

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you should consult your Stockbroker, Bank Manager, Solicitor, Accountant or other professional advisers immediately.

In relation to Part A of this Circular, Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only perused the contents of the proposed new shareholders mandate for recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of the Exchange's Main Market Listing Requirements. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

Bursa Securities also has not perused the contents of Part B of this Statement in respect of the Proposed Renewal of Share Buy-Back Authority prior to its issuance and takes no responsibility for the contents of Part B of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of Part B of this Statement.

SHAREHOLDERS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE PROPOSALS AS SET OUT THEREIN



HARBOUR-LINK GROUP BERHAD

*(Registration No. 200201025239 (592902-D))
(Incorporated in Malaysia)*

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The above proposal will be tabled as Special Business at the Company's Nineteenth Annual General Meeting ("**AGM**"). The Notice of the Nineteenth AGM which will be conducted on a fully virtual basis and entirely via remote participation and voting on Monday, 29 November 2021 at 10.00 a.m. is set out in the 2021 Annual Report. Shareholders are advised to refer to the Notice of the Nineteenth AGM and the Form of Proxy, which are enclosed in the 2021 Annual Report. The Form of Proxy should be lodged at the registered office of the Company or email to AGM-support.Harbour@megacorp.com.my not less than 48 hours before the time stipulated for holding the AGM. The lodgement of the Form of Proxy will not preclude you from attending and voting at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 27 November 2021 at 10.00 a.m.
Date and time of the Nineteenth AGM : Monday, 29 November 2021 at 10.00 a.m.

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply:-

- | | |
|------------------------------------|--|
| Act | - Companies Act, 2016 and any amendments made thereto from time to time |
| AGM | - Annual General Meeting |
| Board | - The Board of Directors of Harbour-Link |
| Bursa Securities | - Bursa Malaysia Securities Berhad, Registration No. 200301033577 (635998-W) |
| Code | - Malaysian Code on Take-Overs and Mergers 2016 as amended from time to time and any re-enactment thereof |
| CMSA | - Capital Markets and Services Act, 2007, as amended, supplemented or modified from time to time |
| Directors | - The directors of Harbour-Link for the time being and shall have the same meaning given in Section 4 of the Act and Section 2(1) of the Capital Markets and Services Act, 2007, includes any person who is or was within the preceding 6 months of the date on which the terms of the Recurrent Related Party Transactions were agreed upon, a director or a chief executive officer of Harbour-Link, its subsidiary or holding Company |
| EPS | - Earnings Per Share |
| FYE | - Financial year ended 30 June 2021 |
| Harbour-Link or Company | - Harbour-Link Group Berhad, Registration No. 200201025239 (592902-D) |
| Harbour-Link Group or Group | - Harbour-Link and its subsidiaries collectively |
| Listing Requirements | - Main Market Listing Requirements of Bursa Securities |
| LPD | - 12 October 2021, being the last practicable date prior to the printing of this Circular. |
| Major Shareholders | - For the purpose of the Proposed Shareholders' Mandate includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in the Company and the nominal amount of that shares or the aggregate of the nominal amounts of those shares, is:-

a) equal to or more than 10% of the total number of voting shares in the Company; or
b) equal to or more than 5% of the total number of voting shares in the company where such person is the largest shareholder of the Company. |

For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act, 2016.

Market Day	- A day on which the Bursa Securities is open for the trading of securities.
NA	- Net asset
Person(s) Connected	- Shall have the same meaning given in Chapter 1, paragraph 1.01 of the Listing Requirements.
Proposed Shareholders' Mandate	- Proposed renewal of shareholders' mandate and proposed new shareholders' mandate for Harbour-Link Group to enter into Recurrent Transactions in the ordinary course of business
Proposed Renewal of Share Buy-Back Authority	- Proposed renewal of authority for Harbour-Link to purchase and/or hold its own shares up to ten per cent (10%) of the total number of issued shares
Recurrent Transactions	- Recurrent related party transactions of a revenue or trading nature with a Related Party which are necessary for the day-to-day operations of the Group in the ordinary course of the Group's business
Related Party(ies)	- A Director, Major Shareholder or Person Connected with such Director or Major Shareholder
RM	- Ringgit Malaysia
Shares	- Ordinary share(s) in Harbour-Link

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PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED SHAREHOLDERS' MANDATE**

HARBOUR-LINK GROUP BERHAD

(Registration No. 200201025239 (592902-D))
(Incorporated in Malaysia)

Registered Office:

Wisma Harbour
Parkcity Commerce Square
Jalan Tun Ahmad Zaidi
97000 Bintulu, Sarawak

29 October 2021

Directors

Dato Yong Piaw Soon (*Group Managing Director*)
Wong Siong Seh (*Executive Director*)
Dato' Toh Guan Seng (*Executive Director*)
Datuk Pau Chiong Ung (*Independent Non-Executive Director*)
Datu Ir. Haji Mohidden Bin Haji Ishak (*Independent Non-Executive Director*)
Bin Lay Thiam (*Independent Non-Executive Director*)
Khoi Hoay Ling (*Independent Non-Executive Director*)

To: The Shareholders of **Harbour-Link**

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

The Company had at the Eighteenth AGM held on 23 November 2020 obtained approval from its shareholders for the Company and its subsidiaries to enter into Recurrent Transactions. Such approval shall continue to be in full force until the conclusion of the forthcoming Nineteenth AGM unless authority for its renewal is obtained from the shareholders of the Company at the Nineteenth AGM.

On 6 October 2021, the Company announced to Bursa Securities that the Board proposes to seek its shareholders' approval on the Proposed Shareholders' Mandate at the forthcoming Nineteenth AGM.

This Circular has been prepared to provide you with details of the Proposed Shareholders' Mandate and to seek your approval for the Proposed Shareholders' Mandate as contained in the resolution to be tabled at the forthcoming Nineteenth AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Introduction

Paragraph 10.09 of the Listing Requirements stipulates that a listed issuer may seek shareholders' mandate in respect of recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the listed issuer and its subsidiaries and are in the ordinary course of business and on terms not more favourable to the related party than those generally available to the public. Where a listed issuer has obtained such a mandate, the requirements of paragraph 10.08 of the Listing Requirements shall not apply to the recurrent related party transactions, which are comprised in the mandate. This means, during the period of validity of the mandate, the obligation to make immediate disclosure, as well as the obligation to procure shareholders' approval shall not apply to the recurrent related party transactions, which are comprised in the mandate.

