

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30TH JUNE 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 / %)	
	30/06/2020	30/06/2019	RM'000	%	30/06/2020	30/06/2019	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	132,925	144,201	(11,276)	(8%)	620,853	593,951	26,902	5%
Operating expenses	(102,950)	(125,289)	22,339	(18%)	(518,699)	(510,980)	(7,719)	2%
Gross profit	29,975	18,912	11,063	58%	102,154	82,971	19,183	23%
Interest income	316	71	245	>100%	888	1,138	(250)	(22%)
Other income	1,037	2,307	(1,270)	(55%)	4,754	14,614	(9,860)	(67%)
Administrative expenses	(16,048)	(13,248)	(2,800)	21%	(59,623)	(53,935)	(5,688)	11%
Impairment of assets	(8,220)	-	(8,220)	>100%	(8,220)	-	(8,220)	>100%
Finance costs	(2,089)	(1,331)	(758)	57%	(6,153)	(5,250)	(903)	17%
Share of results of jointly controlled entity	(10)	(13)	3	(23%)	(53)	(60)	7	(11%)
Share of results of associated companies	(400)	873	(1,273)	>100%	1,214	2,429	(1,215)	(50%)
Profit before taxation	4,561	7,571	(3,010)	(40%)	34,961	41,907	(6,946)	(17%)
Taxation	(2,508)	(4,010)	1,502	(37%)	(11,259)	(12,675)	1,416	(11%)
Net profit for the year	2,053	3,561	(1,508)	(42%)	23,702	29,232	(5,530)	(19%)
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Exchange difference on translation of foreign entity	33	261	(228)	(87%)	662	727	(65)	(9%)
Total comprehensive income for the year	2,086	3,822	(1,736)	(45%)	24,364	29,959	(5,595)	(19%)
Profit for the year attributable to:								
Owners of the parent	3,504	1,946	1,558	80%	26,628	24,986	1,642	7%
Non-Controlling Interests	(1,451)	1,615	(3,066)	>100%	(2,926)	4,246	(7,172)	>100%
	2,053	3,561	(1,508)	(42%)	23,702	29,232	(5,530)	(19%)
Total Comprehensive income for the year attributable to:								
Owners of the parent	3,537	2,207	1,330	60%	27,290	25,710	1,580	6%
Non-Controlling Interests	(1,451)	1,615	(3,066)	>100%	(2,926)	4,249	(7,175)	>100%
	2,086	3,822	(1,736)	(45%)	24,364	29,959	(5,595)	(19%)
Earnings per share ("EPS") (in sen)								
Basic earnings per share (sen) (Note B13)	0.88	0.49	0.39	80%	6.65	6.24	0.41	7%
Diluted earnings per share (sen) (Note B13)	0.88	0.49	0.39	80%	6.65	6.24	0.41	7%

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
	30/06/2020	30/06/2019
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	255,074	259,812
Right-to-use assets	10,369	-
Investment properties	8,812	3,432
Prepaid land lease payment	5,711	5,852
Inventories	43,648	44,527
Investment in jointly-controlled entity	449	502
Investment in associates	12,713	11,248
Other Investment	516	216
Deferred tax assets	1,835	1,061
Trade and other receivables	2,005	1,204
	341,132	327,854
Current assets		
Inventories	35,703	32,873
Trade and other receivables	125,768	139,671
Investment securities	15,720	17,728
Other current assets	16,516	27,344
Cash and bank balance	142,808	105,704
	336,515	323,321
TOTAL ASSETS	677,647	651,175
LIABILITIES		
Current liabilities		
Loans and borrowings	40,281	41,517
Trade and other payables	75,628	86,721
Other current liabilities	4,757	2,112
Tax payables	6,856	2,871
	127,522	133,222
Non-current liabilities		
Deferred tax liabilities	15,891	16,512
Lease liabilities	7,713	-
Loans and borrowings	46,093	39,992
	69,697	56,504
TOTAL LIABILITIES	197,219	189,726
NET ASSETS	480,428	461,449
EQUITY		
Share capital	200,200	200,200
Revenue reserves	220,059	197,687
Total shareholders' equity	420,259	397,887
Non-controlling interest	60,169	63,562
TOTAL EQUITY	480,428	461,449
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	1.05	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 YEAR ENDED 30 JUNE 2020
(The figures have not been audited).

