



**HARBOUR-LINK GROUP BERHAD**  
[Registration No. 200201025239 (592902-D)]

— RIDING —  
THE NEW WAVE OF  
**SUSTAINABLE  
GROWTH**

**2025**

ANNUAL  
REPORT



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**HARBOUR-LINK GROUP BERHAD**  
[Registration No. 200201025239 (592902-D)]

Established in 2002, Harbour-Link Group Berhad consolidated all related business activities and was officially listed on the Main Market of Bursa Malaysia Securities Berhad on 6 January 2004. With its roots firmly planted in the shipping, marine and integrated logistics services as well as engineering and construction industry for the past 50 years, Harbour-Link Group has grown steadily and built multi-disciplinary industry expertise covering a comprehensive range of services to fulfil its client's needs. Today, Harbour-Link Group's business footprint extends across the Intra-Asian region and it has successfully established itself as a reputable brand-name within the industries that it operates in.



## CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato Yong Piaw Soon**  
*Chairman and Group Managing Director*

**Bin Lay Thiam**  
*Independent Non-Executive Director*

**Wong Siong Seh**  
*Executive Director*

**Datuk Pau Chiong Ung**  
*Independent Non-Executive Director*

**Dato' Toh Guan Seng**  
*Executive Director*

**Khoi Hoay Ling**  
*Independent Non-Executive Director*

## AUDIT AND RISK MANAGEMENT COMMITTEE

Bin Lay Thiam (*Chairman*)  
Datuk Pau Chiong Ung  
Khoi Hoay Ling

## REMUNERATION COMMITTEE

Datuk Pau Chiong Ung (*Chairman*)  
Bin Lay Thiam  
Khoi Hoay Ling

## NOMINATION COMMITTEE

Datuk Pau Chiong Ung (*Chairman*)  
Bin Lay Thiam  
Khoi Hoay Ling

## COMPANY SECRETARIES

Lim Seck Wah  
(MAICSA 0799845)

Tang Chi Hoe (Kevin)  
(MAICSA 7045754)

## REGISTERED OFFICE

Wisma Harbour  
Parkcity Commerce Square  
Jalan Tun Ahmad Zaidi  
97000 Bintulu, Sarawak  
Email : info@harbour.com.my  
Tel : 086 - 318998  
Fax : 086 - 332429

## SHARE REGISTRAR

Mega Corporate Services Sdn Bhd  
Level 15-2, Bangunan Faber Imperial  
Court, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel : (03) 2692 4271  
Fax : (03) 2732 5388  
Email : mega-sharereg@megacorp.com.my

## AUDITORS

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF0039  
Chartered Accountants  
3<sup>rd</sup> Floor, Wisma Bukit Mata Kuching  
Jalan Tunku Abdul Rahman  
93100 Kuching  
Sarawak, Malaysia

## PRINCIPAL BANKERS

Malayan Banking Berhad  
AmBank Berhad  
Hong Leong Bank Berhad  
CIMB Bank Berhad

## STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia  
Securities Berhad  
Stock Name : HARBOUR  
Stock Code : 2062

## WEBSITE

www.harbour.com.my

## CORPORATE STRUCTURE

As at 1 October 2025



**HARBOUR-LINK GROUP BERHAD**  
[Registration No. 200201025239 (592902-D)]

## SHIPPING AND MARINE DIVISION

80%

**HARBOUR IVORY SDN BHD**

[200601018496 (738249-M)]  
(In Members' Voluntary Winding-up)

100%

**HARBOUR-LINK NAVIGATION SDN BHD**

[200501001514 (678560-X)]

85%

**HARBOUR HORNBILL SDN BHD**

[200601013788 (733539-X)]

85%

**HARBOUR-LINK LINES SDN BHD**

[200601018501 (738254-T)]

100%

**HLG PETROLEUM SDN BHD**

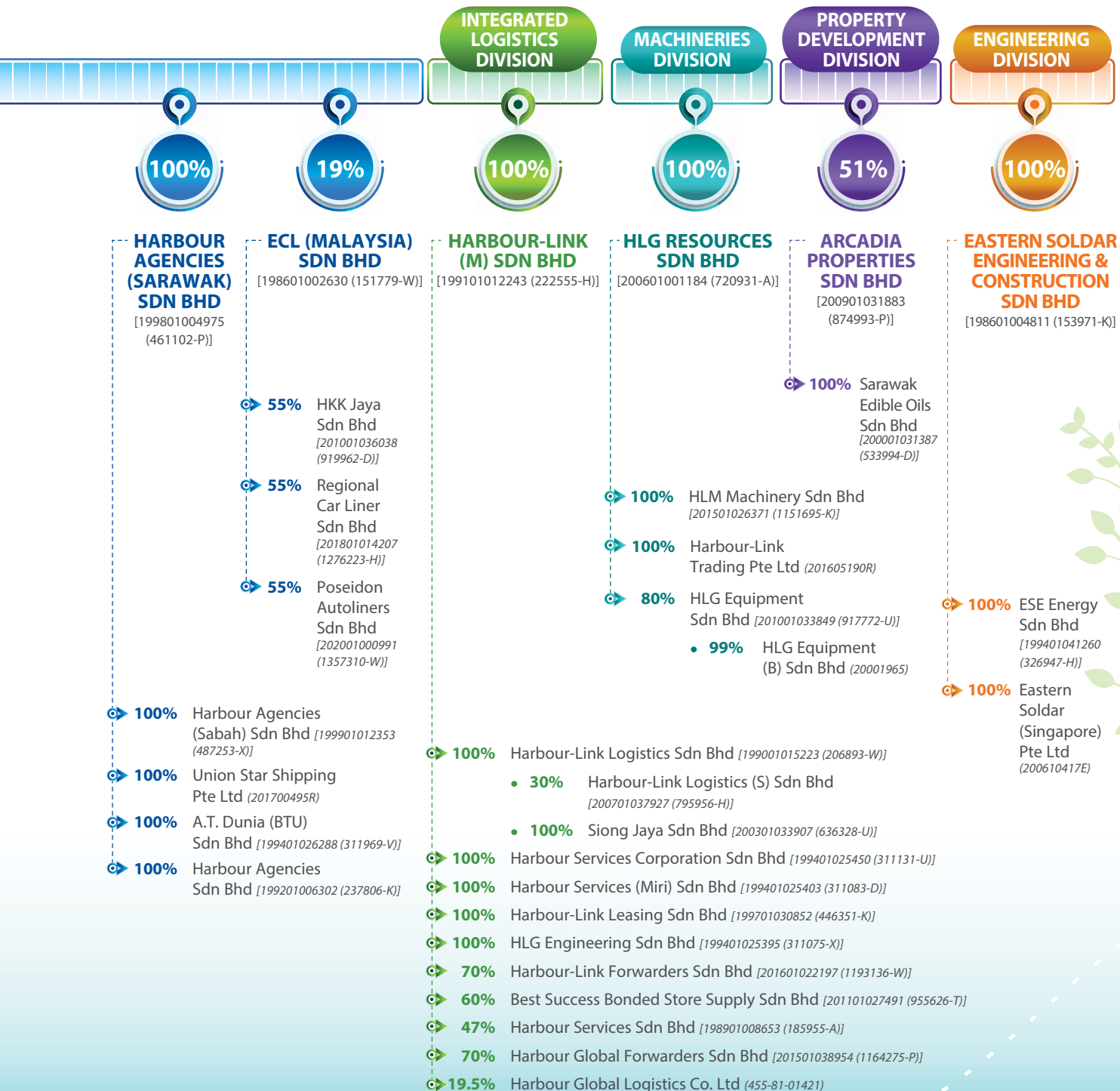
[200601003074 (722821-K)]