The Board therefore proposes to seek a mandate from the shareholders of the Company to enable the Group to enter into recurrent related party transactions without the necessity of making the otherwise required announcement and approval.

The Proposed Shareholders' Mandate will, if approved by the shareholders at the forthcoming Nineteenth AGM, apply in respect of the Recurrent Transactions to be entered into as set out in Section 2.3 of this Circular and shall take effect from the date of the forthcoming Nineteenth AGM, and shall continue to be in force until:-

- i) the conclusion of the next AGM of the Company following the forthcoming Nineteenth AGM, at which the ordinary resolution for the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the Proposed Shareholders' Mandate authority is renewed;
 - ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2)(6) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - iii) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is earlier.

Thereafter, approval from the shareholders for renewal of the mandate will be sought at each subsequent AGM of the Company.

2.2 The Proposed Shareholders' Mandate

The Company is principally an investment holding company. The principal activities of its subsidiaries are as follows :-

Name of Company (Incorporated in Malaysia)	Effective interest (%)	Principal Activities
Harbour-Link (M) Sdn. Bhd. ("HLM")	100%	Management services and investment holding
Harbour Agencies (Sarawak) Sdn. Bhd. ("HAS")	100%	Shipping and forwarding
Eastern Soldar Engineering & Construction Sdn. Bhd. ("ESEC")	100%	Investment holding, multi-discipline engineering and procurement
Harbour-Link Navigation Sdn. Bhd. ("HLN")	100%	Investment Holding
Harbour-Link Lines Sdn. Bhd. ("HLLines")	85%	Container, shipping & agency services
HLG Resources Sdn. Bhd. ("HLG Resources")	100%	Investment holding, trading, machinery sale, services & rental
HLG Petroleum Sdn. Bhd.	100%	Investment holding and container, shipping & agency services
Harbour Hornbill Sdn. Bhd.	85%	Ship owning and ship operator services
Harbour Ivory Sdn. Bhd.	80%	Ship owning and ship operator services
Arcadia Properties Sdn. Bhd. ("APSB")	51%	Investment holding and property development
Subsidiaries of HLM		
HLG Engineering Sdn. Bhd. ("HLGE")	100%	Consultancy services and provision of engineering works
Harbour Services Corporation Sdn. Bhd. ("HSC")	100%	Freight forwarding, transportation & material handling.
Harbour-Link Logistics Sdn. Bhd. ("HLL")	100%	Equipment, hiring and transportation work
Harbour Services Sdn. Bhd.	47%	Forwarding and shipping agencies
Harbour Services (Miri) Sdn. Bhd.	100%	Dormant

Name of Company (Incorporated in Malaysia)	Effective interest (%)	Principal Activities
Harbour-Link Leasing Sdn. Bhd.	100%	Leasing
Best Success Bonded Store Supply Sdn. Bhd.	60%	Provision of storage facilities
Serimaju Konsortium Sdn. Bhd (“ Serimaju ”)	100%	Provision of logistic for mineral and bulk materials
Harbour-Link Forwarders Sdn. Bhd.	70%	Provision of logistics services and agencies businesses
Harbour Global Forwarders Sdn. Bhd. (“ HGF ”)	70%	Provision of freight forwarding and logistics services.
Subsidiaries of HAS		
Harbour Agencies (Sabah) Sdn. Bhd.	100%	Shipping and forwarding
Union Star Shipping Pte. Ltd.	100%	Shipping agencies
A.T. Dunia (Btu) Sdn. Bhd.	100%	Forwarding and transportation
Harbour Agencies Sdn. Bhd.	100%	Shipping
Subsidiaries of ESEC		
ESE Energy Sdn. Bhd.	100%	Civil engineering and ancillary works
Eastern Soldar (Singapore) Pte. Ltd. (Incorporate in Singapore)	100%	Provision of civil, mechanical and engineering works, construction and procurement
Subsidiaries of HLN		
Harbour Eagle Sdn. Bhd.	100%	Ship owing and ship management
Harbour Challenger Sdn. Bhd.	100%	Ship owing and ship management
Satun Shipping Sdn. Bhd.	100%	Ship owing and ship management
Harbour Gemini Sdn. Bhd.	100%	Dormant
Harbour Services (Kuching) Sdn. Bhd.	100%	Ship owing and ship management
Harbour Agencies (Sibu) Sdn. Bhd.	100%	Ship owing and ship management
Harbour Xtra Sdn. Bhd.	100%	Ship owing and ship management
Harbour-Link Marine Services Sdn. Bhd.	100%	Ship management and consultancy services
Navasco Shipping Sdn. Bhd.	100%	Ship owning and ship management
Harbour-Link Shipping Sdn. Bhd.	85%	Ship owing and ship management
Harbour Zenith Sdn. Bhd.	85%	Ship owing and ship management
Harbour Ruby Sdn. Bhd.	85%	Ship owing and ship management

Name of Company (Incorporated in Malaysia)	Effective interest (%)	Principal Activities
AM Lines Sdn. Bhd.	85%	Ship owning and ship management
Harbour Frida Sdn. Bhd.	85%	Dormant
Subsidiary of APSB		
Sarawak Edible Oils Sdn. Bhd.	100%	Property Developer
Subsidiary of HLLogistics		
Siong Jaya Sdn. Bhd.	100%	Dormant
Subsidiaries of HLLines		
Harbour-Link Lines (JB) Sdn. Bhd.	90%	Port agent, ship operator and provision of freighting and marine services
Harbour-Link Lines (Kch) Sdn. Bhd.	100%	
Harbour-Link Lines (KK) Sdn. Bhd.	100%	
Harbour-Link Lines (PK) Sdn. Bhd.	60%	
Harbour-Link Lines (Singapore) Pte Ltd	100%	
Harbour-Link Lines Limited	100%	
Harbour-Link Lines (B) Sdn. Bhd.	55%	
Harbour Jupiter Sdn. Bhd.	100%	
		Ship owning and ship management