	CURRENT YEAR ENDED 30/06/2020	COMPARABLE YEAR ENDED 30/06/2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	34,961	41,907
Adjustments for:		
Non-operating items	6,106	(9,237)
Amortisation of right-to-use assets	2,365	-
Depreciation	27,561	23,142
Impairment of assets	8,220	-
Interest expense	6,153	5,250
Interest income	(888)	(1,139)
Share of results in associates and jointly controlled entity	(1,161)	(2,369)
Operating profit before changes in working capital	83,317	57,554
Changes in working capital:		
Increase in inventories	(204)	(2,518)
Decrease in trade and other receivables	2,937	1,332
Decrease/(increase) in amount due from customers for contract works	8,971	(969)
Increase/(decrease) in other current liabilities	2,645	(5,077)
(Decrease)/increase in trade and other payables	(12,789)	1,134
Net cash generated from operations activities	84,877	51,456
Interest paid	(6,153)	(5,250)
Interest received	888	1,139
Tax paid	(6,073)	(18,929)
Net cash generated from operating activities	73,539	28,416
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,442)	(62,101)
Decrease in fixed deposit pledged	1,600	81
Decrease in financial assets	4,164	-
Decrease in investment securities	2,008	14,273
Purchase of treasury shares	(354)	-
Net cash inflow acquisition of subsidiaries	347	659
Capital contributed by non controlling interest in subsidiary	-	5,553
Disposal of Non Controlling Interest in Subsidiaries	(499)	(1,437)
Dividend received	332	766
Net cash outflow acquisition of subsidiaries	(300)	(216)
Proceeds from disposal of property, plant and equipment	943	20,859
Net cash used in investing activities	(21,201)	(21,563)
Cash flows from financing activities		
Dividend paid	(4,879)	(4,943)
Net proceeds from/(repayment of) borrowings	2,913	(1,989)
Net repayment of lease payables	(10,571)	(10,140)
Net cash used in financing activities	(12,537)	(17,072)
Net increase/(decrease) in cash and cash equivalents	39,801	(10,219)
Cash and cash equivalents at beginning of period	99,603	109,822
Cash and cash equivalents at end of period	139,404	99,603

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

Cash and bank balances	142,808	105,704
Bank overdraft	(31)	(3,914)
Cash at bank pledged as securities for bank borrowings	(3,373)	(2,187)
	<u>139,404</u>	<u>99,603</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 12 MONTHS YEAR ENDED 30 JUNE 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	TREASURY SHARES RM'000	NON-DISTRIBUTABLE	DISTRIBUTABLE	
					FOREIGN CURRENCY TRANSLATION RESERVE RM'000	RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000	
12 MONTHS ENDED 30 JUNE 2020							
At 1 July 2019	461,449	397,887	200,200	-	2,272	195,415	63,562
Capital contributed by Non Controlling Interest in Subsidiaries	450	-	-	-	-	-	450
Purchase of treasury shares	(354)	(354)	-	(354)	-	-	-
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	24,364	27,290	-	-	662	26,628	(2,926)
At 30 JUNE 2020	480,428	420,259	200,200	(354)	2,934	217,479	60,169
12 MONTHS ENDED 30 JUNE 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	5,554	-	-	-	-	-	5,554
Disposal by Non Controlling Interest in Subsidiaries	(1,605)	-	-	-	-	-	(1,605)
Acquisition of Non Controlling Interest in Subsidiaries	518	169	-	-	-	169	349
Dividends on ordinary shares	(4,943)	(4,004)	-	-	-	(4,004)	(939)
Total comprehensive income for the period	29,958	25,709	-	-	723	24,986	4,249
At 30 JUNE 2019	461,449	397,887	200,200	-	2,272	195,415	63,562

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 RM12,733,887 of right-of-use assets and lease liabilities. The Group discounted lease payments at weighted average rate of 6.1%. Accordingly, the Group has recognised amortisation of right-of-use assets of RM2,364,954 and finance costs of RM587,305 for these leases for the twelve months ended 30 June 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 Section 266 of the Companies Act, 2016.

