

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 / %)	
	31/12/2020	31/12/2019	RM'000	%	31/12/2020	31/12/2019	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	150,934	164,588	(13,654)	(8%)	284,738	331,019	(46,281)	(14%)
Operating expenses	(120,099)	(136,003)	15,904	(12%)	(228,428)	(278,055)	49,627	(18%)
Gross profit	30,835	28,585	2,250	8%	56,310	52,964	3,346	6%
Interest income	86	264	(178)	(67%)	393	478	(85)	(18%)
Other income	3,940	991	2,949	>100%	7,386	1,981	5,405	>100%
Administrative Expenses	(15,168)	(14,412)	(756)	5%	(26,881)	(27,576)	695	(3%)
Finance costs	(1,223)	(1,288)	65	(5%)	(2,428)	(2,390)	(38)	2%
Share of results of jointly controlled entity	563	(23)	586	>100%	516	(32)	548	>100%
Share of results of associated companies	(812)	343	(1,155)	(>100%)	(2,453)	1,308	(3,761)	(>100%)
Profit before taxation	18,221	14,460	3,761	26%	32,843	26,733	6,110	23%
Taxation	(2,484)	(2,189)	(295)	13%	(4,958)	(5,982)	1,024	(17%)
Net profit for the year	15,737	12,271	3,466	28%	27,885	20,751	7,134	34%
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Exchange difference on translation of foreign entity	(328)	(205)	(123)	60%	(988)	(138)	(850)	(>100%)
Total comprehensive income for the year	15,409	12,066	3,343	28%	26,897	20,611	6,284	30%
Profit for the year attributable to:								
Owners of the parent	12,162	11,927	235	2%	21,502	20,852	650	3%
Non-Controlling Interests	3,575	344	3,231	>100%	6,383	(99)	6,482	>100%
	15,737	12,271	3,466	28%	27,885	20,751	7,132	34%
Total Comprehensive income for the year attributable to:								
Owners of the parent	11,834	11,724	110	1%	20,514	20,714	(200)	(1%)
Non-Controlling Interests	3,575	342	3,233	>100%	6,383	(101)	6,484	>100%
	15,409	12,066	3,343	28%	26,897	20,613	6,284	30%
Earnings per share ("EPS") (in sen)								
Basic earnings per share (sen) (Note B13)	3.05	2.98	0.07	2%	5.39	5.21	0.18	3%
Diluted earnings per share (sen) (Note B13)	3.05	2.98	0.07	2%	5.39	5.21	0.18	3%

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
	31/12/2020	30/06/2020
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	255,413	271,327
Investment properties	10,891	10,150
Inventories	43,158	43,648
Investment in jointly-controlled entity	965	449
Investment in associates	9,602	12,841
Other Investment	216	216
Deferred tax assets	1,690	1,277
Trade and other receivables	1,109	2,141
	323,044	342,049
Current assets		
Inventories	34,238	35,700
Trade and other receivables	150,558	127,170
Investment securities	22,908	13,407
Other current assets	26,081	9,108
Cash and bank balance	157,635	146,397
	391,420	331,782
TOTAL ASSETS	714,464	673,830
LIABILITIES		
Current liabilities		
Loans and borrowings	41,632	46,899
Trade and other payables	98,746	72,757
Other current liabilities	2,583	5,384
Tax payables	7,531	3,470
	150,492	128,510
Non-current liabilities		
Deferred tax liabilities	15,728	15,789
Loans and borrowings	41,878	49,371
	57,606	65,160
TOTAL LIABILITIES	208,098	193,670
NET ASSETS	506,366	480,160
EQUITY		
Share capital	200,200	200,200
Revenue reserves	239,127	219,146
Total shareholders' equity	439,327	419,346
Non-controlling interest	67,039	60,814
TOTAL EQUITY	506,366	480,160
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	1.10	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 share

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 31 DECEMBER 2020
(The figures have not been audited).

