

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 2020
(The figures have not been audited).

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES (Amount / %)		CURRENT PERIOD	PRECEDING PERIOD	CHANGES (Amount / %)	
	30/09/2020 RM'000	30/09/2019 RM'000	RM'000	%	30/09/2020 RM'000	30/09/2019 RM'000	RM'000	%
Revenue	133,804	166,431	(32,627)	(20%)	133,804	166,431	(32,627)	(20%)
Operating expenses	(108,329)	(142,051)	33,722	(24%)	(108,329)	(142,051)	33,722	(24%)
Gross profit	25,475	24,380	1,095	4%	25,475	24,380	1,095	4%
Interest income	307	214	93	43%	307	214	93	43%
Other income	3,447	991	2,456	>100%	3,447	991	2,456	>100%
Administrative Expenses	(11,713)	(13,164)	1,451	(11%)	(11,713)	(13,164)	1,451	(11%)
Finance costs	(1,205)	(1,102)	(103)	9%	(1,205)	(1,102)	(103)	9%
Share of results of jointly controlled entity	(47)	(9)	(38)	(>100%)	(47)	(9)	(38)	(>100%)
Share of results of associated companies	(1,641)	965	(2,606)	(>100%)	(1,641)	965	(2,606)	(>100%)
Profit before taxation	14,623	12,275	2,348	19%	14,623	12,275	2,348	19%
Taxation	(2,474)	(3,793)	1,319	(35%)	(2,474)	(3,793)	1,319	(35%)
Net profit for the year	12,149	8,482	3,667	43%	12,149	8,482	3,667	43%
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Exchange difference on translation of foreign entity	(655)	65	(720)	(>100%)	(655)	65	(720)	(>100%)
Total comprehensive income for the year	11,494	8,547	2,947	34%	11,494	8,547	2,947	34%
Profit for the year attributable to:								
Owners of the parent	9,340	8,925	415	5%	9,340	8,925	415	5%
Non-Controlling Interests	2,809	(443)	3,252	(>100%)	2,809	(443)	3,252	(>100%)
	12,149	8,482	3,667	43%	12,149	8,482	3,667	43%
Total Comprehensive income for the year attributable to:								
Owners of the parent	8,685	8,990	(305)	(3%)	8,685	8,990	(305)	(3%)
Non-Controlling Interests	2,809	(443)	3,252	(>100%)	2,809	(443)	3,252	(>100%)
	11,494	8,547	2,947	34%	11,494	8,547	2,947	34%
Earnings per share ("EPS") (in sen)								
Basic earnings per share (sen) (Note B13)	2.34	2.23	0.11	5%	2.34	2.23	0.11	5%
Diluted earnings per share (sen) (Note B13)	2.34	2.23	0.11	5%	2.34	2.23	0.11	5%

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 2020.

HARBOUR-LINK GROUP BERHAD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION

	As at	As at
	30/09/2020	30/06/2020
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	264,269	271,327
Investment properties	10,055	10,150
Inventories	43,163	43,648
Investment in jointly-controlled entity	402	449
Investment in associates	10,831	12,841
Other Investment	216	216
Deferred tax assets	1,783	1,277
Trade and other receivables	1,833	2,141
	332,552	342,049
Current assets		
Inventories	34,834	35,700
Trade and other receivables	139,579	127,170
Investment securities	18,551	13,407
Other current assets	10,530	9,108
Cash and bank balance	135,797	146,397
	339,291	331,782
TOTAL ASSETS	671,843	673,830
LIABILITIES		
Current liabilities		
Loans and borrowings	36,729	46,899
Trade and other payables	72,218	72,757
Other current liabilities	4,095	5,384
Tax payables	4,690	3,470
	117,732	128,510
Non-current liabilities		
Deferred tax liabilities	16,003	15,789
Loans and borrowings	46,479	49,371
	62,482	65,160
TOTAL LIABILITIES	180,214	193,670
NET ASSETS	491,629	480,160
EQUITY		
Share capital	200,200	200,200
Revenue reserves	227,298	219,146
Total shareholders' equity	427,498	419,346
Non-controlling interest	64,131	60,814
TOTAL EQUITY	491,629	480,160
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	1.07	1.05

Net assets per share attributable to owner of the Company is calculated based on the net asset attributable to equity holders of owner and the issued and paid-up share capital of the Company of 400,400,004 ordinary shares:

This Condensed Consolidated Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2020.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020
(The figures have not been audited).