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 year ended 30 June 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 year under review.

A6. *Debt and Equity Securities*

Repurchase of shares as Treasury Shares

On 25 November 2019, shareholders of the Company had approved and renewed their approval authority for the Company's plan to repurchase its own ordinary shares. The Company has purchased its own ordinary shares at average price of RM0.502 per share during the current quarter. As at 30 June 2020, the Company had purchased and hold a cumulative total 706,700 of its issued ordinary shares repurchased from open market at an overall average price at RM0.502 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

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.

A8. Segment Information (Cont'd)

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

Financial year to date 30 June 2020	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>
REVENUE							
Revenue from external sales	-	358,636	174,462	86,139	1,616	-	620,853
Inter-segment sales	1,860	110	22,926	-	104	(25,000)	-
	<u>1,860</u>	<u>358,746</u>	<u>197,688</u>	<u>86,139</u>	<u>1,720</u>	<u>(25,000)</u>	<u>620,853</u>
RESULTS							
(Loss)/profit before taxation from the normal operations	(4,165)	6,465	21,599	12,778	(386)	(1,330)	34,961
Profit before taxation includes:							
Amortisation of prepaid land lease payment	144	-	717	-	-	-	861
Amortisation of right-to-use assets	-	1,159	1,206	-	-	-	2,365
Depreciation to investment properties	-	-	265	3	-	-	268
Depreciation	311	11,541	13,993	429	158	-	26,432
Finance cost	1,915	3,852	2,724	249	565	(3,152)	6,153
Allowance/(reversal) of impairment on trade receivables	-	1,224	5,988	(89)	62	-	7,185
Impairment of assets	-	8,220	-	-	-	-	8,220
Share of profit/(loss) in jointly controlled entities and associates	-	1,214	(53)	-	-	-	1,161

A8. Segment Information (Cont'd)

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

Financial year to date 30 June 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
SEGMENT ASSETS	36,601	262,142	258,896	92,616	75,270	(49,713)	675,812
Deferred tax assets	-	1,232	593	-	10	-	1,835
TOTAL ASSETS	36,601	263,374	259,489	92,616	75,280	(49,713)	677,647
Included in measure of segment assets are:							
Investment in associates	-	12,713	-	-	-	-	12,713
Investment in jointly controlled entities	-	-	449	-	-	-	449
Additional to property, plant and equipment	-	23,545	3,584	2,295	18	-	29,442
SEGMENT LIABILITIES	33,376	74,698	80,924	15,996	8,455	(32,121)	181,328
Deferred tax liabilities	-	4,274	9,323	2,294	-	-	15,891
TOTAL LIABILITIES	33,376	78,972	90,247	18,290	8,455	(32,121)	197,219

A8. Segment Information (Cont'd)

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

Financial year to date <u>30 JUNE 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>
REVENUE							
Revenue from external sales	-	366,071	161,914	64,263	1,703	-	593,951
Inter-segment sales	9,008	234	20,227	-	188	(29,657)	-
	<u>9,008</u>	<u>366,305</u>	<u>182,141</u>	<u>64,263</u>	<u>1,891</u>	<u>(29,657)</u>	<u>593,951</u>
RESULTS							
(Loss)/profit before taxation from the normal operations	(3,087)	10,156	30,572	3,423	3,820	(2,977)	41,907
Profit before taxation includes:							
Amortisation of prepaid land lease payment	-	20	121	-	-	-	141
Depreciation to investment properties	-	-	62	4	30	-	96
Depreciation	391	8,105	13,796	405	222	(13)	22,906
Finance cost	1,610	2,514	2,815	284	576	(2,549)	5,250
Reversal of allowance for impairment on trade receivables	-	(1,799)	(3,527)	(29)	-	-	(5,355)
Share of profit/(loss) in jointly controlled entities and associates	-	2,429	(60)	-	-	-	2,369