	CURRENT PERIOD	COMPARABLE PERIOD
	ENDED 31/12/2020	ENDED 31/12/2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	32,843	26,733
Adjustments for:		
Non-operating items	(5,513)	3,743
Depreciation	15,882	11,851
Interest expense	2,428	2,390
Interest income	(393)	(478)
Share of results in associates and jointly controlled entity	1,937	(1,276)
Operating profit before changes in working capital	47,184	42,963
Changes in working capital:		
Decrease/(Increase) in inventories	1,951	(1,706)
(Increase) in trade and other receivables	(30,644)	(15,868)
(Increase)/Decrease in amount due from customers for contract works	(263)	4,926
(Decrease)/Increase in other current liabilities	(1,885)	2,776
Increase/(Decrease) in trade and other payables	23,198	(7,430)
Net cash generated from operations activities	39,541	25,661
Interest paid	(2,428)	(2,390)
Interest received	393	478
Tax refund	903	-
Tax paid	(4,275)	(3,795)
Net cash generated from/(cash in) operating activities	34,134	19,954
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,042)	(10,642)
Decrease in fixed deposit pledged	430	-
(Increase) in investment securities	(9,823)	(4,647)
Purchase of treasure shares	(533)	-
Disposal of Non Controlling Interest in Subsidiaries	508	-
Dividend received	60	160
Net cash outflow acquisition of subsidiaries	(239)	(602)
Proceeds from disposal of property, plant and equipment	1,493	759
Net cash used in investing activities	(9,146)	(14,972)
Cash flows from financing activities		
Dividend paid	(430)	(4,879)
Net (Repayment of) / generated from borrowings	(7,489)	7,927
Net (repayment of) lease payables	(7,612)	(4,304)
Net cash (used in) / generated from financing activities	(15,531)	(1,256)
Net (decrease) in cash and cash equivalents	9,457	3,726
Cash and cash equivalents at beginning of period	144,755	99,603
Cash and cash equivalents at end of period	154,212	103,329

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

Cash and bank balances	157,635	106,949
Bank Overdraft	-	(646)
Cash at bank pledged as securities for bank borrowings	(3,423)	(2,974)
	<u>154,212</u>	<u>103,329</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 6 MONTHS PERIOD ENDED 31 DECEMBER 2020
(The figures have not been audited).

	ATTRIBUTABLE TO EQUITY HOLDERS OF COMPANY						NON-CONTROLLING INTEREST RM'000
	TOTAL EQUITY	TOTAL EQUITY	SHARE CAPITAL	TREASURY SHARES	NON-DISTRIBUTABLE	DISTRIBUTABLE	
	RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	RM'000	RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000	
6 MONTHS ENDED 31 DECEMBER 2020							
At 1 July 2020	480,160	419,346	200,200	(354)	2,703	216,797	60,814
Purchase of treasury shares	(533)	(533)	-	(533)	-	-	-
Disposal by Non Controlling Interest in Subsidiaries	508	-	-	-	-	-	508
Acquisition of Non Controlling Interest in Subsidiaries	(236)	-	-	-	-	-	(236)
Dividends on ordinary shares	(430)	-	-	-	-	-	(430)
Total comprehensive income for the period	26,897	20,514	-	-	(988)	21,502	6,383
At 31 DECEMBER 2020	506,366	439,327	200,200	(887)	1,715	238,299	67,039
6 MONTHS ENDED 31 DECEMBER 2019							
At 1 July 2019	461,450	397,888	200,200	-	2,272	195,416	63,562
Disposal by Non Controlling Interest in Subsidiaries	(42)	-	-	-	-	-	(42)
Acquisition of Non Controlling Interest in Subsidiaries	(560)	(560)	-	-	-	(560)	-
Dividends on ordinary shares	(4,879)	(4,004)	-	-	-	(4,004)	(875)
Total comprehensive income for the period	20,613	20,714	-	-	(138)	20,852	(101)
At 31 DECEMBER 2019	476,582	414,038	200,200	-	2,134	211,704	62,544

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 31 December 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. As at 31 December 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 31 December 2020.

