineering segment posted a marginal increase in revenue of RM0.82 million or 4% in the current quarter ended 31 March 2020 of RM21.18 million as compared to RM20.36 million in the immediate preceding quarter ended 31 December 2019. The increase in profit before tax of RM0.10 million in the current quarter ended 31 March 2020 of RM2.15 million as compared to RM2.05 million are in tandem with the increase in the revenue.

	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
<u>Property segment</u>	<u>31/03/2020</u>	<u>Quarter</u>	<u>RM'000</u>	<u>%</u>
		<u>31/12/2019</u>		
Revenue	118	1,289	(1,171)	(91%)
(Loss)/Profit Before Interest and Tax	(94)	576	(670)	(>100%)
(Loss)/Profit Before Tax	(94)	707	(801)	(>100%)
(Loss)/Profit After Tax	(219)	319	(538)	(>100%)

The property segment posted a decrease in revenue in the current quarter ended 31 March 2020 of RM1.17 million as compared to RM1.29 in the immediate preceding quarter ended 31 December 2019. The decrease in revenue has resulted in the loss before tax for the current quarter ended 31 March 2020 of RM0.09 million, which is RM0.80 million lower than the immediate preceding quarter ended 31 December 2019 of loss before tax of RM0.71 million.

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>31/03/2020</u>	Quarter	<u>RM'000</u>	<u>%</u>
		<u>31/12/2019</u>		
Revenue	-	-	-	-
Loss Before Interest and Tax	(1,253)	(746)	507	68%
Loss Before Tax	(1,773)	(1,284)	489	38%
Loss After Tax	(1,785)	(1,268)	517	41%

The investment holdings recorded a loss before tax of RM1.77 million an increase of loss of RM0.49 million or 38% as compare to the immediate preceding quarter ended 31 December 2019 of RM1.28 million.

B3. Prospects

The current COVID-19 pandemic and enforcement of Movement Control Orders in Malaysia has impacted the Group business activities at present and the near future.

Our shipping/marine and integrated logistics business segments have experienced low volume of cargoes movement since the end of January 2020. We expect the low traffic to continue till the ending of 1st quarter of financial year 2021. However, we are hoping that the spread of the COVID-19 disease will be under control with further easing of Movement Control Order ("MCO") in Malaysia and also other countries.

Under these uncertainties, the Group has prepared to take every precaution and strategic measures to face the fluctuation of fuel oil prices and Ringgit Malaysia foreign exchange and the overcapacity of shipping space in the market. We will continue to operate more economically in terms of operational costs management, fleet efficiency and trading routes enhancement. The Group believe that Malaysia domestic market will rebound fast with the help of the Government Economic Stimulus Plan Package.

Our Engineering business segment will continue to deliver the project in hand although there was some setback during the enforcement MCO period. With the easing of the MCO, we will bring the work in progress up to track.

On the coming quarter, we may be facing certain impairment on our assets due to the declines in quoted asset values from the effects of COVID-19.

We shall expect FY2020 to be challenging, hence we believe this shall have adverse impact of our financial performance.

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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
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	<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	(94)	(190)	(572)	(1,068)
Amortisation of prepaid land lease payment	245	67	524	200
Amortisation of right-to-use assets	1,135	-	1,187	-
Depreciation of plant and equipment	5,911	6,190	17,319	18,222
Depreciation to investment properties	77	53	190	157
Finance cost	1,674	1,290	4,064	3,919
Allowance of impairment of receivables, net of allowance	1,802	(2,011)	4,970	(2,495)

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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
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	1,208	1,748	7,752	8,686
Underprovision of tax expense in the prior year	463	-	463	-
Deferred tax expense:				
Origination and reversal of temporary difference	1,097	(1,225)	535	(21)
	2,768	523	8,750	8,665

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 due to certain expenses not allowable for tax purposes and non-recognition of deferred tax assets for losses incurred in certain subsidiaries.

B7. Status of Corporate Proposal

There were no pending corporate proposals up to 17 June 2020, 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 31 March 2020 and 31 March 2019 are as follows:

	As at 31 March 2020		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	5,786	22,193	27,979
Bank Overdraft	2,191	-	2,191
Finance Lease Liabilities	9,220	15,295	24,515
	<u>17,197</u>	<u>37,488</u>	<u>54,685</u>
Unsecured			
Bankers' Acceptance	6,657	-	6,657
Revolving Credit	23,420	-	23,420
	<u>30,077</u>	<u>-</u>	<u>30,077</u>
	<u>47,274</u>	<u>37,488</u>	<u>84,762</u>
	As at 31 March 2019		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	7,461	23,779	31,240
Bank Overdraft	1,624	-	1,624
Finance Lease Liabilities	7,881	18,018	25,899
	<u>16,966</u>	<u>41,797</u>	<u>58,763</u>
Unsecured			
Bankers' Acceptance	4,676	-	4,676
Revolving Credit	16,870	-	16,870
	<u>21,546</u>	<u>-</u>	<u>21,546</u>
	<u>38,512</u>	<u>41,797</u>	<u>80,309</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 31 March 2020.

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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 17 June 2020, 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 17 June 2020 being the date not earlier than 7 days from the date of this announcement.

B12. Dividend declared

No interim ordinary dividend has been declared 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 31 March 2020 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 RM2,272,000 and RM23,123,000 by the number of ordinary shares in issue during the current quarter and financial period ended 31 March 2020 of 400,400,004.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Earnings Per Share				
Profit net of tax attributable to Owners of the parent (in RM'000)	2,272	2,872	23,123	23,041
Weighted average number of ordinary shares in issue ('000)	400,400	400,400	400,400	400,400
Basic earnings per share (sen)	0.57	0.72	5.77	5.75
Diluted earnings per share (sen)*	0.57	0.72	5.77	5.75

*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 31 March 2020 pursuant to paragraph 8.23(1) of the Listing Requirements.

	31 March 2020	31 Dec 2019
	RM'000	RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	15,319	15,899
	=====	=====

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 March 2020.

This announcement is dated 24 June 2020.