A8. Segment Information (Cont'd)

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

Financial year to date 30 June 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	49,903	247,484	262,022	86,382	76,406	(72,083)	650,114
Deferred tax assets	-	412	186	-	463	-	1,061
TOTAL ASSETS	49,903	247,896	262,208	86,382	76,869	(72,083)	651,175
Included in measure of segment assets are:							
Investment in associates	-	11,248	-	-	-	-	11,248
Investment in jointly controlled entities	-	-	502	-	-	-	502
Additional to property, plant and equipment	35,104	483	20,906	3,161	2,447	-	62,101
SEGMENT LIABILITIES	49,520	71,848	72,044	16,094	10,172	(46,464)	173,214
Deferred tax liabilities	56	4,598	9,240	2,607	11	-	16,512
TOTAL LIABILITIES	49,576	76,446	81,284	18,701	10,183	(46,464)	189,726

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

A9. Property, Plant and Equipment

There was no valuation on property, plant and equipment during the current quarter and financial year ended 30 June 2020.

A10. Significant Post Balance Sheet Event

Significant event that happens as at 18 August 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 has experienced a relatively lower volume of cargoes movement which may drag over the coming quarters.

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 June 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

	30 June 2020 RM'000	31 March 2020 RM'000
Capital expenditure Authorised and contracted for	2,445	2,879
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A14. Related Party Transactions

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

	Current Quarter ended 30 June 2020 RM'000	Balance due from/(to) As at 30 June 2020 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	716	603
Purchase of goods and services	(1,503)	(1,191)
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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>30/06/2020</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	132,925	144,201	(11,276)	(8%)	620,853	593,951	26,902	5%
Profit Before Interest and Tax	6,650	7,154	(504)	(7%)	41,114	47,157	(6,043)	(13%)
Profit Before Tax	4,561	7,571	(3,010)	(40%)	34,961	41,907	(6,946)	(17%)
Profit After Tax	2,053	3,560	(1,507)	(43%)	23,702	29,232	(5,530)	(19%)

The Group posted revenue of RM620.85 million for the current financial year ended 30 June 2020, which is RM26.9 million or 5% higher than the preceding financial year of RM593.95 million. The profit before tax for the current financial year ended 30 June 2020 is RM34.96 million, which is RM6.95 million or 17% lower than the preceding financial year of RM41.91 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 / %)	
	30/06/2020	30/06/2019	RM'000	%	30/06/2020	30/06/2019	RM'000	%
Revenue	70,660	84,884	(14,224)	(17%)	358,869	366,071	(7,202)	(2%)
(Loss)/Profit Before Interest and Tax	(2,990)	1,023	(4,013)	>100%	6,913	10,137	(3,224)	(32%)
(Loss)/Profit Before Tax	(3,668)	1,725	(5,393)	>100%	6,465	10,156	(3,691)	(36%)
(Loss)/Profit After Tax	(4,295)	497	(4,792)	>100%	3,795	7,746	(3,951)	(51%)

The shipping and marine segment recorded revenue of RM358.87 million which is RM7.20 million or 2% lower than the preceding financial year ended 30 June 2019 of RM366.07 million. The decrease in the revenue by 2% is due to lower volume of cargo handled during the quarter under review due to the widespread of the COVID-19 pandemic which resulted in Movement Control Order being enforced on 18th March 2020.

The profit before tax of RM6.47 million has decreased by RM3.69 million or 36% compared to preceding financial year ended 30 June 2019 of RM10.16 million. The reason for the decrease in the profit before tax is due to mainly impairment of assets of RM8.22 million during the financial year ended 30 June 2020. The impairment of assets provided was in line when events and change in circumstances indicated the carrying value is affected due to the current covid-19 pandemic which have significantly disrupted some business operation and demand of the current fleet utilization.