A8. Segment Information (Cont'd)

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

Financial period to date 31 December 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	-	183,900	79,401	15,270	6,167	-	284,738
Inter-segment sales	6,038	3,090	7,497	-	28	(16,653)	-
	<u>6,038</u>	<u>186,990</u>	<u>86,898</u>	<u>15,270</u>	<u>6,195</u>	<u>(16,653)</u>	<u>284,738</u>
RESULTS							
(Loss)/Profit before taxation from the normal operations	(2,014)	24,134	8,642	1,153	1,473	(545)	32,843
Profit before taxation includes:							
Depreciation	144	6,386	9,063	198	91	-	15,882
Finance cost	487	896	1,264	97	239	(555)	2,428
Net impairment of trade receivables	-	(1,156)	(775)	-	-	-	(1,931)
Share of (loss)/profit in jointly controlled entities and associates	-	(2,453)	516	-	-	-	(1,937)

A8. Segment Information (Cont'd)

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

Financial period to date 31 December 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	31,298	290,294	266,625	89,912	74,931	(40,286)	712,774
Deferred tax assets	-	212	887	-	591	-	1,690
TOTAL ASSETS	31,298	290,506	267,512	89,912	75,522	(40,286)	714,464
Included in measure of segment assets are:							
Investment in associates	-	9,6021	-	-	-	-	9,602
Investment in jointly controlled entities	-	-	965	-	-	-	965
Additional to property, plant and equipment	-	-	716	-	326	-	1,042
SEGMENT LIABILITIES	27,605	87,756	83,806	12,487	6,183	(25,467)	192,370
Deferred tax liabilities	88	4,418	8,624	2,294	304	-	15,728
TOTAL LIABILITIES	27,693	92,174	92,430	14,781	6,487	(25,467)	208,098

A8. Segment Information (Cont'd)

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

Financial period to date <u>31 December 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	-	194,791	90,624	44,277	1,327	-	331,019
Inter-segment sales	921	110	12,416	-	69	(13,516)	-
	921	194,901	103,040	44,277	1,396	(13,516)	331,019
RESULTS							
(Loss)/Profit before taxation from the normal operations	(2,138)	9,827	16,418	3,706	487	(1,567)	26,733
Profit before taxation includes:							
Depreciation	230	3,801	7,496	226	98	-	11,851
Finance cost	358	960	1,379	133	261	(701)	2,390
Net impairment of trade receivables	-	870	2,298	-	-	-	3,168
Share of profit/(loss) in jointly controlled entities and associates	-	1,308	(32)	-	-	-	1,276

A8. Segment Information (Cont'd)

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

Financial period to date <u>31 December 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	46,090	263,318	273,180	87,500	77,220	(71,325)	675,983
Deferred tax assets	-	1,215	464	-	-	-	1,679
TOTAL ASSETS	46,090	264,533	273,644	87,500	77,220	(71,325)	677,662
Included in measure of segment assets are:							
Investment in associates	-	12,282	-	-	-	-	12,282
Investment in jointly controlled entities	-	-	471	-	-	-	471
Additional to property, plant and equipment	54	6,897	1,249	1,919	523	-	10,642
SEGMENT LIABILITIES	58,660	66,978	80,867	16,828	8,704	(48,439)	183,598
Deferred tax liabilities	-	5,224	9,954	2,294	11	-	17,483
TOTAL LIABILITIES	58,660	72,202	90,821	19,122	8,715	(48,439)	201,081

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 December 2020.

A10. Significant Post Balance Sheet Event

There are no material events as at 18 February 2021, 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 31 December 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.
2. On 1st December 2020, Harbour-Link (M) Sdn Bhd (“HLMSB”), a wholly-owned subsidiary of Harbour-Link had acquired the remaining one hundred eighty thousand (180,000) ordinary shares representing 45% equity interest in Serimaju Konsortium Sdn. Bhd. (Company No. 1151695-K) (“SKSB”) from TING SUOK CHING (NRIC No. 680420-13-5342), a non-related party for a total cash consideration of RM239,400 (“the Acquisition”) based on the Net Tangible Assets (“NTA”) of SKSB as at 30th June 2020. The NTA of SKSB as at 30th June 2020 is RM531,012. The selling price for SKSB per share is RM1.33. Hence, the consideration sum of RM239,400 is the sum of 180,000 units of share at RM1.33 per share. Following the Acquisition, SKSB becomes a 100% owned subsidiary of HLMSB.

A12. Contingent Liabilities

There was no material contingent assets and liabilities since the last annual balance sheet date to the date of this report.