- 100% Harbour Challenger Sdn Bhd [200501002334 (679380-P)]
- 100% Harbour Eagle Sdn Bhd [200501005190 (682237-W)]
- 100% Satun Shipping Sdn Bhd [200501004913 (681960-T)]
- 100% Harbour-Link Marine Services Sdn Bhd [200601018500 (738253-H)]
- 100% Harbour Agencies (Sibu) Sdn Bhd [199401006065 (291744-P)]
- 100% Harbour Services (Kuching) Sdn Bhd [199501024940 (354145-A)]
- 100% Harbour Xtra Sdn Bhd [201501021029 (1146365-W)]
- 100% Navasco Shipping Sdn Bhd [199601037065 (409418-A)]
- 85% Harbour-Link Shipping Sdn Bhd [200601018499 (738252-M)]
- 85% Harbour Ruby Sdn Bhd [201501028263 (1153587-X)]
- 85% Harbour Zenith Sdn Bhd [201501028026 (1153350-W)]
- 100% Harbour Gemini Sdn Bhd [200601013791 (733542-X)]
- 85% AM Lines Sdn Bhd [201601002993 (1173919-X)]
- 85% Harbour Frida Sdn Bhd [202001042661 (1398982-P)]
- 85% Harbour Zircon Sdn Bhd [202401009364 (1555214-D)]
- 85% Harbour Adventure Sdn Bhd [202401009359 (1555209-U)]
- 85% Harbour Iconic Sdn Bhd [202401034158 (1580006-H)]

- 62% Advance Mariner Lines Sdn Bhd [201601002851 (1173777-U)]
- 100% AML Shipping Sdn Bhd [201601003022 (1173948-H)]
- 49% T&T Forwarding Sdn Bhd [200801027434 (828760-P)]
- 100% AML Shipping (Singapore) Pte Ltd [201620045G]
- 51% AML Shipping (Sabah) Sdn Bhd [201601033269 (1204210-A)]

- 100% Harbour-Link Lines (S) Pte Ltd [201423615W]
- 100% Harbour Jupiter Sdn Bhd [200701001232 (759230-A)]
- 100% Harbour-Link Lines (KK) Sdn Bhd [200601019811 (739564-H)]
- 90% Harbour-Link Lines (JB) Sdn Bhd [200601019807 (739560-D)]
- 100% Harbour-Link Lines (KCH) Sdn Bhd [200601019812 (739565-T)]
- 60% Harbour-Link Lines (PK) Sdn Bhd [200601019809 (739562-P)]
- 40% Smart Shipping Sdn Bhd [200501010748 (687795-U)]
- 100% Harbour-Link Lines Limited [2701216]
- 55% Harbour-Link Lines (B) Sdn Bhd [00007861]

## CORPORATE STRUCTURE

As at 1 October 2025  
cont'd



## BOARD OF DIRECTORS

- 
- 
- 1. Khoi Hoay Ling**  
*Independent Non-Executive Director*
  - 2. Bin Lay Thiam**  
*Independent Non-Executive Director*
  - 3. Dato Yong Piaw Soon**  
*Chairman and Group Managing Director*
  - 4. Wong Siong Seh**  
*Executive Director*
  - 5. Dato'Toh Guan Seng**  
*Executive Director*
  - 6. Datuk Pau Chiong Ung**  
*Independent Non-Executive Director*



## BOARD OF DIRECTORS

cont'd

**DATO YONG PIAW SOON***Chairman and Group Managing Director*

Male



73 years old



Malaysian

He was appointed to the Board of Harbour-Link Group Berhad on 27 December 2003. He is a founder member of Harbour-Link Group and his active involvement in the shipping and freight forwarding industry in East Malaysia since the early 1970s has distinguished him as one of the industry's pioneers. At the same time, he also ventured into timber export and other logging related activities. His astute business instincts and in-depth knowledge of the shipping and forwarding industry has positioned him well to spearhead and lead the business expansion and development of Harbour-Link Group throughout the years.

Under his leadership, Harbour-Link Group has grown to become a major player in the shipping and forwarding industry in the region. He has succeeded in elevating Harbour-Link Group to a higher level of business achievement and diversifying into Engineering, Shipping & Marine Services, Freight Forwarding & Logistic Services, Equipment Sales & Rental and Property Development & Construction. He has laid a good foundation for the future of the Harbour-Link Group of Companies. He sits on the Board of several subsidiary companies of Harbour-Link Group Berhad.