Integrated logistics segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/06/2020	30/06/2019	RM'000	%	30/06/2020	30/06/2019	RM'000	%
Revenue	41,638	31,840	9,798	31%	174,462	161,914	12,548	8%
Profit Before Interest and Tax	2,471	6,164	(3,693)	(60%)	25,239	33,444	(8,205)	(25%)
Profit Before Tax	1,449	5,308	(3,859)	(73%)	21,599	30,572	(8,973)	(29%)
Profit After Tax	1,505	3,346	(1,841)	(55%)	16,945	23,165	(6,220)	(27%)

The integrated logistics segment recorded an increase in revenue of RM12.55 million to RM174.46 million an increase of 8% as compared to the preceding financial year ended 30 June 2019 of RM161.91 million.

However, the profit before tax has recorded a decreased of RM8.97 million to RM21.60 million as compared to preceding financial year ended 30 June 2019 of RM30.57 million.

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

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

The decrease in the profit before tax is largely due to provision of impairment on trade receivables RM5.27 million and decrease in other income of RM1.92 million. In addition to that, there is a drop in the transportation of cargoes due to the lockdown restriction imposed by the Government of Malaysia on 18th March 2020 with the easing restriction on 9th June 2020 which was resulted from the pandemic.

Engineering segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	20,688	25,961	(5,273)	(20%)	86,139	64,263	21,876	34%
Profit Before Tax and Interest	6,975	2,515	4,460	>100%	13,027	3,634	9,393	>100%
Profit Before Tax	6,920	2,375	4,545	>100%	12,778	3,423	9,355	>100%
Profit After Tax	5,251	1,283	3,968	>100%	9,630	1,927	7,703	>100%

The engineering segment recorded revenue of RM86.14 million which is RM21.88 million higher than the preceding financial year ended 30 June 2019 of RM64.26 million. The profit before tax is RM12.78 million which is RM9.36 million or more than 100% higher than the preceding financial year ended 30 June 2019. The increase in revenue is due to bigger size of projects being executed thus resulted in increase in billing during the year. 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>30/06/2020</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>	<u>30/06/2020</u>	<u>30/06/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	172	1,516	(1,344)	>100%	1,616	1,703	(87)	(5%)
(Loss)/Profit Before Interest and Tax	(780)	48	(828)	>100%	(386)	4,396	(4,782)	>100%
(Loss)/Profit Before Tax	(780)	(392)	(1,172)	>100%	(386)	3,820	(4,206)	>100%
(Loss)/Profit After Tax	(898)	(147)	(751)	>100%	(1,025)	2,552	(3,577)	>100%

The property development division recorded revenue of RM1.62 million which is RM0.09 million or 5% lower the preceding financial year 30 June 2019 of RM1.70 million. The loss before tax is RM0.39 million which is RM4.21 million or more than 100% lower than the preceding financial year ended 30 June 2019.

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

The significant profit before tax in preceding period ended 30 June 2019 of RM3.82 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.

Investment Holding	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/06/2020	30/06/2019	RM'000	%	30/06/2020	30/06/2019	RM'000	%
Revenue	-	-	-	-	-	-	-	-
Loss Before Tax and Interest	183	105	78	74%	(2,249)	(1,477)	772	52%
Loss Before Tax	(253)	(492)	239	49%	(4,165)	(3,087)	1,078	35%
Loss After Tax	(253)	(465)	212	46%	(4,165)	(3,180)	985	31%

The investment holdings recorded a loss before tax of RM4.17 million an increase of RM1.08 million than the preceding financial year 30 June 2019 of loss before tax of RM3.09 million.