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

A13. Capital Commitments

	31 Dec 2020 RM'000	30 Sept 2020 RM'000
Capital expenditure Authorised and contracted for	2,350	3,123

A14. Related Party Transactions

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

	Current Quarter ended 31 Dec 2020 RM'000	Balance due from/(to) As at 31 Dec 2020 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	297	94
Purchase of goods and services	771	(894)

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

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

B1. Review of the Performance of the Group

	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>RM'000</u>	<u>%</u>	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue	150,934	164,588	(13,654)	(8%)	284,738	331,019	(46,281)	(14%)
Profit Before Interest and Tax	19,444	15,747	3,697	23%	35,271	29,124	6,147	21%
Profit Before Tax	18,221	14,460	3,761	26%	32,843	26,733	6,110	23%
Profit After Tax	15,737	12,271	3,466	28%	27,885	20,751	7,134	34%

The Group posted revenue of RM284.74 million for the current financial period ended 31 December 2020, which is RM46.28 million or 14% lower than the preceding financial period of RM331.02 million. The profit before tax for the current financial period ended 31 December 2020 is RM32.84 million, which is RM6.11 million or 23% higher than the preceding financial period of RM26.73 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 / %)	
	31/12/2020	31/12/2019	RM'000	%	31/12/2020	31/12/2019	RM'000	%
Revenue	95,249	96,262	(1,013)	(1%)	183,900	194,791	(10,891)	(6%)
Profit Before								
Interest and Tax	15,557	6,376	9,181	>100%	24,294	9,371	14,923	>100%
Profit Before Tax	15,365	6,797	8,568	>100%	24,133	9,827	14,306	>100%
Profit After Tax	13,883	6,217	7,666	>100%	21,325	8,528	12,802	>100%

The shipping and marine segment recorded revenue of RM183.90 million which is RM10.89 million or 6% lower than the preceding financial period ended 31 December 2019 of RM194.79 million. The decrease in the revenue by 6% is due to reduction of charter slot capacity and reduction in cost of sales.

The profit before tax of RM24.13 million has increased by RM14.31 million as compared to preceding financial period ended 31 December 2019 of RM9.83 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 / %)	
	31/12/2020	31/12/2019	RM'000	%	31/12/2020	31/12/2019	RM'000	%
Revenue	44,729	46,682	(1,953)	(5%)	79,401	90,624	(11,223)	(12%)
Profit Before								
Interest and Tax	5,963	7,861	(1,898)	(24%)	10,086	18,174	(8,088)	(45%)
Profit Before Tax	5,305	6,912	(1,607)	(23%)	8,643	16,418	(7,775)	(47%)
Profit After Tax	3,738	6,203	(2,465)	(40%)	6,383	13,075	(6,692)	(51%)

The integrated logistics segment recorded a decrease in revenue by RM11.22 million to RM79.40 million, a decrease of 12% as compared to the preceding financial period ended 31 December 2019 of RM90.62 million.

The profit before tax has recorded a decreased of RM7.78 million to RM8.64 million as compared to preceding financial period ended 31 December 2019 of RM16.42 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 / %)	
	31/12/2020	31/12/2019	RM'000	%	31/12/2020	31/12/2019	RM'000	%
Revenue	7,859	20,355	(12,496)	(61%)	15,271	44,277	(29,006)	(66%)
Profit Before Tax and Interest	1,009	2,117	(1,108)	(52%)	1,251	3,838	(2,587)	(67%)
Profit Before Tax	961	2,051	(1,090)	(53%)	1,153	3,706	(2,553)	(69%)
Profit After Tax	735	1,522	(787)	(52%)	869	2,752	(1,883)	(68%)

The engineering segment recorded revenue of RM15.27 million which is RM29.01 million lower than the preceding financial period ended 31 December 2019 of RM44.28 million. The profit before tax is RM1.15 million which is RM2.55 million or 69% lower than the preceding financial period ended 31 December 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 / %)	
	31/12/2020	31/12/2019	RM'000	%	31/12/2020	31/12/2019	RM'000	%
Revenue	3,097	1,289	1,808	>100%	6,167	1,327	4,840	>100%
Profit / (Loss) Before Interest and Tax	52	576	(524)	(91%)	1,712	487	1,225	>100%
Profit / (Loss) Before Tax	(56)	707	(763)	(>100%)	1,473	487	986	>100%
Profit / (Loss) After Tax	778	319	459	>100%	1,936	92	1,844	>100%