Name of Company (Incorporated in Malaysia)	Effective interest (%)	Principal Activities
Subsidiaries of HLG Resources		
HLG Equipment Sdn. Bhd ("HLGEQ")	60%	Provision of port related services
Harbour-Link Trading Pte. Ltd.	100%	General importer, exporter, traders and commission agents.
Subsidiary of HLG Equipment Sdn. Bhd.		
HLG Equipment (B) Sdn. Bhd.	99%	Provision of port related services
Subsidiary of HLG Petroleum		
Advance Mariner Lines Sdn Bhd.	54.79%	Port agent, ship operator and provision of freighting and marine services
Subsidiaries of Advance Mariner Lines		
AML Shipping Sdn. Bhd.	100%	Port agent, ship operator and provision of freighting and marine services
AML Shipping (Singapore) Pte. Ltd.	100%	Port agent, ship operator and provision of freighting and marine services
AML Shipping (Sabah) Sdn. Bhd.	51%	Port agent, ship operator and provision of freighting and marine services
Associates		
ECL (Malaysia) Sdn. Bhd. ("ECL")	49%	Shipping and related services
Smart Shipping Sdn. Bhd.	40%	Shipping and related services
T & T Forwarding Sdn. Bhd.	49%	Forwarding and transportation
Harbour-Link Logistics (S) Sdn. Bhd.	30%	Provision of transportation services and equipment rental.
Subsidiaries of ECL		
HKK Jaya Sdn. Bhd.	42%	Ship owing and ship operator services
Regional Car Liner Sdn Bhd	42%	Ship owing and ship operator services
Poseidon Autoliners Sdn Bhd	42%	Ship owing and ship operator services
Joint Venture		
A&H Project Services Sdn. Bhd.	50%	Transportation and crane renting

2.3 (i) Details of the Recurrent Transactions

The Recurrent Transactions which are covered by the Proposed Shareholders' Mandate are set out in the table below: -

No.	Subsidiaries of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected in Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
1	HLGE, HLL, and HSC	Sri-Minah Enterprise Sdn. Bhd. ("SME")	<ul style="list-style-type: none"> o Sale of spare parts for vehicles and equipment to the Group on a monthly basis. o Rental of equipment to the Group o Rental payable by HSC/HLL at RM70,000 per month for renting of warehouse and open shed and yard at Lot 609 & Lot 610 for 11,730 sq metres (inclusive of security services) at Block 20 Kemena Land District, Bintulu, Sarawak <p>Tenure of the rental agreement is for a period of 2 year commencing from 1 January 2021 and expiring on 31 December 2022 and renewable thereafter.</p> <ul style="list-style-type: none"> o Sales of transport service to the Group o Sale of transport services by the Group 	Interested Director & Major Shareholder: - Dato Yong Plaw Soon is the major shareholder in Herdsen Corporation Sdn. Bhd. ("HC") which is the holding company of SME.	200 200 840	200 200 840	14 51 548
					30	30	-
					30	30	-

No.	Subsidiaries Companies of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected In Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
2	SERIMAJU & HLGEQ	Sri-Minah Enterprise Sdn. Bhd. (" SME ")	<ul style="list-style-type: none"> o Sale of spare parts and lubricants for vehicles and equipment to the Group. o Sales of transport service to the Group. o Sales of spares and lubricant by the Group 	Interested Director & Major Shareholder:- Dato Yong Piaw Soon is the major shareholder in Herdsen Corporation Sdn. Bhd. (" HC ") which is the holding company of SME.	50 50 50	50 50 50	1 - -
3	HLL, HSC, HAS, HLGE and HLM	Marup Quarry Sdn Bhd (" MQ ")	<ul style="list-style-type: none"> o Sale of quarry to the Group on a monthly basis o Rental of equipment to the Group o Sale of transport services by the Group o Sale of shipping and agency services by the Group o Supply of quarry for upgrading of property to the Group 	Interested Director & Major Shareholder:- Dato Yong Piaw Soon is the major shareholder in HC. Which is the holding company of MQ.	500 50 100 200 200	500 50 100 200 200	- 3 32 - -

No.	Subsidiaries of Companies of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected In Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
4	HLL, HSC, HAS, HLGEQ and HLM	Marup Quarry Sdn Bhd ("MQ")	<ul style="list-style-type: none"> o Sale of Equipment by the Group. o Sale of spare parts and lubricants for vehicles and equipment to the Group. 	Interested Director & Major Shareholder:- Dato Yong Piau Soon is the major shareholder in HC, which is the holding company of MQ	1,000 100	1,000 100	- -
5	HLL, HSC, HAS and HLGE	Herdson Sago Industrial Sdn. Bhd. ("HSI")	<ul style="list-style-type: none"> o Sale of shipping and agency services by the Group o Provision of forwarding and transport services by the Group o Sales of spare parts to the Group 	Interested Director & Major Shareholder:- Dato Yong Piau Soon is the major shareholder in HC which is the holding company HSI	100 100 100	100 100 100	- 66 -

No.	Subsidiaries Companies of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected in Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
6.	HLL, HSC, HLGE and Serimaju	Herdson Quarry Sdn. Bhd. ("HQ")	<ul style="list-style-type: none"> o Provision of forwarding and transport services by the Group o Rental of equipment to the Group o Sales of quarry and spare parts for the upgrading of Property to the Group at Lot No. 147, Kemena Land District at Samalaju Industrial Park, Bintulu, Sarawak, Malaysia, o Provision of land-based transportation to the Group o Provision of equipment rental service by the Group 	Interested Director & Major Shareholder:- Dato Yong Piaw Soon is the major shareholder in HC which is the holding company of HQ.	500 50 500 2,000 1,000	500 50 500 2,000 1,000	80 - 29 675 60
7.	Sarawak Edible Oils Sdn. Bhd, HLGEQ, HLL, HSC, HLM and Serimaju		<ul style="list-style-type: none"> o Sale of Equipment by the Group. o Sale of spare parts by the Group. o Sale of spare parts and lubricants for vehicles and equipment to the Group. 	.	1,500 500 100	1,000 100 100	1,380(i) 407(ii) 12

No.	Subsidiaries Companies of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected in Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
8.	Sarawak Edible Oils Sdn. Bhd., HLL and HSC	Herdson Corporation Sdn. Bhd. ("HC")	<ul style="list-style-type: none"> o Provision of equipment rental service by the Group o Provision of forwarding and transport services by the Group o Provision of engineering works by HLGE o Provision of equipment rental and transportation services to the Group 	<p>Interested Director & Major Shareholder: -</p> <p>Dato Yong Piau Soon holds approximately 61% equity interest in HC.</p> <p>Interested Director & Major Shareholder: -</p> <p>Dato Yong Piau Soon holds approximately 61% equity interest in HC.</p>	100 100 3,000 50	100 100 3,000 50	- - 1,521 -
9.	HLL and HAS	Ricardon Sdn. Bhd. ("RSB")	<ul style="list-style-type: none"> o Sale of transport services to the Group 	<p>Interested Director & Major Shareholder:-</p> <p>Dato Yong Piau Soon, Wong Siong Seh, Lee Seng Chiong and Hii Kwong Wui are the shareholders in RSB.</p>	40	40	3
10.	HSC and HSSB	Azam Teroka Sdn. Bhd. ("AT")	<ul style="list-style-type: none"> o Provision of forwarding and transport services by the Group o Provision of handling and transportation of chemical to the Group 	<p>Interested Director & Major Shareholder:-</p> <p>Dato Yong Piau Soon is the major shareholder in HC which is the holding company of AT.</p>	300 3,000	300 3,000	138 79