B2. Comparison with Preceding Quarter's Results

	Current quarter RM'000	Immediate Preceding Quarter RM'000	Changes (amount / %)	
	30/06/2020	31/03/2020	RM'000	%
Revenue	132,925	156,910	(23,985)	(15%)
Profit Before Tax and Interest	6,650	5,339	1,311	25%
Profit Before Tax	4,561	3,665	896	24%
Profit After Tax	2,053	897	1,156	>100%

The Group posted revenue of RM132.93 million for the current quarter ended 30 June 2020 which is RM23.99 million or 15% lower than the immediate preceding quarter ended 31 March 2020 of RM156.91 million. The profit before tax for the current quarter ended 30 June 2020 is RM4.56 million, which is RM0.90 million higher than the immediate preceding quarter ended 31 March 2020 of RM3.67 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	(amount / %)	
	<u>30/06/2020</u>	Quarter	<u>RM'000</u>	<u>%</u>
		RM'000	<u>31/03/2020</u>	
Revenue	70,660	93,418	(22,758)	(24%)
Loss Before Tax and Interest	(2,990)	(7)	(2,997)	>100%
Loss Before Tax	(3,668)	(238)	(3,906)	>100%
Loss After Tax	(4,295)	(977)	(5,272)	>100%

The shipping and marine segment posted a decrease in revenue of RM22.76 million or 24% in the current quarter ended 30 June 2020 of RM70.66 million as compared to RM93.42 million in the immediate preceding quarter ended 31 March 2020.

The decrease in profit before tax for the current quarter ended 30 June 2020 by RM3.91 million as compared to the immediate preceding quarter ended 31 March 2020 is as explained in B1.

<u>Integrated logistics segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
	<u>30/06/2020</u>	Quarter	<u>RM'000</u>	<u>%</u>
		RM'000	<u>31/03/2020</u>	
Revenue	41,638	42,199	(561)	(1%)
Profit Before Interest and Tax	2,471	4,477	(2,006)	(45%)
Profit Before Tax	1,449	3,616	(2,167)	(60%)
Profit After Tax	1,505	2,249	(744)	(33%)

The integrated logistics segment posted an marginal decrease in revenue of RM0.56 million or 1% in the current quarter ended 30 June 2020 of RM41.64 million as compared to RM42.20 million in the immediate preceding quarter ended 31 March 2020.

The profit before tax for the current quarter ended 30 June 2020 is RM1.45 million, which is RM2.17 million or 60% lower than the immediate preceding quarter ended 31 March 2020 of RM3.62 million due to additional impairment of trade receivables being provided during the current quarter under review.

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

	Current quarter RM'000	Immediate Preceding Quarter RM'000	Changes (amount / %)	
			RM'000	%
<u>Engineering segment</u>	<u>30/06/2020</u>	<u>31/03/2020</u>		
Revenue	20,688	21,175	(487)	(2%)
Profit Before Interest and Tax	6,975	2,213	4,762	>100%
Profit Before Tax	6,920	2,152	4,768	>100%
Profit After Tax	5,251	1,627	3,624	>100%

The engineering segment posted a marginal decrease in revenue of RM0.49 million or 2% in the current quarter ended 30 June 2020 of RM20.69 million as compared to RM21.18 million in the immediate preceding quarter ended 31 March 2020. The increase in profit before tax of RM4.77 million in the current quarter ended 30 June 2020 of RM6.92 million as compared to RM2.15 million due to realization of profit from the completion of projects.

	Current quarter RM'000	Immediate Preceding Quarter RM'000	Changes (amount / %)	
			RM'000	%
<u>Property segment</u>	<u>30/06/2020</u>	<u>31/03/2020</u>		
Revenue	172	118	54	46%
Loss Before Interest and Tax	(780)	(94)	(686)	>100%
Loss Before Tax	(780)	(94)	(686)	>100%
Loss After Tax	(898)	(219)	(679)	>100%

The property segment posted a marginal increase in revenue in the current quarter ended 30 June 2020 of RM0.05 million as compared to RM0.12 million in the immediate preceding quarter ended 31 March 2020.