The property development division recorded revenue of RM6.17 million which is RM4.84 million higher than the preceding financial period ended 31 December 2019. The profit before tax is RM1.47 million which is RM0.99 million higher than the preceding financial period ended 31 December 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>31/12/2020</u>	<u>31/12/2019</u>	<u>RM'000</u>	<u>%</u>	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>RM'000</u>	<u>%</u>
Revenue		-				-		
Loss Before Tax and Interest	(1,012)	(746)	266	36%	(1,527)	(1,179)	348	30%
Loss Before Tax	(1,230)	(1,284)	(54)	(4%)	(2,014)	(2,138)	(124)	(6%)
Loss After Tax	(1,273)	(1,268)	5	<0%	(2,082)	(2,126)	(44)	(2%)

The investment holdings recorded a loss before tax of RM2.01 million a decrease of RM0.12 million than the preceding financial period ended 31 December 2019 of loss before tax of RM2.14 million.

B2. Comparison with Preceding Quarter's Results

	Current quarter	Immediate Preceding Quarter	Changes	
	RM'000	RM'000	(amount / %)	
	<u>31/12/2020</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	150,934	133,804	17,130	13%
Profit Before Tax and Interest	19,444	15,827	3,617	23%
Profit Before Tax	18,221	14,623	3,598	25%
Profit After Tax	15,737	12,149	3,588	30%

The Group posted revenue of RM150.93 million for the current quarter ended 31 December 2020 which is RM17.13 million or 13% higher than the immediate preceding quarter ended 30 September 2020 of RM133.80 million. The profit before tax for the current quarter ended 31 December 2020 is RM18.22 million, which is RM3.60 million higher than the immediate preceding quarter ended 30 September 2020 of RM14.62 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>31/12/2020</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	95,249	88,651	6,598	7%
Profit/(Loss) Before Tax and Interest	15,557	8,737	6,820	78%
Profit/(Loss) Before Tax	15,365	8,768	6,597	75%
Profit/(Loss) After Tax	13,883	7,442	6,441	87%

The shipping and marine segment posted an increase in revenue of RM6.60 million or 7% in the current quarter ended 31 December 2020 of RM95.25 million as compared to RM88.65 million in the immediate preceding quarter ended 30 September 2020.

The significant increase in profit before tax for the current quarter ended 31 December 2020 by RM6.60 million as compared to the immediate preceding quarter ended 30th September 2020 is 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>31/12/2020</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	44,729	34,672	10,057	29%
Profit Before Interest and Tax	5,963	4,124	1,839	45%
Profit Before Tax	5,305	3,338	1,967	59%
Profit After Tax	3,738	2,645	1,093	41%

The integrated logistics segment posted an increase in revenue of RM10.06 million or 29% in the current quarter ended 31 December 2020 of RM44.73 million as compared to RM34.67 million in the immediate preceding quarter ended 30 September 2020. The increase in revenue due to higher cargo handling from oil and gas industries.

The profit before tax for the current quarter ended 31 December 2020 is RM5.31 million, which is RM1.97 million higher than the immediate preceding quarter ended 30 September 2020 of RM3.34 million. The increase in profit before tax is in tandem with the increase in the revenue.

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

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

	Current quarter	Immediate	Changes	
	RM'000	Preceding Quarter RM'000	(amount / %)	
<u>Engineering segment</u>	<u>31/12/2020</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	7,859	7,412	447	6%
Profit Before Interest and Tax	1,009	242	767	>100%
Profit Before Tax	961	192	769	>100%
Profit After Tax	735	134	601	>100%

The engineering segment posted a increase in revenue of RM0.45 million or 6% in the current quarter ended 31 December 2020 of RM7.86 million as compared to RM7.41 million in the immediate preceding quarter ended 30 September 2020. The profit before tax for the current quarter ended 31 December 2020 is RM0.96 million, which is RM0.77 million higher than the immediate preceding quarter ended 30 September 2020 of RM0.19 million. The reason for the marginal increase in revenue but more profit before tax is due to some of the projects are at the completion stages which resulted in more profit are recognized.

