

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND FINANCIAL YEAR ENDING 30TH SEPTEMBER 2021
(The figures have not been audited).

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES (Amount / %)		CURRENT YEAR	PRECEDING YEAR	CHANGES (Amount / %)	
	30/09/2021	30/09/2020	RM'000	%	30/09/2021	30/09/2020	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	158,780	133,804	24,976	19%	158,780	133,804	24,976	19%
Operating expenses	(124,077)	(108,329)	(15,748)	(15%)	(124,077)	(108,329)	(15,748)	(15%)
Gross profit	34,703	25,475	9,228	36%	34,703	25,475	9,228	36%
Interest income	280	307	(27)	(9%)	280	307	(27)	(9%)
Other income	1,353	3,447	(2,094)	(61%)	1,353	3,447	(2,094)	(61%)
Administrative Expenses	(12,353)	(11,713)	(640)	(5%)	(12,353)	(11,713)	(640)	(5%)
Finance costs	(871)	(1,205)	334	28%	(871)	(1,205)	334	28%
Share of results of jointly controlled entity	(2)	(47)	45	96%	(2)	(47)	45	96%
Share of results of associated companies	345	(1,641)	1,986	>100%	345	(1,641)	1,986	>100%
Profit before taxation	23,455	14,623	8,832	60%	23,455	14,623	8,832	60%
Taxation	(2,087)	(2,474)	387	16%	(2,087)	(2,474)	387	16%
Net profit for the year	21,368	12,149	9,219	76%	21,368	12,149	9,219	76%
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Share of associates' comprehensive income	94				94			
Exchange difference on translation of foreign entity	(136)	(655)	519	79%	(136)	(655)	519	79%
Total comprehensive income for the year	21,325	11,494	9,831	86%	21,325	11,494	9,831	86%
Profit for the year attributable to:								
Owners of the parent	17,492	9,340	8,152	87%	17,492	9,340	8,152	87%
Non-Controlling Interests	3,876	2,809	1,067	38%	3,876	2,809	1,067	38%
	21,368	12,149	9,219	76%	21,368	12,149	9,219	76%
Total Comprehensive income for the year attributable to:								
Owners of the parent	17,495	8,685	8,810	>100%	17,495	8,685	8,810	>100%
Non-Controlling Interests	3,830	2,809	1,021	36%	3,830	2,809	1,021	36%
	21,325	11,494	9,831	86%	21,325	11,494	9,831	86%
Earnings per share ("EPS") (in sen)								
Basic earnings per share (sen) (Note B13)	4.39	2.34	2.04	87%	4.39	2.34	2.04	87%
Diluted earnings per share (sen) (Note B13)	4.39	2.34	2.05	87%	4.39	2.34	2.05	87%

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 2021

HARBOUR-LINK GROUP BERHAD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION

	As at	As at
	30/09/2021	30/06/2021
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	255,685	255,961
Investment properties	7,604	9,667
Inventories	44,078	44,078
Investment in jointly-controlled entity	652	655
Investment in associates	11,211	10,772
Other Investment	216	216
Deferred tax assets	1,460	1,519
Trade and other receivables	32	858
	320,938	323,726
Current assets		
Inventories	38,380	36,011
Trade and other receivables	169,359	156,511
Investment securities	34,404	26,729
Other current assets	13,967	15,369
Cash and bank balance	178,018	174,968
	434,128	409,588
TOTAL ASSETS	755,066	733,314
LIABILITIES		
Current liabilities		
Loans and borrowings	23,378	30,807
Trade and other payables	106,765	94,186
Other current liabilities	973	4,690
Tax payables	2,977	2,518
	134,093	132,201
Non-current liabilities		
Deferred tax liabilities	15,922	15,875
Loans and borrowings	34,742	36,254
	50,664	52,129
TOTAL LIABILITIES	184,757	184,330
NET ASSETS	570,309	548,984
EQUITY		
Share capital	200,200	200,200
Revenue reserves	292,498	275,003
Total shareholders' equity	492,698	475,203
Non-controlling interest	77,611	73,781
TOTAL EQUITY	570,309	548,984
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	1.23	1.19

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 400,400,008 ordinary shares.

This Condensed Consolidated Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2021.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021
(The figures have not been audited).