No.	Subsidiaries Companies of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected In Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
11.	HLL	Azam Teroka Sdn. Bhd. ("AT")	<ul style="list-style-type: none"> o Rental payable by Harbour Services Corporation Sdn. Bhd. at RM4,860 per month for renting of warehouse space at Lot 660 (Lot 566), Block 4, Muara Tebas Land District, Jalan Bako, Kuching. o Tenure of the above rental agreement commencing from 1 January 2020 and expiring on 31 December 2021 and renewable thereafter. o Provision of handling and transportation of chemical to the Group 	Interested Director & Major Shareholder: - Dato Yong Piau Soon is the major shareholder in HC which is the holding company of AT.	59	59	54
					300	300	-

No.	Subsidiaries Companies of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected In Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
12.	HLMS	Lee Jia Yen	<ul style="list-style-type: none"> o Rental payable by Harbour-Link Marine Services Sdn Bhd at RM1,200 per month for renting of staff quarters at 301, 3rd floor, Flat F, Taman Li Hua, Jalan Tun Hussein Onn, 97000 Bintulu, Sarawak. Tenure of the above rental agreement is for a period of 2 years commencing from 1 January 2020 and expiring on 31 December 2021 and renewable thereafter. 	Interested Director & Major Shareholder Lee Seng Chiong is a person connected to Lee Jia Yen.	15	15	12
		Lee Yeong Shing	<ul style="list-style-type: none"> o Rental payable by Harbour-Link Marine Services Sdn Bhd at RM1,800 per month for renting of staff quarters at Sublot 19, Loong Stutong 14 of Parent lot 389, Jalan Stutong, 93350 Kuching, Sarawak Tenure of the above rental agreement is for a period of 2 years commencing from 1 October 2020 and expiring on 30 September 2022 and renewable thereafter. 	Lee Seng Chiong is a person connected to Lee Yeong Shing.	22	22	16

No.	Subsidiaries Companies of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected In Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
13.	HSC	Magna Goldenway Sdn. Bhd. ("MGSB")	<ul style="list-style-type: none"> Provision of equipment rental service to the Group 	<p>Interested Director & Major Shareholder:-</p> <p>Yong Leong Hua is the major shareholder of MGSB and Yong Leong Hua is the son of Dato Yong Piaw Soon</p>	2,000	2,000	949
14.	HLL & HGF	YC Freight Sdn. Bhd	<ul style="list-style-type: none"> Provision of forwarding and transport services by the Group. 	<p>Interested Director & Major Shareholder:-</p> <p>Yong Leong Hua is the major shareholder of YC Freight Sdn. Bhd and Yong Leong Hua is the son of Dato Yong Piaw Soon</p>	30	30	-
15.	HLL & HGF	YC Logistics Sdn. Bhd.	<ul style="list-style-type: none"> Sales of transport service to the Group. Sales of spares and lubricant by the Group 	<p>Interested Director & Major Shareholder:-</p> <p>Dato Yong Piaw Soon holds approximately 80% equity interest in YC Logistics Sdn Bhd.</p>	1,000	1,000	128
					500	500	-

* The next AGM is expected to be held by November 2022.

- i) The deviation between the Actual Value and Estimated Value by more than 10% was due to sales of equipment by HLM to HQ due to extra equipment were sold by the Group.
- ii) The deviation between the Actual Value and Estimated Value by more than 10% was due to increase in sales of spares and lubricant by the Group to HQ by HLM due to more refurbishment of their fleet of equipment.

(ii) Proposed New Shareholders' Mandate

No.	Subsidiaries Companies of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected In Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)
1.	HSSB	Sri-Minah Enterprise Sdn. Bhd. (" SME ")	<ul style="list-style-type: none"> Rental payable by HSSB at RM9,120 per month for renting of warehouse at Lot 609 for 1,140 sq metres (inclusive of security services) at Block 20 Kemena Land District, Bintulu, Sarawak Tenure of the rental agreement is for a period of 2 year commencing from 1 January 2021 and expiring on 31 December 2022 and renewable thereafter. 	Interested Director & Major Shareholder: - Dato Yong Piau Soon is the major shareholder in Herdsen Corporation Sdn. Bhd. (" HC ") which is the holding company of SME.	110
2.	HLL, HSC, HAS, HLGEQ and HLM	Marup Quarry Sdn Bhd (" MQ ")	<ul style="list-style-type: none"> Sales of spare parts and lubricants by the Group. 	Interested Director & Major Shareholder:- Dato Yong Piau Soon is the major shareholder in HC. which is the holding company of MQ	50
3.	HLGE, HLGEQ, HLL, HSC, and Serimaju	Herdsen Corporation Sdn. Bhd. (" HC ")	<ul style="list-style-type: none"> Sales of spare parts and lubricants to the Group. 	Interested Director & Major Shareholder:- Dato Yong Piau Soon holds approximately 61% equity interest in HC.	50
4.	HAS	Magna Goldenway Sdn. Bhd. (" MGSB ")	<ul style="list-style-type: none"> Rental payable by HAS at RM100 per month for Lot 1684, Block 11, Seduan Land District, Sibiu. Tenure of the rental agreement is for a period of 2 year commencing from 1 September 2020 and expiring on 31 August 2022 and renewable thereafter. 	Interested Director & Major Shareholder:- Yong Leong Hua is the major shareholder of MGSB and Yong Leong Hua is the son of Dato Yong Piau Soon	2

No.	Subsidiaries Companies of Harbour-Link	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected In Harbour-Link	Estimated value for the period from this AGM to the next AGM* (RM'000)
5.	HLL, HSC, HAS, HAS(Sabah), HLLines	Harbour-Link Logistics (S) Sdn. Bhd. ("HLL(S)")	<ul style="list-style-type: none"> ○ Provision of transport services and haulage to the Group ○ Provision of equipment rental service by the Group 	<p>Interested Director & Major Shareholder: -</p> <p>Wong Siau Chiin is the major shareholder of HLL(S) and Wong Siau Chiin is the daughter-in-law of Dato Yong Piaw Soon</p>	<p>2,000</p> <p>50</p>
6.	HLGEQ	YC Logistics Sdn. Bhd.	<ul style="list-style-type: none"> ○ Provision of transport services and haulage to the Group 	<p>Interested Director & Major Shareholder: -</p> <p>Dato Yong Piaw Soon holds approximately 80% equity interest in YC Logistics Sdn Bhd.</p>	500