	Current quarter	Immediate	Changes	
	RM'000	Preceding Quarter RM'000	(amount / %)	
<u>Property segment</u>	<u>31/12/2020</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	3,097	3,069	28	1%
Profit/(Loss) Before Interest and Tax	52	1,660	(1,608)	(97%)
(Loss)/Profit Before Tax	(56)	1,529	(1,585)	(>100%)
Profit/(Loss) After Tax	778	1,158	(380)	(33%)

The property segment posted a marginal increase in revenue in the current quarter ended 31 December 2020 to RM3.10 million as compared to the immediate preceding quarter ended 30 September 2020.

The loss before tax for the current quarter ended 31 December 2020 of RM0.06 million, which is RM1.59 million lower than the immediate preceding quarter ended 30 September 2020.

The reason for the significant decrease in profit before tax in the current quarter as compare to immediate preceding quarter is due to in immediate preceding quarter there is a sale of 1 piece of vacant land for RM2.70 million.

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

	Current quarter RM'000	Immediate Preceding Quarter RM'000	Changes (amount / %)	
<u>Investment holding segment</u>	<u>31/12/2020</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue		-	-	-
Loss Before Interest and Tax	(1,012)	(514)	498	97%
Loss Before Tax	(1,230)	(783)	447	57%
Loss After Tax	(1,273)	(809)	464	57%

The investment holdings recorded a loss before tax of RM1.23 million an increase of loss of RM0.45 million as compare to the immediate preceding quarter ended 30 September 2020 of RM0.78 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 March 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 remain active and positive as oil and gas sector started to 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
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	<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	86	264	393	478
Depreciation of plant and equipment	7,900	5,999	15,882	11,851
Finance cost	1,223	1,288	2,428	2,390
(Reversal)/Allowance of impairment of receivables,	(1,900)	1,701	(2,797)	3,168
Share of loss in associates	(812)	343	(2,453)	1,308
Share of profit in jointly controlled entities	563	(23)	516	(32)

B6. Taxation

Taxation of the Group comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	3,186	2,751	5,370	6,346
Tax overprovision	(903)	-	(903)	-
Deferred tax expense: Origination and reversal of temporary difference	201	(562)	491	(364)
	2,484	2,189	4,958	5,982

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.

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B7. Status of Corporate Proposal

There were no pending corporate proposals up to 18 February 2021, being the date not earlier than 7 days from the date of this announcement.

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2020 and 31 December 2019 are as follows:

	As at 31 December 2020		
	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Secured			
Term loan	4,847	18,295	23,142
Bank Overdraft	-	-	-
Finance Lease Liabilities	10,593	14,886	25,479
Lease Liabilities	3,054	8,697	11,751
	<u>18,494</u>	<u>41,878</u>	<u>60,372</u>
Unsecured			
Bankers' Acceptance	10,638	-	10,638
Revolving Credit	12,500	-	12,500
	<u>23,138</u>	<u>-</u>	<u>23,138</u>
	<u>41,632</u>	<u>41,878</u>	<u>83,510</u>
	As at 31 December 2019		
	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Secured			
Term loan	6,310	23,345	29,655
Bank Overdraft	646	-	646
Finance Lease Liabilities	9,632	17,186	26,818
	<u>16,588</u>	<u>40,531</u>	<u>57,119</u>
Unsecured			
Bankers' Acceptance	9,535	-	9,535
Revolving Credit	18,820	-	18,820
	<u>28,355</u>	<u>-</u>	<u>28,355</u>
	<u>44,943</u>	<u>40,531</u>	<u>85,474</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 31 December 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 18 February 2021, 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 February 2021 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 declared for the financial period ended 31 December 2020.

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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 December 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 RM12,162,000 and 21,502,000 by the weighted average number of ordinary shares in issue (net of treasury shares) during the current quarter and financial period ended 31 December 2020 of 398,744,000.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Earnings Per Share				
Profit net of tax attributable to Owners of the parent (in RM'000)	12,162	11,927	21,502	20,852
Weighted average number of ordinary shares in issue ('000)	398,744	400,400	398,744	400,400
Basic earnings per share (sen)	3.05	2.98	5.39	5.21
Diluted earnings per share (sen)*	3.05	2.98	5.39	5.21

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

	31 Dec 2020	30 Sept2020
	RM'000	RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	10,364	11,488
	=====	=====

The Provision of Financial Assistance will not have any material effect on the net assets, earnings per share, gearing, the share capital and substantial shareholders' shareholding of Harbour-Link for the financial period ended 31 December 2020.

This announcement is dated 25 February 2021.