	CURRENT PERIOD	COMPARABLE PERIOD
	ENDED 30/09/2021	ENDED 30/09/2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	23,455	14,623
Adjustments for:		
Non-operating items	851	(2,721)
Depreciation	14,879	7,982
Interest expense	871	1,205
Interest income	(280)	(307)
Share of results in associates and jointly controlled entity	(343)	1,688
Operating profit before changes in working capital	39,433	22,470
Changes in working capital:		
(Increase)/Decrease in inventories	(2,369)	867
Increase in trade and other receivables	(11,661)	(10,460)
Decrease in amount due from customers for contract works	7,268	1,163
Decrease in other current liabilities	(3,716)	(281)
Increase/(Decrease) in trade and other payables	5,200	(1,819)
Net cash generated from operations activities	34,155	11,940
Interest paid	(871)	(1,205)
Interest received	280	307
Tax paid	(2,152)	(2,110)
Net cash generated from operating activities	31,412	8,932
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,287)	(1,749)
Increase in fixed deposit pledged	(3)	(697)
Increase in investment securities	(5,287)	(3,836)
Purchase of treasure shares	-	(533)
Capital contributed by non controlling interest in subsidiary	-	508
Proceeds from disposal of property, plant and equipment	103	536
Net cash used in investing activities	(6,471)	(5,771)
Cash flows from financing activities		
Net (Repayment of) / generated from borrowings	(7,617)	(10,185)
Net (repayment of) / generated from lease payables	(14,323)	(2,011)
Net cash (used in) from financing activities	(21,940)	(12,197)
Net increase/(decrease) in cash and cash equivalents	3,001	(9,035)
Cash and cash equivalents at beginning of period	170,481	144,755
Cash and cash equivalents at end of period	173,482	135,720

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

Cash and bank balances	178,018	135,797
Bank Overdraft	(48)	(77)
Short term deposits pledged as securities for bank borrowings	(4,488)	0
	<u>173,482</u>	<u>135,720</u>

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2021.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS PERIOD ENDING 30 SEPTEMBER 2021
(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 ENDING 30 SEPTEMBER 2021							
At 1 July 2021	548,984	475,203	200,200	(887)	2,517	273,373	73,781
Total comprehensive income for the period	21,325	17,495	-	-	3	17,492	3,830
At 30 SEPTEMBER 2021	570,309	492,698	200,200	(887)	2,520	290,865	77,611
3 MONTHS ENDING 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

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 2021.

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 2021, except for the following:

Effective for financial periods beginning on or after 1 July 2021:

Amendment to MFRS 9, MFRS 139, MFRS 7 MFRS 4 and MFRS 16	:	Interest Rates Benchmark Reform 2
Amendments to MFRS 16	:	Leases (Covid -19 : Related Rent Concessions beyond 30 June 2021)

MFRSs and Amendments to MFRSs issued but not yet effective

Title		Effective Date
Amendments to MFRS 3	Business Combinations (Reference to the Conceptual Framework)	
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	On and after 1 July 2022
Amendments to MFRS 117	Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)	
Amendments to MFRS 17	Insurance Contracts	
Amendments to MFRS 101	Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)	
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	On and after 1 July 2023
Amendments to MFRS 112	Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	

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 2021 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 year 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 ending 30 September 2021.

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*

There were no issuance of debt and equity securities, repayment of debt securities, new shares issuance, share buy-backs, share cancellations nor resale of treasury shares by the Group and the Company during the financial period under review.

A7. *Dividend Paid*

No dividend was paid during the financial period ending 30 September 2021.

A8. Segment Information (Cont'd)

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

Financial period to date <u>30 September 2021</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	-	108,172	47,809	2,046	753	-	158,780
Inter-segment sales	533	2,386	4,153	-	35	(7,107)	-
	<u>533</u>	<u>110,558</u>	<u>51,962</u>	<u>2,046</u>	<u>788</u>	<u>(7,107)</u>	<u>158,780</u>
RESULTS							
(Loss)/Profit before taxation from the normal operations	(631)	22,112	3,740	(1,871)	(179)	284	23,455
Profit before taxation includes:							
Depreciation	69	10,411	4,264	90	45	-	14,879
Finance cost	48	633	479	44	62	(395)	871
Net (reversal)/impairment of trade receivables	-	(31)	959	-	-	-	928
Share of (loss)/profit in jointly controlled entities and associates	-	268	74	-	-	-	342