	CURRENT PERIOD ENDED 30/09/2020 RM'000	COMPARABLE PERIOD ENDED 30/09/2019 RM'000
Cash flows from operating activities		
Profit before taxation	14,623	12,275
Adjustments for:		
Non-operating items	(2,721)	2,255
Depreciation	7,982	5,853
Interest expense	1,205	1,102
Interest income	(307)	(214)
Share of results in associates and jointly controlled entity	1,688	(956)
Operating profit before changes in working capital	22,470	20,315
Changes in working capital:		
Decrease/(Increase) in inventories	867	(2,675)
(Increase) in trade and other receivables	(10,460)	(12,238)
Decrease in amount due from customers for contract works	1,163	6,868
(Decrease)/Increase in other current liabilities	(281)	4,799
(Decrease) in trade and other payables	(1,819)	(14,171)
Net cash generated from operations activities	11,940	2,898
Interest paid	(1,205)	(1,102)
Interest received	307	214
Tax paid	(2,110)	(3,389)
Net cash generated from/(cash in) operating activities	8,932	(1,379)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,749)	(18,279)
(Increase)/Decrease in fixed deposit pledged	(697)	2,347
(Increase) in investment securities	(3,836)	(5,435)
Purchase of treasure shares	(533)	-
Capital contributed by non controlling interest in subsidiary	508	-
Net cash outflow acquisition of subsidiaries	-	(47)
Proceeds from disposal of property, plant and equipment	536	234
Net cash used in investing activities	(5,771)	(21,180)
Cash flows from financing activities		
Net (Repayment of) / generated from borrowings	(10,185)	15,999
Net (repayment of) / generated from lease payables	(2,011)	243
Net cash (used in) / generated from financing activities	(12,197)	16,242
Net (decrease) in cash and cash equivalents	(9,035)	(6,317)
Cash and cash equivalents at beginning of period	144,755	99,603
Cash and cash equivalents at end of period	135,720	93,286

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

Cash and bank balances	135,797	97,967
Bank Overdraft	(77)	(4,681)
	<u>135,720</u>	<u>93,286</u>

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2020.

HARBOUR-LINK GROUP BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS PERIOD ENDED 30 SEPTEMBER 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 FOREIGN CURRENCY TRANSLATION RESERVE RM'000	DISTRIBUTABLE RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000	
	3 MONTHS ENDED 30 SEPTEMBER 2020						
At 1 July 2020	480,160	419,346	200,200	(354)	2,703	216,797	60,814
Capital contributed by Non Controlling Interest in Subsidiaries	508	-	-	-	-	-	508
Purchase of treasury shares	(533)	(533)	-	(533)	-	-	-
Total comprehensive income for the period	11,494	8,685	-	-	(655)	9,340	2,809
At 30 SEPTEMBER 2020	491,629	427,498	200,200	(887)	2,048	226,137	64,131
3 MONTHS ENDED 30 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)
Total comprehensive income for the period	8,547	8,990	-	-	65	8,925	(443)
At 30 SEPTEMBER 2019	469,997	406,878	200,200	-	2,337	204,341	63,072

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 2020.

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group’s audited financial statements for the financial year ended 30 June 2020, except for the following:

Effective for financial periods beginning on or after 1 January 2020:

Amendment to MFRS 3 Definition of a Business
Amendment to MFRS 9, MFRS 139 and MFRS 7 Interest Rates Benchmark Reform
Amendment to MFRS 101 and 108 Definition of Material

MFRSs and Amendments to MFRSs issued but not yet effective

Title	Effective Date
MFRS 17 Insurance Contracts	01-Jan-23
Amendments to MFRS 17 Insurance Contracts	01-Jan-23
Amendments to MFRS 101 : Classification of Liabilities as Current or Non-Current	01-Jan-23
Amendments to MFRS 9, MFRS 139 and MFRS 7 : Interest Rate Benchmark Reform	01-Jan-21
Amendments to MFRS 3 : Reference to the Conceptual Framework ³	01-Jan-22
Amendments to MFRS116 : Property, Plant and Equipment – Proceeds before Intended Use	01-Jan-22
Amendments to MFRS 137, Onerous Contracts – Cost of Fulfilling a Contract	01-Jan-22

The adoption of the said MFRSs and Amendments of MFRSs did not have any impact to the condensed financial statements.