2.4 Review Procedures for the Recurrent Transactions

There are procedures and guidelines established by the Group to ensure that the Recurrent Transactions are undertaken on an arm's length basis and on the Group's normal commercial terms and on transaction prices and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The review and disclosure procedures shall include the following:

- i) a list of Related Parties will be circulated within the Group and at the same time, the Related Parties, interested directors and persons connected shall be notified that they are subject to the Proposed Shareholders' Mandate and all Recurrent Transactions are required to be undertaken on an arm's length basis and on the Group's normal commercial terms;
- ii) records of related party transactions will be maintained by the Group to capture all Recurrent Transactions which are entered into pursuant to the Proposed Shareholders' Mandate and will be made available to the external auditors and Audit and Risk Management Committee for their review;
- iii) the Board and the Audit and Risk Management Committee shall have overall responsibility for the determination of the review procedures with authority to delegate to individuals or committees within the Group as they deem appropriate. The annual internal audit plan shall incorporate a review of Recurrent Transactions which will be entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. The Audit and Risk Management Committee will review the internal audit report at least on a quarterly basis to ascertain that the guidelines and procedures established to monitor Recurrent Transactions have been complied with;
- iv) terms of the recurrent transactions relating to the price or sales/distributions margins shall not be subject to the substantial change during the period that the Proposed Shareholders' Mandate is in force. Where such change is deemed necessary, the management shall review that the new terms are consistent with a transaction conducted at arms' length and on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to the shareholders. The management shall also review that the new terms are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;
- v) at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Company's Management will rely on their market knowledge of the prevailing industry norms and their usual business practice to ensure that the Recurrent Transactions is not detrimental to the Group;
- vi) further, where any director or person connected with him has an interest (direct or indirect) in any related party transactions, such director (or his alternate) shall abstain from voting on the matter. Where any member of the Audit and Risk Management Committee is interested in any transaction, that member shall abstain from voting on any matter relating to any decisions to be taken by the Audit and Risk Management Committee with respect to such transactions;

- vii) there is no specific threshold for approval of Recurrent Transactions. All Recurrent Transactions are reviewed and authorized by 2 personnel of at least managerial level holding a senior position or director, provided always that such personnel has no interest in the transaction. A listing of all Recurrent Transactions concluded will be tabled to the Audit and Risk Management Committee for review and deliberation. Thereafter, to report to the Board at least on a quarterly basis;
- viii) disclosure will be made in the Company's annual report on the breakdown of the aggregate value of transactions made pursuant to the shareholders' mandate during the financial year and in the annual reports for the subsequent financial year during which a shareholders' mandate is in force, amongst others, based on the following information:
 - a) type of the transactions made; and
 - b) the names of the Related Parties involved in each type of the transactions made and their relationship with the Group; and
- ix) any member of the Audit and Risk Management Committee may, as he deems fit, request for additional information pertaining to recurrent related party transactions from independent sources or advisers.

2.5 Amount due and owing by the Related Parties

As at FYE and LPD, there is no outstanding amount due and owing by the Related Parties which have exceeded the credit term.

2.6 Audit and Risk Management Committee Statement

The Audit and Risk Management Committee has seen and reviewed the guidelines and procedures in Section 2.4 of this Circular and are of the view that the said guidelines and procedures are sufficient to ensure that the Recurrent Transactions are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Audit and Risk Management Committee of the Company is also of the view that the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Transactions in a timely and orderly manner. The Audit and Risk Management Committee 's review of these procedures and processes will be conducted on a quarterly basis together with the review of quarterly results, or such frequency as the Audit and Risk Management Committee considers appropriate having regard to the value and the frequency of the Related Party Transactions.

3. RATIONALE OF THE PROPOSED SHAREHOLDERS' MANDATE

The Recurrent Transactions entered or to be entered into by the Group with the Related Parties are all in the ordinary course of business. They are recurrent transactions of a revenue or trading nature, which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case to case basis before entering into such related party transactions. Therefore, the Board is seeking an approval from the shareholders for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements to allow the Group to enter into such Recurrent Transactions made on an arm's length basis and on normal commercial terms.

The Recurrent Transactions of a revenue or trading nature undertaken within the Group are mainly to support its day-to-day operations. The Related Parties are both good customers and reliable suppliers and the transaction prices are determined by way of negotiation in the ordinary course of business and upon normal commercial terms.

The Recurrent Transactions are expected to enhance the Group's business operations via the established relationship between the Group and the Related Parties. Such relationship will also ensure that HLG Group will continue to have support of procurement of goods and services of required quality and likewise, ensuring its products and services meet its customers' requirements.

4. FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

As the Recurrent Transactions are carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public, the effect of such transactions on the EPS and NA per share of Harbour-Link Group and share capital in Harbour-Link is not expected to be different from similar transactions with a non-related party. Accordingly, the Proposed Shareholders' Mandate is not expected to have any effect on the issued and paid-up share capital of Harbour-Link and NA per share and EPS of the Harbour-Link Group.

5. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval being obtained from the shareholders of Harbour-Link at the forthcoming Nineteenth AGM of the Company.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The Directors and Major Shareholders as named below, are interested in the Proposed Shareholders' Mandate as they are also Directors and/or Major Shareholders of the related companies/businesses as set out in Section 2.3 of this Circular.

These interested Directors (namely Dato Yong Piaw Soon and Wong Siong Seh) have abstained and shall continue to abstain from all deliberations and voting at the Board meetings of the Company pertaining to the relevant RRPTs contemplated under the Proposed Shareholders' Mandate in which they are deemed interested, and together with the interested Major Shareholders (namely Enricharvest Sdn Bhd and United Joy Sdn Bhd) shall abstain from voting in respect of their direct and indirect shareholdings, deliberating or approving the relevant resolution approving the respective Proposed Shareholders' Mandate in which they are deemed interested, at the forthcoming Nineteenth AGM. The interested Directors and interested Major Shareholders have also undertaken to ensure that Person(s) Connected with them will abstain from voting, deliberating or approving the respective resolution pertaining to the Proposed Shareholders' Mandate in which they are deemed interested, at the forthcoming Nineteenth AGM.