A8. Segment Information (Cont'd)

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

Financial period to date 30 September 2021	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	17,454	339,471	255,834	84,777	75,341	(19,271)	753,606
Deferred tax assets	-	1,011	439	-	10	-	1,460
TOTAL ASSETS	17,454	340,482	256,273	84,777	75,351	(19,271)	755,066
Included in measure of segment assets are:							
Investment in associates	-	10,793	418	-	-	-	11,211
Investment in jointly controlled entities	-	-	652	-	-	-	652
Additional to property, plant and equipment	-	66	1,198	13	10	-	1,287
SEGMENT LIABILITIES	14,400	100,096	66,583	7,235	5142	(24,621)	168,835
Deferred tax liabilities	66	5,522	8,240	2,031	63	-	15,922
TOTAL LIABILITIES	14,466	105,618	74,823	9,266	5,205	(24,621)	184,757

A8. Segment Information (Cont'd)

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

Financial period to date <u>30 September 2020</u>	Investment Holding <u>RM'000</u>	Shipping and Marine <u>RM'000</u>	Integrated logistics <u>RM'000</u>	Engineering <u>RM'000</u>	Property <u>RM'000</u>	Elimination <u>RM'000</u>	Total <u>RM'000</u>
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 <u>30 September 2020</u>	Investment Holding <u>RM'000</u>	Shipping and Marine <u>RM'000</u>	Integrated logistics <u>RM'000</u>	Engineering <u>RM'000</u>	Property <u>RM'000</u>	Elimination <u>RM'000</u>	Total <u>RM'000</u>
SEGMENT ASSETS	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

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 2021.

A10. Significant Post Balance Sheet Event

There are no material events as at 19 November 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

There were no changes in composition of the Group during the current financial period ending 30 September 2021:

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 September 2021	30 June 2021
	RM'000	RM'000
Capital expenditure		
Authorised and contracted for	5,374	7,346
	<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 2021 RM'000	Balance due from/(to) As at 30 Sept 2021 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	703	637
Purchase of goods and services	793	(937)
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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>30/09/2021</u>	30/09/2020	<u>RM'000</u>	<u>%</u>	<u>30/09/2021</u>	30/09/2020	<u>RM'000</u>	<u>%</u>
Revenue	158,780	133,804	24,976	19%	158,780	133,804	24,976	19%
Profit Before Interest and Tax	24,327	15,827	8,500	54%	24,327	15,827	8,500	54%
Profit Before Tax	23,455	14,623	8,832	60%	23,455	14,623	8,832	60%
Profit After Tax	21,368	12,149	9,219	76%	21,368	12,149	9,219	76%

The Group posted revenue of RM158.78 million for the current financial period ending 30 September 2021, which is RM24.98 million or 19% higher than the preceding financial period of RM133.80 million. While, the profit before tax for the current financial period ending 30 September 2021 is RM23.46 million, which is RM8.83 million or more than 60% higher than the preceding financial period of RM14.62 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 / %)	
	<u>30/09/2021</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>	<u>30/09/2021</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	108,173	88,651	19,522	22%	108,173	88,651	19,522	22%
Profit/(loss) Before Interest and Tax	22,234	8,737	13,497	>100%	22,234	8,737	13,497	>100%
Profit/(loss) Before Tax	22,112	8,768	13,344	>100%	22,112	8,768	13,344	>100%
Profit/(loss) After Tax	21,226	7,442	13,784	>100%	21,226	7,442	13,784	>100%

The shipping and marine segment recorded revenue of RM108.17 million which is RM19.52 million or 22% higher than the preceding financial period ending 30 September 2020 of RM88.65 million. The increase in the revenue by 22% is due to increase in ocean freight rates for Intra Asia trade.

The profit before tax of RM22.11 million has increased by RM13.34 million as compared to preceding financial period ended 30 September 2020 of RM8.77 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 Intra Asia trade.