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 2020 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 for the current quarter under review.

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 financial period ended 30 September 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*

Repurchase of shares as Treasury Shares

On 23 November 2020, 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 1,116,600 its own ordinary shares at average price of RM0.48 per share during the current quarter. As at 30 September 2020, the Company had purchased and hold a cumulative total 1,823,300 of its issued ordinary shares repurchased from open market at an overall average price at RM0.49 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

A7. *Dividend Paid*

No dividend was paid during the financial period ended 30 September 2020.

A8. Segment Information (Cont'd)

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

Financial period to date 30 September 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	-	88,651	34,672	7,412	3,069	-	133,804
Inter-segment sales	4,512	1,599	3,153	-	14	(9,278)	-
	<u>4,512</u>	<u>90,250</u>	<u>37,825</u>	<u>7,412</u>	<u>3,083</u>	<u>(9,278)</u>	<u>133,804</u>
RESULTS							
(Loss)/Profit before taxation from the normal operations	(783)	8,768	3,338	192	1,529	1,579	14,623
Profit before taxation includes:							
Depreciation	112	3,230	4,492	99	49	-	7,982
Finance cost	270	401	654	50	131	(301)	1,205
Net impairment of trade receivables	-	(159)	(738)	-	-	-	(897)
Share of (loss) in jointly controlled entities and associates	-	(1,641)	(47)	-	-	-	(1,688)

A8. Segment Information (Cont'd)

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

Financial period to date 30 September 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	34,175	262,896	251,200	90,670	74,971	(43,852)	670,060
Deferred tax assets	-	406	773	-	604	-	1,783
TOTAL ASSETS	34,175	263,302	251,973	90,670	75,575	(43,852)	671,843
Included in measure of segment assets are:							
Investment in associates	-	10,831	-	-	-	-	10,831
Investment in jointly controlled entities	-	-	402	-	-	-	402
Additional to property, plant and equipment	53	14	2,087	67	24	(496)	1,749
SEGMENT LIABILITIES	30,227	71,956	70,699	13,009	7,013	(28,581)	164,323
Deferred tax liabilities	69	4,308	8,916	2,294	304	-	15,891
TOTAL LIABILITIES	30,296	76,264	79,615	15,303	7,317	(28,581)	180,214

A8. Segment Information (Cont'd)

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

Financial period to date <u>30 September 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	-	98,529	43,943	23,922	37	-	166,431
Inter-segment sales	460	1,633	3,789	-	25	(5,907)	-
	460	100,162	47,732	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:							
Depreciation	112	1,892	3,695	110	43	-	5,852
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 <u>30 September 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	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

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 2020.

A10. Significant Post Balance Sheet Event

There are no material events as at 17 November 2020, 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 2020:

1. On 17 August 2020, Harbour-Link Logistics Sdn. Bhd. ("HLL"), a sub-subsidiary of the Company, disposed 350,000 ordinary shares, representing 70% equity interest in Harbour-Link Logistics (S) Sdn. Bhd. ("HLLS"), for a total cash consideration of RM508,410 ie RM1.4526 per unit of Share to Ms Wong Siau Chiin. Following the disposal, HLLS became an associate company of the Company.

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 2020	30 June 2020
	RM'000	RM'000
Capital expenditure		
Authorised and contracted for	3,123	2,445
	<u> </u>	<u> </u>

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

A14. Related Party Transactions

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

	Current Quarter ended 30 Sept 2020 RM'000	Balance due from/(to) As at 30 Sept 2020 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	337	558
Purchase of goods and services	(470)	(810)
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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>30/09/2020</u>	<u>30/09/2019</u>	<u>RM'000</u>	<u>%</u>	<u>30/09/2020</u>	<u>30/09/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	133,804	166,431	(32,627)	(20%)	133,804	166,431	(32,627)	(20%)
Profit Before Interest and Tax	15,827	13,377	2,450	18%	15,827	13,377	2,450	18%
Profit Before Tax	14,623	12,275	2,348	19%	14,623	12,275	2,348	19%
Profit After Tax	12,149	8,482	3,667	43%	12,149	8,482	3,667	43%