He attended all the four (4) Board of Directors meetings held during the financial year ended 30 June 2025.

**WONG SIONG SEH***Executive Director*

Male



63 years old



Malaysian

He was appointed to the Board of Harbour-Link Group Berhad on 27 December 2003 and is a founder member of Harbour-Link Group. He started his career in early 1980s working as an executive in a prominent shipping company in Sibul. His involvement in the shipping industry has earned him vast experience and exposure and, a sound understanding of the industry which includes ship management, freighting, chartering services and other related services. In 1983, he joined Antah Transact Sdn. Bhd. as an Operations Manager. He was attached to the company for ten (10) years where he was involved in providing logistic services in the oil and gas industry. He left Antah Transact Sdn. Bhd. in 1992 to join Harbour-Link (M) Sdn. Bhd. and later was appointed as Director on 1 March 1994.

He is in charge of the Harbour-Link Group's shipping and container liner service operations, management and business development. He also sits on the Board of several subsidiary companies of Harbour-Link Group Berhad.

He attended three (3) Board of Directors meetings held during the financial year ended 30 June 2025.

## BOARD OF DIRECTORS

cont'd

### DATO' TOH GUAN SENG

*Executive Director*



Male



70 years old



Malaysian

He was appointed to the Board of Harbour-Link Group Berhad on 27 December 2003 and is a founder member of Eastern Solder Engineering & Construction Sdn. Bhd. ("ESEC"). He has more than 43 years' experience in the oil and gas industry. He started his career as a Unit Group Leader with Jurong Engineering Pte. Ltd (Singapore) and later ventured into business by setting up his trading firm dealing with LPG safety equipments. In 1986, he founded ESEC and over the period of 37 years under his able leadership, ESEC Group has managed to penetrate into the oil and gas and petrochemical industries resulting in the gradual and steady growth of ESEC.

He is currently Advisor of Federation of Malaysia Foundry & Engineering Industries Association (FOMFEIA), Advisor of the Negeri Sembilan Foundry & Engineering Industries Association, and Executive Advisor of Negeri Sembilan Chinese Chamber of Commerce and Industry (NSCCCI).

He attended all the four (4) Board of Directors meetings held during the financial year ended 30 June 2025.

### BIN LAY THIAM

*Independent Non-Executive Director*



Male



55 years old



Malaysian

He was appointed to the Board of Harbour-Link Group Berhad on 6 February 2014. He is also a member of the Remuneration and Nomination Committee and was appointed as the Chairman of Audit and Risk Management Committee on 1 July 2016. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).

Started his career at KPMG Peat Marwick, Kuala Lumpur in 1990 where he spent eleven (11) years in audit division. Thereafter, he served few public-listed companies holding roles as Group Financial Controller and Chief Financial Officer from 2000 till 2020. During his tenure in these public-listed companies, he was principally involved in corporate reporting, statutory compliance and fund raising and responsible for the financial affairs, business development and treasury functions.

He is currently the General Manager, Finance of SWM Environment Sdn. Bhd.

He attended all the four (4) Board of Directors meetings held during the financial year ended 30 June 2025.



## BOARD OF DIRECTORS

cont'd

**DATUK PAU CHIONG UNG***Independent Non-Executive Director*

Male



73 years old



Malaysian

He was appointed to the Board of Harbour-Link Group Berhad on 13 January 2015 and is also a member of the Audit and Risk Management Committee. He was appointed as the Chairman of Remuneration Committee on 22 November 2016 and re-designated as Chairman of Nomination Committee on 27 August 2018. He holds a technical certificate of wood working from Japan and has been engaged in timber and shipping industries for the last 32 years.

In his working experience, he has served as Shipping Manager, General Manager and Managing Director of several shipping, timber extraction and export companies. He is currently Director of various private companies involving in wood manufacturing and shipping. He is also the Chief Executive Officer of Timberwell Berhad.

He attended all the four (4) Board of Directors meetings held during the financial year ended 30 June 2025.

**KHOI HOAY LING***Independent Non-Executive Director*

Female



55 years old



Malaysian

She was appointed to the Board of Harbour-Link Group Berhad on 1 May 2018. She is also a member of the Audit and Risk Management, Remuneration and Nomination Committees. She is an accountant by profession and a member of the Malaysian Institute of Certified Public Accountants (MICPA).

She is currently the General Manager, Finance of Peremba (Malaysia) Sdn. Bhd. and is responsible for the financial, tax and corporate related matters of the Peremba Group. Prior to joining the Peremba Group in 1995, she was with KPMG Peat Marwick since 1990. She has vast experience in audit, accounting, tax and corporate finance.

She attended all the four (4) Board of Directors meetings held during her tenure in office for the financial year ended 30 June 2025.

**OTHER INFORMATION****(a) Other Directorship**

None of the Directors hold any directorship in other public companies.

**(b) Family Relationship**

None of the Directors have any family relationship with any director and/or major shareholder of the Company.

**(c) Conflict of Interest**

The Company has entered into recurrent related party transactions with parties in which the Directors of the Company, namely Dato Yong Piau Soon and Wong Siong Seh have direct and/or indirect interests. Save for the above-mentioned disclosure, none of the other Directors have any conflict of interest with the Company.

**(d) Conviction of Offences**

Other than traffic offences, if any, none of the Directors have any conviction for offences within the past five (5) years or any public sanction or penalty imposed by any relevant regulatory bodies during the financial year ended 30 June 2025.

## KEY SENIOR MANAGEMENT

### SANDRA CHAN LEE HUNG

*Financial Controller*

Gender : Female  
Age : 54  
Nationality : Malaysian

- Obtained professional accounting degree from Association of Chartered Certified Accountants (ACCA).
- Fellow of ACCA in 2003 and member of Malaysian Institute of Accountants (MIA).
- 31 years working experience in related industry.
- Joined Harbour-Link Group in 1990 as Audit Supervisor.
- Promoted to Accountant in 2003.
- Promoted to Senior Account and Finance Manager in 2008.
- Appointed as Financial Controller in 2016.
- In charge of corporate and financial matters of the Group.