Integrated logistics segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>30/09/2021</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>	<u>30/09/2021</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue	47,809	34,672	13,137	38%	47,809	34,672	13,137	38%
Profit Before Interest and Tax	4,337	4,124	213	5%	4,337	4,124	213	5%
Profit Before Tax	3,740	3,338	402	12%	3,740	3,338	402	12%
Profit After Tax	2,581	2,645	(64)	(2%)	2,581	2,645	(64)	(2%)

The integrated logistics segment recorded an increase in revenue by RM13.14 million to RM47.81 million, an increase of 38% as compared to the preceding financial period ending 30 September 2020 of RM34.67 million.

The profit before tax has recorded an increase of RM0.40 million to RM3.74 million as compared to preceding financial period ending 30 September 2020 of RM3.34 million.

The increase in the revenue is due to the easing of movement controls which has resulted in the increase of export-oriented cargo volumes from our local manufacturing sector as well as the oil and gas sectors. The increase in profit before tax is in tandem with the increase with revenue.

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 / %)	
	30/09/2021	30/09/2020	RM'000	%	30/09/2021	30/09/2020	RM'000	%
Revenue	2,046	7,412	(5,366)	(72%)	2,046	7,412	(5,366)	(72%)
Loss Before Tax and Interest	(1,827)	242	(2,069)	>100%	(1,827)	242	(2,069)	>100%
Loss Before Tax	(1,871)	192	(2,064)	>100%	(1,871)	192	(2,064)	>100%
Loss After Tax	(1,872)	134	(2,006)	>100%	(1,872)	134	(2,006)	>100%

The engineering segment recorded revenue of RM2.05 million which is RM5.37 million lower than the preceding financial period ended 30 September 2020 of RM7.41 million. The loss before tax is RM1.87 million which is RM2.06 million or more than 100% lower than the preceding financial period ending 30 September 2020. The decrease in revenue is due to the current project on hand are mostly at the initial stage thus the percentage of work done are at early stages. This is has resulted in the loss in the profit before tax of RM1.87 million as compared to the preceding financial period ending 30 September 2020.

Property segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	30/09/2021	30/09/2020	RM'000	%	30/09/2021	30/09/2020	RM'000	%
Revenue	753	3,069	(2,316)	75%	753	3,069	(2,316)	75%
(Loss)/Profit Before Interest and Tax	(118)	1,660	1,778	>100%	(118)	1,660	1,778	>100%
(Loss)/Profit Before Tax	(179)	1,529	1,708	>100%	(179)	1,529	1,708	>100%
(Loss)/Profit After Tax	(192)	1,158	1,350	>100%	(192)	1,158	1,350	>100%

The property development division recorded revenue of RM0.75 million which is RM2.32 million lower than the preceding financial period ending 30 September 2020. The loss before tax is RM0.12 million which is RM1.78 million lower than the preceding financial period ending 30 September 2020.

The lower revenue due to no sale during the financial period under review.

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>30/09/2021</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>	<u>30/09/2021</u>	<u>30/09/2020</u>	<u>RM'000</u>	<u>%</u>
Revenue		-	-	-		-	-	-
Loss Before Tax and Interest	(583)	(514)	(13%)	(13%)	(583)	(514)	(69)	(13%)
Loss Before Tax	(631)	(783)	19%	19%	(631)	(783)	152	19%
Loss After Tax	(659)	(809)	19%	19%	(659)	(809)	150	19%

The investment holdings recorded a loss before tax of RM0.63 million a decrease of RM0.15 million compare to the preceding financial period ending 30 September 2020 of loss before tax of RM0.78 million due to decrease in staff cost.

B2. Comparison with Preceding Quarter's Results

	Current quarter RM'000	Immediate Preceding Quarter RM'000	Changes (amount / %)	
	<u>30/09/2021</u>	<u>30/06/2021</u>	<u>RM'000</u>	<u>%</u>
Revenue	158,780	171,483	(12,703)	(7%)
Profit Before Tax and Interest	24,327	32,808	(8,481)	(26%)
Profit Before Tax	23,455	32,233	(8,778)	(27%)
Profit After Tax	21,368	30,079	(8,711)	(29%)

The Group posted revenue of RM158.78 million for the current quarter ended 30 September 2021 which is RM12.70 million or 7% lower than the immediate preceding quarter ended 30 June 2021 of RM171.48 million. The profit before tax for the current quarter ended 30 September 2021 is RM23.46 million, which is RM8.78 million lower than the immediate preceding quarter ended 30 June 2021 of RM32.23 million.