The Group posted revenue of RM133.80 million for the current financial period ended 30 September 2020, which is RM32.63 million or 20% lower than the preceding financial period of RM166.43 million. The profit before tax for the current financial period ended 30 September 2020 is RM14.62 million, which is RM2.35 million or 19% higher than the preceding financial period of RM12.28 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 / %)	
	30/09/2020	30/09/2019	RM'000	%	30/09/2020	30/09/2019	RM'000	%
Revenue	88,651	98,529	(11,510)	(12%)	88,651	98,529	(11,510)	(12%)
Profit Before								
Interest and Tax	8,737	2,995	5,742	>100%	8,737	2,995	5,742	>100%
(Profit Before Tax)	8,768	3,033	5,735	>100%	8,768	3,033	5,735	>100%
Profit After Tax	7,442	2,310	5,132	>100%	7,442	2,310	5,132	>100%

The shipping and marine segment recorded revenue of RM88.65 million which is RM11.51 million or 10% lower than the preceding financial period ended 30 September 2019 of RM98.53 million. The decrease in the revenue by 12% is due to reduction of charter slot capacity.

The profit before tax of RM8.77 million has increased by RM5.74 million as compared to preceding financial period ended 30 September 2019 of RM3.03 million. The reason for the significant increase in the profit before tax is due to improvement in the freight rate and better utilization of shipping space from imported cargoes.

Integrated logistics segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/09/2020	30/09/2019	RM'000	%	30/09/2020	30/09/2019	RM'000	%
Revenue	34,672	43,943	(13,061)	(30%)	34,672	43,943	(13,061)	(30%)
Profit Before								
Interest and Tax	4,124	10,314	(6,190)	(60%)	4,124	10,314	(6,190)	(60%)
Profit Before Tax	3,338	9,507	(6,169)	(65%)	3,338	9,507	(6,169)	(65%)
Profit After Tax	2,645	6,873	(4,228)	(62%)	2,645	6,873	(4,228)	(62%)

The integrated logistics segment recorded a decrease in revenue by RM13.06 million to RM34.67 million, a decrease of 30% as compared to the preceding financial period ended 30 September 2019 of RM43.94 million.

The profit before tax has recorded a decreased of RM6.17 million to RM3.34 million as compared to preceding financial period ended 30 September 2019 of RM9.51 million.

The decrease in the revenue and profit before tax is affected by the slowing of the export-oriented cargo volumes due to pandemic-related containment measures which have directly impacted our local manufacturing sector as well as the oil and gas sectors.

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

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

Engineering segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/09/2020	30/09/2019	RM'000	%	30/09/2020	30/09/2019	RM'000	%
Revenue	7,412	23,922	(16,510)	(69%)	7,412	23,922	(16,510)	(69%)
Profit Before Tax and Interest	242	1,721	(1,479)	(86%)	242	1,721	(1,479)	(86%)
Profit Before Tax	192	1,655	(1,463)	(88%)	192	1,655	(1,463)	(88%)
Profit After Tax	134	1,229	(1,095)	(89%)	134	1,229	(1,095)	(89%)

The engineering segment recorded revenue of RM7.41 million which is RM16.51 million lower than the preceding financial period ended 30 September 2019 of RM23.92 million. The profit before tax is RM0.19 million which is RM1.46 million or 88% lower than the preceding financial period ended 30 September 2019. The decrease in revenue is due to project on hand are on the finishing stage and no substantial project has being secured. The decrease in the profit before tax is in tandem with the decrease in the revenue.

Property segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/09/2020	30/09/2019	RM'000	%	30/09/2020	30/09/2019	RM'000	%
Revenue	3,069	38	3,006	>100%	3,069	38	3,006	>100%
Profit / (Loss) Before Interest and Tax	1,660	(89)	1,749	>100%	1,660	(89)	1,749	>100%
Profit / (Loss) Before Tax	1,529	(220)	1,749	>100%	1,529	(220)	1,749	>100%
Profit / (Loss) After Tax	1,158	(227)	1,385	>100%	1,158	(227)	1,385	>100%

The property development division recorded revenue of RM3.07 million which is RM3.01 million higher than the preceding financial period ended 30 September 2019. The profit before tax is RM1.53 million which is RM1.75 million higher than the preceding financial period ended 30 September 2019.

The increase in revenue due to sale of 1 piece of vacant land amounting to RM2.70 million. The increase in profit before tax is in tandem with the increase in revenue.