### LEE SENG CHIONG

*Executive Director  
Shipping and Marine Division*

Gender : Male  
Age : 66  
Nationality : Malaysian

- Started career in 1981 as a Shipping Executive where he gained experience in shipping operations, marketing and management.
- Joined Harbour-Link (M) Sdn. Bhd. and was appointed as Executive Director in 1994.
- Presently is in charge of the Bintulu region shipping operations, management and business development.
- Board member of several subsidiary companies of Harbour-Link Group Berhad.

### HII KWONG WUI

*Executive Director  
Shipping and Marine Division*

Gender : Male  
Age : 63  
Nationality : Malaysian

- 44 years working experience in shipping industry.
- Started career in Pan Sarawak Co. Sdn. Bhd. in 1981 as a Shipping Executive.
- Joined Harbour-Link (M) Sdn. Bhd. in 1994 and was appointed as the Executive Director in charge of Sibu and Kuching region in 1996.
- Presently is in charge of both Sibu and Kuching regions' daily operations, management and business development.
- Board member of several subsidiary companies of Harbour-Link Group Berhad.

### LAU CHII HUNG

*Executive Director  
Shipping and Marine Division*

Gender : Male  
Age : 62  
Nationality : Malaysian

- Obtained Bachelor Degree of Science major in Computer Science & Mathematics in 1984.
- 41 years working experience in related industry.
- Joined Harbour-Link (M) Sdn. Bhd. in year 1994 and was appointed as Executive Director in 1996.
- In charge of business development and operation of shipping and marine services in Miri, Port Klang and Sabah region.
- Board member of several subsidiary companies of Harbour-Link Group Berhad.

### HOOI YEN PENG

*Executive Director  
Engineering and Construction Division*

Gender : Male  
Age : 74  
Nationality : Malaysian

- Co-founder of Eastern Solder Engineering & Construction Sdn. Bhd.
- Appointed as Executive Director of Eastern Solder Engineering & Construction Sdn. Bhd. in 1986.
- In charge of project estimation, contract administration and project execution of the Division.

## KEY SENIOR MANAGEMENT

cont'd

**KHEW WEE YEAP**

General Manager  
Engineering and Construction Division

Gender : Male

Age : 54

Nationality : Malaysian

- Obtained Bachelor Degree (BSc) in Mechanical Engineering in year 1993.
- Obtained Master of Business Administration (MBA) in year 1999.
- Registered member with IEM & BEM.
- Joined Eastern Solder Engineering & Construction Sdn Bhd in year 1994 and appointed as General Manager in year 2016.
- 31 years of working experience in the related industry.
- Oversee day-to-day operation and all technical and commercial aspect related to project.

**LIM SIN SANG**

Executive Director  
Container Shipping Unit/  
Shipping and Marine Division

Gender : Male

Age : 57

Nationality : Malaysian

- 35 years working experience in the related industry.
- Joined Harbour-Link Group in 2006 as Executive Director of Harbour Link Lines (PK) Sdn. Bhd.
- In charge of business development and operation of container liner services of Harbour-Link Lines in Port Klang.

**ONG KHOON SENG**

Executive Director  
Container Shipping Unit/  
Shipping and Marine Division

Gender : Male

Age : 60

Nationality : Malaysian

- Member of Chartered Institute of Management Accountants (CIMA), UK and Malaysian Institute of Accountants (MIA).
- 36 years working experience in related industry.
- Joined Harbour-Link Group in 2016 as Executive Director of Advance Mariner Lines Sdn. Bhd. and its subsidiary companies.
- In charge of running AML brand and its related business units.

**TING SING HONG**

Senior Manager  
Freight Forwarding/  
Integrated Logistics Division

Gender : Male

Age : 68

Nationality : Malaysian

- Obtained professional degree in Bachelor of Art in Business Administration.
- 46 years working experience in related industry.
- Joined Harbour-Link Group in 1995 as Assistant Manager under Freight Forwarding unit.
- Promoted to Manager in 1998.
- Head of the business unit in 2007 until now.
- CMILT holder.

**OTHER INFORMATION****(a) Other Directorship**

None of the Key Senior Management holds any directorship in other public companies.

**(b) Family Relationship**

None of the Key Senior Management has any family relationship with any director and/or major shareholder of the Company.

**(c) Conflict of Interest**

None of the Key Senior Management has any conflict of interest with the Company.

**(d) Conviction of Offences**

Other than traffic offences, if any, none of the Key Senior Management have any conviction for offences within the past five (5) years or any public sanction or penalty imposed by any relevant regulatory bodies during the financial year ended 30 June 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Dato Yong Piaw Soon

Chairman and Group Managing Director

### (1) OVERVIEW OF BUSINESSES

Harbour-Link was incorporated on 17th September 2002 and listed on the Main Market of Bursa Malaysia Securities Berhad ("Main Market") on 6<sup>th</sup> January 2004.

Over the past 22 years, Harbour-Link has established its track record as a leading shipping, marine and integrated logistics provider and engineering and construction contractors for oil and gas and power industries locally and regionally.

The Group's headquarter is located in Bintulu, Sarawak, Malaysia with branches and operation offices in every main port of Malaysia, Brunei, Singapore and Hong Kong. A wide network of agent representations is being established around the world.

### (2) KEY FINANCIAL HIGHLIGHTS

The following discussion and analysis compares the Group's financial condition and results of operations for the year ended 30<sup>th</sup> June 2025 with those of the previous years.

#### Financial Review

	2025 (RM'000)	2024 (RM'000)	2023 (RM'000)	2022 (RM'000)	2021 (RM'000)
Group Revenue	1,032,264	941,631	1,006,956	907,503	609,601
Group Operating Profit	159,701	127,849	194,854	204,502	88,609
Profit before tax	160,209	125,729	195,028	200,307	82,943
Profit after tax	138,972	106,614	175,071	179,467	74,739
Group net profit attributable to shareholders	117,986	86,189	147,832	149,740	60,577
Operating cash flow	132,354	124,150	207,671	211,570	93,247
Earnings per share (EPS) (sen)	29.60	21.62	37.09	37.57	15.19
Return on equity (ROE) (%)	13.14	10.69	19.89	24.31	12.75
Net Gearing (%)	-	-	-	-	-

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## (3) FINANCIAL RESULT

### (i) Revenue

In 2025, Group revenue has increased by RM90.63 million from RM941.63 million reported in 2024. The major contributor of the increase in the revenue is from shipping and marine division. The shipping and marine division's revenue is RM626.49 million which is RM78.78 million or 14% higher than the preceding financial year ended 30 June 2024 RM547.71 million. The increase in the revenue due to additional tonnage carried and higher freight rates.