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

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

<u>Shipping and marine segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding Quarter RM'000	(amount / %)	
	<u>30/09/2021</u>	<u>30/06/2021</u>	<u>RM'000</u>	<u>%</u>
Revenue	108,173	118,480	(10,307)	(9%)
Profit Before Tax and Interest	22,234	27,535	(5,301)	(19%)
Profit Before Tax	22,112	27,390	(5,278)	(19%)
Profit After Tax	21,226	25,798	(4,572)	(18%)

The shipping and marine segment posted a decrease in revenue of RM10.31 million or 9% in the current quarter ended 30 September 2021 of RM108.17 million as compared to RM118.48 million in the immediate preceding quarter ended 30 June 2021. The reason for the decrease in the revenue is mainly due to lower lifting volume in the month of July when there was port congestion in China ports and Enhanced Movement Control Order (“EMCO”) in Selangor, Malaysia. Under this situation, the movement of cargoes were affected and reduced in our cargo booking on our vessels.

The decrease in profit before tax for the current quarter ended 30 September 2021 by RM5.28 million as compared to the immediate preceding quarter ended 30 June 2021 due to the above mentioned factors. At the same time, some repair and maintenance work on the vessels which incurred additional expenses.

<u>Integrated logistics segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding Quarter RM'000	(amount / %)	
	<u>30/09/2021</u>	<u>30/06/2021</u>	<u>RM'000</u>	<u>%</u>
Revenue	47,809	43,040	4,769	11%
Profit Before Interest and Tax	4,337	4,827	(490)	(10%)
Profit Before Tax	3,740	4,359	(619)	(14%)
Profit After Tax	2,581	5,096	(2,515)	(49%)

The integrated logistics segment posted an increase in revenue of RM4.77 million or 11% in the current quarter ended 30 September 2021 of RM47.81 million as compared to RM43.04 million in the immediate preceding quarter ended 30 June 2021. The increase in revenue due to increase of export-oriented cargo volume from manufacturers.

The profit before tax for the current quarter ended 30 September 2021 is RM3.74 million, which is RM0.62 million lower than the immediate preceding quarter ended 30 June 2021 of RM4.36 million. The slight decrease in profit before tax is due to higher vehicle repairs cost.

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

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

	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
<u>Engineering segment</u>	<u>30/09/2021</u>	<u>Quarter</u>	<u>RM'000</u>	<u>%</u>
		<u>30/06/2021</u>		
Revenue	2,046	10,024	(7,978)	(80%)
Profit Before Interest and Tax	(1,827)	2,985	(4,812)	>100%
Profit Before Tax	(1,871)	2,940	(4,811)	>100%
Profit / (Loss) After Tax	(1,872)	2,202	(4,074)	>100%

The engineering segment posted a decrease in revenue of RM7.98 million or 80% in the current quarter ended 30 September 2021 of RM2.05 million as compared to RM10.02 million in the immediate preceding quarter ended 30 June 2021. The loss before tax for the current quarter ended 30 September 2021 is RM1.87, which is RM4.81 million lower than the immediate preceding quarter ended 30 September 2021 of RM2.94 million. The reason for the decrease in revenue and incurred a loss before tax is due to the current projects are ending and new projects are at the initial stage and thus incurred more overhead cost and expenses.

	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
<u>Property segment</u>	<u>30/09/2021</u>	<u>Quarter</u>	<u>RM'000</u>	<u>%</u>
		<u>30/06/2021</u>		
Revenue	753	197	556	>100%
Profit Before Interest and Tax	(118)	814	932	>100%
Profit Before Tax	(179)	952	1,131	>100%
Profit After Tax	(192)	514	706	>100%

The property segment posted an increase in revenue of RM0.56 million in the current quarter ended 30 September 2021 to RM0.75 million as compared to the immediate preceding quarter ended 30 June 2021.

The loss before tax for the current quarter ended 30 September 2021 of RM0.18 million, which is RM1.13 million lower than the immediate preceding quarter ended 30 June 2021 due to no sales in the current quarter under review. The higher profit before tax in the immediate preceding quarter is due to one-off adjustment of cost during that period.