The loss before tax for the current quarter ended 30 June 2020 of RM0.78 million, which is RM0.69 million higher than the immediate preceding quarter ended 31 March 2020 of loss before tax of RM0.09 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>30/06/2020</u>	Quarter	<u>RM'000</u>	<u>%</u>
		<u>31/03/2020</u>		
Revenue	-	-	-	-
Loss Before Interest and Tax	183	(1,253)	1,436	>100%
Loss Before Tax	(253)	(1,773)	1,520	86%
Loss After Tax	(253)	(1,785)	1,532	86%

The investment holdings recorded a loss before tax of RM0.25 million an decrease of loss of RM1.52 million or 86% as compare to the immediate preceding quarter ended 31 March 2020 of RM1.77 million due to lower administrative cost.

B3. Prospects

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

Our shipping/marine and integrated logistics business segments expected to experience low volume of cargoes movement till the end of the fiscal year 2020.

Our engineering and construction business segment will continue to face stiff competition in tendering for projects. However, we will continue to complete and deliver the projects on hand.

We expect FY2021 to be challenging hence we shall be cautious and keep abreast on the current development while maintaining cost control and manage our operation efficiency.

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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
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	<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	(316)	(70)	(888)	(1,138)
Amortisation of prepaid land lease payment	337	59	861	141
Amortisation of right-to-use assets	2,365	-	2,365	-
Depreciation of plant and equipment	9,237	4,684	26,556	22,906
Depreciation to investment properties	78	61	268	96
Finance cost	2,089	1,331	7,545	5,250
Allowance/(reversal) of impairment on receivables	2,215	(2,860)	7,185	(5,355)

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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
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	1,753	3,489	9,506	12,175
Underprovision of tax expense in the prior year	-	-	463	-
Deferred tax expense:				
Origination and reversal of temporary difference	755	521	1,290	500
	2,508	523	11,259	12,675

The effective tax rate of the Group for the current quarter and financial year 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. Status of Corporate Proposal

There were no pending corporate proposals up to 18 August 2020, being the date not earlier than 7 days from the date of this announcement.

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

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2020 and 30 June 2019 are as follows:

	As at 30 June 2020		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	5,318	20,916	26,234
Bank Overdraft	31	-	31
Finance Lease Liabilities	8,292	25,177	33,469
	<u>13,641</u>	<u>46,093</u>	<u>59,734</u>
Unsecured			
Bankers' Acceptance	5,440	-	5,440
Revolving Credit	21,200	-	21,200
	<u>26,640</u>	<u>-</u>	<u>26,640</u>
	<u>40,281</u>	<u>46,093</u>	<u>86,374</u>
	As at 30 June 2019		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	7,194	22,045	29,239
Bank Overdraft	3,914	-	3,914
Finance Lease Liabilities	9,815	17,947	27,762
	<u>20,923</u>	<u>39,992</u>	<u>60,915</u>
Unsecured			
Bankers' Acceptance	6,374	-	6,374
Revolving Credit	14,220	-	14,220
	<u>20,594</u>	<u>-</u>	<u>20,594</u>
	<u>41,517</u>	<u>39,992</u>	<u>81,509</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 June 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 18 August 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 18 August 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 30 June 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 year of RM3,504,000 and RM26,628,000 by the weighted average number of ordinary shares in issue (net of treasury shares) during the current quarter and financial year ended 30 June 2020 of 400,367,364.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Earnings Per Share				
Profit net of tax attributable to Owners of the parent (in RM'000)	3,504	1,946	26,628	24,986
Weighted average number of ordinary shares in issue ('000)	400,367	400,400	400,367	400,400
Basic earnings per share (sen)	0.88	0.49	6.65	6.24
Diluted earnings per share (sen)*	0.88	0.49	6.65	6.24

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

	30 June 2020	31 March 2020
	RM'000	RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	11,718	15,319
	=====	=====

The Provision of Financial Assistance will not have any material effect on the net assets, earnings per share, gearing, the share capital and substantial shareholders' shareholding of Harbour-Link for the financial period ended 30 June 2020.

This announcement is dated 25 August 2020.