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>30/09/2020</u>	<u>30/09/2019</u>	<u>RM'000</u>	<u>%</u>	<u>30/09/2020</u>	<u>30/09/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	-	-	-	-	-	-	-	-
Loss Before Tax and Interest	(514)	(433)	(81)	(19%)	(514)	(433)	(81)	(19%)
Loss Before Tax	(783)	(854)	71	8%	(783)	(854)	71	8%
Loss After Tax	(809)	(859)	50	6%	(809)	(859)	50	6%

The investment holdings recorded a loss before tax of RM0.78 million a decrease of RM0.07 million than the preceding financial period ended 30 September 2019 of loss before tax of RM0.85 million.

B2. Comparison with Preceding Quarter's Results

	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000	RM'000	(amount / %)	
	<u>30/09/2020</u>	<u>30/06/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	133,804	132,925	879	1%
Profit Before Tax and Interest	15,827	6,650	9,177	>100%
Profit Before Tax	14,623	4,561	10,062	>100%
Profit After Tax	12,149	2,053	10,096	>100%

The Group posted revenue of RM133.80 million for the current quarter ended 30 September 2020 which is RM0.88 million or 1% higher than the immediate preceding quarter ended 30 June 2020 of RM132.93 million. The profit before tax for the current quarter ended 30 September 2020 is RM14.62 million, which is RM10.06 million higher than the immediate preceding quarter ended 30 June 2020 of RM4.56 million.

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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>30/09/2020</u>	<u>30/06/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	88,651	70,660	17,991	25%
Profit/(Loss) Before Tax and Interest	8,737	(2,990)	11,727	>100%
Profit/(Loss) Before Tax	8,768	(3,668)	12,436	>100%
Profit/(Loss) After Tax	7,442	(4,295)	11,737	>100%

The shipping and marine segment posted an increase in revenue of RM17.99 million or 25% in the current quarter ended 30 September 2020 of RM88.65 million as compared to RM70.66 million in the immediate preceding quarter ended 30 June 2020.

The significant increase in profit before tax for the current quarter ended 30 September 2020 by RM12.44 million as compared to the immediate preceding quarter ended 30th June 2020 is due to the preceding quarter there is a one off impairment of assets of RM8.3 million. The reason for the increase in profit before tax is explained in B1 above.

<u>Integrated logistics segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding Quarter RM'000	(amount / %)	
	<u>30/09/2020</u>	<u>30/06/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	34,672	41,638	(6,966)	(17%)
Profit Before Interest and Tax	4,124	2,471	1,653	67%
Profit Before Tax	3,338	1,449	1,889	>100%
Profit After Tax	2,645	1,505	1,140	76%

The integrated logistics segment posted a decrease in revenue of RM6.97 million or 17% in the current quarter ended 30 September 2020 of RM34.67 million as compared to RM41.64 million in the immediate preceding quarter ended 30 June 2020. The decrease in revenue is explained in B1 above.

The profit before tax for the current quarter ended 30 September 2020 is RM3.34 million, which is RM1.89 million more than the immediate preceding quarter ended 30 June 2020 of RM1.45 million due to in preceding quarter there are additional impairment of trade receivables being provided during the immediate preceding quarter.

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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>30/09/2020</u>	<u>30/06/2020</u>		
Revenue	7,412	20,688	(13,256)	(64%)
Profit Before Interest and Tax	242	6,975	(6,733)	(97%)
Profit Before Tax	192	6,920	(6,728)	(97%)
Profit After Tax	134	5,251	(5,117)	(97%)

The engineering segment posted a decrease in revenue of RM13.26 million or 64% in the current quarter ended 30 September 2020 of RM7.41 million as compared to RM20.69 million in the immediate preceding quarter ended 30 June 2020. The profit before tax for the current quarter ended 30 September 2020 is RM0.19 million, which is RM6.73 million lower than the immediate preceding quarter ended 30 June 2020 of RM6.92 million. The reason for the decrease in revenue and profit before tax is explained in B1 above.

	Current quarter RM'000	Immediate Preceding Quarter RM'000	Changes (amount / %)	
			RM'000	%
<u>Property segment</u>	<u>30/09/2020</u>	<u>30/06/2020</u>		
Revenue	3,069	172	2,897	>100%
Profit/(Loss) Before Interest and Tax	1,660	(780)	2,440	>100%
Profit/(Loss) Before Tax	1,529	(780)	2,309	>100%
Profit/(Loss) After Tax	1,158	(898)	2,056	>100%

The property segment posted an increase in revenue in the current quarter ended 30 September 2020 of RM2.90 million as compared to RM0.17 million in the immediate preceding quarter ended 30 June 2020.