The direct and indirect interests of the aforementioned interested Directors and Major Shareholders in the Company as at LPD are set out below:

	No. of Shares			
	Direct	%	Indirect	%
Name of the interested directors				
Dato Yong Piaw Soon	39,826,599	9.99	212,819,726*	53.40
Wong Siong Seh	22,274,360	5.59	212,819,726*	53.40
Name of the interested major shareholders				
Enricharvest Sdn Bhd	126,258,306	31.68	-	-
United Joy Sdn Bhd	86,561,420	21.72	-	-
Name of Persons Connected				
-	-	-	-	-

Notes :

* Deemed interest through shareholdings in Enricharvest Sdn Bhd and United Joy Sdn Bhd. by virtue of Section 8 of the Act.

7. DIRECTORS' RECOMMENDATION

Having considered the rationale for the abovementioned Shareholders' Mandate, your Board (save for Dato Yong Piaw Soon and Wong Siong Seh) who are interested and deemed interested in the Proposed Shareholders' Mandate) are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the shareholders and the Company. Accordingly, they (save for Dato Yong Piaw Soon and Wong Siong Seh) who are interested and deemed interested in the Proposed Shareholders' Mandate) recommend that shareholders vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming Nineteenth AGM.

8. AGM

The ordinary resolution to approve the Proposed Shareholders' Mandate is set out as Special Business in the Notice of the Nineteenth AGM contained in Harbour-Link's Annual Report for the financial year ended 30 June 2021. The Nineteenth AGM will be conducted on a fully virtual basis via remote participation and voting through meeting platform of GoToWebinar hosted by megacorp.com.my (MYNIC Registration Number D1A018851) on Monday, 29 November 2021 at 10.00 a.m.

In the event that you wish to appoint a proxy to attend and vote on your behalf, you are requested to complete, sign and return the Form of Proxy enclosed in the Company's 2021 Annual Report in accordance with the instructions printed thereon as soon as possible and in any event to reach the Registered Office of the Company or email to AGM-support.Harbour@megacorp.com.my not less than 48 hours before the time set for the Nineteenth AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Nineteenth AGM should you subsequently decide to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the appendix for further information.

Yours faithfully

For and on behalf of the Board of Directors of
HARBOUR-LINK GROUP BERHAD

BIN LAY THIAM

Independent Non-Executive Director

PART B

**STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF
SHARE BUY-BACK AUTHORITY**

HARBOUR-LINK GROUP BERHAD

(Registration No. 200201025239 (592902-D))

(Incorporated in Malaysia)

Registered Office:

Wisma Harbour
Parkcity Commerce Square
Jalan Tun Ahmad Zaidi
97000 Bintulu, Sarawak

29 October 2021

Directors

Dato Yong Piaw Soon (*Group Managing Director*)

Wong Siong Seh (*Executive Director*)

Dato' Toh Guan Seng (*Executive Director*)

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

Datu Ir. Haji Mohidden Bin Haji Ishak (*Independent Non-Executive Director*)

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

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

To: The Shareholders of **Harbour-Link**

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

On 6 October 2021, the Board had announced to Bursa Securities that the Company proposes to seek shareholders' approval for the purchase by Harbour-Link of up to 10% of its own total number of issued shares at any point of time.

The purpose of this Statement is to provide the shareholders of Harbour-Link with the relevant information on the Proposed Renewal of Share Buy-Back Authority, as well as to seek the approval from the shareholders of Harbour-Link for the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming Nineteenth AGM of the Company. The Notice of Nineteenth AGM and the Form of Proxy are enclosed in the 2021 Annual Report.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Quantum

The Board proposes to seek the shareholders' approval for the authority to purchase the Company's own shares of up to 10% of the total number of issued shares of the Company as at the time of purchase. As at the LPD, the total number of issued shares of the Company is 400,400,008 ordinary shares.

The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Section 127 of the Act, the Listing Requirements and any prevailing laws, guidelines, rules and regulations issued by the relevant authorities at the time of purchase.

The actual number of Harbour-Link Shares to be purchased and the timing of any purchase would depend on, inter-alia, the prevailing market conditions and sentiments, the availability of the retained earnings of the Company, as well as the financial resources available to the Company at the time of purchase.

2.2 Timeframe

The Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution relating to the Proposed Renewal of Share Buy-Back Authority at the Nineteenth AGM of the Company to be convened and shall be valid until:-

- i) the conclusion of the next AGM of the Company following the forthcoming Nineteenth AGM, at which the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority is passed, at which time it will lapse, unless by a resolution passed at the meeting, the Proposed Renewal of Share Buy-Back Authority authority is renewed;
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2)(6) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

The shareholders' approval for the Proposed Renewal of Share Buy-Back Authority does not imposed an obligation on the Company to purchase its own shares on Bursa Securities. Rather, the Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the powers of the Company to purchase its own ordinary shares at any time within the abovementioned time period.

2.3 Purchase Price

Pursuant to the provision of the Listing Requirements, the Company may only purchase its own shares at a price which is not more than fifteen (15%) above the weighted average market price of Harbour-Link Shares for the five (5) Market Days immediately before the date of any purchase(s).

2.4 Resale or Transfer Price

In the case of a resale or transfer of treasury shares, the Company may only resell or transfer the treasury shares at:-

- i. a price which is not less than the weighted average market price of Harbour-Link Shares for the five (5) Market Days immediately before the resale; or
- ii. a discounted price of not more than five percent (5%) to the weighted average market price of Harbour-Link Shares for the five (5) Market Days immediately before the resale or transfer, provided that:-
 - a) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
 - b) the resale or transfer price is not less than the cost of purchase of the Harbour-Link Shares being resold or transferred.

2.5 Source of funds

The maximum funds to be utilised for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company. Based on the latest audited financial statements for the FYE 30 June 2021, the retained profits of the Company amounted to RM39,826,631.

The Company proposes to utilise internally generated funds and/or bank borrowings to finance the Proposed Renewal of Share Buy-Back Authority. The amount of internally generated funds and/or bank borrowings to be utilised will only be determined later depending on the availability of internally generated funds and/or bank borrowings at the time of the purchase(s), actual number of Harbour-Link Shares to be purchased and other cost factors. Should the Proposed Renewal of Share Buy-Back Authority be financed through bank borrowings, the Company will ensure that it will have sufficient funds to repay such borrowings as and when they fall due. The Proposed Renewal of Share Buy-Back Authority is expected to reduce the cash flow of Harbour-Link Group.