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

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

<u>Investment holding segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
	30/09/2021	Quarter	RM'000	%
		30/06/2021		
Revenue	-	-	-	-
Loss Before Interest and Tax	(583)	(489)	(94)	19%
Loss Before Tax	(631)	(543)	(88)	16%
Loss After Tax	(659)	(667)	(8)	1%

The investment holdings recorded a loss before tax of RM0.63 million a decrease of loss of RM0.09 million as compare to the immediate preceding quarter ended 30 June 2021 of RM0.54 million.

B3. Prospects

Container liner service shall remain as our key contributor to our shipping and marine division. We foresee the freight rates for both domestic and Intra Asia Trade to remain stable throughout our financial year. Based on current strong domestic demands and favorable freight rates, we are likely to maintain favorable results in this financial year.

Our integrated logistic division will be stabilized and recovered after the easing of the EMCO. The activities in the oil and gas upstream and downstream sectors have increased which we foresee to able to deliver a positive performance in this financial year.

Our engineering and construction division has secured new projects and will expect to contribute positively in this financial year as well.

Hence, for our financial year 2022, we expect to deliver a positive performance to our Group.

B4. Profit Forecast or Profit Guarantee

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

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

B5. Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/09/2021	30/09/2021	30/09/2021	30/09/2021
	<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	280	307	280	307
Depreciation of plant and equipment	14,879	7,982	14,879	7,982
Finance cost	871	1,205	871	1,205
Allowance/(Reversal) of impairment of receivables,	928	(897)	928	(897)
Share of loss in associates	345	(1,641)	345	(1,641)
Share of loss in jointly controlled entities	2	(47)	2	(47)

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
	30/09/2021	30/09/2021	30/09/2021	30/09/2021
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	1,981	2,184	1,981	2,184
Deferred tax expense: Origination and reversal of temporary difference	106	290	106	290
	2,087	2,474	2,087	2,474

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.

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

B7. Status of Corporate Proposal

There were no pending corporate proposals up to 19 November 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 30 September 2021 and 30 September 2020 are as follows:

	As at 30 September 2021		
	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	4,905	14,190	19,095
Bank Overdraft	48	-	48
Lease Liabilities	15,068	20,552	35,620
	20,021	34,742	54,762
Unsecured			
Bankers' Acceptance	3,357	-	3,357
Revolving Credit	-	-	-
	3,357	-	3,357
	23,378	34,742	58,119
	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	13,614	26,957	40,571
	18,747	46,479	65,226
Unsecured			
Bankers' Acceptance	4,982	-	4,982
Revolving Credit	13,000	-	13,000
	17,982	-	17,982
	36,729	46,479	83,208

The above borrowings are denominated in Ringgit Malaysia.

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

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 2021.

B10. Off Balance Sheet Financial Instruments

During the financial period to-date, the Group did not enter into any contracts involving off balance sheet financial instruments. There are no financial instruments with off balance sheet risks as at 19 November 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 19 November 2021 being the date not earlier than 7 days from the date of this announcement.

B12. Dividend declared

A first interim dividend of 2.5 sen per ordinary share for the financial year ending 30 June 2022 amounting to RM9,964,418 (2021: RM3,985,767) was proposed during the quarter under review.

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

B13. Earnings per Share

Basic earnings per share

The basic earnings per share for the current quarter and financial period ended 30 September 2021 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 RM25,992,000 and 61,480,000 by the weighted average number of ordinary shares in issue (net of treasury shares) during the current quarter and financial period ended 30 June 2021 of 398,744,000.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Earnings Per Share				
Profit net of tax attributable to Owners of the parent (in RM'000)	17,492	9,340	17,492	9,340
Weighted average number of ordinary shares in issue ('000)	398,744	398,744	398,744	398,744
Basic earnings per share (sen)	4.39	2.34	4.39	2.34
Diluted earnings per share (sen)	4.39	2.34	4.39	2.34

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

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 2021 pursuant to paragraph 8.23(1) of the Listing Requirements.

	30 Sept 2021	30 June 2021
	RM'000	RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	5,146	10,813
	=====	=====

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 2021.

This announcement is dated 26 November 2021.