#### Revenue by business divisions:

Group Revenue by Business Division	Investment Holding (RM'000)	Shipping and Marine Services (RM'000)	Integrated Logistics (RM'000)	Machineries Trading (RM'000)	Engineering Works (RM'000)	Property Development (RM'000)
2025	-	626,489	253,535	121,007	28,960	2,274
2024	-	547,710	215,224	130,718	40,183	7,796
Increase/(Decrease)	-	78,779	38,311	(9,711)	(11,299)	(5,522)
%	-	14%	18%	(7%)	(28%)	(71%)

### (ii) Profit after tax

	Results	
	2025 RM	2024 RM
Profit net of tax	138,971,919	106,613,755
Attributable to:		
Owners of the Company	117,985,700	86,188,932
Non-controlling interest	20,986,219	20,424,823
	138,971,919	106,613,755
Earnings per share	29.60	21.62

Profit after tax for 2025 has increased by 30% to RM138.97 million against the RM106.61 million from the previous year. Net profit after tax attributable to shareholders has increased by RM31.80 million to RM117.98 million in 2025 which resulted in earnings per share increased from 21.62 sen to 29.60 sen.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

### (3) FINANCIAL RESULT (CONT'D)

#### (ii) Profit after tax (Cont'd)

##### Profit before tax by business division

Group Profit /(Loss) before Tax by Business Division	Investment Holding (RM'000)	Shipping and Marine Services (RM'000)	Integrated Logistics (RM'000)	Machineries Trading (RM'000)	Engineering Works (RM'000)	Property Development (RM'000)
2025	58,633	110,498	37,757	12,320	(355)	(127)
2024	74,640	73,050	46,148	8,043	(3,122)	6,165
Increase/(Decrease)	(16,007)	37,448	(8,391)	4,277	2,767	(6,292)
%	(21%)	51%	(18%)	53%	(89%)	>100%

Profit before tax for 2025 was RM160,209,050 as compared to RM125,728,592 in 2024. There was an increase of RM34,480,458 as compared to 2024 mainly attributed from the shipping and marine division. The reason for the increase in the profit before tax is due to additional tonnage carried and higher freight rates.

#### (iii) Financial position

	2025 RM	2024 RM
Loans and borrowings	77,133,656	49,287,890
Trade and other payables	152,199,133	154,719,308
Less:		
Investment securities	(133,958,346)	(115,779,410)
Cash and bank balances	(305,245,338)	(283,376,851)
Net (cash)/debt	(209,870,895)	(195,149,063)
Equity attributable to the owners of the Company	896,805,654	805,996,416
Capital and net debt	N/A*	N/A*
Gearing ratio	N/A*	N/A*
* Not applicable as the Group was in a net cash position.		
Net assets	1,036,567,494	933,918,523

The Group net assets have increased by RM102.65 million as compared to previous year from RM933.92 million to RM1,036.57 million mainly due to increase in net earnings of the Group. As at 30<sup>th</sup> June 2025, the Group has cash at bank of RM305.24 million (2024 RM283.38 million) and net borrowings of RM77.13 million (2024 RM49.29 million). The net gearing ratio is NIL (2024: NIL).



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## (3) FINANCIAL RESULT (CONT'D)

### (iv) Liquidity and Financial Resources

The Group generally has been financing its operations through internal generated funds and bank borrowings.

### (v) Capital Expenditures

The Group's capital expenditures for the financial year 2025 was RM101.79 million and future commitments of RM32.40 million. The investment shall be financed by the Group's internal resources.

## (4) REVIEW OF OPERATION

### 4.1 Shipping and marine division

#### 4.1.1 Container shipping liner service

Harbour-Link provides container shipping liner service within the Malaysia and Intra Asia market. Our fleet comprises 10 container vessels and 4 sets of tugs and barges, with a total capacity of 8,432 TEUs (Twenty-foot Equivalent Units). During the financial year 2025, we executed the sale of one container vessel with a capacity of 653 TEUs. This strategic divestment aligned the fleet size with the existing demands of our niche market, allowing us to maintain an achievable high rate of utilization. This division operates a comprehensive network of operational offices located in every calling port, including: Penang, Port Klang, Pasir Gudang, Kuching, Sibul, Bintulu, Miri, Kota Kinabalu, Tawau, Sandakan, Singapore, Muara, Hong Kong, and China. These offices function as the local representative for the principal, focusing on sales and marketing, liaison with local authorities, container inventory management, and ship husbandry services. For the current financial year, this operation contributed significantly to the Group's overall performance.

#### 4.1.2 Tugboats and barges operations

Harbour-Link is actively involved in the sea transportation of timber products, primarily sawn timber and round logs, within the ASEAN region, servicing countries such as Vietnam, the Philippines, and Thailand. We deploy three sets of tugboats and barges for these operations. This segment has provided a stable income stream to the Group over the years.

#### 4.1.3 Ship agency service

Harbour-Link maintains an experienced team of shipping personnel with extensive port operation expertise to manage all types of vessels calling at ports across Malaysia, Singapore, Brunei, Hong Kong, and China. The vessels we handle include container ships, bulk carriers, oil tankers, tugs and barges, car carriers, and offshore supply boats.

Our ship agency service encompasses inward and outward ship clearance, ship chandling and husbandry services, stevedorage, and the provision of supplies and materials. This operation has consistently provided a stable revenue stream to the Group.