2.6 Treatment of the Purchased Shares

Pursuant to Section 127(4) of the Act, the Directors of the Company may deal with the Harbour-Link Share purchased pursuant to the Proposed Renewal of Share Buy-Back Authority ("**Purchased Shares**") in the following manner: -

- (i) cancel the Shares so purchased;
- (ii) retain the Shares so purchased in treasury which is referred to as "treasury shares"; or
- (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder of the Shares.

Accordingly, based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Directors may, at their discretion:

- (i) distribute the Shares as dividends to the shareholders, such dividends to be known as "shares dividends";
- (ii) resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the Shares or any of the Shares for the purposes of or under an employees' share scheme;
- (iv) transfer the Shares or any of the Shares as purchase consideration;
- (v) cancel the Shares or any of the Shares; or
- (vi) sell, transfer or otherwise use the Shares for such other purposes as the Minister charged with the responsibilities for companies, currently the Minister of Domestic Trade, Co-operatives and Consumerism, Malaysia may by order prescribe.

Upon each purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority, an immediate announcement will be made to Bursa Securities in respect of the intention of the Board to either retain the Purchased Shares as treasury shares or cancel them or a combination of both. An immediate announcement will also be made to Bursa Securities of any resale or cancellation of Shares so purchased. As at the date of this Statement, the Board has yet to make any decision with regards to the treatment of the Shares so purchased in the future.

Where the Board resolves to cancel the Shares so purchased or cancel any treasury shares, the Company's issued share capital shall be diminished by the cancellation of the Shares so purchased and the costs of the shares shall be applied in the reduction of the profits otherwise available for distribution as dividends. It is pertinent to note that the cancellation of Shares made pursuant to Section 127(4)(a) or Section 127(7) of the Act shall not be deemed to be a reduction in share capital within the meaning of the Act.

2.7 Ranking

In the event that the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in other distributions or otherwise would be suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares for any purposes including, without limiting the generality of Section 127 of the Act, the provisions of any law or requirements of the constitution of the Company or the Listing Requirements on substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.8 Public Shareholding Spread

Based on the Record of Depositors of the Company as at LPD, the public shareholding spread was 27.73%. The public shareholding spread of the Company is above 25%, as required under Paragraph 8.02(1) of the Listing Requirements.

The Board is mindful that any purchase of Harbour-Link shares by the Company must not result in the public shareholding spread of Harbour-Link falling below 25% of its total number of issued shares of Harbour-Link.

2.9 Potential advantages and disadvantages

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:-

- i. The Proposed Renewal of Share Buy-Back Authority will enable the Company to take preventive measures against speculation, particularly when the shares are undervalued and this would, in turn, stabilise the market price of Harbour-Link Shares and hence, enhance investors' confidence;
- ii. The Proposed Renewal of Share Buy-Back Authority will provide the Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;
- iii. The Proposed Renewal of Share Buy-Back Authority will provide the Company opportunities to increase its financial resources if the Purchased Shares which are retained as treasury shares are resold at prices higher than the purchase prices;
- iv. The Proposed Renewal of Share Buy-Back Authority allows the Company to utilise its surplus financial resources to purchase the Harbour-Link Shares to enhance the value of shareholders' investments in the Company if there are no immediate use of the financial resources; and
- v. In the event the treasury shares are distributed as share dividends by the Company, it will serve to reward the shareholders of the Company.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:-

- i. The Proposed Renewal of Share Buy-Back Authority will reduce the financial resources of Harbour-Link, which may result in the Company foregoing other investment opportunities that may emerge in the future;
- ii. The Proposed Renewal of Share Buy-Back Authority will result in reduction of financial resources available for distribution to shareholders in the immediate future whereby the funds can only be made out of retained earnings of the Company.

Nevertheless, the Proposed Renewal of of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, as any share buy-back will be undertaken only after in-depth consideration of the financial resources of Harbour-Link and the resultant impact on its shareholders. The Board, in exercising any decision in implementing the Proposed Renewal of Share Buy-Back Authority will be mindful of the interests of the Company and its shareholders.

2.10 Purchases, Resale and Cancellation of Shares Made in the Previous Twelve (12) Months

During the previous 12 months from October 2020 to September 2021, being the latest practicable date prior to the printing of this Statement, Harbour-Link did not purchase any shares from the open market. There is no resale of Shares during the previous twelve (12) months. As at LPD, 1,823,300 are being kept as treasury shares.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, if implemented, will enable the Group to utilise its financial resources that it has no immediate usage and is expected to stabilize the supply and demand of Harbour-Link Shares in the open market and ultimately as well as the market price of Harbour-Link Shares.

4. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

Based on the assumption that the Proposed Renewal of Share Buy-Back Authority is carried out in full, the effect of the Proposed Renewal of Share Buy-Back Authority are as follows:

4.1 Share Capital

The Proposed Renewal of Share Buy-Back Authority will not have any effect on the total number of issued shares of the Company if all the shares purchased are retained as treasury shares.

In the event that the maximum number of shares authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and cancelled, the issued and paid-up share capital will be as follows:

	No. of Shares
Total number of issued shares as at the LPD	<u>400,400,008</u>
Less: Treasury shares as at LPD	(1,823,300)
Less: Number of issued shares that may be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority	(38,216,700)
	<u><u>360,360,008</u></u>

If all the Shares purchased are retained as treasury shares, the issued share capital of Harbour-Link will not be reduced but the rights attached to the treasury shares as to voting, dividends and participation in other distribution or otherwise will be suspended. While these Shares remain as treasury shares, the Act prohibits the taking into account of such shares in calculating the number of percentage of shares in the Company for any purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

4.2 NA per Share and gearing

The Proposed Renewal of Share Buy-Back Authority may increase or decrease the NA per Harbour-Link Shares depending on the purchase price of the Shares bought back in comparison to the NA per Harbour-Link Shares at the time that the Shares are purchased.

If the treasury shares are distributed as share dividends, the NA per Harbour-Link Share will decrease by the cost of the treasury shares at the point of purchase.

In the event the Purchased Shares which are retained as treasury shares are resold, the NA per Share of the Group will increase or decrease depend on whether a gain or a loss is realised upon the resale. However, the quantum of the increase or decrease in NA per Harbour-Link Share will depend on the actual selling price of the treasury shares and the number of treasury shares resold to the stock market.