The profit before tax for the current quarter ended 30 September 2020 of RM1.53 million, which is RM2.31 million higher than the immediate preceding quarter ended 30 June 2020 of loss before tax of RM0.78 million.

The reason for the increase in revenue and profit before tax are explained in B1 above.

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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>30/09/2020</u>	Quarter	<u>RM'000</u>	<u>%</u>
		<u>30/06/2020</u>		
Revenue	-	-	-	-
Loss Before Interest and Tax	(514)	183	(697)	>100%
Loss Before Tax	(783)	(253)	(530)	>100%
Loss After Tax	(809)	(253)	(556)	>100%

The investment holdings recorded a loss before tax of RM0.78 million an increase of loss of RM0.53 million as compare to the immediate preceding quarter ended 30 June 2020 of RM0.25 million due to higher administrative cost.

B3. Prospects

COVID-19 pandemic is still at large globally, uncertainties on China-US Trade Wars and geopolitical tensions around the world which has adversely affected most the business activities.

Our container shipping activities had improved moderately since the last quarter. According to present statistics, it shows that the market trend will maintain until January 2021 due to surge of import cargoes domestically. Harbour-Link expects shipping and marine division shall remain positive throughout this period.

Our integrated logistic division may still be experiencing weak demand in export cargo haulage whereby customers' factories are yet to operate full capacity due to existing enforcement on Movement Control Order ("MCO"). The other freighting and logistics activities shall remain active and positive.

Our engineering and construction division is expected to face a weak demand and stiff competition during this period until oil and gas sector recover.

Overall, for financial year 2021, we expect it to be challenging. Hence, we shall be cautious and keep abreast on the market development while maintaining cost control and manage and enhance our operation efficiency.

B4. Profit Forecast or Profit Guarantee

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

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B5. Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	<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	307	214	307	214
Depreciation of plant and equipment	7,982	5,852	7,982	5,852
Finance cost	1,205	1,102	1,205	1,102
(Reversal)/Allowance of impairment of receivables,	(897)	1,467	(897)	1,467
Share of loss in associates	(1,641)	965	(1,641)	965
Share of loss in jointly controlled entities	(47)	(9)	(47)	(9)

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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
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	2,184	3,595	2,184	3,595
Deferred tax expense: Origination and reversal of temporary difference	290	198	290	198
	2,474	3,793	2,474	3,793

The effective tax rate of the Group for the current quarter and financial year was lower than the statutory tax rate of 24 per cent principally due to exemption of taxes on profit earned in certain subsidiaries mainly from the shipping and marine segment.

B7. Status of Corporate Proposal

There were no pending corporate proposals up to 17 November 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 30 September 2020 and 30 September 2019 are as follows:

	As at 30 September 2020		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	5,056	19,522	24,578
Bank Overdraft	77	-	77
Finance Lease Liabilities	11,056	17,422	28,478
Lease Liabilities	2,558	9,535	12,093
	<u>18,747</u>	<u>46,479</u>	<u>65,226</u>
Unsecured			
Bankers' Acceptance	4,982	-	4,982
Revolving Credit	13,000	-	13,000
	<u>17,982</u>	<u>-</u>	<u>17,982</u>
	<u>36,729</u>	<u>46,479</u>	<u>83,208</u>
	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>

The above borrowings are denominated in Ringgit Malaysia.

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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 2020.

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 November 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 November 2020 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 2021 amounting to RM3,985,767 (2020: 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 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 RM9,340,000 by the weighted average number of ordinary shares in issue (net of treasury shares) during the current quarter and financial period ended 30 September 2020 of 398,744,000.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Earnings Per Share				
Profit net of tax attributable to Owners of the parent (in RM'000)	9,340	8,925	9,340	8,925
Weighted average number of ordinary shares in issue ('000)	398,744	400,400	398,744	400,400
Basic earnings per share (sen)	2.34	2.23	2.34	2.23
Diluted earnings per share (sen)*	2.34	2.23	2.34	2.23

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

	30 Sept2020	30 June 2020
	RM'000	RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	11,488	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 September 2020.

This announcement is dated 24 November 2020.