#### 4.1.4 Ship management service

We have established an experienced ship management team comprising ship masters, marine engineers, and superintendents. Their primary role is to manage and monitor the daily performance of our fleet plying between scheduled routes. This dedicated team is crucial for minimizing vessel downtime, avoiding cost overruns, and reducing the frequency of delays. They also ensure that our vessels are fully managed in strict accordance with International Maritime Organization (IMO) standards and environmental compliances.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## (4) REVIEW OF OPERATION (CONT'D)

### 4.2 Integrated logistics division

#### 4.2.1 Multimodal Transportation

Harbour-Link operates as a Multimodal Transport Operator (MTO) under a license registered with the Ministry of Finance ("MOF"). We offer Third-Party Logistics (3PL) services with customized supply chain solutions for the oil and gas and manufacturing sectors.

Multimodal transport systems are essential to international trade, aiming to reduce overall transport and handling costs within the supply chain while meeting the demand for just-in-time, Door-to-Door cargo services.

Our dedicated and experienced team utilizes our in-built IT systems and related facilities with a high standard of operational skill and efficiency. We operate from offices in Malaysia, Singapore, Hong Kong, China, and Korea, linking seamlessly to our global network.

#### 4.2.2 Haulage activities

Harbour-Link operates a diverse fleet of transport vehicles, including container trailers, prime movers, cargo lorries, and dump trucks. These are used for the carriage of containerized cargoes, minerals, and ores within the states of Sarawak, Sabah, and Labuan. We anticipate a continuing uptrend in demand for haulage activities, driven by the increasing influx of foreign investors in the heavy manufacturing industry within the region.

#### 4.2.3 Project cargo logistics

Harbour-Link maintains a dedicated logistics team with extensive experience in project cargo handling, shipping arrangement, and engineered heavy transport solutions. We also own a fleet of specialized lifting and transport equipment to facilitate transportation, plant erection, and installation. The ongoing recovery of the economy is enabling us to actively participate in new project opportunities across this region.

### 4.3 Engineering division

Our Engineering and Construction division operates under a wholly-owned subsidiary, Eastern Solder Engineering and Construction Sdn. Bhd. ("ESEC"). ESEC is recognized as a leading EPCC Contractor in the region, specializing in the engineering and construction of petroleum and chemical storage tanks, marine terminals, and piping work. ESEC has successfully completed numerous projects in locations including Pengerang, Kemaman, Port Dickson, Tanjung Bin, and Singapore since its inception.

### 4.4 Property division

The Kidurong Gateway Development has been temporarily put on hold due to the prevailing sluggish market conditions. Remaining units of shophouses from the last project are still available for sale. We are hopeful for a market recovery beginning in early 2024. The Group retains approximately 72.27 acres of industrial land in Tanjung Kidurong, Bintulu, for future development.

## (5) OUTLOOK AND PROSPECT

Prior to the outbreak of the Red Sea crisis, carriers and shippers alike in 2024 were preoccupied with concerns about overcapacity and its effect on rates. And for good reason: in 2024, total additional ocean capacity rose by nearly 11%, or about 3 million TEU, most of which was absorbed by European trade lanes, where the total fleet grew 31% year-on-year. Capacity deployed on Asia-North America routes increased by only 2.9% during the same period. And in what could be the start of something big, capacity along South American trade lanes grew 22% year-on-year, as the trend toward near-shoring and friend-shoring gathered momentum.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

### (5) OUTLOOK AND PROSPECT (CONT'D)

Industry-wide, more than 200 new vessels will come online in 2025. After accounting for expected deletion, about 2 million TEU capacity will be added to the fleet, a 6% increase. Global shipping demand, on the other hand, is projected to post only 2-3% growth. Once the Red Sea crisis is resolved, the supply-demand dynamic will shift in favor of shippers, and rates could fall as quickly as they rose.

Still more ships are on the way. Carriers ordered a record amount of TEU in 2024—2.3 million TEU (another record) in the third quarter of 2024 and an additional 1.5 million TEU in the fourth. As of Jan. 1, 2025, the industry's order book stands at 780 vessels, or 8.5 million TEU.

China has become the main builder of container vessels, its shipyards accounting for 69% of the TEU capacity in the global order book. South Korea, once the undisputed leader in this sector, has been relegated to second place, with an orderbook share of 23%. In 2024, China's yards bagged a staggering 3.6 million TEU of orders, versus Korea's 0.66 million TEU.

Compared with Korea, the Chinese yards offer customers a cost advantage, and several of the yards have committed to massive capacity expansion projects that have created numerous newbuilding slots for 2027 and beyond.

*(Adopted from AlixPartners Container Shipping Outlook February 2025)*

The overcapacity risk is still very much present, if not worse.

Liners never stopped ordering ships. The orderbook-to-fleet ratio is now at 31.6%, according to Clarksons Securities. At this time in 2023, it was 27.5%. On a positive note, deliveries will decline sequentially next year, from 2.1m teu in 2025 to 1.7m teu in 2026. But then deliveries will surge again, to 2.8m teu in 2027 and 3.5m teu in 2028, according to Clarksons' data. In 2026, newbuildings will enter a market that is already saturated with capacity. The fleet is much larger than it was before the Houthi attacks. Global containership capacity has increased by 5.1m teu or 19% since 3Q23, according to data from Maritime Strategies International.

The good news is that shipping demand has also increased over the past two years. Tonne-miles are higher because the Red Sea remains effectively closed to liner operations. Global volume in January-July was up 12% versus the same period in 2023, according to Container Trade Statistics.

The bad news is that a portion of this year's volume strength was due to tariff front-loading, that is, timing not higher demand. During the first Trump administration, when tariffs were vastly lower, front-loading in 2018 led to a sequential drop in US imports in 2019.

Tariffs are expected to have a much more negative effect on economies in 2026 than they did year, according to the Organisation for Economic Co-operation and Development and Moody's Analytics.