4.3 Earnings and EPS

The Proposed Renewal of Share Buy-Back Authority may increase or reduce the EPS of the Group, depending on the number of and prices paid for the Purchased Shares, the effective funding cost to Harbour-Link to finance the purchase of such Shares, or any loss in interest income to Harbour-Link or opportunity cost in relation to other investment opportunities.

Assuming that the Purchased Shares are retained as treasury shares and subsequently resold, the extent of the effects on the earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain arising from the exercise.

If the Purchased Shares are cancelled, the Proposed Renewal of Share Buy-Back Authority shall increase the EPS of the Group provided that the income forgone and interest expense incurred on the Purchased Shares are less than the EPS before the share purchase.

4.4 Dividends

The Proposed Renewal of Share Buy-Back Authority is not expected to have any impact on the dividend payment as the Board will take into consideration the Company's profit, cash flow and the capital commitments before proposing any dividend payment. However, the Board will have the option of distributing the treasury shares as share dividends to the shareholders of Harbour-Link, subject to Section 131(1) of the Act, where a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent.

4.5 Shareholdings of Directors and Major Shareholders

Assuming Harbour-Link acquires the full amount of Harbour-Link Shares during the implementation of the Proposed Renewal of Share Buy-Back Authority and there is no change in the number of Shares held by the Directors and/or major shareholders of Harbour-Link as at LPD, the effect of the Share Buy-Back on the percentage shareholdings of the Directors and/or major shareholders of Harbour-Link will be as follows:

Major Shareholder	Shareholdings as at the LPD						After the Proposed Renewal of Share Buy-Back Authority assuming 10% of the share capital was bought back and cancelled					
	Direct			Indirect			Direct			Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Enricharvest Sdn Bhd	126,258,306	31.68	-	-	126,258,306	35.04	-	-	-	-	-	-
United Joy Sdn Bhd	86,561,420	21.72	-	-	86,561,420	24.02	-	-	-	-	-	-
Dato Yong Piaw Soon	39,826,599	9.99	212,819,726*	53.40	39,826,559	11.05	212,819,726*	59.06	212,819,726*	59.06	212,819,726*	59.06
Wong Siong Seh	22,274,360	5.59	212,819,726*	53.40	22,274,360	6.18	212,819,726*	59.06	212,819,726*	59.06	212,819,726*	59.06
Directors	Shareholdings as at the LPD						After the Proposed Renewal of Share Buy-Back Authority assuming 10% of the share capital was bought back and cancelled					
	Direct			Indirect			Direct			Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato Yong Piaw Soon	39,826,599	9.99	212,819,726*	53.40	39,826,559	11.05	212,819,726*	59.06	212,819,726*	59.06	212,819,726*	59.06
Wong Siong Seh	22,274,360	5.59	212,819,726*	53.40	22,274,360	6.18	212,819,726*	59.06	212,819,726*	59.06	212,819,726*	59.06
Dato' Toh Guan Seng	5,060,000	1.27	-	-	5,060,000	1.40	-	-	-	-	-	-
Datuk Pau Chiong Ung	-	-	-	-	-	-	-	-	-	-	-	-
Datu Ir. Haji Mohidden Bin Haji Ishak	-	-	-	-	-	-	-	-	-	-	-	-
Bin Lay Thiam	-	-	-	-	-	-	-	-	-	-	-	-
Khoi Hoay Ling	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

* Deemed interest through shareholdings in Enricharvest Sdn Bhd and United Joy Sdn Bhd. pursuant to Section 8 of the Act.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Harbour-Link Shares as traded on Bursa Securities for the past 12 months from October 2020 to September 2021 are set out below: -

	LOW	HIGH
2020	RM	RM
October	0.445	0.620
November	0.520	0.745
December	0.700	0.875
2021	RM	RM
January	0.705	1.01
February	0.850	1.03
March	0.850	0.930
April	0.800	0.960
May	0.845	1.01
June	0.885	1.16
July	0.845	1.17
August	0.850	1.04
September	0.940	1.07
		RM
Last transacted market price on the LPD		RM1.57
Last transacted market price on 5 October 2020 (being the date prior to the announcement on the Proposed Renewal of Share Buy-Back Authority)		RM1.57

6. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval being obtained from the shareholders of the Company at the forthcoming Nineteenth AGM.

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders of the Company as a consequence of the Proposed Renewal of Share Buy-Back Authority as set out in Section 4 above, none of the Directors, major shareholders of Harbour-Link and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or resale of the treasury shares, if any in the future.

8. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Group after taking into consideration the rationale and justifications for the Proposed Renewal of Share Buy-Back Authority as well as the effects of the Proposed Renewal of Share Buy-Back Authority as set out in Sections 3 and 4 of this Circular, respectively. Accordingly, the Board recommends that the shareholders of Harbour-Link to vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority at the forthcoming Nineteenth AGM of the Company.

9. AGM

The AGM will be conducted on a fully virtual basis via remote participation and voting through meeting platform of GoToWebinar hosted by megacorp.com.my (MYNIC Registration Number D1A018851) on Monday, 29 November 2021 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modification the resolution to give effect to the Proposed Renewal of Share Buy-Back Authority.

If you are unable to attend, speak and vote in person at the Nineteenth AGM, you are requested to complete, sign and return the Proxy Form for the Nineteenth AGM enclosed in the 2021 Annual Report in accordance with the instructions printed therein as soon as possible, so as to arrive at the registered office of our Company or email to AGM-support.Harbour@megacorp.com.my not less than forty-eight (48) hours before the time fixed for holding the Nineteenth AGM or any adjournment thereof. The lodgement of the Form of Proxy will not preclude you from attending, speaking and voting in person at the Nineteenth AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are advised to refer to the enclosed Appendix I for further information.

Yours faithfully

For and on behalf of the Board of Directors of

HARBOUR-LINK GROUP BERHAD

BIN LAY THIAM

Independent Non-Executive Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of Directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that after making all reasonable enquiries and taking into account the advice of the management of Harbour-Link and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

The Company and its subsidiaries are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant which may have material effect on the financial position or business of the Group and the Board is not aware of any proceedings pending or threatened against the Group or of any likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

3. MATERIAL CONTRACTS

Harbour-Link Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past two (2) years preceding the date of this Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company from Mondays to Fridays (except public holidays) during business hours from the date of this Circular up to and including the date of the forthcoming Nineteenth AGM:-

- i) the Harbour-Link's Constitution; and
- ii) the audited consolidated financial statements of the Harbour-Link Group for the past two (2) financial years ended 30 June 2020 and 30 June 2021.