*(Adopted from Lloydlist.com : The-rise-and-fall-of-container-spot-rates--and-what-it-means-for-2026)*

#### General Economic Conditions

Global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026. The forecast for 2025 is 0.2 percentage point higher than that in the reference forecast of the April 2025 World Economic Outlook (WEO) and 0.1 percentage point higher for 2026. This reflects stronger-than-expected front-loading in anticipation of higher tariffs; lower average effective US tariff rates than announced in April; an improvement in financial conditions, including due to a weaker US dollar; and fiscal expansion in some major jurisdictions. Global headline inflation is expected to fall to 4.2 percent in 2025 and 3.6 percent in 2026, a path similar to the one projected in April. The overall picture hides notable cross-country differences, with forecasts predicting inflation will remain above target in the United States and be more subdued in other large economies.

*(Adopted from Jul 2025 - International Monetary Fund)*

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

### (5) OUTLOOK AND PROSPECT (CONT'D)

#### Malaysia Economic Outlook

Since BNM's announcement of Malaysia's 2025 GDP forecast in the Economic and Monetary Review 2024, global trade landscape has changed significantly. The US administration imposed higher tariff rates on most countries, and on selected products. Global policy uncertainty was exacerbated by the speed and frequency of policy reversals, as well as retaliatory actions by some countries. Consequently, the US effective tariff rate (ETR) on global trading partners jumped to 19%, as of 31 July 2025 from 2% in 2024, the highest since 1938. These developments will impact global growth, including Malaysia as a small open economy.

As such, Malaysia's 2025 growth forecast is revised down to 4%–4.8%, as announced on 28 July 2025, from 4.5%–5.5% in BNM's Economic and Monetary Review 2024.

*(Adopted from BNM Quarterly Bulletin – 2<sup>nd</sup> Quarter 2025)*

Despite the Global Geopolitical tensions and Trump's Tariff Policy, global growth in 2026 is expected to remain subdued but stable, following slower trade expansion and continued adjustments to post-pandemic supply chains. Rising energy transition investments, tighter financing conditions, and regional reconfiguration of trade routes will shape sectoral dynamics across Malaysia and Sarawak.

Domestically, Malaysia's 2026 development expenditure and policy focus on infrastructure, clean energy, and industrial upgrading provide an underlying growth floor, especially for Sarawak which continues to receive elevated federal and state allocations under the 13th Malaysia Plan.

#### 5.1 Shipping and marine division

The outlook for this sector is a stable to moderate recovery, primarily underpinned by robust energy and industrial cargo movements. While global trade growth experiences a slowdown, Sarawak's key exports—Liquefied Natural Gas (LNG), timber, palm oil, and various other industrial bulk cargoes—are expected to remain steady. This volume is further sustained by the state's ongoing energy projects and industrial zone expansions, which will continue to drive marine cargo volumes and port throughput.

To support this growth, significant port and marine activity is underway, with the expansion of facilities in Bintulu, Samalaju, Miri, and Kuching aimed at boosting cargo handling efficiency and developing future transshipment capacity. Furthermore, marine services, particularly Offshore Support Vessel (OSV) operations, are anticipated to strengthen moderately. This is being driven by sustained upstream activity, including exploration, maintenance, and the emerging renewables sector supported by PETRONAS and Sarawak's oil and gas initiatives.

However, the sector faces several challenges, notably rising fuel costs, the implementation of stringent IMO decarbonisation standards, and higher maintenance costs, all of which will place considerable financial pressure on smaller operators.

To navigate these challenges, the strategic focus should be on investing in fleet digitalisation, adopting hybrid propulsion systems, and rigorous cost optimisation while actively leverage state incentives targeted at energy-related shipping and ship repair services.

Overall, Harbour-Link need to be pivot toward low-carbon operations and offshore renewables support, creating diversification opportunities beyond traditional oil & gas.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

### (5) OUTLOOK AND PROSPECT (CONT'D)

#### Malaysia Economic Outlook (Cont'd)

##### 5.2 Integrated logistics division

Our Integrated logistic sector is poised for a positive growth trajectory, firmly supported by significant investments in infrastructure, the acceleration of digitalisation, and the sustained expansion of e-commerce. Infrastructure stimulus remains a core driver, with ongoing federal and state investment in key projects like the Pan Borneo Highway, coastal roads, and industrial parks. These developments are crucial for enhancing connectivity, which in turn facilitates more efficient logistics operations and improves last-mile distribution across the region.

Complementing this physical growth is a wave of digital transformation. The industry is rapidly adopting digital freight management systems, IT-enabled fleet tracking, and smart warehousing solutions. This move is accelerating efficiency and significantly improving transparency across supply chains.

Further boosting demand is the region's industrial diversification. Growth in high-value sectors such as semiconductors, renewable energy, and downstream manufacturing is creating a strong need for integrated logistics services, particularly around Sarawak's principal industrial hubs.

Despite the positive outlook, this sector faces several persistent risks. Key concerns include potential overcapacity in certain segments, intermittent port congestion, the rising threat of cybersecurity breaches, and a persistent skills shortage in specialised areas.

In response, Harbour-Link's strategic priorities must be focused and forward-looking. Our aim to strengthen our multimodal networks—integrating sea, land, and air transport—and form strategic alliances with national logistics players to expand their reach and capabilities. Crucially, Harbour-Link must also invest in green and automated logistics solutions to meet growing Environmental, Social, and Governance (ESG) expectations and secure a competitive advantage. In short, Harbour-Link needs to shift from conventional forwarding to technology-enabled, end-to-end logistics ecosystems integrated with industrial supply chain.

##### 5.3 Engineering and construction division

The construction sector is set for a robust pipeline of activity, predominantly led by significant public infrastructure spending and major investments associated with the energy transition. The acceleration of public infrastructure is clearly signalled by the Sarawak Government's 2026 budget, which anticipates higher development allocations. These funds are set to concentrate on critical areas, including transportation networks, water and utility infrastructure, and enhancing rural connectivity. Furthermore, construction demand will receive a major boost from energy transition projects, specifically through the development of hydrogen facilities, renewable energy sites, and transmission infrastructure under Sarawak Energy's green initiatives. This public spending is complemented by strong traction in private and industrial projects. Federal incentives directed towards high-value industries like semiconductors, data centres, and advanced manufacturing are expected to stimulate private construction activity, particularly in key industrial zones such as Samarahan and Samalaju.

However, the sector is currently navigating significant challenges. Key constraints include persistent labour shortages, ongoing input cost inflation (particularly for essential materials like cement and steel), and the increasing compliance requirements related to stringent environmental standards.

Therefore, the strategic focus for engineering and construction division to focus on enhancing project management efficiency, developing modular construction capabilities to mitigate labour issues, and ensuring comprehensive readiness for Environmental, Social, and Governance (ESG) compliance. These measures are essential for firms aiming to successfully secure and execute large-scale contracts in this expanding market.

Harbour-Link need to shifts toward sustainable and high-technology infrastructure, with greater emphasis on digital engineering (BIM, project automation) and local content participation.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## (5) OUTLOOK AND PROSPECT (CONT'D)

### Malaysia Economic Outlook (Cont'd)

#### 5.4 Machinery and trading division

The machinery and equipment sector is anticipated to experience steady growth, closely linked to prevailing cycles of expansion in construction, energy, and resource industries. The primary market drivers for machinery demand will directly track increased activity in key segments, including large-scale public works projects, the ongoing mechanisation of the plantation sector, higher output from quarrying operations, and the necessary fleet renewal within the logistics industry.

A defining element of equipment trends is the rising demand for fuel-efficient and electric-powered heavy machinery. This shift is being driven by the imperative of corporate ESG policies and the economic pressures of persistently rising energy costs. Furthermore, the after-sales and services segment is expected to see corresponding expansion in service revenues and parts trading as customers increasingly choose to extend the useful lifecycles of their existing equipment.

In terms of operations, Harbour-Link must manage inventory and financing prudently. This is crucial given current constraints, including longer delivery lead times for new machinery and a tighter overall financing environment.

Therefore, the strategic focus for Harbour-Link must be on strengthening dealer partnerships, introducing flexible rental and leasing schemes to broaden market access, and aligning with digital equipment monitoring systems. These actions will be key to enhancing customer value propositions and securing market share.

#### 5.5 Property division

The newly established Borneo Oil and Gas (BOG) Supply Base, strategically located within Bintulu Port, Tanjung Kidurong, Sarawak. Bintulu itself is the nexus for Sarawak's major gas processing and petrochemical industries (e.g., LNG, methanol). is set to boost Sarawak's economy, not only through its operations as a supply base but also by facilitating the import of materials and the export of products from the state. The BOG Supply Base is strategically positioned to support Sarawak's PCDS 2030 by:

- **Supporting Downstream Industries:** It is expected to support not just upstream exploration and production, but also the logistics needs of major downstream projects in Bintulu, such as the methanol plant and future facilities producing green ammonia and green methanol (renewable energy derivatives).
- **Enabling CCUS:** The base is vital for the development of Carbon Capture, Utilisation, and Storage (CCUS) projects (like the Lang Lebah and Mawasari projects), which require substantial material and equipment supply.
- **Future Expansion:** The current site of around 50 acres has a proposed expansion area to 300 acres to meet future demands, reinforcing its long-term viability as a major maritime and energy hub.

Whilst, we still have around 72.27 acres of industrial land in Tanjung Kidurong, Bintulu, we believe this will increase the demand for our land in terms of warehouse development and land rental as well.



# MANAGEMENT DISCUSSION AND ANALYSIS

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## STRATEGIC PLAN: CAPITALISING ON FUTURE GROWTH

The Group's Strategic Plan is focused on securing long-term value by leveraging key market trends and enhancing operational capabilities.

The primary strategic imperative is to **Capitalize on Infrastructure-led Growth** by positioning Group companies to actively bid for or supply major public works, oil & gas, and energy transition projects. This focus ensures alignment with the state's developmental agenda and secures a robust pipeline of high-value contracts.

To maximise efficiency and control, the Group must **Accelerate Digitalisation**. This involves integrating core functions—logistics, machinery, and project management systems—into unified digital platforms. This initiative will not only enhance cost control but also significantly improve the quality and responsiveness of customer service.

A critical, forward-looking priority is **Green Transition Readiness**. The Group will adopt sustainability-linked operations across its marine, integrated logistics, engineering, and machinery divisions. This aligns the Group with impending government incentives, manages regulatory risk, and meets the growing Environmental, Social, and Governance (ESG) expectations of investors and partners.

To mitigate market cyclicity, the Group aims to **Diversify Revenue Streams**. This will be achieved by expanding high-margin, value-added services, such as flexible equipment leasing, integrated project logistics solutions, and comprehensive marine support services.

Finally, the Group must **Strengthen Human Capital**. This involves a concerted effort to build internal technical and managerial capabilities. A highly skilled team is essential for successfully managing concurrent large-scale projects and navigating the complex technological transitions currently reshaping the industry.

## GROUP FINANCIAL HIGHLIGHTS

	2021 RM'000 (Audited)	2022 RM'000 (Audited)	2023 RM'000 (Audited)	2024 RM'000 (Audited)	2025 RM'000 (Audited)
Revenue	609,001	907,503	1,006,956	941,631	1,032,264
Profit from Operation	88,609	204,502	194,854	127,849	159,701
Profit before taxation	82,943	200,307	195,028	125,729	160,209
Profit after taxation	74,739	179,467	175,071	106,614	138,972
Profit attributable to owners of the Company	60,577	149,740	147,832	86,189	117,986
Total assets	733,314	962,001	1,088,276	1,165,725	1,292,002
Total liabilities	184,330	247,132	226,530	231,807	255,435
Total Borrowings	67,061	66,165	49,325	49,288	77,134
<b>Per Share Data (sen)</b>					
Net assets	118.68	179.28	216.21	233.25	260.07
Earning per share	15.19	37.57	37.09	21.62	29.60
<b>Financial Ratios</b>					
Gross profit margin (%)	22.33	28.22	19.35	20.22	21.53
Return on shareholders' funds (%)	12.75	24.30	19.89	10.69	13.14
Trade receivables' turnover (days)	96	84	67	89	90
Debt to equity	-	-	-	-	-
Interest coverage (times)	22	56	62	49	44

